

Third Party Evaluator's Opinion on ODA Loan Project On Regional Development Project

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This project is evaluated on two criteria: relevance and sustainability.

1. Relevance

The project is about tourism infrastructure improvement/ development in many regions of Thailand.

Since tourism is a major economic activity of Thailand and is also considered to have widespread income creation and distribution effects, the sector has always been given high priority in the national development strategy.

Thus an improvement in tourism infrastructure is obviously relevant for the growth and development of tourism. The implementation of 26 sub-projects can be confirmed that they are all important tourism infrastructure.

To highlight the relevance of some of the sub-projects:

- CM1 Ping River Bank Improvement Project.
The Ping River is the most important river for Chiangmai, particularly for tourism. In recent years the river has suffered from the rapid growth of the city, without proper plan for the development of the Ping River. Since the river needs special and urgent treatment, the work being carried out by borrowed fund is highly justified.
- CR 1: Doi Tung Tourist Facilities Project.
The Doi Tung is a magnificent tourist site. The tourist growth has been much faster than expected. An improvement of tourist facilities is therefore an urgent matter.

2. Sustainability

It is unlikely that under the present circumstances the improved infrastructure can be maintained. The reason for this problem is the same reason why the TAT had to seek help from JBIC-ODA.

The TAT has the responsibility to develop and promote tourism, but has no jurisdiction over most of the tourism infrastructure. That is why the sub-projects were carried out by several implementing agencies, for they are the ones that have jurisdiction.

In the future, it is unlikely that the TAT and the implementing agencies will have enough budget to maintain the sub-projects.

What may help is to charge user fee, which is already the case with some sub-projects, to levy contribution from commercial establishments in the area, and to have a group of citizens dedicated to look after the sub-projects.

The proposed ideas need to be articulated and developed for further implementation by the TAT. JBIC may want to encourage TAT to do so.