

**Third Party Evaluator's Opinion on
The Environmental Fund Project (1) (L/A No. TXVIII-11)**

Comment by Thailand Development Research Institute

This comment pertains to three issues raised by the evaluator: efficiency, effectiveness and sustainability. In general the evaluator has made a very accurate evaluation of the sewage treatment plants and waste disposal landfill investment in Thailand. The evaluator has implemented good quantitative analysis as well as drew out an anecdote of the ongoing problems facing environmental management in Thailand. However, there are a few points that I have observed in this evaluation.

Efficiency

The evaluator shows that the project output only reaches 0.4% of the target for sewerage treatment capacity and 94% for solid waste disposal. On time frame, the project has also been delayed more than the target 172%. Lastly the cost of the projects also increased above the planned budget.

All these information indicate a clear inefficiency in project operation. The evaluator should make a clear statement indicating that the projects have been operated in an inefficient manner and should not leave it to entrust the reader with such interpretation.

The evaluation should also provide some reasons as to why 1) the output has not been met, 2) projects are delayed and 3) costs have risen beyond budget. An institutional analysis will be useful here. And, if it is possible the evaluator should provide some measures to overcome these problems.

Effectiveness

The issue of effectiveness is a complicated one. The evaluator shows that the sewage treatment plants are not operating at 100% upon completion. In explaining the reasons why these sewage treatment plants are not operating fully, the evaluator should discuss the institutional problems that Thailand is facing.

On waste disposal in sanitary landfills, the opposite is observed where the operation reaches more than 100% of the target. This outcome also indicates another form of ineffectiveness of the overall management system in Thailand – wastes from other areas that are disposed to the place where the central government directed. Is this an indicator of a well-managed system or is it not? The evaluator should make a clear judgement on this point too.

The evaluator should show that Thailand is facing with management and administration problems in many areas. These management problems show up in the form of over-utilization and under-utilization of public investments.

Sustainability

Considering the sustainability of the operation of sewage treatment plants and waste disposal landfill projects, it is recognized that the major challenges for the Thai local government are skilled manpower and operating costs. If the local government tries to apply the Polluter-Pays Principle in sewage and waste management, it will help securing sufficient revenue to support long term operation of the systems.

About 91.06 percent of the fund was in the form of grants provided to local government for sewage disposal plants and waste disposal landfill projects, while only 2.55 percent was given as loan to the private sectors. According to this proportion of funding, it indicates the unsustainability of the Thai Environmental Fund in the long run and it also implies an urgent need for Thailand to search for an institutional arrangement that will ensure sustainability of the Thai Environmental Fund and environmental management as a whole. The evaluator might wish to provide additional recommendations, alternatives or options that the Thai government might consider in order to strengthen environmental institutional arrangements in Thailand.