

## **Third Party Evaluator's Opinion on Social Investment project**

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### **Criteria1: Relevance**

The SIP project which focuses on irrigation and tourism infrastructure remain highly relevant to national policy. For irrigation, in which sector the projects were implemented between 1999-2000, the 2004 evaluation found that they were relevant to beneficiaries in the farming sector. The project coverage extends to all regions and most provinces were included. In looking at the result of the agricultural sector in 2004-2005, in terms of the growth of the sector, however, it was found that for most provinces, the growth of the sector was mainly negative. Agriculture has by 2005 become a small productive sector of the provincial economy, while non-agriculture has become the main component. Thus, investment in irrigation, while being primarily targeted at the farming population, may be serving a declining beneficiary base if it is confined to agricultural use only. However, if the irrigation facilities are made to serve also the non-farm activities, there will be a broader base of users and perhaps greater opportunities for increasing value added in the use of the water provided. As for tourism, the sector has grown in importance. In 2004-2005, though the total number of tourist arrivals may have declined slightly (1.45%) because of the Tsunami which struck the southern provinces of Thailand at the end of 2004, total trips within the country did increase by 6.33%. The pattern of this increase in tourism is closely related to the SIP project, in that the SIP gave priority to the development of facilities in cultural and ecotourism attractions, which in itself is in accordance with the tourism policy of promoting less well-known attractions, ( the UNSEEN Thailand Campaign is the example), and the data on visitors to the provinces where they are located are suggestive of the relevance of the project.

### **Criteria2 Sustainability**

With regard to the sustainability of the projects, the irrigation projects lend themselves to improved management by the local beneficiaries. With the decentralization of natural resource management functions to the local government level, the irrigation facilities, especially the small-scale types that were typical of the SIP projects, may be managed in a more participatory way by the local communities. For example, the water releases and water charges may be developed by the local communities in order to meet more closely the local conditions, and to provide funds for maintenance in addition to the central funds. For the project in the tourism sector, the facilities improved by the projects are located mainly in government-administered sites, namely historical sites or national parks, so the management of these sites remain the responsibility of the government agencies. Nevertheless, the SIP projects have helped to improve the level of services that these sites can provide to visitors. The projects have therefore provided added-value to the sites concerned. From the perspective of sustainability, the management of the sites may consider how the local communities close to the sites can benefit more through options such as guiding services, as well as the controlled provisions of normal tourism related services such as food and accommodation. For both project types, therefore, there is scope for a more participatory style of management with the involvement of local communities, which would allow them a greater say in the use of the facilities improved by the projects, and to take on the responsibilities for the maintenance of the facilities in future as well.