

Thailand

BAAC Loan (VIII)(IX)(XI), Agricultural Credit for Rural Development Project



A beneficiary farmer

Outline of Loan Agreement

Loan Amount / Disbursed Amount	16,078 million yen / 16,078 million yen
Loan Agreement	September 1987 - January 1993
Terms & Conditions	Interest rate 2.9% / 3.0% p.a. Repayment period 25 / 30 years (Grace period 7 / 10 years)
Final Disbursement Date	June 1990 - March 1996

Project Outline

The project aimed to improve the incomes of rural farmers, and simultaneously, to enhance farming productivity and marketing skills by extending loans to the farmers via the Bank for Agriculture and Agricultural Cooperatives (BAAC).

Results and Evaluation

A succession of Japan's ODA loans have been extended to BAAC since 1975; this project was implemented as BAAC loans (8), (9), and (11) (Refer to FY 2001 evaluation reports for the evaluation of BAAC Loan (10)).

The sub-loans provided to farmers via these 3 ODA loans to BAAC (3,180 million baht) accounted for a total of 52,526 sub-projects to improve farm lands, purchase live-stocks, and procure farm equipments, etc. Sub-loans to the northeast region where greatest in terms of both amount (35%) and number (51%), and the majority of beneficiaries were from this region where there are numerous small-scale, low-income farmers.

Findings from an interview survey targeting the farmers as end-users revealed that around 80% of farmers had seen an increase in productivity as a result of investment in new equipments. Also, revenues had increased by approx. 1.6-fold, indicating that the project has contributed to improving the livelihoods of rural farmers.

The impact of the Asian currency crisis has caused the loan recovery rate to decrease since 1997, thus the Thai government and BAAC have reinforced their follow-up activities for borrowers and have simultaneously instituted debt relief measures for small-scale farmers, including deferring repayments and so forth.