

3 Thailand

Regional Development Projects

Contributing to infrastructure development in gateway cities to Thailand's domestic tourism

Loan Amount/Disbursed Amount 4.268 billion yen/2.966 billion yen
Loan Agreement September 1993
Terms & Conditions Interest rate 3.0%, Repayment period 25 year (grace period 7 years), General untied
Final Disbursement Date July 2002
Executing Agency Tourism Authority of Thailand (<http://www.tourism.thailand.org/>, <http://www.thailandtravel.or.jp>)

*This project was jointly evaluated with the Public Debt Management Office, Thailand Ministry of Finance



Project Objectives

The objective of the project was to attract tourists and promote the tourism industry by developing tourism infrastructure in the central cities of northern, southern, and northeastern regions in Thailand, thereby creating employment opportunities, distributing income, and acquiring foreign currency through the promotion of regional development.

Effectiveness & Impact

Rating **a**

It was found that tourist facilities, such as information centers, constructed by this project were used not only by tourists but also by local residents. Further, in regions where the project was implemented, the number of tourists, tourism revenue, and the number of hotel guests doubled in the number when compared with the period before project implementation. According to the beneficiary survey (given to 780 people), 66.2% of the respondents expressed positive opinion of the facilities constructed and that the surrounding environment had improved as a result of this project.

Figures for gross income and per capita income in the project areas in 1993 (before the project had been implemented) had more than doubled by 2004 (after project implementation). The rate of growth surpasses that of the Bangkok area. Therefore, it was judged that the project contributed to the promotion of regional development and income distribution in these regions. Therefore, this project has largely achieved its objectives, and effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with Thailand's national policies both at the time of the appraisal and at the time of the ex-post

evaluation. The project was planned based on Thailand's seventh National Economic and Social Development Plan. At the time of ex-post evaluation, the ninth National Economic and Social Development Plan indicated that both the creation of employment opportunities through promoting the tourism industry and improvement in the standard of living in all regions across Thailand through obtaining foreign currency were important pillars of the policy. The policy for promoting the tourism industry is also declared in the tourism guideline, which was formulated by the Thailand Tourism Authority in response to the national plan.

Efficiency

Rating **b**

Although project cost was less than planned (91% of planned amount), the project period greatly exceeded the planned period (149% of the planned period); therefore the evaluation for efficiency is moderate. Causes of the project delays included delays in procedures for approving project implementation and budget allocation in Thailand.

Sustainability

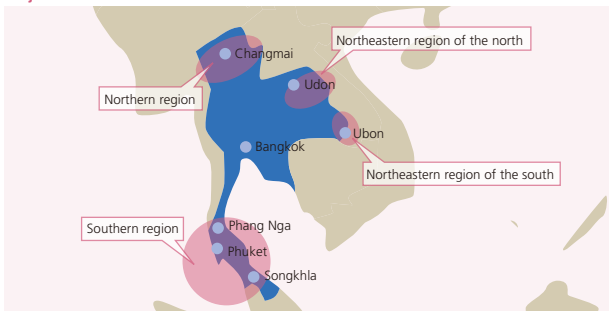
Rating **a**

No major problem has been observed for capacity of the executing agency nor the operation nor its maintenance system, therefore, sustainability of this project is high.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be highly satisfactory. The number of users of some facilities is still low due to location. It is hoped that measures to increase visitors will be studied and public relations activities will be enhanced.

Project sites



Third-Party Opinion

The project supports the tourism industry and is expected to have ripple effects, such as creation of employment opportunities, and is in alignment with the national development strategy. As for operation and maintenance of sub-projects, there is room for improvement in fee collection.

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