

4 Thailand

The Environment Fund Project

Contribution to raising awareness among Thai local governments about environment-related projects

Loan Amount/Disbursed Amount	11.2 billion yen /7.762 billion yen*
Loan Agreement Terms & Conditions	September 1993 Interest rate 3.0%, Repayment period 13 year (grace period 7 years), General untied
Final Disbursement Date	January 2004
Executing Agency	Office of Environmental Policy and Planning, Ministry of Natural Resources and Environment

* However, the funds provided to the Samut Prakan wastewater treatment project was voluntarily prepaid by the Thai government. Therefore, the disbursement, excluding the amount prepaid, amounted to 2.971 billion yen.



Project Objectives

The objective of this project was to promote environmental conservation activities by local governments throughout Thailand by expanding the established Environmental Fund and providing funds through a set of grants and loans under the unified supervision of the Thai Government, thereby contributing to conservation and improvement of the environment in Thailand.

Effectiveness & Impact

Rating **b**

In the initial planning stage, the wastewater treatment capacity in city wastewater treatment facilities and the urban solid waste disposal capacity in sanitary landfill disposal sites constructed by the project were planned to be approximately 528,000m³/day and 1,108 tons/day, respectively. However, the amount of urban wastewater treated in 2005 was 1,300m³/day, which is lower than the planned volume, whereas the amount of urban solid waste disposed of was 1,271 tons/day, which exceeded the initially planned volume. Reasons for this included the inability of local governments and subproject implementing agencies to formulate an effective plan. This resulted in modifications to most of the originally planned subprojects. However, it was confirmed that people benefited from the improved living environment. The urban wastewater treatment project benefited a population of approximately 9,300 people and approximately 970,000 people benefited from the urban waste disposal project. Therefore, this project has brought certain effects, and its effectiveness is moderate.

Relevance

Rating **b**

This project was consistent with national policies at the time of appraisal and of ex-post evaluation; it was highly relevant. 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 also had mentioned importance to promoting the implementation of environment-related projects. Further, this project supports other environmental projects planned and devised by local governments. This complies with policy objectives of laws promoting decentralization, including the 1999 plan for devolution of power to local governments and the law that regulates the procedures. On the other hand, there is still room for improvement in the implementation system.

Efficiency

Rating **b**

Although project costs were below the planned amount (by 26.5%), the project period greatly exceeded the planned period (172% of planned period); therefore the evaluation for efficiency is moderate. Causes of project delays included a lack of needs to funds from subprojects.

Sustainability

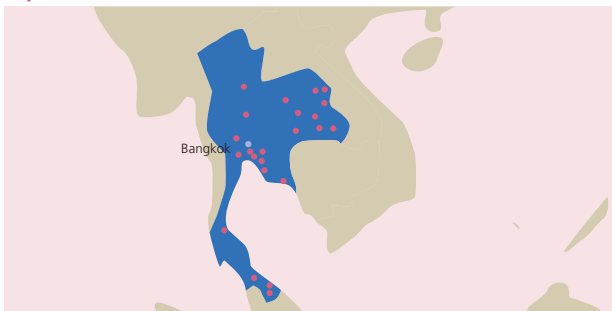
Rating **b**

The sustainability of this project is moderate. However, some local governments had problems in operation and maintenance of the wastewater treatment system.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be unsatisfactory. It would be advisable to improve the cost effectiveness of subprojects by reducing wastewater and solid waste and incorporating waste separation and recycling activities into subprojects to reduce the environmental burden and help waste generators build a sense of responsibility for environmental conservation.

Project sites



Third-Party Opinion

This project suffered from inefficient operations, as is evident from the project delays. In future, it is hoped that the local government will take measures for wastewater treatment and waste disposal on a "polluter pays" principle.

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