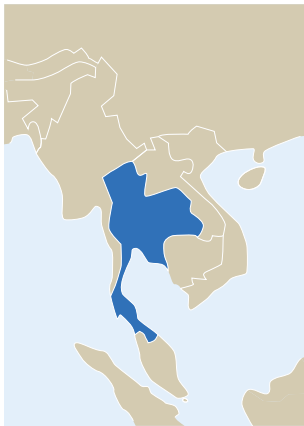


Overall Rating **A** Poverty Reduction
A Foundation for Sustained Growth



8 Thailand Social Investment Project

Contributing to the stabilization of Thailand's balance of payments and the establishment of a social safety net

Loan Amount/Disbursed Amount 13.412 billion yen/10.386 billion yen
Loan Agreement July 1998
Terms & Conditions Interest rate 1.0%, Repayment period 25 year (grace period 7 years), General untied
Final Disbursement Date September 2003
Executing Agency Royal Irrigation Department (http://www.rid.go.th/eng/index_eg.html)



Project Objectives

The objective of this project was to implement civil works which effectively generates employment and short-term vocational training throughout Thailand. In this manner, the project aimed at improving basic infrastructure in the agricultural and tourism sectors, thereby contributing to employment generation and improving the ability to acquire foreign currency.

Effectiveness & Impact

Rating **a**

The implementation of this project is estimated to have created employment opportunities for 2.27 million people/day (90.8% of the planned number) in irrigation projects, including the development of reservoirs, dams, and waterways, and employment opportunities for about 97,000 people/month (84.5% of the planned number) in tourism infrastructure development projects, including park improvement, construction of tourist centers, and the training of personnel involved in the tourism industry. In addition to the expansion of the irrigated area, the irrigation project has helped raise the income of farmers, who are the beneficiaries of this project, by enabling farming during the dry season. The percentage of poor in Thailand had been increasing until 2000. During this period, this project had provided a social safety net for people in rural area, including the poor, by employment creation through public works. 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. At the time of the appraisal, the Thai Government had specified the surmounting of the economic crisis and the building

of a social safety net as issues to be addressed. With its objective of implementing public works aimed at employment creation, this project was in accordance with the above policies. At the time of the ex-post evaluation, the Thai economy sustained its growth. This project presumably has contributed to Thailand overcoming the currency crisis and to other growth.

Efficiency

Rating **b**

Although the project cost was kept almost as planned, the project period exceeded the plan (148% of planned time); therefore, the evaluation for efficiency is moderate. For both the irrigation project and the tourism infrastructure development project, the main reasons of the delay included delays in the commencement of construction due to land acquisition, and construction delays due to bad weather.

Sustainability

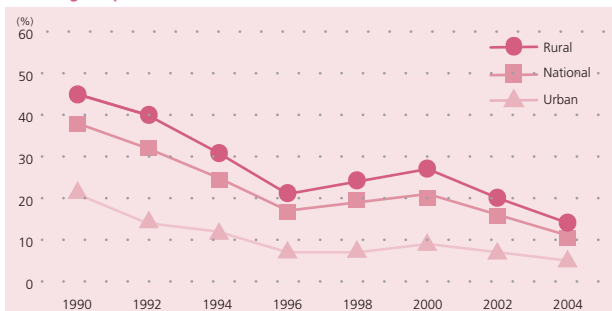
Rating **a**

Although a few facilities in the irrigation subproject and the tourism infrastructure development subproject were damaged by natural disasters such as floods, the status of operation and maintenance was confirmed to be generally good. 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. In order to smoothly implement a multi-site project, much needs to be left to the abilities of the executing agency. Accordingly, it is advisable to confirm the abilities of the executing agency before implementing such a project.

Percentage of poor over time



Third-Party Opinion

With its focus on the development of irrigation- and tourism-related infrastructure, this project is in agreement with the national policies of Thailand. In terms of ensuring the sustainability, measures to accelerate management with the participation of community residents are required.

Specialist: Dr. Charit Tingsabath (academia)
 Doctorate in Development Economics from University College London. Currently Director of the Centre of European Studies at Chulalongkorn University. Specializes in economics, environmental studies, and project evaluation.