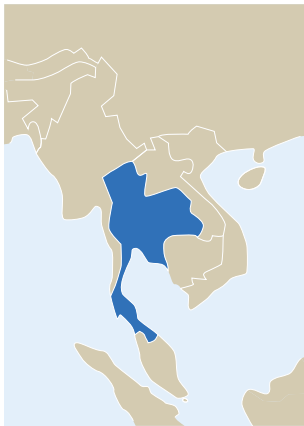


PROJECT EVALUATIONS

External Evaluators: Satoshi Ohira, Kazuhiro Takanashi

Overall Rating **B** Poverty Reduction



1 Thailand Agriculture Sector Loan

Encouraging cooperation among farmers through irrigation improvement and farmer organization projects

Loan Amount / Disbursed Amount 36 billion yen / 18 billion yen
Loan Agreement September 1999
Terms & Conditions 1.0% interest rate, 25 year repayment period (7 year grace period), General untied
Final Disbursement Date January 2005
Executing Agency Ministry of Agriculture and Cooperatives (<http://www.moac.go.th/builder/moac/eng/>)



Project Objectives

In addition to helping the Thai economy recover from the currency crisis by providing ODA loans in collaboration with the Asian Development Bank, the objective of this project was to encourage cooperation among farmers by conducting an agricultural reform program utilizing counterpart funds throughout Thailand, and thereby contribute to the strengthening of the agricultural sector.

Effectiveness and Impact

Rating **a**

Irrigation canals were built under this project, and the targeted irrigation area and irrigation efficiency were achieved. Number of members in the cooperatives increased greatly compared to non-targeted cooperatives, and it is evident that cooperative activities were revitalized. The project's long-term objective was to improve trade conditions for agricultural products through the cooperation of farmers. While such improvement is not clear at present, occasional assemblies of water users' associations and farmers' cooperatives functioning as information centers can be seen, and an environment that encourages cooperation is taking shape. Therefore, this project has largely achieved its objectives, and effectiveness is highly satisfactory.

Relevance

Rating **b**

Although the project was partly inconsistent with national policies at the time of ex-post evaluation, its relevance remains high as there is a great need for irrigation improvement. The design of the project as an emergency loan in response to the currency crisis was inconsistent with the sector policy, attaching importance

to dialogues with beneficiaries which require time to coordinate. With a policy of cutting aid under the Thaksin Administration, the second tranche (18 billion yen) was not implemented.

Efficiency

Rating **b**

The project period was slightly longer than plan (123% of planned period) although the project costs were nearly as planned; therefore the evaluation for efficiency is moderate. The project delay was primarily caused by plan changes and difficulties in land acquisition.

Sustainability

Rating **a**

No major problem has been observed for capacity of the executing agency nor operation and maintenance system, therefore, sustainability of this project is high. The executing agency has sufficient technology and experience, and there is close coordination between regional branches and water users' associations, and between regional branches and the central agencies.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project can be said to be highly satisfactory. The lessons learned are that time should be set aside for making adjustments with beneficiaries in participatory projects, and that monitoring and supervision should be strengthened in counterpoint fund projects. It is advisable that JBIC itself value dialogues with the parties concerned in such projects and strengthen the data collection in order to grasp the income level of farmers, which is the effect of the project.



A rice mill plant supported by the project.

Increase in cooperative membership (2006 membership/2000 membership)

	10% or greater increase	Less than 10% increase
Targeted cooperatives	59.9% (97 cooperatives)	40.1% (65 cooperatives)
Non-targeted cooperatives	48.9% (1,187 cooperatives)	51.0% (1,239 cooperatives)

Targeted cooperatives: 162, non-targeted cooperatives: 2,428

Third-Party Opinion

Accumulation of data on agricultural production and distribution should improve the effectiveness of rural development. Farmers are moving forward with water resource management and have started collecting information to improve agricultural income.

Name of specialist: Mr. Narong Pomlaktong (academia)
 Earned a Ph.D. in economics from the University of Queensland. Currently, a senior researcher at the Thailand Development Research Institute. Specializes in human resource development and social development.