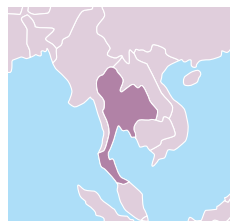




Asia Thailand



MRTA Initial System Project (Blue Line) (1) - (5)

Contributing to addressing transportation problems in central Bangkok and improving the air quality and other environmental standards

[External evaluator]

Hiroyasu Ohtsu, Graduate School of Kyoto University

Rating

Effectiveness, Impact	a	Overall rating B
Relevance	a	
Efficiency	b	
Sustainability	b	

Project Objectives

To mitigate the continually worsening traffic congestion in Bangkok by constructing a subway in central Bangkok as part of the development of a mass transit railway network in accordance with the 7th and 8th National Economic and Social Development Plans, thereby contributing to the smooth and efficient movement of people and improvements in environmental problems such as air pollution.

Outline of the Loan Agreement

- Loan amount / disbursed amount: 222,426 million yen / 216,456 million yen (total)
- Loan agreement: September 1996 (I)
- Terms and conditions: (I, II) 2.7% interest rate, 25-year repayment period (including a 7-year grace period); (III, IV, V, and the portions already financed by the local currency) 0.75 interest rate, 40-year repayment period (10-year grace period); general untied (consulting services: partially untied)
- Final disbursement date: March 2006 (V)
- Executing agency: Mass Rapid Transit Authority of Thailand (MRTA)
- Website URL: <http://www.mrta.co.th/eng/index.htm>

Special note

As the executing agency, the MRTA has taken the initiative to develop guidelines on accessibility for all and make arrangements for disabled persons, some of which are not required by the Thai law. These arrangements are highly evaluated as an example of good practice in the field of "the introduction of a universal design (or consideration for disabled or elderly persons)" in the ODA loan program.

Effects of Project Implementation (Effectiveness, Impact)

The Blue Line is providing services as planned in terms of both the number and frequency of the trains. Yet the number of passengers is below the initial projection of 240,000 - 430,000 passengers per day. The average number of passengers per day between July and November 2007 was 171,200. The main reason for this may be the fact that another mass transit project and the project to extend the Blue Line are behind schedule. On a positive note, the number of users has been on the rise. This growth is expected to continue. A beneficiary survey showed high levels of satisfaction among the users. Almost 100% of the users who responded to the survey said they were satisfied or very satisfied with the Blue Line. The commencement of this line in 2003 has resulted in less congestion along major roads in central Bangkok in terms of both the average traveling speed and the traffic volume of automobiles. It has also had a favorable impact on the air quality along the line. Reductions in air pollutants have been observed.

Therefore, this project has largely achieved its objectives and its effectiveness is high.

Relevance

The project has been highly relevant with Thailand's national policies and development needs both at the times of the appraisal and the ex-post evaluation. At these two points in time, traffic congestion mitigation and air quality improvement remained important issues for the Bangkok Metropolitan Area, underlining the significance of this project.

Efficiency

Project costs were lower than planned (94% of the planned cost) but the project period was longer than planned (126% of the planned period); therefore the evaluation for efficiency is moderate. The implementation delay was mainly caused by the postponed decision by the Cabinet on the approval of the concession contract.

Sustainability

The sustainability of this project is fair. No major problems have been observed with the technical and structural aspects of the operation and maintenance by the MRTA, the executing agency, in relation to the operation and management of the line. With regard to the financial aspect, however, there is room for improvement in the profitability of Bangkok Metro Public Company Limited, the concessionaire.*

Conclusion, Lessons Learned, Recommendations

In light of the above, this project is evaluated to be satisfactory. Lessons learned include the need to improve the bidding system for concession contracts and the need to consider the relevance of the concession contract option for a rail-road development project. To enhance the sustainability of this project, the Thai government is advised to take measures to develop mass transit transport systems in a timely manner.

* The holder of a patent or a concession.