

Third Party Evaluation 2011
Ministry of Foreign Affairs of Japan

Country Assistance Evaluation of Thailand

-Summary-

March 2012

Mitsubishi Research Institute, Inc.

Preface

This report is a summary of the results of the “Country Assistance Evaluation of Thailand” undertaken by Mitsubishi Research Institute, Inc. entrusted by the Ministry of Foreign Affairs (MOFA) in FY2011.

Since its commencement in 1954, Japan’s Official Development Assistance (ODA) has contributed to the development of partner countries, and finding solutions to international issues which vary with the times. Recently, there have been increased domestic and international calls for more effective and efficient implementation of ODA. MOFA has been annually conducting ODA evaluations mainly at the policy level with two main objectives: to improve management of ODA; and to ensure its accountability. Those evaluations are conducted by third parties to enhance their transparency and objectivity.

This evaluation study was conducted with a view to reviewing Japan’s assistance to Thailand at large, focusing upon “Japan’s Economic Cooperation Program for the Kingdom of Thailand” (formulated in May 2006), making recommendations based on the lessons learnt from the review for reference in future policy-planning on the assistance to Thailand and its effective and efficient implementation, and fulfilling the accountability by widely promulgating the results of the evaluation.

Professor Shunji Matsuoka of Graduate School of Asia-Pacific Studies of Waseda University, acting as the chief evaluator to supervise the entire evaluation process, and Associate Professor Yoshi Takahashi of Graduate School for International Development and Cooperation of Hiroshima University, being an advisor for the evaluation to provide with advice from his professional viewpoint in the subject region from the start of the evaluation to the stage of finalizing a report, made an enormous contribution to this report. Likewise, MOFA, the Japan International Cooperation Agency (JICA), and the local ODA Task Force as well as the government and institutions in Thailand, donors and NGOs also made invaluable contribution. We would like to take this opportunity to express our sincere gratitude to all those who were involved in this study.

Finally, we wish to add that the opinions expressed in this report do not reflect the views or positions of the Government of Japan.

March 2012

Mitsubishi Research Institute, Inc.

Evaluation of Thailand (Country Assistance Evaluation)

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<p>2. Period of Evaluation: June 2011 – March 2012</p>	<p>Scene at a third-country seminar</p>
<p>3. Country Survey: Kingdom of Thailand (Thailand)</p>	 <p>Visit to “Purple Line” construction site being constructed with Japan’s ODA loans</p>

Outline of Evaluation

1 Evaluation Results

In this study, we reviewed the Economic Cooperation Program for the Kingdom of Thailand, which has been the basis for Japan’s assistance towards Thailand since 2006, from the perspectives of “relevance of policies,” “effectiveness of results” and “appropriateness of process” To conclude, we didn’t come to any negative results as a whole. On the other hand, we recognized through this study that now that Thailand has become an upper-middle-income country, there is an increasing opportunity for Thailand to solve its own problems independently.

●Relevance of Policies

The Economic Cooperation Program for the Kingdom of Thailand is consistent with the “Green and Happiness Society,” the most important objective set out in the “10th National Economic and Social Development Plan,” which is the major development plan of the Government of Thailand at the time when the Program was formulated. Considering this case and other cases, we highly value the Economic Cooperation Program for the Kingdom of Thailand as being consistent with Thailand’s development policy, assistance programs of other donors, and Japan’s ODA and foreign policies.

●Effectiveness of Results

We highly value the effectiveness of the results of Japan’s assistance to Thailand from the perspectives of “enhancement of competitiveness for sustainable development,” “responses to issues that emerge with maturing of society” and “joint assistance to a third country,” and we noticed effectiveness of results in various

important areas; e.g. in the point that Thailand has increased its capability to function as a donor country to third countries.

● **Appropriateness of Process**

Both formulation and implementation processes of the Economic Cooperation Program for the Kingdom of Thailand are considered to be by and large appropriate. However, it was also confirmed that henceforth, faster program formulation process as well as further strengthening of relations among Japanese organizations concerned and between Japanese and Thai organizations concerned would become necessary.

2 Main Recommendations

Basic Policy: Shifting weight from bilateral to regional ODA

In order for Japan to continue to maintain its high presence in the Region including Thailand towards the future, by making the most of the stocks such as personal networks established through close relations between Japan and Thailand, it is important to place the weight of Japan's ODA to Thailand on the Region on a continuous basis. Based on this policy, we came up with the following three recommendations.

Note: Our recommendations don't deny the benefits of Japan's ODA to Thailand and the importance of bilateral ODA for Japan as national interest.

Recommendation 1: Selection of areas covered by ODA to Thailand

In respect of Japan's ODA to Thailand, based on the thought that priority should be placed on the benefit of the Region as a whole, Japan should make the following areas as the axis of Japan's ODA; namely, "areas contributing to the establishment of networks in the Region," "areas contributing to the sustainability of the Region," and "areas contributing to the enhancement of the identity of the Region."

Recommendation 2: Improvement of the Japanese side organizations' structure in implementing assistance to the Region

In order to attach importance on the framework of the Region, it is important to activate exchanges at the level of the Region by Japanese organizations concerned including the Japanese embassies and JICA.

Recommendation 3: Matters to be noted regarding the scheme and scale of the assistance to Thailand based on the basic policy

As long as the basic policy is respected, Japan's ODA to Thailand should be continued regardless of its scheme and scale.

(Note: The opinions expressed in this summary do not reflect the views and positions of the Government of Japan.)

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Map of Thailand



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1. Background and purpose of this evaluation

Thailand is located in the center of the Mekong region and the country has presently the highest economic standard among the Mekong region countries. Thailand had attained an economic growth rate of around 8 % per year since 1990, and although it experienced a temporary decline in economy in 1997 due to the Asian financial crisis, it attained again an economic growth rate of around 4 % per year from 1999 until 2008. Recently, though it recorded a negative economic growth in 2009 owing to the influence of the so-called “Lehman Brothers Shock,” it returned to a positive economic growth in 2010 by a wide margin (estimated at + 7.9%), and thus, the country has demonstrated a superb economic growth as a whole during the past two decades. The gross national income per capita of Thailand is US\$4,210 (in 2010), and the country is now classified as an upper-middle-income country according to the World Bank definition¹.

While Thailand is registering a remarkable growth, there is still a disparity between urban areas represented by the capital city Bangkok and rural areas represented by the North-eastern region within the country. Also, in areas along the borders with poor neighboring countries such as Laos, Cambodia and Myanmar, such problems as production of narcotics and human trafficking are frequently reported, and accordingly, the country still has a number of localized, yet international problems. On the other hand, despite a relatively smooth economic growth of the country, social confrontation, centering upon the conflict between the pro-Thaksin and the anti-Thaksin sects, has been continuing to the present day, since the Second Thaksin Administration was ousted after the political turmoil by the military in 2006. And politically unstable situation continues.

Reflecting such a situation, Japan’s ODA to Thailand has been implemented based on the Economic Cooperation Program for the Kingdom of Thailand (formulated in May 2006), focusing upon “bilateral cooperation” and “joint assistance to a third country.” In respect of “bilateral cooperation”, the following two points; namely, “sustainable growth” and “responses to issues that emerge with maturing of society,” are designated as priority issues. In respect of “joint assistance to a third country,” in the meantime, in light of the situation that Thailand itself is becoming a donor country, assistance which contributes to human security and solutions of global issues, namely the development of the Mekong region, Asia-Africa cooperation, and reconstruction assistance to post-conflict countries, are designated as priority issues.

With the above-mentioned situation as a background, we evaluated Japan’s present assistance policy towards Thailand generally and comprehensively, and conducted this study with a view to learning lessons and forming up recommendations for the formulation and implementation of future assistance policies towards Thailand.

¹ The World Bank Website

(<http://www.worldbank.or.th/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/THAILANDEXTN/0,,contentMDK:22994296~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:333296,00.html>)

2. Object and period of this evaluation

We selected the Economic Cooperation Program for the Kingdom of Thailand formulated in May 2006, which forms the axis of Japan's assistance policy towards Thailand, as the main policy subjected to this evaluation. The period covered by this evaluation is since FY2006 when the Economic Cooperation Program for the Kingdom of Thailand was formulated.

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3. Method of this evaluation

In this evaluation, we evaluated Japan's assistance policy towards Thailand comprehensively, principally from the perspectives of "relevance of policies," "effectiveness of results," and "appropriateness of process." This evaluation was performed based on the "ODA Evaluation Guidelines 6th Edition" and by referring to the five DAC Criteria.

Specifically, in respect of the evaluation of the "relevance of policies," we mainly evaluated Japan's Economic Cooperation Program for the Kingdom of Thailand. We studied and evaluated among others the appropriateness of positioning the program as the economic cooperation program towards Thailand with importance attached to the partnership with Thailand instead of using the term of "Country Assistance Program," mainly through hearings with organizations concerned in Japan.

Secondly, in respect of the evaluation of the "effectiveness of results," we mainly evaluated the point as to whether the Japanese ODA to Thailand is actually implemented based on the Economic Cooperation Program for the Kingdom of Thailand. We especially evaluated if the assistance contributes to enhance bilateral cooperation and to help Thailand to become a donor country itself, principally through hearings with local government agencies concerned.

Finally, regarding the "appropriateness of process," we evaluated the formulation and implementation process of the Economic Cooperation Program for the Kingdom of Thailand, like the case of the evaluation of the relevance of policies. Specifically, we, for instance, confirmed contents of the minutes of the Board on Comprehensive ODA Strategy, which is one of records concerning the formulation process of the Economic Cooperation Program for the Kingdom of Thailand. We also examined whether proper discussions had been conducted with the government of the aid recipient country, implementing organizations and other donors (such as international organizations), and information had been shared with them, and then evaluated the appropriateness. We also evaluated the efficiency of project-formulating and implementing processes.

4. Summary of the evaluation

We evaluated the Economic Cooperation Program for the Kingdom of Thailand, which is the main policy document examined by this evaluation, from the perspectives of “relevance of policies,” “effectiveness of results,” and “appropriateness of process,” and found no negative points as a whole.

In the meantime, the Thai economy has continued a solid growth since the year 2006, when Japan’s Economic Cooperation Program for the Kingdom of Thailand was formulated, and the national gross income per capita of Thailand in 2010 reached US\$4,210 based on the data of the World Bank, and accordingly, the environment surrounding Thailand has changed compared to that in 2006. We can assume that there is now a greater possibility for Thailand to solve its own problems (such as those in the area of human security) independently as a result of ODA to Thailand from overseas, mainly from Japan, in addition to the economic growth of the country.

Indicated below are the results of this evaluation from the perspectives of “relevance of policies,” “effectiveness of results,” and “appropriateness of process.”

4.1 Relevance of policies

4.1.1 Conformity of Japan’s assistance policy towards Thailand with Thailand’s own development policy

In the Economic Cooperation Program for the Kingdom of Thailand, the following three points; namely, “sustainable growth of Thailand,” “responses to issues that emerge with maturing of society,” and “realization of human security,” are described as the final objectives of the bilateral cooperation, and in addition, as the objective of “joint assistance to third countries, the perspectives of human security and efforts to solve global issues” in the Mekong region and in Asia and Africa in general, are mentioned.

In the meantime, the most important objective of the 10th National Economic and Social Development Plan, which set the development objectives of Thailand for the period from 2006 through 2011, and which had been drawn up around 2005 when Japan’s Economic Cooperation Program for the Kingdom of Thailand was formulated, is the creation of “Green and Happiness Society,” which is considered to be consistent with Japan’s assistance policy towards Thailand, such as “sustainable growth of Thailand,” “responses to issues that emerge with maturing of society,” and “realization of human security.” Also, in the 10th National Economic and Social Development Plan, seven important points under the main objective of creating “Green and Happiness Society” are enumerated and these are considered to be consistent by and large with the final objectives of the bilateral cooperation under the Economic Cooperation Program for the Kingdom of Thailand.

Moreover, through conducting the hearing with the National Economic and Social Development Board (NESDB), it was also confirmed that the final objectives of Japan’s ODA to Thailand and the National Economic and Social Development Plan of Thailand are consistent. Furthermore, through the hearing with the Ministry of Health and the Ministry of Transportation of Thailand, it was confirmed that Japan’s assistance to the area of measures against aging society and to the area of railroad system is conformable with the areas and approaches the government agencies of Thailand are tackling with emphasis.

As a whole, it was confirmed that at the policy level as well as at the practical level, priority objectives shown in the Economic Cooperation Program for the Kingdom of

Thailand conform to the development policy of Thailand and also to the areas Thailand is tackling with utmost emphasis.

4.1.2 Conformity with assistance programs of other donors

Even at the time when the Economic Cooperation Program for the Kingdom of Thailand was under consideration, other donors were also trying to find ways to reduce or cease their bilateral assistance to Thailand. And among donors that are still presently implementing bilateral assistance to Thailand, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), for instance, sets its basic assistance policies to Thailand in promoting Thailand's "sustainable economic development," "environmental protection and mitigation of climate change," "energy efficiency and development of renewable energy sources," "modernization," and "South-South cooperation," while the Asian Development Bank (ADB) designates "improvement of infrastructure," "modernization of the capital market," and "preservation of the environment" as the focused areas of their assistance to Thailand. These assistance policies of other donors are by and large conformable to Japan's Economic Cooperation Program for the Kingdom of Thailand in the point that they gradually reduce bilateral cooperation to Thailand, in their final objectives of bilateral cooperation (such as sustainable growth of Thailand) and also in promoting assistance to third countries based on a tripartite relationship involving Thailand.

4.1.3 Conformity with Japan's ODA and foreign policies

In interviews conducted with organizations concerned in Japan, it was pointed out that the Economic Cooperation Program for the Kingdom of Thailand had been carefully formulated so as not to impair its conformity with Japan's higher policies concerning ODA, and in fact, the higher policies including ODA Charter and the Medium –Term policy on ODA are sufficiently reflected in the program. In this way, the conformity between Japan's ODA / foreign policies and the Economic Cooperation Program for the Kingdom of Thailand has been sufficiently secured from the stage of its formulation, and as mentioned below, in individual aspects as well, the Economic Cooperation Program for the Kingdom of Thailand is consistent with Japan's ODA and foreign policies.

(1) Conformity with the ODA Charter and Medium-Term Policy

We highly value that the Economic Cooperation Program for the Kingdom of Thailand is a program sufficiently consistent with the ODA Charter which was approved by the Cabinet in August 2003. For instance, it clearly mentions that, in addition to Thailand, we need to deal with important issues from the perspective of human security in third countries based on tripartite cooperative relations involving Thailand. Also, in the Medium-Term Policy on ODA, four important issues are stated from the viewpoint of human security, and "sustainable growth" is positioned as one of such important issues. As the Economic Cooperation Program for the Kingdom of Thailand rightly indicates the "sustainable growth of Thailand" as one of its objectives, the program is considered to be consistent with the Medium-Term Policy on ODA.

(2) Conformity with Japan's foreign policy

If we check the priority policies towards the Asian region prescribed in the Priority Policies in International Cooperation for FY2007, which is MOFA's priority policies in international cooperation promulgated around the time when the Economic Cooperation Program for the Kingdom of Thailand was formulated, it is mentioned that such points as preparation of infrastructure for economic development, intergovernmental cooperation among ASEAN countries, support for Asia-Africa cooperation, and maintenance and enhancement of relations with traditionally pro-Japan countries are considered to be significant for Japan in proceeding with international cooperation. In the Economic Cooperation Program for the Kingdom of Thailand, assistance towards neighboring countries of Thailand through sustainable growth of Thailand and tripartite cooperation, and "new partnerships for economic cooperation" are mentioned. From that, we can say that Japan's foreign policies are consistent with the Economic Cooperation Program for the Kingdom of Thailand.

4.2 Effectiveness of results

With respect to the “effectiveness of results,” we analyzed each of the priority assistance areas prescribed in the Economic Cooperation Program for the Kingdom of Thailand. Although in actual economic cooperation programs for Thailand, cooperation areas are in fact established for each scheme, we evaluated the effectiveness of results in accordance with following priority areas mentioned in the Rolling Plan; namely, “enhancement of competitiveness for sustainable development,” “responses to issues that emerge with maturing of society” and “joint assistance to a third country,” based on the Economic Cooperation Program for the Kingdom of Thailand.

4.2.1 Enhancement of competitiveness for sustainable development

Since 2006, five loan aid projects have been implemented. All of them are infrastructure-related projects, and we opine that the loan aid for the development of infrastructure, which is still insufficient despite the remarkable economic development of the country, has been effective from the viewpoint of its promoting development of infrastructure directly. We also opine that the ODA loan contributing to the sustainable growth of Thailand was effective from the viewpoint of stabilizing the financial situation of Thailand itself and monitoring the projects appropriately.

Japan has been also providing technical cooperation, too, mainly in the area of human resource development, and we judge that Japan’s ODA has contributed to a certain degree to the development of Thailand from the viewpoint of firmly establishing an automobile industry in Thailand on a mid to long-term basis and of autonomous and sustainable economic development of Thailand as a whole.

4.2.2 Responses to issues that emerge with maturing of society

From the viewpoint of Japan’s supporting the environmental management system and measures against aging society in Thailand, Japan’s assistance to Thailand by way of transferring Japan’s well-advanced knowledge and technologies in these areas is enabling the country to independently and continuously deal with the situation properly when environmental problems tend to become more serious amid robust economic growth and where society is rapidly aging, and thus, we judge that Japan’s assistance to Thailand in this area has been effective.

In the meantime, Grant Assistance for Grassroots Human Security Projects has been continuously implemented, and from the viewpoint of human security, we judge that such cooperation has been contributing to the improvement of situation in Thailand to a certain degree.

4.2.3 Joint assistance to a third country

Thailand has intended to become a donor country itself, and Japan has assisted it by dispatching experts to Thailand and implementing tripartite cooperation towards third countries involving Thailand actively. We judge that the capability of Thailand as a donor country has increased through such Japanese assistance.

4.3 Appropriateness of process

4.3.1 Process to formulate Japan's Economic Cooperation Program for the Kingdom of Thailand

Deliberations to formulate the present Japan's Economic Cooperation Program for the Kingdom of Thailand started after a decision to amend the old Country Assistance Program for Thailand was made at the 15th Board on Comprehensive ODA Strategy held in May 2004. Thereafter, the program was formally announced in May 2006, following the discussions at Board on Comprehensive ODA Strategy held three times in Japan. It took two years from the decision to amend the old program till the formulation of the current program. Taking the minutes of the Board on Comprehensive ODA Strategy and other documents into account all together, we judge that the Economic Cooperation Program for the Kingdom of Thailand was efficiently created through a proper process as a whole. However, for future programs, it is desired that formulation process be shortened and accelerated by making the most of accumulated information, since the new Country Assistance Policy which will require simplification of the contents compared to the conventional Country Assistance Program will be introduced.

4.3.2 Consultation and coordination among the organizations concerned in implementing assistance

(1) Local ODA Task Force

In Thailand, various Japanese local organizations are sharing and exchanging information quite actively. The local ODA Task Force is composed of Embassy of Japan in Thailand, JICA Thailand Office, Japan Bank for International Cooperation (JBIC) Bangkok Office, and Japan External Trade Organization (JETRO) Bangkok Office. There is also an informal meeting called "4J meetings," which is composed of the same members of the local ODA Task Force. Through the local ODA Task Force and 4J meetings, information not only on ODA-related issues but also on various topics within and around Thailand has been actively shared and exchanged among people concerned in a timely manner. Thus, we judge that in order to secure the appropriateness of the process of implementing assistance, active consultation has been taking place among the Japanese people concerned in Thailand. At the occasion of the severe flooding in Thailand that occurred in October 2011, whose damage extended to Bangkok and Ayutthaya, the Japanese Government was able to dispatch experts to Thailand promptly. We opine that this kind of quick action endorses the fact that there exist close communications among Japan's assistance-related organizations in Thailand, and we highly appreciate such a situation.

(2) Collaboration with local government agencies

With respect to Japan's assistance to Thailand, the aid recipient agency of ODA loans on the side of Thailand is the Ministry of Finance, and that of other grant aid (including Grant Assistance for Grassroots Human Security Projects) and technical cooperation is Thailand International Development Cooperation Agency (TICA). Taking into account the results of interviews with organizations related to assistance to Thailand in both Japan and Thailand all together, we did not find any negative aspects to indicate that collaboration between

Japan and Thailand regarding the assistance to Thailand significantly impeded the implementation of assistance. However, we found some procedural problems taking place here and there since the start of the Economic Cooperation Program for the Kingdom of Thailand; for instance, slight delays in Japan's responses to the requests from the side of Thailand for advanced repayments of ODA loans and rather poor efficiency in conducting demand surveys, we want to point out the necessity to review the means of sharing information and to cope with procedural problems among concerned organizations on Japanese side so that similar problems will not occur again not only with Thailand but also with other countries shifting from the category of middle income countries to that of upper-middle-income countries.

(3) Collaboration with other donors

Presently, donor coordination meetings on the assistance to Thailand are no more held regularly. We believe that this is because donors except Japan have been reducing bilateral assistance to Thailand significantly since 2004, and as a result, the importance of holding donors meetings to coordinate bilateral cooperation to Thailand has diminished. On the other hand, consultation and collaboration with individual donors has been held from time to time as required, and we judge that with respect to assistance to Thailand, the appropriateness of the process of implementing assistance is secured by the fact that individual consultation meetings are held for a certain number of times.

4.3.3 Responses to the points to be considered in implementing new forms of cooperation

The Economic Cooperation Program for the Kingdom of Thailand describes the following four points; namely, "enhancement of the functions of field missions at regional level," "new framework for a joint cooperation," "faster decision-making process," and "expansion of Grant Assistance for Grassroots Human Security Projects," as the "points to be considered in implementing new forms of cooperation," at the end of the program report, and we opine that there was more room for consideration in strengthening relations among the Japanese organizations concerned and also between the Japanese and the Thai organizations concerned from the perspectives of "enhancement of the functions of field missions at regional level" and "new framework for a joint cooperation."

4.3.4 Deployment process of the Rolling Plan for Thailand based on the Economic Cooperation Program for the Kingdom of Thailand

There is a difference in the way of designating priority areas between the Economic Cooperation Program for the Kingdom of Thailand and the most recent Rolling Plan for Thailand. The reason seems to be that the Economic Cooperation Program for the Kingdom of Thailand was interpreted flexibly at the time of drawing up the Rolling Plan. However, we opine that such reason should have been clearly mentioned in the Rolling Plan from the viewpoint of accountability.

5. Recommendations

Basic Policy: Shifting weight from bilateral to regional ODA

Thailand is one of the countries with which Japan has most friendly relations, and under such special friendly relations between Japan and Thailand for over 50 years, Japan's ODA to Thailand is regarded as Japan's most successful ODA case. However, in ODA to Thailand including that from Japan, we found various matters that Thailand could handle or could have handled by itself as its economy grows. We think that this point is well recognized by the people related to the Government of Thailand as well. If Thailand continues its economic growth path smoothly, we think it a natural direction of flow that the necessity of ODA to Thailand would diminish if the ODA were focused on the benefit of Thailand alone.

Meanwhile, if we see Thailand from the perspective of "Region" (Mekong region, ASEAN region, East-Asia region and so forth), we believe that Thailand's geo-strategic position is very important for Japan from the economic and diplomatic standpoint. For instance, from the aspect of assistance to Mekong region countries, we see a tendency that a steadily increasing amount of information relating to the assistance to the Region is gathered in Bangkok, Thailand, as seen from the example of other donors (such as United States Agency for International Development (USAID) and ADB) establishing their base for assistance to the Region including Thailand, within Thailand. And, from the perspective of ASEAN countries, Thailand is one of the major countries in the world where a plenty of Japanese companies concentrate, and there is a high possibility that Japanese companies continue to expand their activities to surrounding countries from their bases located in Thailand in future. Furthermore, nearly thirty United Nations agencies and other international organizations, including the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), have their regional and/or Thai offices in Thailand, deploying activities in the Asia-Pacific region including Thailand and its neighboring countries, and therefore, we opine that the significance of Thailand is quite high from the standpoint of Japan's collaborating with international organizations and expanding and strengthening its regional diplomacy.

With the establishment of the ASEAN Community slated for 2015, mutual relations among the nations forming the Region, to which Thailand belongs, are expected to further deepen. Under these circumstances, we opine that there will be an increasing tendency that assistance by donors including Japan is implemented from the standpoint of the Region rather than from the standpoint of bilateral relations.

In light of the above situation, we opine that it is important for Japan to continue its ODA to Thailand while placing weight more on the Region in order for Japan to maintain a high presence in the Region including Thailand towards the future, by making the most of stocks of personal networks established through close relations between Japan and Thailand. We believe that Japan's placing the weight of Japan's ODA to Thailand on the Region will receive a certain degree of understanding from the side of Thailand, too, because Thailand itself is also implementing assistance for the development of its surrounding countries such as Laos and Cambodia, through TICA and NEDA.

In order for Japan to continue its ODA to Thailand based on the basic policy mentioned above, we propose following three recommendations. We wish to add here that these recommendations are made for the sake of the weight of ODA to Thailand shifted "from bilateral to regional ODA," and therefore, they shall not be considered to apply to the

bilateral relations between Japan and Thailand as a whole, and also that the importance of Japan's bilateral ODA to Thailand is not denied from the viewpoint of Japan's national interests.

5.1 Recommendation 1: Selection of areas covered by ODA to Thailand

Japan's ODA to Thailand should make the below-mentioned three areas as the axis, in which competitive advantage of Thailand in the Region is anticipated, from the thought that ODA to Thailand should take into account the benefit to the Region before all others. However, should any other areas than the three mentioned below seem to bring about sufficiently high benefit to the Region, we do not deny the possibility of bilateral economic cooperation for such other areas under ODA to Thailand. On the other hand, any ODA to Thailand for areas whose benefit is limited to Thailand (for instance, poverty problems within Thailand) should be refrained as a matter of principle².

5.1.1 Area 1: Areas contributing to the establishment of networks in the Region

In the Mekong region, which is the smallest framework of the Region, expansion of networks contributing to the logistics is quite important in order for the Region to continuously achieve a high economic growth. The expansion of networks in the Region will contribute not only to the Region as a whole but also will become a driving force for the development of and the higher value adding by industries in Thailand that has become one of the major bases of automobile industries in the world³. Although ports and roads are relatively well developed thanks to the past Japan's ODA, the railway system in Thailand, its development is relatively in retard despite the fact that it is expected to have an environmental-load-lowering effect and contribute to the improvement of its logistics due to the shifting from automobile transportation, and calls for Japan's high-level technologies by the people concerned in Thailand are strong. Thus, we will be able to assist the development of the Thai railway system by utilizing ODA loans, as an example. And, since in almost all industries, the significance of the information-communication role is increasing, we can rightly consider the implementation of ODA to Thailand on a regular basis for the sake of developing communication networks within the Region centering upon Thailand.

5.1.2 Area 2: Areas contributing to the improvement of sustainability of the Region

The economy in the Region surrounding the Mekong River Basin, ASEAN, East-Asia and Thailand is solidly growing at various levels even after the so-called "Lehman Brothers Shock" in 2008. Meanwhile, as the economic development advances, risks to threaten the sustainability of the Region, such as air pollution, water quality contamination in the international river basin and climate change, will necessarily be increasing. In such a situation, implementing environment-related technology transfers and strengthening environment management systems continuously, as has been done in the past, will become more important than ever. In activities in Thailand contributing to the improvement of the sustainability of the Region in particular, we are now seeing the beginning of the

² Please note that we do not deny Japan's assistance for such areas through other means than ODA.

³ For instance, in the interviews conducted on the field survey, we heard quite often that for the improvement of logistics from Bangkok to the direction of west, contribution of the improvement of the Dawei Port in the south-west region of Myanmar and that of access roads leading from Bangkok to the port was significant.

contribution, partially thanks to the effects of technical cooperation from Japan in the past. Based on the above, we opine that it is important to continue ODA to Thailand in areas contributing to the improvement of the sustainability of the Region, including joint cooperation by Japan and Thailand to third countries.

5.1.3 Area 3: Areas contributing to the enhancement of the Region's identity

Expecting the establishment of the ASEAN Community, cultural and academic exchanges within the Region including Thailand, are expected to be further activated. The educational level within the Region is also thought to be steadily going upwards. In other words, with the overall advancement of the level of human resources, we are coming to the point at which the identity of the Region is to be strengthened. Japan and Thailand have already a past record of actively pursuing cultural and academic exchanges (including dispatches of experts and the holding of seminars by ODA) at every level of industry, government and academia, and we believe that, by making good use of the basis established through such exchanges and in light of the above-mentioned situation, we have now come to the point of expanding the framework of cultural and academic exchanges to the level of the Region including Japan and Thailand. If Japan actively promotes cultural and academic exchanges with the Region by making use of ODA at a time when the identity of the Region is being strengthened, we believe that mutual understanding between Japan and the Region will be deepened and that will contribute to the establishment of favorable relations between Japan and the Region. Also, the improvement of technological level in Thailand through academic exchanges is important from the viewpoint of Japan's national interests because that will bring about various effects; e.g., reducing the risk of flooding as a result of improved management of rivers in Thailand, that are expected to be beneficial to many Japanese companies as well which have advanced to Thailand. Furthermore, the relations established with the Region may also bring about an effect of forming the foundation for continued friendly relations between Japan and Thailand as well as the Region, even after Japan's ODA to Thailand and to other countries in the Region has ended.

5.2 Recommendation 2: Improvement of the Japanese side organizations' structure in implementing assistance to the Region

Amid the situation in which reduction of bilateral assistance to Thailand intended for the benefit within Thailand alone is considered to be an established direction for the future, the size of the JICA's local office charged with the task of implementing bilateral assistance to Thailand is also diminishing. In the meantime, if we look at the situation of other donors, although their bilateral assistance to Thailand also shows a tendency to diminish, they have vested their local offices in Thailand with regional support functions to monitor the surrounding areas, and it is thought that they still attach importance on the assistance in the framework of the Region including Thailand. In addition, systems of other donors seem to have been arranged so that information on the Region is easily collected in Thailand. In light of such a situation, we believe that JICA should also promptly study the feasibility of vesting their office in Thailand with functions of monitoring surrounding areas. Meanwhile, because in the case of Japan, unlike other donors, JICA's local offices in ASEAN countries such as Laos, Viet Nam and Indonesia are actively implementing bilateral assistance, it will be necessary to give due attention to the relationships between JICA's local office in

Thailand and other local offices of JICA, if JICA's local office in Thailand is to be vested with functions to monitor the Region.

Furthermore, in addition to JICA, it will be necessary at the embassy level to activate exchanges in the Region (for instance, ministers in charge of economic matters at embassies in ASEAN countries should meet in Thailand every half a year to coordinate assistance measures on the regional level).

Finally, in order to implement assistance in the framework of the Region, the partnership with the Thai side will become ever more important. We opine that it is necessary to promote tripartite cooperation involving Japan and Thailand by actively exchanging opinions between the Japanese side (Embassy, JICA, etc.) and the Thai side (TICA, The Neighboring Countries Economic Development Agency (NEDA)).

5.3 Recommendation 3: Matters to be noted regarding the scheme and scale of the assistance programs to Thailand based on the basic policy

In the Economic Cooperation Program for the Kingdom of Thailand, deployment centering upon technical cooperation has been proceeded with as the main assistance scheme, and ODA loans have been restricted to the minimum necessary level. Meanwhile, as mentioned above, infrastructure to connect Thailand and surrounding countries in particular is still not sufficient from the viewpoint of the Region. Thailand is geographically a key junction of traffic of the region (East-West Corridor) and thus, the development of infrastructure within Thailand is expected to give a ripple effect in surrounding countries.

Furthermore, because Thailand's implementing agencies such as TICA and NEDA are eager to implement assistance to neighboring countries (such as Laos and Cambodia), Japan is required to support TICA and NEDA to set their assistance activities towards third countries in the right direction.

In light of such a situation, Japan's ODA to Thailand should be implemented regardless of the scheme and scale, as long as the basic policy is respected

6. Classification of recommendations

We can summarize the above-mentioned three recommendations as below⁴. The Table below classifies recommendations into (1) recommendation on “policy, strategy direction level”, and (2) recommendation on “aid scheme/procedure level”, and indicates as to which organization should assume a leading role for each recommendation.

Because recommendation 1 and recommendation 2 mainly describe political directions of Japan’s assistance policies towards Thailand, these are classified as recommendations directed to the MOFA Headquarters and JICA Head Office. In regard to recommendation 2, because it also contains a thought that procedures of assistance implementation by Japanese organizations should be performed by the local units through coordination, this is classified as a recommendation directed to both Japan HQ level and county specific level. In regard to recommendation 3, because it contains a thought that strategies should be drawn up by looking at the local situation when considering concrete project implementation policies, this is classified as a recommendation directed to local level.

Table: Classification of Recommendations

	Japan HQ level (directed to: MOFA Headquarters and JICA Head Office)	Local level (directed to Embassy and JICA's local office)
Policy, strategy direction level	Recommendation 1: Selection of areas covered by ODA to Thailand Recommendation 2: Improvement of the Japanese side organizations' structure in implementing assistance to the Region	Recommendation 3: Matters to be noted regarding the scheme and scale of assistance to Thailand based on the basic policy
Aid scheme/procedure level	Recommendation 2: Improvement of the Japanese side organizations' structure in implementing assistance to the Region	

Source: Prepared by the evaluation team

In the meantime, as to the timeframe for review and implementation, we recommend that recommendations 1 and 3 should be implemented immediately, while recommendation 2 should be implemented on a medium term basis.

The selection of areas covered by ODA to Thailand shown in recommendation 1 is a matter which needs to be considered fully when studying amendment in the assistance policy for Thailand, and it is possible to immediately start preparation. Meanwhile, as for recommendation 3, this is a recommendation that can be implemented immediately within the existing policy framework. Finally as to recommendation 2, because this is a matter which requires review and coordination by all Japanese organizations concerned in the surrounding areas including Thailand, we believe that consideration should be initiated promptly, but its implementation is classified as a matter to be implemented on a medium

⁴ This Table is classified in line with the axis recommended in the evaluation in FY2009 of the results of the past ODA evaluations.

term basis.

Table: Timing of Study and Implementation of Recommendations

Timeframe	Recommendation
Implemented immediately	Recommendation 1: Selection of areas covered by ODA to Thailand Recommendation 3: Matters to be noted regarding the scheme and scale of assistance to Thailand based on the basic policy
Implemented in the medium term	Recommendation 2: Improvement of the Japanese side organizations' structure in implementing assistance to the Region

Source: Prepared by the evaluation team

Photo



Interviewing trainees at a third-country seminar



A slum area in Bangkok



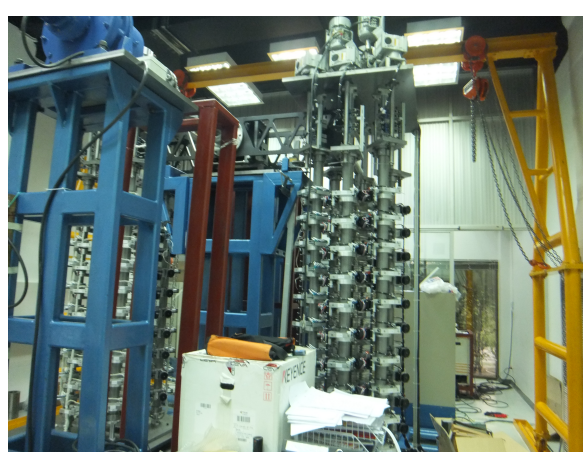
Visit to "Purple Line" construction site being constructed with Japan's ODA loans



Interview with NEDA



Presentation by Thai side (Thailand Greenhouse Gas Management Organization) on technical cooperation with Japan



Equipment for a third-country seminar