

# TECHNICAL ASSISTANCE COMPLETION REPORT<sup>1</sup>

Division: TRM

TA No., Country and Name <b>TA 7050 – THA : Planning for the Sustainable Development of Southern Thailand</b>			Amount Approved: <b>\$300,000</b> Revised Amount: <b>N/A</b>	
Executing Agency: <b>National Economic and Social Development Board</b>		Source of Funding: <b>TASF</b>	Amount Undisbursed: <b>\$22,992.43</b>	Amount Utilized: <b>\$277,007.57</b>
TA Approval Date: <b>20 December 2007</b>	TA Signing Date: <b>12 February 2008</b>	Fielding of First Consultants: <b>6 March 2008</b>	TA Completion Date Original: <b>31 August 2008</b>	Actual: <b>30 November 2008</b>
			Account Closing Date Original: <b>31 August 2008</b>	Actual: <b>18 June 2009</b>
<p><b>Description:</b>                      The ability of Thailand's Eastern Seaboard to accommodate additional industrial development is limited, primarily due to environmental concerns and infrastructure capacity constraints. As a result, there is increasing interest and pressure to plan for new industrial sites in Southern Thailand to attract foreign and domestic investment in key economic sectors such as manufacturing, agro-processing, steel, and petrochemicals. Given the need to identify alternative areas for future large-scale industrial development, coupled with the desire to integrate Southern Thailand more firmly within the national economy, the Government of Thailand requested technical assistance (TA) from the Asian Development Bank (ADB) to support the National Economic and Social Development Board (NESDB) in preparing a strategic development plan for Southern Thailand. ADB and NESDB jointly conducted an initial fact-finding mission in August 2007 and concluded that a comprehensive and integrated long-term planning framework, both at the regional and sub-regional levels, is a fundamental prerequisite to long-term, sustainable and balanced development of Southern Thailand. The principal objective of the TA, therefore, was to present initial strategic planning findings and recommendations in the form of a roadmap for NESDB to prepare a full-fledged regional development plan (RDP) for the 14 provinces comprising Southern Thailand.</p> <p>NESDB was the executing agency (EA) for the TA. Consulting services under the TA totaled 11 person-months of the international inputs over a period of 9 months. The team of 4 individual international consultants was mobilized in March 2008.</p> <p><b>Expected Impact, Outcome and Outputs:</b>                      The main impact of the TA is to assist NESDB meeting the objectives of the 10th National Economic and Social Development Plan by developing a long-term, strategic planning framework and implementation arrangements for promoting and managing future economic growth and social development in Southern Thailand. In practical terms, the roadmap will lay the foundation to plan for economically robust, yet sustainable growth and investment that reconciles the interests of various stakeholders, especially the local communities.</p> <p>The main outcome is a roadmap for preparing and implementing a fully comprehensive RDP to guide the development of Southern Thailand over the next 20 years. The main outputs of the TA include: (i) a situational analysis of the region including an assessment of its strengths, weaknesses, opportunities and constraints (SWOT); (ii) a regional planning concept that broadly defines preferred locations for different types of economic activities and land uses; (iii) three conceptual structure plans for the eastern, western and southern sub-regions; and (iv) a roadmap that outlines the detailed steps for preparing a RDP and initiating its implementation. This roadmap also indicates institutional responsibilities, identifies necessary supporting studies and emphasizes public consultation and participation throughout the planning and implementation stages.</p> <p><b>Delivery of Inputs and Conduct of Activities:</b>                      All the main outputs of the TA have been achieved successfully, and the consultants' inputs were delivered in a timely, proficient and professional manner. The terms of reference and the work program were followed consistently. An Inception Report, submitted in March 2008, confirmed the methodology, outputs and milestones of the TA. A Working Paper was produced in May 2008 and presented a multi-sectoral profile of the region, recommended a geographical sub-division of the region, reviewed primary economic activities, assessed key environmental issues, and proposed a preliminary regional concept for spatial planning. An Interim Report in July 2008 included a more detailed economic review of region and the three subregions, presented SWOT analyses for five core economic sectors, refined the preliminary regional development concept and presented three conceptual sub-regional structure plans. Three public consultation workshops were conducted in Surat Thani, Songkhla, and Phuket at which public, private and community stakeholders from each sub-region contributed to defining</p>				

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and mapping key assets, raising critical issues and concerns, and suggesting ideas for the future development in their respective sub-regions. Surveys were also undertaken at each workshop to understand participants' attitudes towards public consultation. A total of 182 attendees participated in the three workshops, and a Public Consultation Report was produced in August 2008. The Draft Final Report, submitted in September 2008, included key elements of the roadmap such as: a recommended system for plan-making and development control; an institutional framework to plan and implement the various recommendations; refined regional and sub-regional planning concepts, including the designation of comprehensive development areas (CDAs) in each sub-region; and proposed actions to promote social development programs, coordinated infrastructure planning and environmental protection initiatives. The findings and recommendations of the Draft Final Report were presented at a special dissemination event held at NESDB on 3 November 2008. More than 100 participants attended this event, including 12 of the 14 Provincial Governors from Southern Thailand, senior officials from different Government ministries and representatives from the private sector. The Final Report was submitted to ADB and NESDB on 26 November 2008.

NESDB was very satisfied with the performance of the consultants. The performance of the EA, IAs and ADB staff was considered to be highly satisfactory given each party's direct involvement in implementation of the TA, and their close coordination with the consultants. Frequent discussions and the sharing of draft reports also facilitate smooth implementation and the transfer of knowledge to Government counterparts.

#### **Evaluation of Outputs and Achievement of Outcome:**

The core outputs of the TA were consolidated in the Final Report which consists of four parts: (i) profiles and issues; (ii) consultation; (iii) preliminary sector recommendations, regional planning concepts and structure plans; and (iv) the roadmap. The preparation of economic profiles and the analysis of issues provides the necessary building blocks for preparing a RDP within the context of: applicable plans and policies for Southern Thailand; the region's unique assets in terms of natural resources; its physical environment and socio-economic characteristics; and institutional coordination to respond to multisectoral challenges and opportunities. The public consultations yielded valuable insights on how local communities and private sector interests perceive the main assets of their respective sub-regions, and the workshops also promoted a greater understanding and awareness of the planning process and institutional responsibilities. The types of economic activities singled-out for promotion in each of the three sub-regions are outlined in the sector recommendations, and the analysis also identifies related land use, environmental, infrastructure and community considerations. The regional planning concepts and sub-regional structure plans provide the necessary spatial context for more specific land use planning; the three CDAs represent priority areas for NESDB to prepare more detailed development plans that will involve extensive consultation and coordination with different Government ministries and line agencies, provincial and local bodies, private sector interests, and local communities. The roadmap itself defines the way forward for NESDB to translate the findings and recommendations of the TA into a comprehensive RDP by identifying the institutional arrangements needed for plan preparation, implementation and enforcement, the steps required to undertake ongoing public participation and consultation, and the need for more detailed studies and analyses to support proposed infrastructure investments, industrial site planning, environmental impact assessments and social development programs.

With NESDB registering its full support for the planning approach and recommendations of the TA, the desired outcome of reaching consensus on a roadmap for preparing a RDP has been achieved. NESDB will use the roadmap to prepare a formal request to Cabinet seeking the requisite authority and funding to prepare and implement a comprehensive RDP for Southern Thailand. The TA was also implemented effectively and efficiently, as all major outputs were delivered on time and within budget.

#### **Overall Assessment and Rating:**

Based on the evaluation of outputs and achievement of outcome, and in accordance with Operation Evaluation Department guidelines, the TA is rated overall as highly successful.

#### **Major Lessons:**

One of the major lessons under the TA, and one that accounts for its successful outcome, is the importance of participation on three levels. First, NESDB staff from three offices (Spatial Development, Competitiveness and Infrastructure Development) fully participated in all phases of the TA, including the initial fact-finding mission, which promoted a strong spirit of cooperation and commitment throughout the preparation process. Second, the participation of community residents, local governments and the private sector in the public consultation workshops helped to foster a participatory planning process that is bottom-up rather than top-down. Third, the participation of TRM staff in managing the TA was essential in order to ensure that the consultants and NESDB worked toward achieving mutually acceptable outputs and common objectives.

#### **Recommendations and Follow-Up Actions:**

With regard to follow-up actions by ADB, it is important to galvanize the NESDB to promote and integrate the roadmap and eventual RDP within the broader subregional cooperation framework of the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). Such integration and coordination can unveil unique cross-border investment opportunities, especially for Thailand's southernmost provinces which remain rather isolated from the Thai economy.

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