CURRENCY EQUIVALENTS
(as of 13 November 2012)

Currency Unit – baht (B)
B1.00 = $0.0326
$1.00 = B30.650

ABBREVIATIONS

ADB – Asian Development Bank
AFC – Asian financial crisis
ASEAN – Association of Southeast Asian Nations
BCI – biodiversity corridor conservation initiative
CDM – Clean development mechanism
CEP – core Environment Program
CMDMP – capital market development master plan
CMDP – capital market development program
COBP – country operations business plan
CPS – country partnership strategy
EOC – environment operations center
GFC – global financial crisis
GMS – Greater Mekong Subregion
IMT-GT – Indonesia-Malaysia-Thailand Growth Triangle
MDG – millennium development goal
MRT – mass rapid transit
PPP – public–private partnership
PSOD – private sector operations department
RCI – regional cooperation and integration
SRT – State Railway of Thailand
TA – technical assistance
TRM – Thailand resident mission

NOTE

In this report, "$" refers to US dollars.

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I. ASSESSMENT OF THE CPS PERFORMANCE

1. **Introduction.** As input for a new Thailand country partnership strategy (CPS) 2013–2016, this report includes a stock take of performance and lessons learned under the previous CPS 2007–2011. The assessments, lessons learned, and recommendations in this report draw on project evaluations, programming missions, portfolio reviews, project reports, and from consultations with the Government and ADB staff.

A. **CPS Strategic Positioning**

2. **Economic context.** The CPS 2007–2011 was formulated when the Thai economy was still recovering from the 1997–98 Asian Financial Crisis (AFC). The early stages of CPS implementation were affected by the 2008 Global Financial Crisis (GFC). The Government responded by launching a stimulus package ($3.4 billion) that included cash transfers for low-income people, training programs for the unemployed, expanded free schooling and public health services, and tax cuts targeted at small- and medium-enterprises, the tourism industry, and the property market. The global recession, coupled with domestic political problems, contributed to a 2.3% contraction in the Thai economy in 2009. A second $42 billion infrastructure investment stimulus package (Thai Khem Kaeng [TKK]) was launched for the period October 2009 to September 2012. The TKK stimulus, combined with sound economic fundamentals, contributed to a strong economic recovery with 7.8% GDP growth in 2010 despite political unrest. Average annual GDP growth from 2007 to 2010 was a relatively modest 3.2%. Thailand graduated to an upper-middle income economy in 2011.¹ As a result of the worst flooding in recent history of Thailand from June to December 2011, economic growth in 2011 was flat at 0.1% in 2011. Economic growth is expected to recover to 5.2% in 2012.

3. **Poverty and equity.** Poverty incidence increased following the AFC, from 14.8% in 1996 to 21.0% in 2000, before declining to about 8.1% in 2009. Investments in rural infrastructure and sustained economic growth, together with targeted income and employment generation programs, helped reduce poverty. However, major inequalities exist between urban and rural areas, different regions, well-educated workers and those with little education, and between households. Most (some 88%) of Thailand’s poor live in rural areas with poverty concentrated in the north and northeast regions. The poor and near-poor in the northeast are at particular risk during economic downturns. Average household incomes in the north and northeast are only about a third of Bangkok levels, while incomes in the south and center are about half those in Bangkok. On the other hand, the income gap between the richest 20% of the population and the poorest 20% narrowed from 14.3 times in 2006 to 11.9 times in 2009.² This reduction in income gap was partly due to targeted government measures to help low-income earners. Severe flooding in 2011 partially undermined efforts to reduce inequities and poverty.

4. **Most Millennium Development Goals (MDGs) achieved ahead of target.** Thailand has also recorded steady improvements in life expectancy, infant and maternal mortality and education levels. There is near universal access to primary education and health services, and gender disparities have been eliminated in primary and secondary education. Officially, more than 97% of the population has access to clean water and sanitation. The health system evolved into a relatively sophisticated mix of public and private financing, with affordable public healthcare available to most Thai people. The Government, supported by ADB’s Social Sector

² This is still above the 10th National Economic and Social Development Plan (the 10th Plan) target to reduce the gap to 10 times by September 2011.
Program in March 1998\(^3\), took the first steps toward establishing an integrated social protection program. Having achieved most MDGs, Thailand endorsed more ambitious MDG+ targets in 2004. Some of the MDG+ targets were not, and/or are unlikely to be, achieved.\(^4\)

5. **Strategic importance of regional and south-south cooperation.** Subregional cooperation is a key element in Thailand’s development strategy. While government priorities lie in strengthening linkages within the Greater Mekong Subregion (GMS), Thailand is also an active participant in the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). Thailand has increased its assistance for its neighbors and beyond.

1. **Relevance to the country context and Government development priorities**

6. **Past partnerships between Thailand and ADB.** From the time it joined ADB in 1966 until 2011, Thailand received $6.4 billion in ADB financing for public and private sector loans, grants, and equity investments with a strong focus on infrastructure financing. The energy sector received 29% of the 88 public sector loans; 22% went to transport and communications; 18% to the finance sector; and 10% to water and other municipal infrastructure and services. In the same period, ADB provided a total of $67.5 million as grants for 170 technical assistance (TA) projects covering a range of sectors. The focus of Thailand’s engagement with ADB since 2000\(^5\) has been on TAs for knowledge sharing and capacity development in line with CPS focus areas, although select opportunities for lending products continued to be explored.

7. **Government plan during the last CPS.** Thailand’s 10th Plan (2007-11) for national development emphasized: (i) human and social development, focusing on education and a learning-based society; (ii) strengthening the economic foundation of local communities; (iii) economic restructuring to increase productivity, promote domestic and foreign investment, and increase competitiveness (infrastructure development, capital market development, and energy efficiency were core elements of this strategy); (iv) sustainable development through protection and sound management of the environment and natural resources; and (v) good governance for sustainable, long-term economic growth and development.

8. **Partnership renewed in 2007.** The CPS 2007–11 was formulated following a 2007 Government request to reinvigorate the Thailand-ADB partnership. Country operations business plans (COBPs) for 2010 and 2011 maintained the main strategic direction of the CPS 2007–11 with adjustments to reflect changing Government needs\(^5\). ADB helped finance ($77.1 million) a GMS Highway Expansion Project in 2009, a Capital Market Development Program Loan ($300 million) in 2010, including TA to implement a capital market development master plan (CMDMP), and $3 million grant assistance from the Asia Pacific Disaster Response Fund in 2011 for immediate flood relief costs. In 2010, ADB supported Government’s efforts to strengthen public–private partnerships (PPPs), by streamlining processes, developing the institutional framework needed to catalyze PPP investments, and strengthening capacity within the Ministry of Finance and other agencies involved with PPPs. ADB initiated in 2011 TA support to improve the regulatory and supervisory framework and the institutional capacity for the development of inclusive finance.

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\(^3\) ADB. 1998. Social Sector Program Loan. Manila


\(^5\) Thailand exited from the International Monetary Fund stand-by arrangement in 2000. During 2000-2008, ADB did not provide any public sector lending to Thailand, and during 2003-2008 no private sector loans. During this period, TA and knowledge sharing played a major role in Thailand's engagement with ADB.

\(^6\) Loans and TA projects approved from 2006–11 are listed in Tables 1.1–1.5, Appendix 1.
2. Focus and selectivity in relation to ADB’s Strategy 2020

9. CPS 2007–2011 strategic priorities. Recognizing Thailand’s emergence as a middle-income country, ADB focused support on Thailand’s efforts to enhance its competitiveness and increase private sector investment. Based on two strategies in the 10th Plan (see paragraph 7, items (iii) and (iv)) and in line with ADB’s Strategy 2020 priorities (infrastructure, environment, regional cooperation and integration (RCI), and financial sector development), four core areas were identified — infrastructure, finance, environment, and RCI (targeting the four pillars in ADB’s RCI Strategy⁷). ADB’s operational focus was further narrowed to selected subsectors: in infrastructure, Bangkok mass rapid transit (MRT) and highway and, more recently, railway; in environment, energy efficiency and clean energy; and in finance, capital markets. In response to the GFC and internal unrest, financial inclusion was included in the COBP 2011–2013. The partnership also focused on increasing Thailand’s role, capacity, and effectiveness as a development partner by cofinancing projects in neighboring countries, promoting subregional trade and investment, and further developing Asian bond markets.

10. For each of the three core areas on the national level, ADB’s operation focus was further narrowed down to selected subsectors: in infrastructure, Bangkok mass rapid transit (MRT) and highway, and recently railway; in environment, energy efficiency and clean energy; and in finance sector, capital markets. In response to the GFC coupled with internal unrest, financial inclusion was included in the finance sector by COBP 2011–2013. At the regional level, the CPS focused on the four pillars in ADB’s RCI Strategy.⁸ The partnership also focused on increasing Thailand’s role, capacity, and effectiveness as a development partner by cofinancing projects in neighboring countries, promoting subregional trade and investment, and further developing Asian bond markets. These three areas were reflected in 2 of the 5 core sectors, and a thematic priority, of ADB’s Strategy 2020. As such, they responded to Government priorities and were fully aligned with Strategy 2020.

3. Long-term continuity

11. Thailand’s evolving need for ADB assistance. Prior to the 2007-11 CPS, Thai authorities limited borrowing from ADB’s ordinary capital resources to projects with high economic returns. Because financial sector weaknesses were identified as a root cause of Thailand’s financial crisis in 1997, ADB continued to focus on this sector, particularly the capital market. Thailand also secured ADB TA to address environmental concerns (e.g., environmental fiscal reform) and GMS subregional environmental cooperation; dialogue on environmental issues has evolved toward Green Cities and sustainable development and management of Thailand’s rapidly growing urban centers. Prior to the GFC, there was an expectation that Thailand would be “phased out” as a beneficiary of loan and TA by international financial institutions as the country approached upper middle-income status. However, with the onset of the GFC, Thai authorities sought ADB support to help stabilize the domestic economy and further develop the financial market.

⁷ The four pillars of ADB’s RCI related assistance are (i) regional and subregional programs on cross-border infrastructure and related software; (ii) trade and investment; (iii) money and finance; and (iv) regional public goods, such as the prevention of communicable diseases and environmental degradation.

⁸ The four pillars of ADB’s assistance are (i) regional and subregional programs on cross-border infrastructure and related software; (ii) trade and investment; (iii) money and finance; and (iv) regional public goods, such as the prevention of communicable diseases and environmental degradation.
4. Harmonization with Development Partners

12. Development partner coordination. Thai authorities are effective in leading development coordination, and in facilitating ADB’s coordination with other development partners. An informal Urban Transport Development Partnership between ADB and Agence Française de Développement (AFD), Japan International Cooperation Agency (JICA), and the World Bank was forged in 2006 to share information and knowledge on promoting public transit in Bangkok. However, attempts to develop joint ADB-AFD support for waste-water treatment, and joint ADB-JICA program support for climate change, did not materialize. ADB and the World Bank prepared parallel loans to support the Government’s program for GMS highway expansion. ADB remained the sole provider of assistance to capital markets development.

5. Appropriateness of Resource Allocation

13. Responsive resource allocation. The CPS was formulated following an era of limited support, when the Government had no immediate plans to borrow from ADB. Re-engagement occurred in a challenging economic and political context. TA for knowledge sharing and capacity development were core activities during the initial stages of the CPS. Adjustments to the CPS 2007–2011 were made in annual COBPs to assist the Government to respond to internal unrest about growing inequities that were exacerbated by the GFC. After the GFC, the Government requested sovereign loans for the GMS Highway Expansion Project and the Capital Market Development Program ($77.1 million and $300 million, respectively: see Appendix 1).

14. Rising non-sovereign lending opportunities. ADB’s Private Sector Operations Department (PSOD) expanded its operations in Thailand. Cumulative approvals for 12 projects from 1985 to December 2011 amounted to $694.8 million. ADB provided $206.3 million financing for two solar power projects in 2010, and $170.0 million for a natural gas power project of in 2011. Seven banks operating in Thailand have participated in ADB’s Trade Finance Program since 2010.

15. Overall assessment. Overall the strategic positioning of ADB assistance is rated satisfactory. Following a period of relatively low-level support, strategic re-engagement occurred in a challenging economic and political context. ADB lending assistance selectively responded to Government requests to support its emerging needs. The strategic positioning of CPS 2007–2011 was maintained with some adjustment under annual COBPs to assist the Government to respond to internal unrest by helping to mitigate the development divide which was exacerbated by the GFC. Such positioning was relevant, focused, provided continuity by linking to and building on earlier support, balanced with the operations of other development partners, and appropriately resourced.

B. Program Relevance

16. Relevance in the pre-CPS period. The Government regards ADB support as relevant to Thailand’s economic and social development, and responsive to changing national priorities. ADB technical and financial assistance for priority infrastructure (e.g., power, transport, and telecommunications), and program lending in the aftermath of the AFC helped stimulate economic growth. Investments in urban infrastructure have contributed to the modernization, urbanization, and industrialization of the Thai economy.

17. Responsive assistance program. ADB’s activities in Thailand since 2007 remained consistent with the CPS. Both the loan and TA programs contributed to the accomplishment of
strategic and specific CPS objectives (see Table 1.6 of Appendix 1). In 2007, the Government and ADB agreed that all modalities of ADB assistance (loan and TA projects, cofinancing, private sector operations, and economic, thematic and sector work) should focus on transport and energy infrastructure, and capital market development to maximize the impact of ADB operations. It was also agreed that special operational concerns such as poverty reduction, environmental and natural resources management, improved accountability mechanisms, and subregional cooperation should be built into the program.

18. In terms of delivery, nonlending products were processed in accordance with the CPS and COBPs pipelines, although small-scale nonlending products were managed with some flexibility. In the case of lending products, ADB’s core loans—the GMS Highway Expansion project and Capital Market Program Loan—were processed and a quick disbursing grant assistance for $3 million from the Asia Pacific Disaster Response Fund was promptly prepared in 2011 to support immediate expenses for flood relief efforts. However, other loans—MRT integrated ticketing-related projects and Climate Change/Energy Efficiency Program—were dropped because of Government’s procedural complexities, improved Government revenue collection, and a cofinancier’s decision not to proceed. The lending and nonlending products in CPS and COBPs pipelines, as well as the processing status of each project, are presented in Appendix 2.

19. **Transport.** ADB support for the transport sector was directly linked to Thailand’s focus on developing multi-modal transport systems to expand connectivity and movement of people and goods as part of its export-oriented development strategy. ADB also worked with the Ministry of Transport to share knowledge on approaches to improving freight transport energy efficiency. ADB helped reduce dependence on road transport by supporting the development of Bangkok mass transit systems, railway modernization, and regional connectivity. Catalyzing private sector investment was a key element of ADB support. For example, a TA to assess the viability of PPP approaches to proposed intercity motorway corridors was piggybacked to the 2009 GMS Highway Expansion loan project; ongoing work under the TA has helped build capacities in the application of methodologies and approaches to PPP.

20. Since 2006, ADB has provided TA to improve ticketing systems, affordability, and operating efficiency of new MRT rail lines in Bangkok, by advising on options for public transport integration, developing a MRT concession model, analyzing options for integrated fares and ticketing, and developing an MRT financial model. While proposed ADB projects to operationalize an integrated ticketing system ($10 million and $15 million for integrated ticketing and clearing house systems) were dropped, the knowledge provided by ADB under this TA allowed the authorities to access international best practices to enhance the quality of subsequent Thai investments. Subsequently, ADB was asked to provide TAs to help prepare a larger restructuring and reform plan for the State Railway of Thailand (SRT), reform the rail sector accounting and financial management system, and prepare a strategic framework for upgrading SRT passenger services.

21. **PPPs.** A policy and advisory TA for Mainstreaming PPPs helped enhance the sector, legal and regulatory, and institutional framework for catalyzing PPP investments, including support to streamline PPP processes and guidelines. This ongoing support is expected to help the Government attract greater private sector participation in public service delivery.

22. **Financial sector.** The Government recognizes that a strong financial sector is essential for Thailand to transition from a middle-income to a high-income economy. The 1997 AFC exposed weaknesses in Thailand's financial system, including insufficient depth of the domestic
capital market to finance public and private sector investments. The AFC also demonstrated the cost of financial sector weaknesses in terms of economic instability, vulnerability and poverty.

23. Recognizing the need for broad-based support to ensure the sustainability of reforms, ADB adopted a programmatic approach to support capital market development, starting with support for the CMDMP 2006–2010 in 2006. Consistent with CMDMP priorities, the CPS focused on: (i) bond market development, (ii) equity and derivative markets, and (iii) rationalizing the tax structure and regulatory framework. ADB supported the drafting and implementation of the CMDMP 2009–2013\(^9\). The Capital Market Development Program (CMDP) loan ($300 million, 2010) supported measures to strengthen regulation and supervision of capital markets, demutualize the Stock Exchange of Thailand, and enhance autonomy of regulators and coordination across stakeholders. ADB continues to support capital market reforms through the TA project piggy-backed to the program.

24. Environmentally Sustainable Development. With Thailand a net importer of energy, the Government aims to expand domestic energy sources and reduce consumption. While energy conservation is gaining traction in industrial, commercial, and residential sectors, efforts to promote energy efficiency at the municipal level have been lacking. Likewise, integrated urban planning and development—balancing conservation and protection of biodiversity, and providing energy efficient urban infrastructure—needs to be enhanced to achieve national objectives to increase the competitiveness of Thailand’s cities.

25. Under the CPS, ADB helped promote environmentally sustainable development by: (i) supporting energy efficiency and clean energy initiatives, (ii) introducing economic instruments for environmental management, and (iii) piloting integrated water resource management. ADB’s TA on Mainstreaming Energy Efficiency Measures in Thai Municipalities aims to support Thailand’s energy security and decrease greenhouse gas emissions by promoting energy efficiency in municipalities. The results of these pilot projects will be used to develop a plan to scale up municipal-level energy efficiency. Carbon financing is a potentially feasible option for large scale retrofitting of municipal buildings and upgrading street lighting using standard energy efficiency technologies. Proposed support will complement PSOD support for renewable energy projects, including investments in solar and wind power, and a clean energy project.

26. Thailand has participated in the GMS Core Environment Program and Biodiversity Corridor Conservation Initiative (CEP-BCI). With assistance of the Environment Operations Center (EOC)\(^10\) Thailand has implemented several national and subregional activities including (i) piloting community based sustainable forest management in key conservation landscapes; (ii) strategic environmental assessments of regional development plans; (iii) developing readiness conditions to access global carbon finances, (iv) vulnerability assessments of rural agrarian communities to strengthen their resilience to climate change, (iv) environmental performance assessments to improve institutional capacity for reporting on MDGs; and (vi) assessing the potential for improving energy efficiency and reducing carbon emissions in the transport sector. Progress was also made under the ADB TA for Capacity Building for Pollution Taxation and Resource Mobilization for Environmental and Natural Resources (Phase II), which helped the Ministry of Finance to review economic instruments for pollution control and recommend a

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\(^9\) Key financial sector priorities are: increasing the range and sophistication of financial products, strengthening the existing policy and regulatory framework, diversifying a predominantly bank-based system of financial intermediation, and stimulating competition of the capital market with the banking sector.

\(^10\) The primary function of EOC, which is run out of ADB’s TRM, is to support the GMS Working Group on Environment to implement the GMS Core Environment Program and Biodiversity Conservation Initiative (CEP-BCI), one of the flagship programs of the GMS Economic Cooperation Program.
framework for environmental taxation. A draft Bill on Economic Instruments for Environmental Management and a draft Royal Decree on Pollution Tax on Effluent Discharge were developed. These documents are still pending Cabinet approval prior to being submitted to Parliament.

27. **Knowledge Management.** As ADB’s knowledge agenda developed under Strategy 2020 and was progressively operationalized in Southeast Asia Department (SERD), knowledge increasingly become a core element of the CPS and is being operationalized to meet Thailand’s middle-income country needs. The Thailand Resident Mission (TRM) and the EOC play a central role as a knowledge hub and knowledge-sharing platform in areas such as PPPs, environmental sustainability and, more recently, in flood management. ADB’s role, in partnership with academic and research institutions, in supporting Thailand’s goals of being a regional leader in knowledge solutions is expected to be an increasingly critical element of the program. The title and objectives of knowledge products for Thailand-specific operations are listed in Appendix 3. Knowledge products developed by the EOC are in Appendix 4.

28. **Overall assessment.** ADB’s assistance program is assessed as relevant. ADB’s re-expansion of partnership with Thailand in 2007 started on a small scale. ADB chose intervention programs in narrowly selected subsectors to address critical issues, adopting a sequential and longer-term approach to make the best use of the limited financing resources with a combination of lending and non-lending assistance modalities, as evidenced by support to the financial sector. Implementation remained consistent with overall CPS strategic objectives. Complementary private sector lending operations were more flexible and responsive in terms of identifying projects and filling financial gaps to promote private sector investments, and focused on renewable and clean energy development.

C. **Efficiency**

29. **The overall assessment is rated efficient.** The only two public sector loans under the CPS were the GMS Highway Extension project and the CMDP. While there were delays at project start-up in the former, due to the project managers’ lack of familiarity with ADB business processes, and complex internal procurement procedures, the estimated project completion date is still achievable. The first tranche of the CMDP program loan was disbursed in August 2011 (and subsequent tranches released in March and August 2012). Implementation ratings of all TA projects approved since 2006 were satisfactory or highly successful, although political difficulties in 2010 caused some implementation delays. No major changes were made to any of the closed and ongoing TA projects. The use of international and national consultants was appropriate, and the majority of TAs efficiently utilized the resources to achieve expected outputs. Recent political difficulties and associated uncertainties, together with Article 190 of Thailand’s Constitution (requiring two rounds of parliamentary discussions on borrowing proposals from international financial institutions) contributed to delays in the Government’s decision making process.

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11. ADB prepared and approved in late 2011 a small scale TA to support the International Knowledge Forum on Flood Management (which was held in Bangkok on 19-20 January 2012) as a quick response mechanism to assist the government in reviewing its water management strategy.

12. During the pre-construction stage, other Government agencies (Ministry of Transport, Ministry of Interior, and Public Prosecutor) and the Cabinet have the authority to review and approve procurement and consultant recruitment.
D. Effectiveness

30. Previous effectiveness rating. Eleven out of 13 ADB financed projects (85%) assessed to date were rated as highly successful or successful. This compares favorably with the ADB average, and with that of other Group C countries. ADB’s portfolio has concentrated on physical infrastructure where Thailand has made good progress in recent decades. Overall disbursement performance has been satisfactory.

31. Progress toward achieving targets in the results framework. Achievements in capital market development were modest due to the impact of the GFC. Progress in PPP development was on track. Moderate achievements were recorded in environmentally sustainable development, especially in establishing a foundation for landscape based biodiversity conservation and undertaking environmental performance assessments. The achievements in MRT and regional and south-south cooperation were slow. The targets and achievements of the CPS results are in Appendix 5 and details are elaborated below.

32. Capital Market Development. Key expected outputs and associated outcomes include capital market reforms, particularly regulatory and institutional reforms. ADB TA for Capital Market Development Phases I and II, contributed to amendments to the Bank of Thailand Act and the Securities and Exchange Act that enhance the autonomy and accountability of the Bank of Thailand and the Securities and Exchange Commission. The Public Debt Management Act was amended to allow surplus issuance of Government bonds while the Public Debt Management Office has continued to consolidate Government bond issuance. These measures have helped to maintain Government bond yield curve and enhance liquidity in bond markets, and have contributed to the recent expansion of corporate bond markets in Thailand. The CMDMP (2009–2013) approved by Cabinet in November 2009 was prepared with ADB support. An amendment to the Securities and Exchange Act to allow for demutualization of the Stock Exchange of Thailand has been submitted by the Cabinet to the Parliament. These measures will enhance the competitiveness and efficiency of equity markets. The Bank of Thailand has amended regulations to relax capital outflow and is considering amending other exchange control rules and regulations to facilitate capital market development. ADB continues to provide technical support for the implementation of the Master Plan. The TA for Capital Market Development Phase III will support the demutualization of the Stock Exchange of Thailand and the development of financial hedging products to strengthen the domestic financial market. The GFC helped expedite capital market reforms, but also delayed the achievement of other capital market development indicators such as market capitalization and bond market size.

33. Transport. ADB provided support for the ongoing GMS Highway Expansion project, which is expected to enhance the competitiveness of the local economy along GMS East-West and Southern Economic Corridors. All TAs for the MRT achieved the objective of providing highly specialized analytical and advisory support to the Government. The Cabinet decided that all new MRT lines must be developed using the gross cost concession model suggested under the ADB TA. The TA raised Government’s awareness of the potential of this system in developing the Bangkok MRT network, and helped the Government move toward introducing an integrated ticketing system. Although introduction was delayed due to political sensitivities, the Cabinet agreed to allocated budget to prepare an integrated ticketing system in June 2011.

34. PPPs. Efforts to strengthen the PPP environment began during the CPS period and are ongoing. The key outputs for the TA on Mainstreaming PPPs were recommendations for a new PPP Act, a PPP unit in the Ministry of Finance, a Project Development Facility, and PPP policy. The draft PPP Act was approved by Cabinet in May 2011, endorsed by the Council of State
March 2012, and is expected to be considered by Parliament in early 2013. ADB has also supported programs to develop the capacity of a wide range of stakeholders to implement PPP policy, and to prepare PPP handbooks and PPP frequently asked questions. Outcomes achieved include an improvement in the PPP-enabling environment with streamlined PPP processes and guidelines; sector, legal, and regulatory frameworks for catalyzing PPP investments; and strengthened institutional capacity.

35. **Environmentally Sustainable Development.** ADB’s private sector operations have supported Thailand’s efforts to mitigate climate change impacts through renewable energy projects. ADB TA helped introduce Clean Development Mechanism (CDM) concepts, pilot-test CDM processes, and develop a pipeline of CDM projects. ADB also supported preparation of action plans and investment proposals for projects aimed at improving energy efficiency by replicating the municipal building retrofit program and scaling-up investment in the public street lighting improvement program. ADB supported the development of a comprehensive framework and helped to draft key legislation on environmental management. Flood management support was provided under a small scale TA for an international knowledge sharing event on good practices and will be followed up with more substantial support for water resources and flood management and river basin planning. The GMS Core Environment Program and Biodiversity Conservation Initiative supported several environmental management, biodiversity conservation and climate change related initiatives and also generated a series of knowledge products on environmentally sustainable development (Appendix 4).

36. **Regional and south-south cooperation programs.** Thailand is ADB’s main external development partner in RCI programs. Subregional projects helped balance growth in Thailand’s lagging regions (North-Northeast Thailand in respect of the GMS, and the South in respect of the IMT-GT). Tourism, transport and communications, and energy developments have strong potential. Subregional Human Resource Development initiatives in health and the environment illustrate potential benefits from subregional cooperation in noncommercial areas. Successive Thai Governments have endorsed subregional cooperation as a key element of the country’s development strategy. Thailand is also playing a leading role in transport and trade facilitation initiatives, the Investment Working Group, and the GMS Business Forum. ADB has partnered with the Government’s Neighboring Countries Economic Development Cooperation Agency and Thailand International Cooperation Agency to further enhance Thailand’s role as a cofinancier and development resource for the subregion. In particular, EOC and the Phnom Penh Plan for Development Management contributed to Thailand’s efforts to build capacity to address environmental and development issues from a regional perspective as well as capacity in key sectors such as energy, transport, agriculture and tourism. Joint programs for financial sector development could not be initiated due to unfavorable financial market conditions.

37. **Overall assessment.** Overall ADB assistance is rated as likely to be effective, although planned outputs and especially outcomes will be realized over time, with the sole public sector project loan still to be fully implemented. While it is too early to expect TA-centered programs to generate tangible outputs and outcomes in each sector, key reform initiatives have already achieved substantive initial outputs and outcomes, especially in the area of capital market reform and fostering a strong momentum to establish a PPP framework. Factors that contributed to successful results included the Government’s strategic ownership, ADB use of country systems, and a sustained commitment to help forge key reforms and build capacity. Some Government set targets proved to be overambitious given external and internal risks. ADB was overoptimistic in estimating the time needed to launch PPP legal and institutional framework, develop MRT lines as PPPs, and develop deeper capital markets.
E. **Sustainability**

38. **Consistent Government’s Development Strategy.** ADB assistance has a special focus on two of Thailand’s strategies: restructuring the national economy to achieve productivity gains, promote domestic and foreign investment, and increase competitiveness; and sustainable development through protection and sound management of the environment and natural resources. Successive governments have remained committed to these strategies despite political unrest, as reflected in the 10th and 11th Plans and Policy Statements of recent governments. Government ownership was a key selection criterion for ADB assistance.

39. **Finance.** ADB’s finance sector operations have been strategically sequenced, starting from TA for addressing initial capital market issues, identifying remaining issues, and executing another TA to prepare a Government-owned capital market development master plan, followed by a program loan with supporting TA. Strong Government’s ownership, legal and institutional improvements, and including capacity building into the program design helped ensure sustainability. Legal reforms have been initiated to clarify the roles and responsibilities of financial sector regulators, and to strengthen enforcement capabilities and coordination. New and amended legislation includes the Office of Insurance Commission Act, 2007; the Bank of Thailand Act, 2007; the Securities and Exchange Act, 2008; the Financial Institutions Business Act, 2008; and the Deposit Insurance Protection Act, 2008. The CMDMP promotes improved coordination of key regulators through the Capital Markets Development Working Committee. Options to formalize the coordination mechanism are being explored. The Government has taken steps to reduce system-wide operating costs and to increase market liquidity by developing the domestic bond market and benchmark bond yields to price corporate securities. The Government is also committed to promoting ASEAN capital market development initiatives including ASEAN Link and ASEAN Stars. Steps are also being taken to eliminate entry barriers and develop the secondary mortgage market. The Government, the Security Exchange Commission, the Stock Exchange of Thailand, and other exchanges intend to promote new products and services, especially to mitigate risks such as interest rate derivatives, and to facilitate public education to develop a culture of savings and investments.

40. **Transport.** Completion of the GMS Highway Expansion Project is expected to mitigate traffic congestion in GMS economic corridors and contribute to regional development. TA support for the planning of PPP-based motorways should help improve logistics services near Bangkok. Despite some progress the Government recognizes that more needs to be done to improve sector sustainability, including building greater transparency, competition and capacity in procurement. Following a World Bank initiated pilot project, the Department of Highways aims to broaden the use of performance-based road maintenance contracting using private sector contractors to help improve the quality of road maintenance and reduce maintenance costs. The Department of Highways is also updating the motorway master plan.

41. The rail-based MRT has been a priority since the early 1990s, with 70km of MRT developed from 1991 to 2011, and a further 50km currently under construction or out to tender. ADB assistance for the integrated ticketing system for all MRT systems included preparatory studies and TAs to identify issues and prepare recommendations. Recommendations were well received and some have already been adopted by the Government. Despite project complexity and limited Government capacity, these initiatives are likely to be sustained given the high priority the Government accorded to the MRT systems as reflected in budget allocation.

42. **PPPs.** A TA to mainstream PPPs, implemented with strong Government ownership, helped prepare a new PPP act, policy, and institutional framework (see paragraph 34). Support
is also helping build the capacity of a broad range of stakeholders to implement PPP policies. The Government reinforced the capacity building program with supplementary budget for wider participation.

43. **Environmentally Sustainable Development.** An ongoing TA on energy efficiency has helped build capacity and demonstrated that municipalities can save at least 10% of energy cost by investing in energy efficiency measures that can be financed from cost savings or by carbon funds or development banks. Municipalities are being selected to pilot such energy efficiency initiatives.

44. Sustainability of other environmental management initiatives is considered to be moderate. The Government has committed its own resources to follow-up on CEP-BCI pilot activities and to explore new opportunities to access carbon funds and/or to secure financing from ecosystem services users who benefit from ecosystem protection. These opportunities will be further explored under ongoing CEP-BCI support. Private sector involvement is being explored to promote alternative sources of energy for power generation. Environmental taxation measures developed with ADB support would ensure sustainability of a broad spectrum of environmental management measures, but, delays in approving legislation have hampered progress. There is also need to strengthen and better coordinate institutional mechanisms governing urban planning and environment management processes to improve the quality of life in Thailand’s cities. Further, effective mainstreaming of climate resilient infrastructure for the protection of people from climate change and natural disasters is a necessity.

45. **Overall assessment.** Overall sustainability is rated likely. ADB has assisted in designing and implementing capital market and PPP reforms that are strongly "owned" by the Government. While progress in other areas as been slower, the Government has shown strong commitment, including budget allocation to MRT developments.

F. **Development Impacts**

46. While targeted CPS sector outcomes are being achieved, less progress was made in achieving specific country partnership targets. CPS support for the Government’s economy and sector wide reform agenda was necessary, but not sufficient, to fully address sector constraints. This is because: (i) the CPS was only able to address selected constraints; (ii) exogenous factors, especially the GFC, undermined potential gains from and support for reforms; and, (iii) despite political commitment to reform, the institutional implementation capacity reforms was more limited. More recently, the devastating floods in 2011 impacted heavily on GDP growth and affected industrial, agricultural, and rural and urban livelihoods.\(^\text{13}\)

47. **Capital market development for macroeconomic stability:** ADB assistance for the capital market development centered on the development of a sector master plan. The impact of this support depends on plan implementation: major progress to date includes the amendment of key laws, rules and regulations to create a more conducive regulatory and institutional framework for higher levels of domestic and foreign investments in the capital markets. Thailand is on target to achieve its capital market development goals (to increase size, depth and liquidity of its capital market) set out in the CMDMP. (Appendix 5.)

48. **Improved transport infrastructure:** The GMS highway expansion project is still in initial implementation. ADB has helped address two key policy issues (PPPs and integrated ticketing

\(^\text{13}\) ADB prepared an overview assessment of floods and circulated this to the Board on 2 November 201?.
for the MRT system) that help build the foundations for future infrastructure development. The Government’s draft 11th Plan (2012–2016) assigns a high priority to private sector participation in developing infrastructure using PPP approaches. ADB support to further develop the legal, policy, and institutional framework for PPPs will help in realizing these ambitions.

49. **Environmentally Sustainable Development.** Thailand is making progress toward achieving its energy efficiency targets. The Government has committed to provide incentives to encourage up-front investments in energy efficiency. ADB support has helped in this regard by demonstrating the tangible benefits of such initiatives. Thailand also has potential to be a leader in low carbon development especially in the freight transport sector, and could play a leading role in South-South knowledge sharing on key aspects of environmental management.

50. **Overall assessment.** Overall ADB’s contribution to development impact is likely to be satisfactory. ADB has responded to major events such as the GFC by providing support aimed at increasing resilience and reducing negative impacts. Considering the CPS was prepared for the reengagement of Thailand, after an almost 10 year break, the direct development impacts of ADB’s small scale assistance vary—yielding substantial results in capital market development, modest impact in infrastructure development, substantial results in terms of PPP development, and more modest impacts on energy efficiency. ADB support for the recent flood event is at an early stage and too early to assess.

G. **ADB and Borrower Performance**

51. **ADB’s overall performance is assessed as satisfactory.** ADB’s has closely coordinated with its main development partners in Thailand through bilateral meetings and United Nations Country Team meetings. ADB’s GMS Highway Expansion Project and Capital Market Development Program Loan were processed in parallel with the World Bank’s Highways Management Project and Public Sector Reform Development Policy Loan, respectively.

52. TRM and sector divisions coordinated effectively to support public sector projects. PSOD catalyzed private sector financing, particularly in renewable energy, energy efficiency, and water projects. TRM staff played a pivotal role in selected areas—particularly capital market development, energy efficiency, and MRT reform—in coordinating and liaising with Government agencies and other stakeholders. ADB’s contributions have been publicly acknowledged by the Government. ADB produced influential knowledge products for Thailand, mainly as project and TA outputs. Knowledge support necessary for a wide range of middle income country challenges has been also initiated recently as part of the preparation of the new CPS.

53. ADB performance benefitted from focused operations, TRM’s central location, its well-established network among development partners, and TRM’s strong capacity for knowing its clients. Given the small scale of operations and the early stage of loan implementation, it is still too early for a meaningful evaluation of loan portfolio management performance.

54. **The Government’s overall performance is considered satisfactory.** The Government is a signatory to the Paris Declaration on Aid Effectiveness, and has taken a strong lead in aid coordination. The Government has also increased its assistance to its neighbors and beyond as a tool for regional and south-south cooperation.

55. ADB and Thailand partnership priorities have been sustained during the CPS period despite government changes. Continuous coordination between ADB and the Government at all levels has been a salient feature of operations. However, due to political sensitivities and
institutional constraints, project decision and processing were often delayed. Article 190 of the Constitution (2007) requiring two rounds of Parliamentary approval for IFI loans has been a particular source of delays. There is also need to improve coordination among government agencies. For complex and non-sovereign projects, the lack of a champion and limited human and institutional capacity sometimes contributed to delays in essential follow-on steps. Government’s ownership in implementing approved projects was strong, resulting in efficient resource utilization and the achievement of desired outputs and outcomes.

H. Overall Assessment

56. The overall rating accorded to the CPS is successful. The weighted average score is 2.0 and the overall assessment is rated as successful.\(^\text{14}\) Since the (re-)expansion of the Thai-ADB partnership in 2007, ADB’s public sector operations has centered on TA projects, with only two loan projects processed in 2009 and 2010. The CPS aligned with the 10th Plan and ADB operations were selectively responsive to evolving Government’s needs. ADB made good use of limited financing resources via a combination of lending and nonlending assistance modalities. Project implementation was mostly on track with good progress toward expected outputs and outcomes despite occasional political disruptions and social disturbances. Government’s ownership combined with a strengthened legal and institutional framework and capacity should ensure project sustainability and long-term impact. Given the limited scope of Thailand operations, strategic positioning and program relevance criteria were accorded relatively higher weighting compared to forward-looking criteria in the overall CPS assessment.

II. KEY LESSONS AND RECOMMENDATIONS

57. Limited demand for public sector loans in Thailand as middle income country. Prior to the GFC there were high levels of liquidity in the domestic market and interest rates were at historic lows. Given local cost financing does not carry any commitment charges, up-front fees, foreign exchange risks, procurement rules and regulations, and policy conditionality, the Government had little incentive to borrow from external sources such as ADB. While public sector borrowing resumed following the GFC, Thailand’s demand for external financing is likely to remain limited over the medium-term. Private sector lending demonstrated its effectiveness in supporting Government’s strategic priority areas such as clean and efficient energy.

58. Continuing demand for knowledge solutions to sustain reform and development. ADB’s increasing role as knowledge institution and in facilitating regional cooperation highlight the importance of ADB maintaining an active presence in and engagement with Thailand. A continuing presence and sustained policy dialogue is needed for ADB to respond rapidly to emerging regional\(^\text{15}\) or country needs, and is important in securing and sustaining substantive reforms. The delivery of timely and high quality knowledge products and services have made a significant difference to development outcomes, Government demand for, ownership of, and capacity in knowledge management are essential for sustained and systematic uptake of knowledge. The Government has welcomed ADB’s efforts to forge a deeper and more strategic partnership with Thailand.

\(^{14}\) For each of the six criteria, its weight and rating score are accorded as follows: A. Strategic Positioning—10% and 2; B. Relevance—10% and 2; C. Efficiency—20% and 2; D. Effectiveness—20% and 2; E. Sustainability—20% and 2; and F. Contribution to Development Impacts—20% and 2.

\(^{15}\) Thailand, by virtue of its location, also continues to play a key and active role in developing regional cooperation and integration further emphasizing the importance of engagement.
59. **Key recommendations:**

(i) **Clarify value added of ADB operations to Thailand.** ADB needs to better demonstrate the value-added of ADB financing. For example, knowledge gained from policy dialogue during project and program formulation and implementation, and from ADB impact evaluations and other studies, can inform policy decisions on options to strengthen development approaches. ADB support for infrastructure investment can help increase the efficiency of public expenditure by strengthening procurement capacities, simplifying complex procedures, and improving transparency. ADB-financed projects provide opportunities to build Government capacity in project preparation, project finance, and the application of safeguards using country systems. Improved knowledge management is important in demonstrating and maximizing value added from ADB operations.

(ii) **Enhance flexibility of the CPS within defined targets.** ADB needs to retain flexibility to respond to an upper-middle income country’s evolving development challenges in a timely and effective manner. Targeted sector outcomes in the CPS results framework should be interpreted as strategic directions, rather than specific monitorable targets. Thematic targets are also recommended (e.g., transitioning from middle income status, and private sector development and environmentally sustainable development). Flexibility should also be applied in using innovative financing arrangements such as PPP project development facility, reimbursable TA, TA cluster loan, local currency loan, multi-tranche financing facility (MFF), and nonsovereign lending.

(iii) **Develop TRM’s role as a knowledge hub.** ADB’s relevance in Thailand will increasingly be determined by its role as a knowledge generator and provider. TRM together with EOC command a wide spectrum of technical areas in which Thailand seeks knowledge solutions. The knowledge role of TRM should receive greater emphasis. ADB should build on the EOC, the Phnom Penh Plan for Development Management, and other regional initiatives to address regional issues including trade, environmental sustainability, and knowledge partnerships and exchanges.
### Loan and TA Projects for Thailand

#### Table 1.1 Approved Sovereign Loan Projects (2006–2011) ($ million)

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>Project Name</th>
<th>Fund Type</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>2608</td>
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<td>Capital Market Development Program</td>
<td>OCR</td>
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</table>

OCR=ordinary capital resources.

#### Table 1.2 Approved Nonsovereign Investment Projects (2006–2011) ($ million)

<table>
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<tr>
<th>Investment Number</th>
<th>Company</th>
<th>Equity Facility</th>
<th>OCR</th>
<th>ADF</th>
<th>Total</th>
<th>B-Loan</th>
<th>Guarantees</th>
<th>TFFP</th>
<th>Combined</th>
<th>Date Approved</th>
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<td>7290/2504*</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<td>7314/2678</td>
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<td>134.31</td>
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<td>7335/2762</td>
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<td>-</td>
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ADF=Asian Development Fund, OCR=ordinary capital resources, TFFP=Trade Finance Facilitation Program.

#### Table 1.3 Approved Sovereign Grant-Financed Projects (2006–2011) ($ million)

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<thead>
<tr>
<th>Grant Number</th>
<th>Project Name</th>
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APDRF= Asia Pacific Disaster Response Fund.

#### Table 1.4 Approved Nonsovereign Grant-Financed Projects (2006–2011) ($ million)

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<th>Grant Number</th>
<th>Project Name</th>
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CEF=Clean Energy Fund.
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<tr>
<th>TA Number</th>
<th>TA Name</th>
<th>Type</th>
<th>SSTA</th>
<th>REG</th>
<th>Cs</th>
<th>Suppl</th>
<th>TASF</th>
<th>JSF</th>
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<td>4676</td>
<td>Infrastructure Investment Advisory Assistance to the Public Debt Management Office of Thailand (Supplementary)</td>
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<td>-</td>
<td>225,000</td>
<td>09-Dec-11</td>
</tr>
<tr>
<td>7987</td>
<td>GMS Core Environment Program and Biodiversity Conservation Initiative Phase II</td>
<td>REG</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>800,000</td>
<td>14,000,000</td>
<td>Government of Finland</td>
<td>14,800,000</td>
<td>09-Dec-11</td>
<td></td>
</tr>
<tr>
<td>7998</td>
<td>Development of a Strategic Framework for Financial Inclusion</td>
<td>PA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,500,000</td>
<td>JFPR</td>
<td>1,500,000</td>
<td>15-Dec-11</td>
<td></td>
</tr>
</tbody>
</table>

AD=advisory TA, Cs=cluster TA, CD=capacity development TA, CEF=Clean Energy Fund, EAKPF=e-Asia and Knowledge Partnership Fund, JFPR=Japan Fund for Poverty Reduction; JSF=Japan Special Fund, PP=project preparatory TA, REG=regional TA, SSTA=small scale TA, Suppl=supplementary, TASF=Technical Assistance Special Fund.

\(^{a}\) Project was cancelled after approval and before implementation.
### Table 1.6 Loans and TA by CPS Strategic Areas

<table>
<thead>
<tr>
<th>Core Strategic Areas</th>
<th>TA</th>
<th>Loan/ Investment</th>
<th>Approval Date</th>
<th>Proposed Processing Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Road</td>
<td>TA 7070: GMS Highway Expansion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TA 7483: Implementation Plan for Strategic Intercity Motorway Network</td>
<td></td>
<td>12-May-08 (Supplementary on 12-May-08)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loan 2608: GMS Highway Expansion</td>
<td></td>
<td>15-Dec-09</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PPP Motorway Project</td>
<td></td>
<td></td>
<td>2012 (in COBP)</td>
</tr>
<tr>
<td>B. Mass Rapid Transit Integrated Ticketing</td>
<td>TA 4676 Infrastructure Investment Advisory Assistance to the Public Debt Management Office of Thailand (Supplementary)</td>
<td></td>
<td>10-Feb-06</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TA 4904: Infrastructure Investment Advisory Assistance (Phase II)</td>
<td></td>
<td>18-Dec-06</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TA 7044: Preparing the Bangkok Mass Rapid Transit Integrated Ticketing Project</td>
<td></td>
<td>17-Dec-07</td>
<td></td>
</tr>
<tr>
<td>C. Rail</td>
<td>TA 4904: Infrastructure Investment Advisory Assistance (Phase II)</td>
<td></td>
<td>18-Dec-06</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supporting Railway Sector Reform</td>
<td></td>
<td></td>
<td>2012 (in COBP)</td>
</tr>
<tr>
<td></td>
<td>Accounting and Financial Management System Reform of Thailand’s Railway Sector</td>
<td></td>
<td></td>
<td>2012 (in COBP)</td>
</tr>
<tr>
<td></td>
<td>Railway Modernization Project</td>
<td></td>
<td></td>
<td>2013 (in COBP)</td>
</tr>
<tr>
<td></td>
<td>Improvement Railway Passenger Services</td>
<td></td>
<td></td>
<td>2012 (in COBP)</td>
</tr>
<tr>
<td></td>
<td>GMS Railway Connectivity Project</td>
<td></td>
<td></td>
<td>2014 (in COBP)</td>
</tr>
<tr>
<td>D. PPP</td>
<td>TA 7540: Mainstreaming PPPs</td>
<td>02-June 10</td>
<td>2012 (in COBP)</td>
<td></td>
</tr>
<tr>
<td>--------</td>
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<tr>
<td></td>
<td>Support for PPP Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Capital Market Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA 4826: Supporting the Implementation of the Capital Market Development Master Plan</td>
</tr>
<tr>
<td>TA 7102: Capital Market Development Phase II</td>
</tr>
<tr>
<td>TA 7602: Capital Market Development Phase III</td>
</tr>
<tr>
<td>Support for Mortgage Insurance Company</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Environmentally Sustainable Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Public Sector Operations</td>
</tr>
<tr>
<td>TA 7194: Mainstreaming Energy Efficiency Measures in Thai Municipalities</td>
</tr>
<tr>
<td>Energy Efficient Municipalities Project</td>
</tr>
<tr>
<td>Provincial Water Supply Project</td>
</tr>
<tr>
<td>Urban Environment Project</td>
</tr>
<tr>
<td>B. Private Sector Operations</td>
</tr>
<tr>
<td>Loan 7290/2504: Biomass Co²</td>
</tr>
<tr>
<td>TA 7444: Lamthakong Wind Farm Development²</td>
</tr>
<tr>
<td>TA 7445: Chaiyapun Wind Farm Development²</td>
</tr>
<tr>
<td>Investment 7311/2628/ Grant 201: Natural Energy Development Company (NED)</td>
</tr>
<tr>
<td>--------------------------------</td>
</tr>
<tr>
<td>Investment 7335/2762: Gulf JP NS Company Limited</td>
</tr>
<tr>
<td>TA 7850: Waste to Energy$^a$</td>
</tr>
<tr>
<td>TA 7880: Southern Thailand Water Supply Project</td>
</tr>
</tbody>
</table>

### 4. New Area (Inclusive Growth)

| TA 7050: Planning for the Sustainable Development of Southern Thailand | 20-Dec-07 |
| TA 7998: Development of a Strategic Framework for Financial Inclusion | 15-Dec-11 |
| Support to the Implementation of the National Financial Inclusion Strategy | 2013 (in COBP) |
| Broadening Social Safety Nets | 2012 (in COBP) |
| Support for Local Government Fiscal Management | 2014 (in COBP) |

COBP=country operations business plan, CPS=country partnership strategy, GMS=Greater Mekong Subregion, PPP=public-private partnership, TA=technical assistance.

$^a$ Project was cancelled after approval and before implementation.

Source: ADB staff.
## Processing of Loans and TA Projects included in CPS and COBP Pipelines

### Table 2.1 Country Partnership Strategy (2007–2011): Nonlending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Support for Urban Development Planning and Investment ($0.3 million)</td>
<td>Not processed</td>
</tr>
<tr>
<td>2. Infrastructure Investment Advisory Assistance – Phase III ($0.49 million)</td>
<td>Approved in 2009 (Preparing the Bangkok Mass Rapid Transit Integrated Ticketing, $700,000)</td>
</tr>
<tr>
<td>3. Pension System Design – Phase II ($0.3 million)</td>
<td>Deferred to 2009 and then replaced by Support for Mortgage Insurance Company in</td>
</tr>
<tr>
<td>5. Integrated Water Resources Management Pilot Demonstration Activity ($50,000)</td>
<td>Not processed, instead sector assessment undertaken</td>
</tr>
</tbody>
</table>
### Table 2.2a Country Operations Business Plan (2008–2010): Lending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009</strong></td>
<td></td>
</tr>
<tr>
<td>1. Bangkok MRT Integrated Ticketing Project</td>
<td>Deferred to 2011 and then dropped (to be implemented by Government’s budget)</td>
</tr>
<tr>
<td>2. GMS Highway Expansion Project ($310 million)</td>
<td>Approved in 2009 ($77.1 million)</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td></td>
</tr>
<tr>
<td>1. Bangkok Urban MRT Project (stand by) ($500 million)</td>
<td>Not Processed</td>
</tr>
</tbody>
</table>

MRT=Mass Rapid Transit, GMS=Greater Mekong Subregion.

### Table 2.2b Country Operations Business Plan (2008–2009): Non-Lending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008</strong></td>
<td></td>
</tr>
<tr>
<td>1. Capacity Building and School Networking for Education Services (e-learning) in Thailand ($0.5 million)</td>
<td>Approved in 2007 ($0.5 million)</td>
</tr>
<tr>
<td>2. Mainstreaming Energy Efficiency Measures for Thai Municipalities ($0.5 million)</td>
<td>Approved in 2008 ($1 million)</td>
</tr>
<tr>
<td>3. Capital Market Development, Phase II ($1 million)</td>
<td>Approved in 2008 ($1 million)</td>
</tr>
<tr>
<td>4. Preparing the GMS Highway Expansion Project ($0.15 million)</td>
<td>Approved in 2008 ($0.15 million)</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td></td>
</tr>
<tr>
<td>1. Pension System Implementation ($0.4 million)</td>
<td>Replaced by Support for Mortgage Insurance Company in 2014</td>
</tr>
<tr>
<td>2. Strengthening Thai Financial Markets ($0.6 million)</td>
<td>Approved in 2010 (Capital Market Development Phase III, $0.9 million)</td>
</tr>
<tr>
<td>3. Planning for the Sustainable Development of Southern Thailand, Phase II ($0.8 million)</td>
<td>Not Processed</td>
</tr>
<tr>
<td>4. Implementation Plan for the Strategic Intercity Motorway Network ($1 million)</td>
<td>Approved in 2009 ($1 million)</td>
</tr>
<tr>
<td>5. Preparing the Bangkok Urban MRT Project ($0.9 million)</td>
<td>Not Processed</td>
</tr>
<tr>
<td>6. Preparing the Municipal Infrastructure Development ($0.9 million)</td>
<td>Approved in 2008 (Mainstreaming Energy Efficiency in Thai Municipalities, $1 million)</td>
</tr>
</tbody>
</table>

MRT=Mass Rapid Transit, GMS=Greater Mekong Subregion.
### Table 2.3a Country Operations Business Plan (2009–2011): Lending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009</strong></td>
<td></td>
</tr>
<tr>
<td>1. Capital Market Development Program ($500 million)</td>
<td>Approved in 2010 ($300 million)</td>
</tr>
<tr>
<td>2. GMS Highway Expansion Project ($77.10 million)</td>
<td>Approved in 2009 ($77.1 million)</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td></td>
</tr>
<tr>
<td>1. Bangkok MRT Integrated Ticketing Project ($10 million)</td>
<td>Deferred to 2011 and then dropped (to be implemented by Government’s budget)</td>
</tr>
<tr>
<td>2. Climate Change/Energy Efficiency Program ($100 million)</td>
<td>Not processed (Co-financing project with JICA)</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td></td>
</tr>
<tr>
<td>1. Municipal Infrastructure Development Project I ($110 million)</td>
<td>To be deferred to 2012</td>
</tr>
</tbody>
</table>

MRT=Mass Rapid Transit, GMS=Greater Mekong Subregion.

### Table 2.3b Country Operations Business Plan (2009–2011): Non-Lending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009</strong></td>
<td></td>
</tr>
<tr>
<td>1. Strengthening Thai Financial Markets ($1 million)</td>
<td>Approved in 2010 (Capital Market Development Phase III, $0.9 million)</td>
</tr>
<tr>
<td>2. Implementation Plan for Strategic Intercity Motorway Network ($1 million)</td>
<td>Approved in 2009 ($1 million)</td>
</tr>
<tr>
<td>3. Strengthening the Capacity of Provincial Water Supply Enterprises in Lao PDR through Knowledge Sharing and Technology Transfer from Thailand ($60,000)</td>
<td>Approved in 2009 ($60,000)</td>
</tr>
<tr>
<td>4. Climate Change/Energy Efficiency Project ($0.9 million)</td>
<td>Not processed (Co-financing project with JICA)</td>
</tr>
<tr>
<td>5. Developing a Monitoring and Evaluation Framework for Stimulus Packages ($30,000)</td>
<td>Not Processed</td>
</tr>
<tr>
<td>6. Structuring Public–Private Partnerships in Rail Transport ($0.6 million)</td>
<td>Approved in 2010 (Mainstreaming Public-Private Partnerships, $1 million)</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td></td>
</tr>
<tr>
<td>1. Pension System Implementation (Phase I) ($0.8 million)</td>
<td>Replaced by Support for Mortgage Insurance Company in 2014 (reprioritization within the capital market development)</td>
</tr>
<tr>
<td>2. Preparing the Municipal Infrastructure Development Project I ($0.6 million)</td>
<td>Deferred to 2012 (Energy Efficient Municipalities Project)</td>
</tr>
<tr>
<td>3. Development of Southern Thailand Seaboard (Phase I) ($0.6 million)</td>
<td>Not Processed</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td></td>
</tr>
<tr>
<td>1. Capital Market Development (Final Phase) ($0.5 million)</td>
<td>Approved in 2010 (Capital Market Development Phase III, $0.9 million)</td>
</tr>
<tr>
<td>2. Preparing the Transport Sector Project I ($1.2 million)</td>
<td>To be deferred to 2012 (PPP Motorway Project)</td>
</tr>
</tbody>
</table>
### Table 2.4a. Country Operations Business Plan (2011–2013): Lending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011</strong></td>
<td></td>
</tr>
<tr>
<td>1. Bangkok MRT Integrated Ticketing Project (TA Loan) ($10 million)</td>
<td>Dropped (to be implemented by Government’s budget)</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td></td>
</tr>
<tr>
<td>1. Municipalities and Energy Efficiency ($50 million)</td>
<td>Deferred to 2014</td>
</tr>
<tr>
<td>2. Railway Modernization Project ($150 million)</td>
<td>Deferred to 2013</td>
</tr>
<tr>
<td>3. Clearing House System for the Integrated Ticketing Project ($15 million)</td>
<td>Dropped (to be implemented by Government’s budget)</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td></td>
</tr>
<tr>
<td>1. Railway Modernization Project ($135 million)</td>
<td>As planned</td>
</tr>
</tbody>
</table>

MRT = Mass Rapid Transit.

### Table 2.4b. Country Operations Business Plan (2011–2013): Non-Lending Products

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011</strong></td>
<td></td>
</tr>
<tr>
<td>1. Municipalities and Energy Efficiency ($0.7 million)</td>
<td>Deferred to 2012 (Energy Efficient Municipalities Project)</td>
</tr>
<tr>
<td>2. Railway Modernization Project ($1.5 million)</td>
<td>Deferred to 2012 (Accounting and Finance Management System Reform of Thailand’s Railway Sector)</td>
</tr>
<tr>
<td>3. Inclusive Growth and Institutional Reform ($0.8 million)</td>
<td>Approved in 2011 (Development of a Strategic Framework for Financial Inclusion)</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td></td>
</tr>
<tr>
<td>1. Support Mortgage Insurance Company ($0.8 million)</td>
<td>To be deferred to 2014</td>
</tr>
<tr>
<td>2. Support for Pilot PPP Projects ($0.8 million)</td>
<td>Under discussion (PPP Motorway project)</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td></td>
</tr>
<tr>
<td>1. Broadening Social Protection ($0.8 million)</td>
<td>To be advanced to 2012 (Broadening Social Safety Nets)</td>
</tr>
<tr>
<td>2. Support for Local Government Fiscal Management ($1 million)</td>
<td>To be deferred to 2014</td>
</tr>
</tbody>
</table>

PPP = public-private partnership.

Source: ADB staff.
# Knowledge Products for Thailand

## A. Transport Sector and Multisector Operations

<table>
<thead>
<tr>
<th>Report/Knowledge Product</th>
<th>Objective</th>
<th>TA Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Integrating Mass Rapid Transit in Bangkok (July 2006)</td>
<td>• To assist the government to identify and resolve challenges to successful delivery and integration of new rail Mass Rapid Transit (MRT) in Bangkok together with associated wider transport systems</td>
<td>TA-4676: Infrastructure Investment Advisory Assistance to the Public Debt Management Office (Extended TA 4676: Promotion PPP in Bangkok Mass Rapid Transit and Other Infrastructure)</td>
</tr>
<tr>
<td>2. Integrating Mass Rapid Transit in Bangkok (Options Report) (Feb 2006)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Promoting Public Private Partnership (PPP) in Bangkok Mass Rapid Transit and other Infrastructure (Jan 2007)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Progress Report: Review of existing framework (Apr.2007)</td>
<td>• To assist the Ministry of Finance (MOF) in drafting the new legislation on Public Private Participation (PPP) to create a new comprehensive legal framework in the supervision of public infrastructure projects</td>
<td>TA-4904: Infrastructure Investment Advisory Support (Phase II) (Extended TA 4904: Towards Thailand’s New PPP Legislation)</td>
</tr>
<tr>
<td>5. Final Report: Infrastructure Investment Advisory Support (Phase II) (July 2007)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Final Report: Preparing the Bangkok Mass Rapid Transit Integrated Ticketing Project (Feb 2009)</td>
<td>• To prepare a roadmap for introducing a single common fare smart card that can be used in the new MRT lines that will eventually be used on other modes of public transit (i.e. skytrain &amp; subway systems) as well as identify the key areas where MRT needs improvement</td>
<td>TA-7044: Preparing the Bangkok Mass Rapid Transit Integrated Ticketing Project</td>
</tr>
<tr>
<td>Report/Knowledge Product</td>
<td>Objective</td>
<td>TA Projects</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------</td>
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<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sustainable Development of Southern Thailand (Oct 2008)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Final Report: Mainstreaming Energy Efficiency Measures in Thai Municipalities (Feb 2012)</td>
<td>• To establish a sustainable business model for large scale implementation of Energy Efficiency measures in the buildings occupied by Provincial Electricity Authority (PEA) and municipalities including customizing the financing arrangement and finalizing the plan for large scale replication</td>
<td>TA-7194: Mainstreaming Energy Efficiency Measures in Thai Municipalities</td>
</tr>
<tr>
<td>15. Energy Audit Reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Implementation and Monitoring Plans for the Pilot Energy Efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Demonstration Program Agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Financing Arrangements for the Pilot Energy Efficiency Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Assessment of Municipal Market in Thailand (Thai)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Action Plans for Scaling-Up Project in other Thai Municipalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. CDM Project Design for Nationwide Street Lighting Improvement Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Proceedings Summary of Regional and National Workshop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Business Plan for PEA’s Energy Efficiency Advisory Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Communication and Outreach Plan for Promoting Energy Efficiency Initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Final Report: Mainstreaming Public-Private Partnerships (PPP Policy) (May 2011)</td>
<td>• To help the Government in developing a national PPP policy and to establish a central PPPs unit with a clear mandates and effective operating mechanisms</td>
<td>TA-7540: Mainstreaming Public-Private Partnerships (PPPs)</td>
</tr>
<tr>
<td>27. Final Report: Mainstreaming Public-Private Partnerships (Legal) (Apr 2011)</td>
<td>• To provide advice to the State Enterprise Policy Office (SEPO) on ways to improve current legal and regulatory framework, implement a national PPPs policy and develop</td>
<td></td>
</tr>
<tr>
<td>Report/Knowledge Product</td>
<td>Objective</td>
<td>TA Projects</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>the Project Development Facility (PDF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Final Report: Mainstreaming Public-Private Partnerships (Institutional Project Development) (May 2011)</td>
<td>• To provide advice on different aspects of PDF in Thailand including key stakeholders, possible organization structure, sources of funding, operating mechanisms and an indicative financial model as well as to provide different options on key aspects of the proposed PDF</td>
<td></td>
</tr>
<tr>
<td>30. Tender Evaluation on Purple Line (June 2011)</td>
<td>• To evaluate the financial proposals submitted by the Bangkok Metro Public Company Limited (BMCL) and Bangkok Mass Transit System Public Company Limited (BTSC) and recommendations to the Government</td>
<td></td>
</tr>
<tr>
<td>31. PPP FAQ</td>
<td>• To list key questions and answers supposed to be frequently repeated pertaining to PPP</td>
<td></td>
</tr>
<tr>
<td>32. Final Report: Capacity Building for Neighboring Countries Economic Development Cooperation Agency (Aug 2007)</td>
<td>• To provide structural changes and new business processes to strengthen the NEDA’s overall management and operational efficiencies</td>
<td>TA-4886: Capacity Building for Neighboring Countries Economic Development Cooperation Agency (NEDA)</td>
</tr>
<tr>
<td>33. Mass Rapid Transit (MRT) System Expansion and Integration in Thailand: Policy Issues (2011)</td>
<td>• To provide preliminary information and background of: (i) MRT master plan in Bangkok, (ii) Concession Model and PPP Scheme, (iii) Integrated Fare and Ticketing System, and (iv) Institutional Coordination and Transit Modes Integration • To address the policy considerations related MRT System Expansion and Integration in Thailand</td>
<td></td>
</tr>
</tbody>
</table>
| 34. Thailand Safeguard Policy Review: Road & Highways Sub-sector (Dec 2007) | • To understand the scope and substance of relevant environment and social safeguard policies and compare with ADB and World Bank to define equivalency and gaps  
• To assess institutional capacity in Thailand to execute these policies and assess the actual implementation record  
• To provide recommendations for strengthening the application and enforcement of safeguard policies for road infrastructure investment projects in Thailand |  

| 35. Leveraging Thailand's Investment in Urban Mass Rail Transit (MRT) to Develop Competitive Export Capability: Preliminary Assessment (Apr 2007) | • To present results findings as to whether the planned investments in the MRT system in Thailand provides potential opportunities for developing niche export capabilities of Thai-based enterprises aimed at the global MRT industry |  

| 36. Leverage Thailand's Investments in Urban Mass Transit Systems to Strengthen Industrial Development: Preliminary Assessment (Apr 2007) | • To address and assess the potential for developing niche export capabilities of Thai-based enterprises aimed at the global MRT industry |  

| 37. Assessment of Thailand Railway Sector: Rapid Assessment Report (June 2008) | • To provide recommendations which give impact in tangible ways and lead to development of commercial opportunities, which should be of interest to public and private funding sources |  

| 38. Comparative Analysis of Institutional Models for Establishing a Specialized Unit to Enable the Government of Thailand to Structure and Manage Public-Private Partnerships (Sep 2007) | • To assist the Government of Thailand to further its understanding of different institutional models, functional responsibilities, and resource requirements associated with establishing specialized units that is dedicated to PPPs in Thailand |  

### B. Financial Sector

<table>
<thead>
<tr>
<th>Report/Knowledge Product</th>
<th>Objective</th>
<th>TA Projects</th>
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</thead>
</table>
- Creating a National Pension Fund (NPF) for formal sector workers  
- Modifications to the existing Old-Age Pension system (OAP)  
- Integration of OAP and NPF with all existing Thai pension systems to promote labor mobility.  
- Creation of a Pension and Provident Fund Authority (PPFA) to regulate all Thai pension programs. | TA 4011: Thailand Pension System Design |
| 2. Final Report: Commercial Financing for Local Government Units (Nov 2007) | - To strengthen capacity of local governments in financial reporting and project planning and execution  
- To assess local government unit’s (LGU) accounting and auditing practices and suggest improvements  
- To develop and implement detailed rules governing government borrowing from commercial lenders and issuance of bonds  
- To identify and structure two pilot projects for bonds issuance for distribution to a multiple and diversified private investor base. | TA 4558: Commercial Financing for Local Government Units |
<table>
<thead>
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</table>
• To improve liquidity and market efficiency for secondary trading of securities.  
• To develop the derivative industry – interest rate, exchange rate, equity derivatives etc.  
• To introduce a wide range of capital market products, including structured products – for new product development.  
• To define the role of the Agricultural Futures Exchange of Thailand (AFET) and consolidating the Thailand Futures Exchange (TFEX) with AFET. | TA 7102 – Capital Market Development Phase II Technical Assistance |
| 5. Capital Market and Regulatory Report (Feb 2009) | • To support the Capital Market Development Committee on recommendations on reform of the legal and regulatory framework governing the operation of the Thai capital markets. | |
| 6. Capital Market Development Phase II (Mar 2009) | • To represent the current thinking of the stakeholder groups.  
• To incorporate new actions and drop a number of actions in relation with the draft capital market development plan of November 2008.  
• To identify key types of barriers to Thailand Capital Market Development.  
• To show the key changes in status of major elements of the market, as well as provide comments on the measures contained in the plan. | |
| 7. Final Report Capacity Building at Thailand Fiscal Policy Office (May 2009) | • To assist the executive and staff of the Fiscal Policy Office (FPO) to better understand the underlying fundamentals of regulatory issues which may arise during the implementation of the Capital Markets Development Plan Phase II.  
• To identify future training needs and program | |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>types to facilitate FPO in undertaking its role as the Policy unit of the Ministry of Finance</td>
<td></td>
</tr>
<tr>
<td>10. Final Report: Exchange Control Policies (Sep 2009)</td>
<td>• To give recommendations on balanced capital controls and facilitate increase in foreign investment—both direct as well as portfolio. • To give recommendations on how to balance conflicting policy objectives of developing Thailand’s financial markets while ensuring its ability to manage speculative capital inflows effectively.</td>
<td></td>
</tr>
<tr>
<td>13. Draft Report: Public Debt Management Component (Feb 2009)</td>
<td>• To help establish framework and procedures for onlending and guarantees to State Owned Enterprises (SOEs) and local government units, including concentration limits and lending criteria • To recommend an internal credit rating and risk assessment process and pricing model for onlending to SOEs.</td>
<td></td>
</tr>
<tr>
<td>Report/Knowledge Product</td>
<td>Objective</td>
<td>TA Projects</td>
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</tr>
<tr>
<td>15. Taxation of Mergers and Acquisition (Feb 2010)</td>
<td>• To study whether the current Thai tax obstructs the Merger and Acquisition activities and to find the most justifiable changes to Thailand tax laws.</td>
<td></td>
</tr>
<tr>
<td>16. Thailand Interest Rate Futures (Feb 2010)</td>
<td>• To assist the Bank of Thailand assess the feasibility of establishing financial futures contracts in Thailand.</td>
<td></td>
</tr>
</tbody>
</table>

**C. Other Knowledge Products**

<table>
<thead>
<tr>
<th>Report/Knowledge Product</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Discussion note on poverty, income inequality and microfinance in Thailand (Feb 2011)</td>
<td>• To provide an assessment of recent development in poverty and income inequality, synthesize the literature on the key causes of persistent income inequality in Thailand</td>
</tr>
<tr>
<td>2. Asian Development Outlook (ADO) and Updates</td>
<td>• To provide economic analysis and forecast for Thailand annually</td>
</tr>
<tr>
<td>3. Strengthening the Capacity of Provincial Water Supply Enterprises in Lao PDR Through Knowledge Sharing and Technology Transfer from Thailand: Summary Paper (Feb 2010) and Training Material (2009)</td>
<td>• To strengthen capacity of Provincial Water Supply Enterprises in Lao PDR through knowledge sharing &amp; technology transfers from Thailand</td>
</tr>
<tr>
<td>4. Assessment of Thailand's Water and Sanitation Sector (Dec 2008)</td>
<td>• To provide vital inputs to the Office of National Economic and Social Development Board (NESDB)'s clean water development plan</td>
</tr>
</tbody>
</table>
## Knowledge Products of GMS Environment Operations Center (2006–2011)

### Publications

2. Greater Mekong Subregion Biodiversity Conservation Corridors Initiative: Strategic Framework and Technical Assessment
4. Core Environment Program: Environmental Performance Assessment
5. Subregional Environmental Performance Assessment (EPA) Report
15. Pilot Project Profile: Xishuangbanna
16. Pilot Project Profile: Ngoc Linh – Xe Sap
17. Pilot Project Profile: Cardamom Mountains
18. Fast fact sheet: The Core Environment Program and Biodiversity Conservation Corridors Initiative
20. Fast fact Sheet: Environmental Performance Assessments in the GMS (EPA)
21. Fast fact sheet: Strategic Environmental Assessments in the GMS (SEA)
22. Fast fact sheet: Strengthening Community Resiliency for Climate Change in the GMS
23. Fast fact sheet: REDD in the GMS
24. Coffee Table Photo Book: People of the Forest – Portraits from Forest Communities in the Greater Mekong Subregion, April 2009
25. Reducing Risks: Adaptation to Climate Change among Local Communities in People’s Republic of China, Kingdom of Thailand and Socialist Republic of Viet Nam, October 2010
26. Mapping Projects Together(Brochure on user-driven web based portfolio over ADB and other development organization activities), October 2010
27. Fast fact sheet: The Core Environment Program and Biodiversity Conservation Corridors Initiative covering all six countries and the subregion thematically, October 2010

### Posters

1. Biodiversity Landscapes: Greater Mekong Subregion
2. Vegetation of the Upper Mekong Watershed: Deqin County, Yunnan Province
3. Biodiversity Conservation Corridors Initiative: Fragmentation & Connectivity through Corridors
5. Biodiversity Conservation Corridors Initiative: Poverty Assessments and Socioeconomic Benchmarking
7. Environmental Performance Assessments and Sustainable Development Planning
8. Tools for Geospatial Information in the Greater Mekong Subregion
9. Projects in Key Development Sectors in the Greater Mekong Subregion
10. Five Major Basins in the Greater Mekong Subregion
11. Strategic Environment Assessments (SEA) of Greater Mekong Subregion Development
13. Providing Geospatial Information for the Greater Mekong Subregion
15. Greater Mekong Subregion: Biodiversity Conservation Corridor Landscapes and Economic Corridors
16. Biodiversity Conservation Corridors Initiative: Ecotourism Within the BCI Pilot Sites
17. Series of 7 posters under the theme: A Head start in Addressing Climate Change Challenges in the GMS (posters-on-stands exhibition)

**Multimedia Title**

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<tbody>
<tr>
<td>1.</td>
<td>Documentary: Forests for Our Future (Eng, Chinese, Lao, Thai, Khmer, Vietnamese)</td>
</tr>
<tr>
<td>2.</td>
<td>Documentary: Conserving Our Natural Heritage (Eng, Chinese, Lao, Thai, Khmer, Vietnamese)</td>
</tr>
<tr>
<td>4.</td>
<td>Photo montage: People of the Forest</td>
</tr>
</tbody>
</table>

Source: ADB staff.
## CPS 2007–2011 Results: Targets and Achievements

<table>
<thead>
<tr>
<th>Targets</th>
<th>Achievement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Infrastructure Development</strong></td>
<td>Partly achieved</td>
<td>Ranked on 39th on WEF’s global competitiveness index and 27th on IMD’s world competitiveness index in 2011.</td>
</tr>
<tr>
<td>• Thailand’s ranking on the WEF’s global competitiveness index (35th in 2006) and on the IMD’s world competitiveness index (32nd in 2006) improved.</td>
<td>Partly achieved</td>
<td>PPP Committee and PPP Task Force were formed with MOF as a secretariat, and Framework of PPP Unit in MOF is prepared.</td>
</tr>
<tr>
<td>• New unit in MOF responsible structuring PPPs created and staffed.</td>
<td>Achieved</td>
<td>Cabinet approved the framework of a new PPP act and the State Council is reviewing the proposed act.</td>
</tr>
<tr>
<td>• 1992 Act on Private Participation in State Undertakings revised or replaced by a new legal and regulatory framework.</td>
<td>Partly achieved</td>
<td>Three MRT lines totaling 70km were developed as PPPs by December 2011 and a further 55km currently under construction or out to tender.</td>
</tr>
<tr>
<td>• In the MRT sector:</td>
<td>Partly achieved</td>
<td>Effective international procurement procedures were followed on both MRT lines (the Blue Line Extension and the Red Line), but the procurements lacked the level of transparency that is typically followed on such international procurements. Social safeguard policies were followed in accordance with Thai policies and guidelines, which are less protective than ADB safeguards.</td>
</tr>
<tr>
<td>– 5 MRT lines totaling 82km developed as PPPs; transparent and effective procedures for procurement and social safeguards applied.</td>
<td>Partly achieved</td>
<td>Average use of MRT system was 671,965 trips/day as of the second quarter of 2011.</td>
</tr>
<tr>
<td>– Use of MRT system increases from 650,000 trips/day in 2006 to more than 1.5 million in 2011.</td>
<td>Partially achieved</td>
<td></td>
</tr>
<tr>
<td><strong>2. Capital Market Development</strong></td>
<td>Achieved</td>
<td>Number of listed company on the SET increased to 479 by November 2011. Market capitalization reached 8.3 trillion baht at the end of 2010 and daily turnover increased to 28.7 billion baht.</td>
</tr>
<tr>
<td>• Companies listed on the SET increase from 468 in 2005, market capitalization grows from 5.1 trillion baht, and daily turnover increases from 16.1 billion baht.</td>
<td>Achieved</td>
<td></td>
</tr>
<tr>
<td>Targets</td>
<td>Achievement</td>
<td>Description</td>
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<tr>
<td>• Equity market equals size of GDP by 2011.</td>
<td>Partly achieved</td>
<td>Market capitalization increased from 67% of GDP at the end of 2006 to 84% at the end of 2010.</td>
</tr>
<tr>
<td>• Bond market matches volume of bank lending by 2011.</td>
<td>Partly achieved</td>
<td>Bond market increased from 74% of bank lending at the end of 2006 to 82% at the end of 2010.</td>
</tr>
<tr>
<td>• Secondary market grows, with increased volume of securitized transactions.</td>
<td>Partly achieved</td>
<td>Outright daily trading average increased from 17,603 million baht at the end of 2006 to 68,627 baht at the end of 2010. Market for securitized transactions has not taken off.</td>
</tr>
<tr>
<td>• Derivatives market expands with introduction of new hedging instruments.</td>
<td>Achieved</td>
<td>Derivatives market expanded 9 times from 1.2 million contracts in 2007 to 9.4 million contracts in 2011. New products introduced included gold futures, government bond futures, 3M BIBOR futures, 6M THBFX futures, silver futures and Brent Crude oil futures and USD futures.</td>
</tr>
<tr>
<td>• Tax policies revised to ensure greater consistency across financial products.</td>
<td>Achieved</td>
<td>Tax rules and regulations have been amended including specific business tax, merger and acquisition taxation, and futures trading taxation.</td>
</tr>
<tr>
<td>• Consistency, transparency, and communication across financial regulators improve.</td>
<td>Achieved</td>
<td>Capital Market Development Committee was established in 2008 with all financial regulators as members.</td>
</tr>
</tbody>
</table>

3. Environmentally Sustainable Development

<table>
<thead>
<tr>
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<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>• For pollution reduction, legal principles, revenue management guidelines, monitoring requirements and implementation arrangements defined.</td>
<td>Partly achieved</td>
<td>Draft Act on Economic Instruments for Environmental Management and Royal Decree on Pollution Tax on Effluent Discharge prepared.</td>
</tr>
<tr>
<td>• Pilot demonstration of IWRM and flood control management</td>
<td>Partly achieved</td>
<td>Environmental Performance Assessment reporting mechanism established to track MDG targets.</td>
</tr>
<tr>
<td>• Thailand’s road sector safeguard equivalence and harmonization assessment conducted.</td>
<td>Partly achieved</td>
<td>Support for flood management provided through international knowledge sharing conference and...</td>
</tr>
<tr>
<td>Targets</td>
<td>Achievement</td>
<td>Description</td>
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<tr>
<td>conducted for the Yom River basin.</td>
<td>follow on support for water and flood management and IWRM in Yom River Basin agreed.</td>
<td></td>
</tr>
<tr>
<td>● Strategies, action plans, and investment proposals for energy efficiency projects prepared.</td>
<td>● Achieved</td>
<td>● Activities supporting integrated conservation and livelihood development piloted in Tenneserim conservation landscape.</td>
</tr>
<tr>
<td>● Pre-feasibility studies and CDM documentation prepared for projects eligible for carbon credits.</td>
<td>● Not achieved</td>
<td>● The action plans and investment proposals for energy efficiency projects were prepared in 2011 for (i) replicating the municipal building retrofit program; and (ii) scaling-up the public street lighting improvement program.</td>
</tr>
<tr>
<td>4. Enhanced Partnership with Thailand as a Regional Development Partner</td>
<td>● Not achieved, but some progress.</td>
<td>● Not started (pre-feasibility studies and CDM documents for carbon credits on the public street lighting project are planned to be developed in 2012).</td>
</tr>
<tr>
<td>● NEDA provides parallel cofinancing for at least three infrastructure projects included in the GMS and ACMECS programs.</td>
<td>● Partly achieved</td>
<td>● NEDA and ADB are exploring possible collaboration on the GMS Economic Corridor Towns Development Project.</td>
</tr>
<tr>
<td>● Annexes and protocols to the GMS CBTA are ratified by Thailand and neighboring countries.</td>
<td></td>
<td>● Under the Water Operators’ Partnership, while continuing to provide assistance to district water companies in the Lao PDR, the Provincial Waterworks Authority and ADB will explore the opportunity to cooperate with selected Viet Nam water companies along with the Metropolitan Waterworks Authority.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● The Thailand International Development Cooperation Agency and GMS Phnom Penh Plan for Development Management have jointly undertaken a joint learning program.</td>
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<td></td>
<td></td>
<td>● Thailand signed all 20 Annexes and Protocols of the CBTA, but so far ratified only 14 Annexes and Protocols. Cambodia, PRC, Lao PDR, and Vietnam have signed and ratified all of them. Myanmar ratified 9 Annexes and Protocols by</td>
</tr>
<tr>
<td>Targets</td>
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<tr>
<td>• Clearance times at border checkpoints in the GMS are reduced</td>
<td>• Achieved</td>
<td>• Thailand, Lao PDR, and Vietnam implement IICBTA at Mukdahan (Thai) - Savannkhet (Lao PDR) and Dan Savanh (Lao PDR) - Lao Bao (Vietnam) border checkpoints. At Mukdahan border checkpoint with the Lao PDR, clearance time has reduced from over one hour to an average for 25-40 minutes for outbound and inbound trucks. Processing time for cargo trucks has been reduced from 240 to 70–80 minutes and processing time for passenger cars from 2 hours to 30 minutes at the Lao PDR-Viet Nam border crossing point.</td>
</tr>
<tr>
<td>• An integrated approach to improve physical connectivity and logistics under BIMSTEC is adopted.</td>
<td>• Achieved</td>
<td>• BIMSTEC Transport Infrastructure and Logistic Study (BTILS) was completed in 2006. The BTILS recommends an integrated approach to improve physical connectivity and logistics under BIMSTEC. The 12th BIMSTEC Ministerial Meeting in December 2009 endorsed the recommendations of the BTILS. Five expert groups were established.</td>
</tr>
<tr>
<td>• At least 2 projects financed by the EXIM Bank apply ADB’s credit enhancement mechanisms.</td>
<td>• Not achieved</td>
<td>• No project was developed.</td>
</tr>
<tr>
<td>• Regional financial integration training program is developed.</td>
<td>• Not achieved</td>
<td>• No program was developed.</td>
</tr>
</tbody>
</table>

**Notes:**
- **ACMECS =** Ayeyarwady-Chao Phraya-Mekong Economic Cooperation Strategy
- **BIMSTEC =** Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
- **CBTA =** Cross-Border Transport Agreement
- **CDM =** Clean Development Mechanism
- **CPS =** country partnership strategy
- **EXIM Bank =** Export Import Bank
- **GDP =** gross domestic product
- **IICBTA =** Initial Implementation of CBTA
- **IMD =** International Institute for Management Development
- **IWRM =** integrated water resource management
- **MRT =** mass rapid transit
- **NEDA =** Neighboring Countries Economic Development Cooperation Agency
- **PPP =** public-private partnership
- **SET =** Stock Exchange of Thailand
- **TA =** technical assistance
- **WEF =** World Economic Forum

Source: ADB staff estimates.