

Terminal Evaluation

Asia

I. Outline of the Project

- Country : Thailand
- Project title : The Project on developing the capacity of the government to post evaluation the externally funded project
- Issue/Sector : Fiscal and Financial Sector
- Cooperation scheme : Technical Cooperation Project
- Division in charge : JICA Thailand Office
- Total Cost : 22.4 million Yen
- Cost of Training Participant in Japan : 478 thousand Yen
- Share of Japanese's Contribution : 100.0 %
(Thai side made in kind inputs such as dispatch of project coordinator and office utilities.)
- Period of Cooperation
(R/D): 19 Nov. 2004
(Duration): 21 Nov. 2004 – 21 Nov. 2005
- Partner Country's Implementing Organization : Public Debt Management Office (PDMO), Ministry of Finance
- Supporting Organization in Japan : Japan Bank for International Cooperation (JBIC)
- Related Cooperation :
 1. The Joint Evaluation for Forth Bangkok Water Supply Project and Fifth Project and Network System Improvement Project (JBIC)
 2. Developing the Capacity of the Government to Monitor, Evaluation and Support Implementation of Externally-Funded Projects (World Bank)

1-1 Background of the Project

With the growing recognition of the approach of result-based management, more emphasis has been put on performance oriented evaluation in Thailand. Currently Thai government emphasizes efficient management of public investment including foreign loan. Along with this, Thai Government enacted Public Debt Management Act in 2005, which legally requires PDMO to report how the project is well performed or how the foreign loan efficiently and effectively utilized. Accordingly, it is indispensable for PDMO to improve its project monitoring and evaluation systems as soon as possible. In response to this recognition, the Government of Thailand requests the Government of Japan to carry out the Project on developing the capacity of the government to post evaluate the external funded project.

1-2 Project Overview

(1) Overall Goal

Public debt and externally funded projects are managed effectively and efficiently within fiscal sustainability framework, and it minimizes the cost of borrowing.

(2) Project Purpose

The capacity in monitoring and evaluation (M&E) and post evaluation of external funded of PDMO is strengthened.

(3) Outputs

- 1) PDMO develops M&E methodology and loan disbursement index and project performance index.
- 2) LP-MIS becomes fully operated and used as M&E tool.
- 3) PDMO staffs acquire the knowledge of M&E and post evaluation method.

(4) Inputs

Japanese side:

1 Long-term Expert (21 Nov. 2004 - 21 Nov. 2005, 12MM)
Training in Japan (2 weeks for 2 persons)
Training in Thailand (3 times, totally 63 participants)
Joint evaluation with JBIC (8 persons)

Thailand's Side:

Project Coordinator and counterparts (4 persons)
Working space, meeting room and utilities

Cost:

22,338 thousand Yen (Japanese share 100 %)

II. Evaluation team

Members of Evaluation Team:

JICA Thailand Office

Pacific Consultants International (Thailand) Co., Ltd.

Joint Evaluators:

PDMO, TICA (Thailand International Development Cooperation Agency)

Period of Evaluation:

26 September 2005 - 17 November 2005

Type of Evaluation:

Terminal

III. Results of Evaluation

1 Summary of Evaluation Results

(1) Relevance

The Ninth National Economic and Social Development Plan emphasizes good governance to enhance efficiency in government service delivery based on people's participation, resource optimization, transparency, and open access to information. For this purpose, the Plan emphasizes strategies for restructuring of public information management systems, result-based budgeting systems to enhance transparency and accountability of public administrative system. Along with this strategy, Thai government enacted Public Debt Management Act in 2005, which aims at properly managing public debt and reducing cost of borrowings. PDMO have an obligation to respond the new act to prepare mentoring and evaluation report on the loan projects. In this sense, PDMO have to improve its capacity of M&E and post evaluation, so that the Project positions to respond such urgent and important requirement of PDMO.

Meanwhile, Economic cooperation Plan to Thailand (drafted as of September 2005) sets 4 focal areas of Japanese cooperation such as: enhancement of competitiveness for sustainable growth, development issues in maturing society, human security, and regional cooperation. The Thai Government and Japanese Government developed technical cooperation guideline, which includes improvement of fiscal and financial system under the focal area of the enhancement of competitiveness for sustainable growth. Since the Project is recognized as the capacity building for the fiscal and financial system, it is said that the Project exactly meets the Japan's ODA policy and Cooperation Plan to Thailand.

(2) Effectiveness

The Project achieved all outputs except for full operation and utilization of LP-MIS (Loan Portfolio Management Information System). Although improved LP-MIS could not be fully utilized due to an external factor, the Project provided diagnosis and guidance for improvement and utilization of LP-MIS. Through those outputs, the PDMO staffs acquire theory, procedure and methodology of M&E and post evaluation. According to the questionnaire survey, all of the participants answered increase of knowledge in M&E and post evaluation. In addition, it is observed that the PDMO staffs have a high motivation and confidence in M&E and post evaluation through the interview survey. The questionnaire survey also indicates that 80% of the participants think the knowledge from the training is applicable and useful to their daily works. As a supporting fact, high ranked officers also

evaluate their staff improve capacity as well. Based on the facts and investigations above, it is accordingly clear that the Project contributes to strengthen capacity of PDMO staff in M&E and post evaluation in certain extent.

(3) Efficiency

All inputs were made during scheduled Project period. Inputs from Japanese side were adequately managed in terms of inputs of JICA Expert and implementation of training programs. Inputs from Thai side were also appropriate. Project coordinator and counterparts were assigned and in kind inputs were done. Thai counterparts engaged in both the Project and own dairy tasks. Accordingly, when the counterparts were not available, the other staffs of Special Program Loan Division (SPLD) of PDMO supported the Project instead. Timing of training programs was re-scheduled to carry out later half of the Project period to avoid duplication with the joint evaluation with JBIC. By these inputs, the project accomplished more or less all activities and outputs as planned in the PDM except for LP-MIS.

Comparing amounts of inputs and outputs, the Project is evaluated to achieve a high efficiency. The Project accomplished three main activities with large work loads including development of M&E guideline (about 200 pages text), 71 indicators for 9 different fields of project, management of joint evaluation with JBIC and training course in Thailand within one year.

The Project spent total cost of 8,240,000 Baht (22.4 million Yen) in the Project period. Cost items were just JICA Expert, expenses for expert's activities and training in Japan. Although the Project is categorized as technical cooperation project, it is said that the nature of the Project is more similar to JICA individual expert scheme. Comparing the Project with other JICA individual experts, it is evaluated that the Project produced much various outputs within one year rather than that of the JICA individual expert under similar cost spent. It is therefore concluded that the Project was efficiently planned and implemented.

(4) Impact

With the circumstances that the outputs was almost achieved as above mentioned, and assumptions and conditions were not changed, the project goal of disbursement rate has been drastically improved from 55.3 % in 2003 to 70.7 % in 2005. It is obvious that this improvement of disbursement rate (accumulated disbursed amount divided by total loan amount) might largely depend on many other factors to such as strong mandatory from government and request from external funding organizations. Periodical monitoring information from PDMO might have a certain contribution to this improvement, which was improved based on the learning from the Project.

SPLD seems to be a resource center of M&E and post evaluation in Thai government. SPLD was invited to a workshop of project evaluation by several government agencies as a lecturer. SPLD also organized project evaluation workshop in April 2005. In addition, SPLD was also requested by Vietnamese government to make a technical transfer on M&E and post evaluation. In the occasion that Vietnamese delegation visited to PDMO in October 2005, SPLD made a lecture regarding project evaluation to them. These are favorable by-products or ripple effects of the Project.

(5) Sustainability

Under the recognition of importance of good governance, effective and efficient budget use has been rapidly aware in Thai government. Public Debt Management Act (effective in 2005) is/will be a legal background that PDMO carries out the M&E in future. PDMO recognizes importance of preparing better tools and capable human resources to properly manage monitoring and project evaluation. Improvement of LP-MIS and introduction new GFMS (Government Fiscal Management Information System) are for the better tools to achieve it, and PDMO tries to carry out post evaluation studies for all of foreign funded projects from 2008 according to the PDMO Action Plan.

Organization and capacity of staffs are evaluated to have adequate potentials to respond it by maintaining the outputs of the Project. And, PDMO has planned to allocate the budget to do so, for example, they utilized own budget to improve LP-MIS and post evaluation studies. However, SPLD staff still has room to improve their capacity by acquiring "practical experience" in M&E and post evaluation. It will be overcome by practicing numbers of project evaluation. Meanwhile, PDMO is required to expand capacity to respond increasing volume of work load to carry out post evaluation for all foreign funded projects. Therefore, it is necessary to expand capacity more. Enhancement of capacity of young staffs will be a key on this.

It seems that foreign funded project is going to decrease in Thailand in accordance with its development. PDMO strongly intends to adopt the methodology and tools in M&E and post evaluation to the domestic funded projects. The outputs of the Project thus will be utilized to apply domestic projects in future.

2 Factors Promoting Sustainability and Impact

(1) Factors concerning to Planning

The PDM assumes that strengthening of capacity in M&E and post evaluation would be achieved through trained staff remains to engage M&E works in the PDMO with using LP-MIS. The application of M&E and post evaluation methods learned from the Project is also an important condition to achieve the project purpose in the PDM. These important assumptions and conditions

were unchanged during the Project and will be kept in near future because there is a strong mandatory of PDMO to carry out the M&E to realize result-based budgeting system in Thailand. It is pointed out that the PDM has been effectively formulated in response to such circumstances. It makes the Project implement smoothly.

(2) Factors concerning to the Implementation Process

Since the substantial input of the Project was just one person of long-term expert, the success of the Project seems to depend largely on the enthusiasm of Long-term Expert and support from SLDP even their inputs were sometimes part-time basis. Capability of the Expert was adequately fitted to the Project.

3 Factors Inhibiting Effects of Sustainability and Impact

(1) Factors concerning to Planning

The Project planned to achieve improvement of LP-MIS which was planned and managed outside the Project. It means that the Project partially relied on the external inputs. Including the improvement of LP-MIS which was an external factor of the Project caused un-accomplishment of one of the outputs of the Project.

(2) Factors concerning to the Implementation Process

The Project had counterparts assigned by PDMO. These counterparts took care of both own works and the Project works. It may constrain some capacity to realize best performance of the JICA Expert and slightly affect re-schedule of training programs. If there is a full-time staff or supporting staff to off-set it, JICA Expert might be more productively worked.

4 Conclusions

The effective and efficient budget use has been rapidly recognized. In particular, result-based budgeting system is urgently required in Thai government. Public Debt Management Act is positioned along this context. Under the Act, M&E and project evaluation is an inevitable action for PDMO. To response it, PDMO needed to preparing better systems and capable human resources to properly manage monitoring and project evaluation. The Project is positioned in this vital context.

The Project was effectively and efficiently managed to carry out the activities. The Project produced various important outputs within just one year such as PDMO Action Plan, M&E guideline, 71 of indicators, training programs both in Thailand and Japan, and joint evaluation with JBIC, however, LP-MIS can not completed within the Project period. Consequently, the Project contributes to strengthen capacity of SLDP in M&E and post evaluation in certain extend. It may construct sound bases to improve loan disbursement rate and fiscal sustainability of projects in future through better monitoring and evaluation system.

5 Recommendations

(1) Advisory to Post Evaluation of PDMO

The Project provided SPLD staff and others with adequate knowledge of M&E and post evaluation, and the SPLD staff practiced actual post evaluation through joint evaluation with JBIC. However, SPLD staffs still have room to improve their capacity by acquiring "practical experience" in M&E and post evaluation. They need more practice so as to produce evaluation report at the reasonable level by implementing actual practice of evaluation. Certain system to occasionally monitor the monthly monitoring report and post evaluation report and give minimum advice is recommended to be established.

(2) More Opportunity to Train Young Staffs

PDMO plans to carry out post evaluation for all foreign funded project in 2008, and to expand the coverage to the domestic funded projects in future. It will largely increase number of target projects, resulted in increasing work loads. To tackle this problem, it is necessary to properly distribute work tasks among the PDMO and to expand working capacity. It is recommended to up-lift capacity of young staffs by increasing training opportunities for young staffs.

(3) Improvement of Feed-back System of Monitoring Results

PDMO produces monthly monitoring report and distributes in MOF and to executing agencies. However, there is limited feed-back system to solve/mitigate problem to disturb loan disbursement. It is recommended to discuss among the stakeholders such as PDMO, budget bureau and executing agencies as to how the monthly monitoring report effectively utilized to take necessary action to improve disbursement, reduce borrowing cost, and enhance fiscal sustainability.

6 Lessons Learned

(1) Preparation of PDM

The Project could not accomplish one of outputs because of the delay of LP-MIS, which was managed outside the Project. It means that the Project relied partially on the external factor when it was planned. Since it is difficult to re-schedule or re-arrangement for short-time and small project like this Project, it need to pay more attention to produce PDM to minimize effects from such external factor.

(2) Concrete Indicators for Capacity Building

The original PDM set up verifiable indicators descriptively for evaluation of the Project. It is sometimes difficult to investigate magnitude of improvement of capacity through training program. In order to implement project evaluation more objectively, it is recommended to analyze and compare the level of knowledge before and after the Project, in particular for evaluation of training program. It is also desirable to pay attention on reflecting it into considering project activities during the preparation of PDM.

(3) Practical Activity with Foreign Funding Institute

SPLD evaluates the joint evaluation with JBIC as a variable opportunity of exercising post evaluation. It implies that the exercise with foreign funding institute is effective to show the required standard of project evaluation and is a good opportunity of learn practical training. With regard to the combination of practical activity and training program, the Project firstly provided the joint evaluation with JBIC and then organized training programs later on. There is other option that the training program comes first to offer theory and procedure, then the joint evaluation comes next to offer exercise. Capacity building method should be flexibly formulated in accordance with motivation, capacity and needs of trainees.

7 Follow-up Activity

None.