

## Summary of the Terminal Evaluation

<b>I. Outline of the Project</b>		
Country: Thailand		
Project: Land Readjustment Promotion Project		
Sector: Urban development		
Cooperation scheme: Technical cooperation project		
Division in charge: JICA Office in Thailand		
Cooperation amount (at the time of evaluation): About 320 million yen		
Period of cooperation	November 2005 - November 2009	Partner country's implementing organization: Department of Public Works and Town & Country Planning (DPT), Ministry of Interior
		Supporting organizations in Japan: Ministry of Land, Infrastructure, Transport and Tourism
		Other related cooperation:
<b>1-1 Background to and outline of the cooperation</b>		
<p>In Thailand, because rampant development has caused various urban problems, such as the worsening of the urban environment, the occurrence of traffic congestion, and inefficiency in economic activities, Japan carried out Development of the Method of Urban Development (DMUD) for six years from June 1996 to introduce an appropriate urban plan and an appropriate urban development method. As a result, the Land Readjustment Act was enacted in 2004. However, when the project was actually promoted, government and ministerial ordinances and technical standards, which were to be specified separately as provided in the Act, were not established, and accumulation of experience was essential for smoothly carrying out actual land readjustment projects. Because of this, the “Land Readjustment Promotion Project” for the four-year cooperation period from November 2005 was carried out as the culmination of a series of cooperation projects in the sector of urban development in Thailand.</p>		
<b>1-2 Contents of the cooperation</b>		
(1) Overall goal		
Continuous use of land readjustment as the most effective urban development method for improvement of the urban environment		
(2) Project goal		
Development of institutional and human foundations in the public and private sectors for the promotion of land readjustment in Thailand		
(3) Outputs		
Output 1: Promulgation of all government and ministerial ordinances and other rules necessary for the commencement of land readjustment projects by the middle of FY2008 in Thailand		
Output 2: Development of institutional and human foundations for the establishment of provincial master plans and project master plans for land readjustment projects		
Output 3: Development of institutional and human foundations for land allocation in land readjustment projects		
Output 4: Development of institutional and human foundations for the management of land readjustment projects		

Output 5: Encouragement of consultation firms, constructors, financial institutions, and other private companies to understand land readjustment and participate in the project

(4) Inputs (at the time of evaluation)

Japanese side

- Dispatch of long-term experts: 5 persons (158.5 M/M)
- Dispatch of short-term experts: 4 persons (3.9 M/M)
- Acceptance of training participants: 26 persons
- Provision of equipment: equivalent to 5.56 million bahts (About 15.58 million yen)
- Local cost burden: about 29.93 million yen (result through March 2008)

Thai side:

- Placement of counterparts: 18 persons (as of May 2009)
- Local cost burden: 55.46 million bahts
- Pilot project budget allocation: 73.30 million bahts
- Experts' working space, etc.

**II. Outline of the evaluation team**

Team members	<p>(Area of responsibility)</p> <p>Japanese side:</p> <ul style="list-style-type: none"> <li>Masazumi Ogawa (leader, supervision) Deputy Resident Representative of JICA Office in Thailand</li> <li>Takeo Ochi (land readjustment, supervision assistance) JICA Senior Advisor</li> <li>Tatsuo Arakawa (land readjustment project management) Urban Development and Improvement Division, Planning Officer, Ministry of Land, Infrastructure, Transport and Tourism</li> <li>Kiyoka Takeuchi (cooperation and planning) member of JICA Office in Thailand</li> <li>Mitsuyasu Ida (assessment and analysis) Senior Consultant, Interworks</li> </ul> <p>Thai side:</p> <ul style="list-style-type: none"> <li>Mr. Udom Puasakul, Director-General of DPT</li> <li>Mr. Supol Sripan, Vice Director-General of DPT</li> <li>Mr. Preecha Ronnarong (land readjustment) Director of Comprehensive and Specific Planning Bureau of DPT</li> <li>Mr. Adisorn Manomaitamrongkul (C/P representative) Director of Land Readjustment Bureau of DPT</li> <li>Mr. Soradej Sundararjun (project management) Director of Foreign Cooperation Bureau of DPT</li> <li>Ms. Jitkasem Tantasiri (assessment) Director of Director-General's Office of TICA</li> <li>Ms. Numtip Buachaiboon (assessment) Program Officer of Technical Support and Assessment Office of TICA</li> </ul>
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Period of the evaluation: May 20-29, 2009	Type of evaluation: Terminal evaluation
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**III. Outline of the evaluation results**

**3-1 Summary of the evaluation results**

(1) Relevance

Given the following, the relevance of the Project can be judged to be high.

- After the enactment of the Land Readjustment Act, DPT established the "Strategic Plan (2008-2011)" and the "Framework for Land Readjustment in Thailand" (already approved by the

Ministry of Interior) and has begun to construct a system and plan to introduce land readjustment. According to the results of the terminal evaluation, DPT, local governments, NHA, BMA, and others are highly expecting land readjustment to be an effective urban development method, and it can be said that the promotion of land readjustment is to keep up with the expectations and needs of latent users, such as government agencies and public organizations.

- The approach of the Project was to improve DPT's guiding and implementing abilities, accumulate experience, develop a land readjustment method suitable for Thailand, and create examples for nationwide popularization through the implementation of the pilot projects, developing circumstances necessary for carrying out land readjustment, such as the enactment of government and ministerial ordinances. Given that there was no prior example of land readjustment by the private sector or a local government, the introduction of two elements – the establishment of laws and systems and the creation of examples – was an effective approach for firm establishment of land readjustment in Thailand in the future. In addition, ten sites were selected as the target areas for the pilot projects. This enabled DPT to gain understanding and knowledge of project purpose, project entity, etc. in various cases. Given these points, the size of the pilot projects also was appropriate.

## (2) Effectiveness

The degree of achievement of the outputs and the project goal is as follows:

### 1) Degree of achievement of Output 1: virtually achieved

At the stage of terminal evaluation, 18 government and ministerial ordinances necessary for the commencement of land readjustment projects were approved and promulgated. Of the remaining eight government and ministerial ordinances, seven ordinances concern the foundation and management of land readjustment funds. All seven of these ordinances have already been drafted and discussed by the committee; they are now at the stage of final correction. Given such status of progress, it can be judged at this stage that Output 1 has been virtually achieved.

### 2) Degree of achievement of Output 2: virtually achieved

Of the 76 provinces (including Bangkok), 65 provinces have made their own land readjustment master plans and received approval from their land readjustment committees. The remaining 11 provinces are creating drafts or awaiting approval. So far, nine land readjustment project master plans have been prepared in accordance with provincial master plans. Of them, five land readjustment master plans have been approved by the provincial land readjustment committees. Because this status of achievement exceeds “four project master plans” specified in an indicator, the degree of achievement is sufficient. With regard to the 11 provinces where provincial land readjustment master plans have yet to be approved, it is necessary for the Project to monitor the status of progress and, if needed, give support.

### 3) Degree of achievement of Output 3: virtually achieved

A manual on the design of land allocation has already been prepared. Based on this manual, the land allocation group has designed land allocation for four pilot projects. It is planned that skills in the design of land allocation will be disseminated among provincial offices through OJT and other training activities for the provincial office staffs in the priority sites.

### 4) Degree of achievement of Output 4: virtually achieved

“Implementation of four pilot projects” specified in an indicator has been virtually achieved. The management group tried to reach an agreement through negotiations with landowners and meetings and facilitated the provincial land readjustment committees' approval of the projects. A manual on the

management of land readjustment is under development, and the final version is expected to be completed based on project experience by the end of the Project.

5) Degree of achievement of Output 5: achieved to some extent (although activities were carried out according to plan, effectiveness is insufficient)

During the Project, public relations about land readjustment were carried out through websites, pamphlets, newsletters, etc., and seminars for the private sector were held three times. The seminars attracted 700 persons in total (about 150 companies). Such public relations resulted in an improvement to a certain extent in companies' awareness and understanding of land readjustment. However, because actual examples of land readjustment projects, market size, and incentives have still not been clarified in Thailand, it has not reached the stage to encourage companies to get a toehold in the business, getting business opportunities from land readjustment.

6) Degree of achievement of the project goal: virtually achieved

Approval was given to five land readjustment projects. Of them, two projects started after groundbreaking ceremonies in March 2009. In the pilot project in Lampang, the regional road bureau constructed highways. The purpose of the Project – “at least three pilot projects began after receiving approval” – has been achieved. However, further efforts are needed concerning the following three points:

- Because the pilot projects are still under way, the counterpart needs to have enough ability and experience to carry out the whole project cycle.
- Because the pilot projects have been carried out as projects directly operated by the Headquarters of DPT, the provincial offices' participation is still partial and the Headquarters needs to enhance the provincial offices' capabilities.
- Display of successful examples in Thailand is extremely important for facilitating the participation of private companies. In this point, the Land Readjustment Bureau needs to give maximum support.

(3) Efficiency

Given the following, the efficiency of the Project is judged to be appropriate:

- Although the Thai side's personnel distribution was initially in accordance with the plan, vacancy arose due to transfer and the like. Because the number of C/P members has been small from the start and many members are in charge of two or more project operations, a shortfall in personnel occurred in the second half.
- The Japanese side's inputs were initially made almost according to plan. Experts who have practical experience in Japan were highly regarded. However, the input of experts in charge of land readjustment management was ineffective when the pilot projects still did not begin.
- The pilot projects were delayed because the budgets for the pilot projects could not be gained in a timely manner, due to a delay in the establishment of laws necessary for project approval procedures and a gap between the Thai Government's budget cycle and the pilot project plans.
- Although the first scenario of the implementation of the pilot projects was that the counterpart and the expert team would improve the provincial offices' implementation ability, improvement of the counterpart's ability was needed first, resulting in insufficient support to the provincial offices.

- Although the purpose of the Project was to establish the government's and the private sector's institutional and personnel foundations, the activities specified by PDM were limited to seminars and public relations, resulting in insufficient promotion of private companies' participation.

#### (4) Impact

- The overall goal of the Project is "continuous use of land readjustment as the most effective urban development method for improvement of the urban environment" and its indicator is "on average, one land readjustment project begins physical work every year." Because the pilot projects for the Project are still under way, concrete effects cannot be shown yet. As of the post evaluation survey, the following contributing and diffusing effects can be recognized:
  - The effectiveness of the land readjustment method was widely recognized as an alternative method to traditional ones, such as overall expropriation of sites accompanied by the movement of residents, and laws necessary for carrying out land readjustment projects were enacted. This resulted in the establishment of an environment where private companies and local governments can start actual projects.
  - The implementation of the pilot projects and PR activities about them increased interest in land readjustment methods, with the result that concrete project plans began to be submitted to provincial DPT offices.
- Although the recognition, understanding, and popularity of land readjustment have increased, they have still not encouraged communities, local governments, and private companies to participate and invest in land readjustment positively. To popularize land readjustment, it is important to complete at least one land readjustment project, show it as a model, and provide access to funds for business investments, such as initial investment and bridge financing.
- Because a project in Bangkok has a great visual effect of urban environment improvement and can be expected to have great social and economic effects, such as improvement in land prices, the effect of attracting customers, improvement in other commercial values, and ease of traffic congestion, the lack of any project in Bangkok among the priority sites under this Project limited the production of impact.

#### (5) Sustainability

Given the following, the sustainability of the project results can be judged to be relatively high:

- Because DPT has established the "Strategic Plan (2008-2011)" and the "Framework for Land Readjustment in Thailand" (already approved by the Ministry of Interior) and has begun to create systems and plans for the introduction of land readjustment, the sustainability of the policy is high.
- DPT has already allocated budgets to two pilot projects. DPT has strong intention to establish model sites (the projects at the priority sites have been completed). The sustainability of political and budgetary support to the priority sites is high even after the end of the Project. However, C/P has no experience in the operations at the final stage, such as land allocation and settlement of accounts. In this point, it needs to add technical ability and experience. The provincial offices' lack of ability and experience is also an issue in the future.
- The Land Readjustment Bureau has still been recognized only within DPT, and has not been given an official status, which may become a problem when securing a budget or staff members.
- Although DPT included the approved expenses for the pilot projects in its budget request for FY2010, it is unclear whether the requested amount will be approved in a timely manner, which has caused concern that the progress of the pilot projects might be delayed.

- Although a land readjustment fund was established and the establishment of laws for the management of land readjustment is in preparation, the size of the fund is too small to deal with a large-scale project.

### **3-2 Factors for promotion of and obstruction to the Project**

- In Thailand, the amount of tax on land or a building is small. Because of this, even if the Thai Government carries out an infrastructure project to facilitate a land readjustment project, it is difficult to recover the project cost. In addition, each landowner's incentive to use his or her sites and buildings is weak.
- The holding of meetings of the land readjustment committees and their approval processes cannot be controlled by the Project. A delay in the holding of a meeting caused a delay in the pilot projects.

### **3-3 Conclusion**

Because land readjustment has been widely recognized among the public and private sectors as an effective method for urban development, the relevance of the Project is high. The Project was delayed from the initial plan due to the delay in the enactment of government and ministerial ordinances and the gap between the pilot project plan and the fiscal plan. Because of efforts by both the expert team and the counterpart, however, the Project has reached a stage where almost all the goals can be achieved in terms of PDM indicators. The pilot projects are still under way and have still not reached a stage where social and economic impacts can be shown concretely. However, because the establishment of policies and systems necessary for carrying out land readjustment measures is in progress, if successful examples of pilot projects can be established and the management of funds begins, they are highly likely to be used widely by NHA, BMA, local governments, etc. DPT has shown a strong commitment to continue to support the pilot projects. To strengthen the ability to carry out land readjustment projects further, it is necessary to enhance DPT's provincial offices and consider concrete measures for promoting the participation of private companies.

### **3-4 Recommendations**

Recommendations about the Project:

- To establish successful examples, make efforts to promote the pilot projects in the priority sites.
- Endeavor to take full measures to solve the remaining issues (accumulation of field experience through OJT, reflection of pilot project experience in manuals, holding of seminars according to private needs, etc.).
- Prepare a practical strategic plan to facilitate the realization of the "Strategic Plan (2008-2011)" and the "Framework for Land Readjustment in Thailand" and gain approval from the Ministry of Interior.
- Accumulate and arrange data, records, photos, and videos (about landowners' meeting, etc.) obtained through the implementation of the pilot projects so that they can be used as materials for popularization among local governments, relevant agencies, and private companies in the future.

Recommendations to DPT:

- Consider measures for expanding the size of the land readjustment fund.
- Strengthen the organizational system for the promotion of land readjustment according to the

“Framework for Land Readjustment in Thailand.”

- DPT’s provincial offices’ system and role related to land readjustment are unclear. Consider appointing an officer in charge of land readjustment and establishing a land readjustment department in the offices that are carrying out the pilot projects.
- Introduce a regular training program concerning land readjustment to impart skills to provincial DPT offices, local governments, private companies, etc.
- DPT has so far improved provincial offices and local governments’ ability and experience in land readjustment, focusing on the improvement of the ability and experience within the organization. However, as knowledge and know-how accumulate within DPT, DPT should review and redefine its role and shift from the implementer of land readjustment projects to technical supporter and supervisor.

### **3-5 Lessons learned**

When promoting an actual pilot project while establishing political, institutional, and other environments necessary for carrying out the project, it is necessary to pay full attention to the following at each cycle of the Project:

- At the stage of planning the Project, it is important to enter concrete steps of the implementation of a roadmap and clarify a critical path as to what legal system to establish and by when it should be established.
- At the initial stage of the implementation of the Project, strategic documents that politically recognize and support the pilot projects should be approved by superior agencies. Such documents are important for securing budgets and personnel necessary for the pilot projects.
- At the stage of the implementation of the Project, it is important to incorporate the annual plan and budget for the pilot projects in the counterpart agency’s annual plan and budget. This enables both parties to input necessary funds and personnel without delay.