



1. Project Data :
OEDID: L3446
Project ID: P004787
Project Name: Fourth Highway Sector Project
Country: Thailand
Sector: Highways
L/C Number: Loan 3446-TH
Partners involved : Japan Grant Fund
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2. Project Objectives, Financing, Costs and Components :

The project, supported by a loan of US\$ 177.5 million equivalent, was approved on March 19, 1992, and made effective on July 23, 1992. The loan was closed on June 30, 1998 after a six-month extension. US\$ 18.9 million equivalent was canceled.

The main **objectives** of the project are to improve the efficiency and safety of Thailand's road sub -sector and mitigate adverse environmental impacts by :

- supporting the preparation and implementation of an economically justified program of investments for national and provincial road network;
- assisting the implementation and coordination of actions to substantially reduce environmental degradation and vehicular accidents; and
- promoting improved policies to enhance the operational efficiency of road transport and road use .

To achieve these objectives, the project had the following components:

1. civil works for rehabilitation, upgrading to paved standard, and safety and capacity improvements of national and provincial roads and bridges included in the investment program of the Department of Highways' Seventh Highway Plan (1992-1996),
2. technical assistance to DOH for the design of a long -term investment and financing strategy and associated institutional development; and
3. equipment, technical assistance, studies and training to assist MOTC and other concerned agencies in coordinating and implementing key components of Three Action Plans to improve traffic safety, reduce vehicle-related air and noise pollution, and improve the efficiency of the road transport industry .

Project Costs and Financing : Appraisal Estimate: US\$ 258 million; Actual: US\$ 212.5 . **IBRD:** Appraisal Estimate: US\$ 177.5 M, Actual: US\$ 158.57.

Co-Financing: Japan Grant Fund : US\$ 0.8 million; **Government:** US\$ 79.7

3. Achievement of Relevant Objectives :

The project achieved its civil works component . Eleven contracts for rehabilitation and betterment and ten contracts for upgrading were successfully completed within the project time frame and delivered good quality works . The overall economic rate of return is estimated at 30.5% at completion versus the minimum threshold requirement of 12% percent established for financing of sub -projects under the project. The three Action Plans to reduce vehicle-related externalities, improve traffic safety and enhance transport efficiency were implemented with varying degrees of success.

4. Significant Achievements :

The Action Plan to reduce air and noise pollution was successfully implemented : Leaded gasoline was phased out, fuel and lubricant quality were improved; engine standards were established and standards for emissions were upgraded. The road safety Action Plan produced a Master Plan and the first two pilots projects are being implemented.

5. Significant Shortcomings :

The Action Plan to improve road transport efficiency was not achieved . Actions aimed at strengthening the regulation of the trucking and busing industries were not implemented .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Partial	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

The key lesson from this project is that the Action Plan concept is a useful instrument to develop an integrated intervention to address cross-sectoral issues, but its implementation is marred by the conflict of interest among different agencies and groups . Traditional implementation strategies are not adequate to solve the collective action dilemma among the different agencies; there is a need to develop an innovative implementation strategy to dampen the collection action dilemma and enhance the effectiveness of Action Plans .

8. Audit Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR :

The ICR is satisfactory. It makes a good assessment of the project's implementation experience and results, and identifies useful lessons.