

**Consultation with Development Partners**  
**World Bank Group Country Partnership Framework**  
**Meeting Summary**  
**May 31, 2017**  
**World Bank Thailand Office**

As an important step in developing the Thailand-World Bank Group Country Partnership Framework (CPF), 11 rounds of public engagement meetings with diverse stakeholder groups are being organized aiming at gathering views, recommendations and priorities to feed into the strategy of support for Thailand's long-term development. This meeting took place on May 31 with Development Partners in Thailand.

**Organizations present in this meeting**

1. British Embassy
2. International Union for the Conservation of Nature
3. United Nations ESCAP
4. United Nations Environment Program (UNEP)
5. European Union
6. Food and Agriculture Organization (FAO)
7. World Health Organization (WHO)
8. International Labor Organizations (ILO)
9. UNAIDS
10. International Organization for Migration (IOM)
11. GIZ (German Development Agency)
12. United Nations Population Fund (UNFPA)
13. Universal Postal Union (UPU)

**Agenda:**

1. Welcome and introductions to the World Bank Group and overview of the Country Partnership Framework
2. Thailand Systematic Country Diagnostic "Getting Back on Track: Reviving Growth and Securing Prosperity for All" presentation
3. Discussions:
  - a. What are the priorities for Thailand for the next 3 years?
  - b. What are possible areas of World Bank Group collaboration with development partners to help Thailand achieve its long-term development vision?

**Summary of inputs from participants**

- 1. Health**

- Thailand has done relatively well in improving health access and status but the same progress is not reflected in education.

## **2. Aging society and social protection**

- Thailand is aging very fast putting pressure on the labor market and need to increase productivity. NESDB recently introduced a 20-year population policy to address this problem.
- Social protection should go along with job creation in middle-income countries such as Thailand.
- Social protection funding and competitiveness to increase Thailand's competitiveness, investing in human skills and social protection matters as Thailand can no longer rely on cheap labor to attract investments or cheap social protection. Countries with high levels of innovation and economic development invested very early in social protection as part of their economic model.
- An economic model that builds around the growing middle class, and not just the bottom 40%, can be beneficial for Thailand. Finding a robust system, like contributory tax insurance, may help.

## **3. Sustainable growth and the environment**

- The level of development is going to be increasing, therefore, it is important to make consumption and production greener and more sustainable in the future.
- Thailand quickly adopted the Paris Agreement, developing climate change policies, and adaptation mitigation. However, implementation is not efficient. What can be done to speed up the implementation since Thailand is losing its competitive edge?
- Data collection is not institutionalized, especially data sharing between government agencies.
- Thailand has never done a climate change assessment because there is a lack of budget.
- The World Bank could work to reduce vulnerability in climate change.

## **4. Inequality**

- The Systematic Country Diagnostic (SCD) report mentioned good success with poverty reduction but there is still some work to do.
- Inequality has been increasing. Is there an action the World Bank can take to reduce inequality?
- The poor in the urban areas suffer more than the poor in rural areas. This is not highlighted in the SCD report.

## **5. External political and economic landscape/current affairs**

- Protectionism - Tariff and non-tariff are increasing both inside and outside the region. China is growing more towards the domestic oriented growth model, which will have implication on trading partners or countries like Thailand which engages in the value chain with China.

## **6. Migrant workers**

- Lower-skill jobs are taken by migrants. Poorer education in Thailand may lead to the exclusion of lower skill Thais in the labor market.

## **7. Institutional capability of the public sector**

- Strengthening institutional capability of the public sector is very crucial. When policies are laid out, there is usually a lack of information and data at the provincial level to track inequality.
- Lack of CRVS (Civil Registration and Vital Statistics) which should be considered more, rather than waiting for census or survey.
- Governance issues, particularly on transparency in public procurement.
- The SCD showed deteriorating quality of governance. However, there are few recommendations to solve governance issues.
- There is a concern on Thailand's new development model to speed up the Eastern Economic Corridor (EEC). Thailand can be more analytical with its strategic plan. It is better to be slow but resilient and sustainable.
- Thailand possesses the know-how but could not implement projects because of institutional problems. How to make Thailand come up with its own solutions in a sustainable way?

## **8. Business constraints**

- Constraint in the mechanism of management: loan, investment, way of selecting CEOs.
  - i. CEOs have to retire at the age of 60 and their term is maxed at 5 years. Therefore, there is no incentive to engage in risky investment and no long term planning for business development.
- There strong protection from the government of some industries e.g. strict customs.

## **9. Public Private Partnership**

- Boosting investment in infrastructure and building smarter social protection will need more financing aspects. Partnership with private sector will be required especially in building infrastructure.

## **10. Sustainable Development Goals (SDG)**

- Is there an effort to align the SCD with the Sustainable Development Goals (SDGs) since there are similar elements?

## **12. Cooperation between development partners and the World Bank**

- Some development partners conveyed that they are also developing their own country strategies with Thailand and that there is alignment with the priorities presented by the

World Bank. They wondered if there are opportunities for synergistic collaborations in the future.

- A few development partners mentioned that their relationships with Thailand has been evolving from an aid-recipient country to more of a development partnership. As a middle-income country, they wondered if World Bank engagement with Thailand will be limited, as it has been for them.