

**Kingdom of Thailand: Interim Strategy Note
and
Thailand: Public Sector Reform Development Policy Loan**

**Meeting of Executive Directors
November 18, 2010**

Chairman's Summing Up

The Executive Directors discussed the Interim Strategy Note for the Kingdom of Thailand (R2010-0256). They approved a Public Sector Reform Development Policy Loan (DPL) in the amount of USD 1 billion equivalent for the Kingdom of Thailand on the payment terms and conditions set out in the President's Memorandum (R2010-0258/1).

Directors welcomed Thailand's decision to re-engage in financial activities with the Bank and agreed that in light of the political situation and uncertainties, the use of a two year ISN was appropriate. They appreciated the government's prompt response to the global financial crisis and the ability to strengthen the economy's resilience.

Directors expressed broad support for the interim strategy and its approach. They recognized the Bank's knowledge partnership with the country, and noted that it could provide valuable lessons for other Middle Income Countries (MICs). Directors were also pleased with the sustained growth performance, and the progress towards meeting the MDGs, highlighting the innovative addition of "MDG Plus". However, Directors expressed concerns about the inequities in spite of this growth, which have contributed to heightened social tensions in the country.

Directors noted the assessment provided by IEG and requested that management give further thought to developing appropriate monitoring and evaluation indicators for the demand-driven technical assistance activities supported by the ISN. Directors were encouraged by the integration of IFC's activities but questioned its limited role. They stressed the importance of catalyzing more domestic and foreign investment, especially in under-served regions and sectors of the economy.

Summary of Discussion

With respect to the DPL, the Executive Directors agreed with the objectives of the program, highlighting the significance of the large scale re-engagement in lending to Thailand. They appreciated the country's ability to implement a strong program and welcomed the adoption of the Medium-Term Expenditure Framework. Directors acknowledged the effective consultations around the DPL to manage political risks and the country's response to mitigate the impacts of the global financial crisis. Directors underlined the importance of continued donor collaboration, and of a strong results framework.

This summary is not an approved record.