

I. Summary Description

Began in 1964, the Accelerated Rural Development (ARD) has the goal of winning or holding the loyalty of rural villagers in insurgent-threatened areas of the Northeast and North. Increased governmental services, economic development and strengthened local self-government are the tools to meet this objective, and mutual respect between the government and the people is the key factor in its success or lack thereof.

The governor of an ARD changwat (province) - ~~has~~ ^{USOM is participating -} receives equipment to enable him to carry out a variety of public works activities and services of technical advisors who can help him plan, administer and implement these new activities. It is assumed that the governor will be able to recognize and fulfill local needs better than officials situated in Bangkok. To date, construction of feeder roads has received priority attention although emphasis now is also being given to the development of water resources. A governor of an ARD province also receives advice and equipment for implementation of public relations, mobile medical, agri-business, young adult, occupational promotion and other programs.

In its five year existence, ARD has given provincial governors the authority and wherewithal to carry out relatively successful road building programs and other programs whose success has been mixed. Training of supervisory and management personnel has been a recurrent problem, as has been effective utilization and maintenance of equipment. A new training contract, to be negotiated in FY 1970, combined with a new reporting and inspection system should help alleviate these problems.

In mid-FY 1969, ARD presented a Forward Look (F-L) for the next five years which proposes expansion into five new provinces (and implies phasing out of US support to older provinces) and continuing ARD's current activities on an expanded scale. Although the F-L will have to be discussed further with ARD before the United States Government can make a commitment to support it, USOM, pending comprehensive talks in future plans, has drawn up a tentative schedule of assistance for the next five years. This should not be construed as a permanent, inflexible plan, for future consultation with ARD, as well as increased local initiative will require flexible responses from the US Government. The F-L can,

however, serve a valuable function as a framework for allocating resources over the next few years.

For funding summary, see tables at back.

II. Setting and Environment

The ARD program was officially launched on May 12, 1964 with the signing of the FY 1964 Project Agreement granting \$2.3 million to six Northeastern changwats. The stated objectives of this program were to (1) increase the income of the rural population, (2) strengthen ties between the Royal Thai Government and the rural population, and (3) strengthen local self-government. The general strategy to achieve these objectives was to decentralize many of the developmental activities then being carried out by central government agencies and place them under the control of the changwat governor. To assist the governor in this new role, he was to receive equipment from USOM and personnel and funds from the central government. Initially, the program focused almost entirely on the construction of feeder type roads because other ARD activities depended on these roads to reach the rural populace. To quote a former USOM Director, the initial strategy was to "Develop a plan of decentralization with an organizational structure, staff, and budget at the provincial level in these six provinces, furnishing governors of these provinces various pieces of road construction equipment, such as bulldozers, dump trucks, etc. We had a basis then for formulating small public works units at the provincial level that would not be unlike the county units in the United States. Certainly, if rural people had to wait for the central ministries to go and do everything for them, we couldn't expect quick responses."^{1/}

Although the program was officially started in 1964, its real roots go back to 1962 when various members of the USOM became concerned about the increased communist activity in the Northeast and the lack of any coordinated RTG response to this threat. An "in-house" committee was formed within USOM with each of the Assistant Directors being named as a committee member, and the Deputy Director as the committee chairman. This committee was known as the "Rural Affairs Coordinating Committee" and immediately entered into a dialogue with anyone in the RTG who showed any interest in accelerating and coordinating RTG programs in the Northeast. A great deal of lip-service was given this rather

^{1/} From a speech given at ~~Washington~~ February 6, 1968, by Mr. Tracy Park, former Director of USOM/Thailand.

revolutionary idea throughout the RTG, but only Prasong Sukhum, who was then the Deputy Director of the Budget Bureau, showed an interest in trying to find real means to increase government activities in the Northeast. With his support and assistance, the USOM Director met with the Prime Minister; out of this meeting came the formation of the Committee for Coordination and Operational Planning (CCOP) which, for two years, was the policy-making group for the ARD program. Prasong Sukhum became the permanent secretary for this committee.

During the initial stages of the program, a dominant role was played by both the Department of Local Administration and the National Security Command. The NSC was responsible for the selection of changwats in which the program would be initiated and DOLA became the administrative agency through which the program was implemented. After a year of operation, it became evident that there were many long standing inter-departmental jealousies which was preventing DOLA from becoming a coordinator of rural development. After strong urging by USOM, the program was transferred from DOLA to the Prime Minister's Office and at this time, the Committee for Accelerated Rural Development was formed with the Deputy Prime Minister named as its chairman. It was also at this time that a decision was made to form a permanent secretariat to be known as the Office of Accelerated Rural Development and that Prasong Sukhum would be named as its Secretary-General. The Office of ARD officially opened in January of 1966.

The original concept in 1964 was to limit the program to selected security-sensitive amphoe in 6 changwats. However, it later became apparent that the conditions on which the insurgency was feeding were common throughout the Northeastern and Northern changwats. Concentration on selected amphoe would, at best, merely shift the locus of the insurgency. As a result, the program has been expanded to cover all of the six original changwats and there has been a steady growth in the number of ARD changwats. Through FY 69, a total of twenty-four changwats have been designated as ARD changwats, and they now encompass the Northern and Northeastern borders of Thailand from Tak on the west to Udon Thani on the east to Buriram. (Two ARD changwats, Prachin and Prachinburi, are not currently supported by USAID.)

Current plans call for further USOM support to another five changwats. These changwats would be brought into the ARD program over the next two years and will be coupled with a program to phase out USOM construction support to the older ARD changwats.

At the beginning of the program, the ARD changwat governors had virtually no staff or resources to mount any type of a development program (only a driver and a secretary reported directly to the governor). As a result of being designated as an ARD changwat, a changwat governor now has or can expect to receive the followings:

- a. A Deputy Governor to administer the ARD program.
- b. A planning staff to assist him assess and evaluate changwat conditions and needs.
- c. At least one graduate engineer to head his public works section.
- d. A fully equipped changwat maintenance facility capable of performing first and second echelon maintenance and repairs.
- e. The services of the Korat maintenance facilities to provide third and fourth echelon maintenance and repairs.
- f. Adequate numbers of trained surveyors, designers, and operators to allow him to construct and maintain all-weather laterite feeder roads, small water development projects and other small public works projects.
- g. USOM equipment support in the form of road construction spreads, road maintenance spreads and village project spreads. (See Appendix "A" for a detail listing of equipment and costs.)
- h. The services of at least one, and maybe two, Mobile Medical Teams. Each team is headed by a physician and contains a supporting staff which will allow each team to treat an average of 1,000 patients a month.
- i. Participation in the Amphoe Farmer Group (AFG) program which provides the members of AFGs with

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- (1) short and medium term credit for the purchase of fertilizers and other agricultural inputs, (2) equipment purchase and rental facilities, and (3) crop storage facilities. (Production loans of over 40 million baht have been made to 43,000 farmers.)
- j. Participation in the ARD Young Adult Program which organizes and trains changwat youth ~~for~~ in vocations, sports and self-defense.
 - k. Participation in the Potable Water Program which constructs village water distribution systems for rural villages within the ARD areas.
 - l. A public relations staff and teams to assist the governor develop a program to explain government programs and activities to the rural population.

Given the almost total absence of trained manpower in the North and Northeast, a serious challenge to the ARD program has been the development of a training program that is adequate to train the large number of operators, mechanics, surveyors and design technicians required each year. With the cooperation and participation of ARD and contract assistance provided by USOM, the Ministry of Education has established a training facility at the Northeast Technical Institute in Korat which has trained over 3,000 operators and technicians since the beginning of the program. The present training program calls for three months of classroom training and three months of on-the-job training. The past training efforts have relied very heavy on continued American support, but efforts are now being undertaken to build a Thai capability to recruit and train its own training cadre.

Past Accomplishments - Listed below are major accomplishments which can be attributed, in a whole or in part, to the ARD program. They make an obvious contribution toward improvement of the conditions on which insurgency feeds, but a direct countering of insurgency is difficult to prove. Some evidence can be found in the apparent decline in insurgent capability in the Northeast since 1967, and a recently completed USOM research study indicates that villager attitudes toward government officials, their own economic status, and their prospect for the future are measurably better in amphoe which have been reached by the ARD program.

The accomplishments include:

- a. The beginning of a planning, programming and management capability in each province. Twelve provinces have completed 5-year master road plans based on security conditions, population density and related factors. The remaining provinces are preparing such plans.
- b. A quantum increase in province staff involved in programs developed and implemented by the provinces to reach the villagers. Over 3,000 technically skilled personnel have been trained.
- c. A discernible improvement in the quality of key officials assigned to the provinces in the North and the Northeast.
- d. The direct allocation to the provinces of major resources which are subject to provincial programming and operational control. (To date, over \$20 million worth of commodities have been delivered to the provinces and over B360 million has been allocated to them.)

The most measurable output of the ARD program to date is the number of kilometers of all-weather road constructed from the beginning of the program through May 1969. The following table provides this information:

<u>Year</u>	<u>Kilometers of Road Constructed</u>
Prior to CY 66	103
CY 66	155
CY 67	376
CY 68	667
CY 69 (through June)	<u>434</u>
Total	<u>1,735</u>

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The following are the other physical accomplishments, in addition to the construction of all-weather roads, recorded in the ARD program:

- a. Construction or repair of 1293 kms. of service tracks and village access roads.
- b. Improvement of 130 kms. of village street.
- c. 36 land clearing projects.
- d. Dug or repaired 1,307 shallow wells.
- e. 181 water storage ponds constructed.
- f. 115 small dams constructed.
- g. Averaged 136 film showings a month to villagers along ARD construction projects.
- h. Organized 30 youth groups with a combined membership of more than 2,000 youth.

(In comparing the outputs with equipment inputs, the reader should allow for a procurement lag of approximately 2 years. Outputs shown above were completed primarily with equipment received from FY 64-65-66 procurement.)

III. Planned Targets, Results, Outputs-Courses of Action

A. General

In mid-FY 69, ARD presented a tentative plan for the next five years, called the Forward Look (F-L). In this document, ARD expressed its objectives as follows:

1. to expand economic growth to the village level,
2. to strengthen the developmental capacity of changwat and local officials, and
3. to reduce and possibly eliminate rural insurgency through development.

Changwats were divided into three categories based primarily upon security factors; development will be most intensive in "A" changwats and less intensive "B" and "C" changwats respectively. The distribution of changwats by categories "A", "B" and "C" is shown in Appendix B.

Estimates of the dollar cost over a five-year period are \$62 million, of which \$50 million would be for commodities, \$12 million for salaries, participants and contract services. Since the F-L was written to commence in FY 1969, a portion of this figure has been obligated already.

Although numerous policy questions remain unanswered and additional information and justification is needed in several areas, USOM, in general, supports the general targets set forth in the F-L. A major effort will be made during the coming year to expand the Forward Look into a definitive plan, acceptable both to ARD and USOM. USOM can then use this plan as a take-off point for developing a concrete program of support to ARD over the next five years.

It should be noted that the Forward Look is still a preliminary document. It does not purport to be an all-inclusive plan for development over the next five years. Conceptual problems, implementation questions (see "Specific targets" section), ambiguities (e. g. the F-L baht forecast of 4.2 billion baht is 4 times the level of NEDB thinking with respect to ARD spending during the Second Plan), and policy questions, (e. g. what should be the relationship between ARD and other government agencies?) will be discussed during the year.

In addition to its support of ARD's general objective, USOM has an additional - and important - target concerning ARD: to help develop within ARD the capability to train its personnel, to plan and implement its projects, and to efficiently utilize and maintain its equipment so that the ARD program can continue without loss of momentum after US assistance has terminated.

Most informed observers have concluded that training - particularly of supervisory and managerial personnel - is a major weakness of ARD. To help overcome this problem,

USOM will assist ARD by (1) providing contract personnel to help develop a training system, emphasizing supervisors and managers; (2) furnishing direct hire or contract personnel to assist ARD's research, planning and evaluation staffs; (3) providing contract assistance to work with a Thai sub-contractor in developing a training capability in the water resources area; (4) making available to ARD personnel to assist in overcoming weaknesses in the management system including the area mentioned in (2) above; and, (5) continuing to encourage ARD to concentrate on training and management improvement. Thus, USOM's emphasis vis-a-vis ARD will shift perceptibly towards training in general and in particular towards developing within ARD the capacity to continue on its own when US support has terminated.

USOM will also continue to encourage ARD to become more self-sufficient by sharing more of the purchases of equipment. The ARD Office, as one step in that direction, has proposed to purchase trucks for future equipment spreads, and is seeking authority to do so from the Cabinet (trucks in FY 70 total \$1.7 million). Spare parts support will be limited to parts not available through local dealers and will be phased out at the end of FY 1972. In the development of a more definitive ARD 5-year plan during the coming year USOM intends to expand ARD's share of equipment procurement in FY 1972 and beyond.

B. Specific

The ARD Forward Look establishes targets for each of its activities and estimates the required programs resources - both Thai and foreign - which would be needed to meet the targets. Since the F-L contains several sections which need clarification, this portion of the PROP is written in the following format: (a) Summary of F-L proposals; (b) USOM analysis; and, (c) USOM recommendation for proposed funding. 1/

1. Road Construction

a. The Forward Look

The Forward Look proposes that roads be constructed which will reach (i. e. come within two kilometers of) 99% of the

1/ Cost estimates are made on the basis of Thai procurement of trucks for equipment units. UNCLASSIFIED

villages in "A" changwats by 1973, in "B" changwats by 1975 and in "C" changwats by 1977. Estimating that it would have to construct 2,700 kms. per annum in order to reach the targets and that one unit could construct 40 kms. a year, ARD determined that 30 road-building sets would be needed within two years (now 25 since money for five sets was obligated in FY 1969; there are now 39 road construction spreads in-country or in the pipeline).

b. USOM Analysis

Estimates vary as to the number of kilometers which would be required to attain ARD's targets of 90%. Some estimates indicate that 8,900 kms. of road would be needed while others figure up to 22,000. Additionally, it is not clear how much responsibility for rural roads the Thai Highway Department, RID, DOLA, and other RTG agencies engaged in road building activities will shoulder.

Reaching 90% of the villages is, on the surface, no less reasonable a goal than reaching, say, 80% or 95%; however, the target should be examined.

It is also not clear whether the targets set are attainable; in part this depends upon the number of roads which ARD will be required to build. However, ARD's absorptive capacity should be examined. Although the FY 1969 project agreement contains stringent conditions regarding utilization and productivity of road equipment. It will take some time yet to determine whether ARD can, in fact, improve the efficiency of its operation (road construction units are not yet approaching 40 kms. a year) as well as develop a system of training its own management, supervisory and other personnel. Also, care would need to be taken to ensure that the economic development -- agriculture, industry, etc. -- moves forward at a pace that would provide for the effective utilization and maintenance of the roads, so they do not become a budgetary burden.

c. USOM Recommendations - Course of Action

As indicated above, ARD and USOM will have to re-examine the road construction targets proposed in the F-L in order to set more meaningful goals. Pending such a re-evaluation, USOM proposes the following schedule of road-building equipment:

	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>
Basic Road Unit	2	3	-	-	-
Pioneer Road Unit	8	6	2	-	-
Basic Road Augment	2	2	3	-	-

For detailed schedule, see Appendix C.

The estimated cost is: 1/

FY 70 - \$2.7 million; FY 71 - \$2.5 million;
FY 72 - \$.9 million (See Appendix D also).

2. Road Maintenance

a. The Forward Look

The objective established in the F-L is the maintenance of all ARD roads. With the exception of approximately 1,400 kms. expected to become part of the national highway development plan and maintained by the Thai Highway Department, ARD estimates that 12,000 kms. would be completed by the end of FY 1974. (As noted above, the figure is open to some question.) Assuming that a single unit can maintain approximately 150 kms. of road a year, ARD estimates that an additional 51 sets would have to be added to the 29 in-country or in the pipeline in order to meet targets.

b. USOM Analysis

Pending an accurate forecast of the kilometers of road which ARD is capable of building, it is difficult to set down a rational plan for maintenance equipment.

1/ Excluding general augment equipment which each changwat selects; (totals approximately \$500,000 annually).

Certainly, however, USOM wishes to encourage the maintenance activities of ARD, and other appropriate organizations, which usually are relatively neglected when compared with road-building activity.

c. USOM Recommendations - Course of Action

Subject to revised forecasts, and assuming that the conditions specified in the FY 1969 project agreements are met (independent maintenance units and sufficient baht allocation), USOM recommends that road maintenance units be funded according to the following schedule:

	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>
Number	10	12	13	10	3
Cost	\$450,000	\$540,000	\$535,000	\$450,000	\$135,000

3. Village Projects

a. The Forward Look

The original targets established by the F-L were villages projects reaching 90% of the villages in "A" and "B" changwats and 50% of the villages in "C" changwats. Later, ARD suggested a goal of one village project set for every two amphoes. In either case, the number of units requested would be about 70, although the distribution would of course be effected by whichever target is selected. ARD calculates that a village project set can reach 20 villages a year over a seven-year life span, or a total of 140 villages.

b. USOM Analysis

Village Project sets are particularly vital to rural development because they can be used to (1) meet water resources needs by constructing ponds, small dams, etc., (2) respond quickly and directly to expressed needs of villagers'. In the past village project sets have not been fully utilized, having been merged with road construction

units; also, sufficient baht often was not available to keep the equipment in operation. The FY 1969 project agreement requires changwats to separate village project spreads from other equipment sets and to request 1.2 million baht for the operation of each set. ARD has agreed to support the request with the Bureau of the Budget.

Analysis of the original ARD village targets project proposal (reaching a percentage of villages in a changwat) ~~indix~~ indicated that the equipment scheduled would not ~~be~~ be sufficient to reach the targets within the given time frame. Although the alternative method of scheduling village project equipment does not offer meaningful objectives (providing a certain amount of equipment for a given geographical area is not in ~~ix~~ itself an objective), it ~~k~~ is an intriguing idea which should be explored further, particularly if the sets were reduced in size and the RTG agreed to provide a comparable number of sets.

As with other equipment spreads, the extent of ARD's ~~n~~ absorptive capacity should be kept in mind and the US should not furnish equipment which cannot be used with a reasonable degree of efficiency.

c. USOM Recommendations - Course of Action

Conditioned upon adoption of the provisions written into the FY 1969 project agreement and in the absence of more specific information on village project set targets, USOM proposes to furnish and participate with the RTG in village project sets as follows:

	<u>No.</u>	<u>Cost (000's)</u>
FY 1970	9	\$1,215
FY 1971	11	1,485
FY 1972	13	1,755
FY 1973	13	1,755
FY 1974	7	945

4. Water Resources

a. The Forward Look

The goals, as set forth in the F-L are (1) to meet the minimum domestic water requirements, within five years, of 90% of the villages in "A" changwats, 80% of the villages in "B" changwats and 70% of the villages in "C" changwats and (2) to develop supplemental irrigation water from natural sources and irrigation tanks.

b. USOM Analysis

Research studies have demonstrated time after time that the single most articulated need in rural Thailand is the need for water: drinking water, livestock water, irrigation water. ARD, a recent newcomer in the water resources area, is concentrating in the first instance on developing the capabilities of its staff with the assistance of a USOM-supported contract group which should arrive by the middle of FY 1970. ARD is conducting an "Isonam" survey to determine water needs in the Northeast and North. It is cooperating with both the Mineral Resources Department and the Sanitary Engineering Division of the Health Department in implementing its well-drilling programs. Village project sets have and can be used to meet small water resources requests; ARD has contracted numerous water projects which it could not handle itself.

Since it is new, the ARD water resources program is still somewhat vague. ARD will have to develop more concrete plans before water resources becomes an integral part of its five-year plan.

c. USOM Recommendations - Course of Action

Owing to its vast importance, USOM proposes to continue supporting ARD's water resources endeavors; however, due to the relative newness and inexperience of the water resources staffs, USOM plans to support this with caution, keeping aid at about the FY 1969 level.

USOM will continue providing contract assistance to help develop a training, management and supervisory capacity within ARD, both at the changwat and national levels. Commodity assistance will be limited to an average of approximately \$500,000 per year, which can be used to purchase 3 drill rigs annually plus miscellaneous water equipment. If a more complete plan is presented by ARD, this section of the PROP will be accordingly amended.

5. Training

a. The Forward Look is silent on this subject.

b. USOM Analysis

As noted above, while the program has been successful in training the needed members of skilled technicians, this training depended on ~~continued~~ continued American advisory and operational support. This is a fatal flaw which USOM now proposes to correct. An independent capability must be vested in ARD to operate a complete training system, from determination of requirements through to graduation of the trained technician to required refresher training.

Also, most informed observers agree that the central current problem of the ARD program is inadequate management, inadequately trained management personnel and lack of/capability for unaided training of operational personnel. The Office of Accelerated Rural Development is a new element in the Thai bureaucracy and it does not have a permanent civil service structure to draw on. The office has been successful in attracting bright young people, but its top management personnel are stretched very thin and its middle management personnel will need several years more experience before they are fully effective.

A similar problem exists in the changwats. This is not surprising since there was literally no changwat organization for development five years ago, but it is a severe problem nonetheless.

ARD must ^{develop} have a better capability for initial and refresher training for management personnel at all levels from foremen on up and a better management system, especially for construction activities.

c. USOM Recommendation - Course of Action

USOM is currently working with ARD on proposed contracts to meet the needs stated above. These contracts will replace the recently cancelled proposal for a combined training contract. They will cover three areas:

- creation of a training system for ARD
- the development of the ITU as a primary vehicle for on-the-job and refresher training
- the development and installation of an effective construction management system.

While it is too early to describe the detailed shape of the proposed contracts, they will have as their basic purpose the creation in two years of a Thai capability in each of the above areas capable of operating without American advisory support. The maximum number of Thai contract personnel will also be used to execute the contracts, either through sub-contractors with Thai firm or possibly even a direct contract with a Thai firm for a major portion of the work.

ARD Service Activities: Youth, Public Relations, Occupational Promotion, Planning, Mobile Medical Teams, Amphoe Farmer Groups ^{1/}

a. The Forward Look

The F-L proposes targets for each of the above listed activities:

Youth - formation of 600 youth groups within a five-year period; training of 600 advisors and 6,000 leaders.

^{1/} Amphoe Farmer Groups and Mobile Medical Teams are the subjects of separate PRDPs - see TOAID A-314 and TOAID A-4277 and will not be discussed herein UNCLASSIFIED

Public Relations - to have an information officer and two assistants in each changwat, to support the construction site public information program and to provide information support for non-road projects and other special requirements.

Occupational Promotion - to promote local occupation projects with the following criteria -

- local familiarity and appeal
- rapid income-increasing potential
- uses suitable products for agri-business development

Planning - to improve the quality of the ARD planning staff at both the changwat and central levels. Also to work with NEED to develop the planning capability at the local level.

b. USOM Analysis

In general, more information and justification must be forthcoming before agreement can be reached on long-range plans for the above-described services activities.

A youth advisor will arrive in late 1969 to work with ARD's youth division. It is hoped that with the assistance of a new advisor, ARD will develop meaningful targets for a longer time period. This would include coordinating with other agencies also having youth programs under the direction of the national youth coordinating committee headed by General Sawaeng in the Prime Minister's Office.

As noted in TOAID A-779, occupational promotion activities, unlike most ARD programs, are planned entirely in the changwats. Although the complete freedom from Bangkok's influence makes it desirable to support these activities where practicable, most of the occupational projects have not met planned targets. Therefore, USOM proposes to support only those programs which have a high baht component in relation to requested USOM commodities and to give first priority to programs with a high training component.

ARD has now placed changwat planning officers in eighteen changwats. In FY 2513, they will each be supported by a 5-member staff funded by the changwat. NEED~~x~~ which is also concerned with developing a planning capability at the changwat level. Currently, ARD planning officers are serving as changwat planning officers, a broader function than planning for ARD alone.

The planning staff at ARD is still rather inexperienced, as are the research and evaluation divisions. USOM is ~~and~~ considering providing direct hire, and/or contract assistance to help train personnel in these three offices and to help develop planning, research and evaluation techniques appropriate to the Thai environment. Any such assistance at the changwat level will necessarily have to be coordinated with the NEED project.

c. USOM Recommendation - Course of Action

Pending additional justification, USOM proposes to limit funding to the above-mentioned service activities. Dollar funding for the youth activities would remain at approximately \$170,000 between FY 1970 and 1974, excluding the salary of the youth advisor. It is estimated that funding for occupational promotion projects would amount to \$150,000, although USOM would support only those projects meeting the criteria outlined above. Preliminary estimates indicate that dollar funding for a team of five good planning advisors would total \$200,000 a year from FY 1970 through FY 1973. (The ~~extra~~ exact amount will depend on the mix of contract and direct hire personnel finally selected.) Additionally, up to \$10,000 annually might be needed for vehicles, radios and other commodities.

In tabular form, proposed funding over the next five years is as follows:

	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>
Youth Activities	150	150	150	150	150
Occupational Promotion	150	150	150	150	150
Planning	250	250	225	200	200

7. COMPAC

For over a year, ARD has been working to develop a Comprehensive Rural Development Action Program (COMPAC) to operate in selected amphoe. The program's stated purpose is to strengthen the base for counter insurgency through quick action economic development projects. These are also intended to promote coordination among various Thai agencies and to increase the ability of local officials to do development work. COMPAC has recently crystalized into a proposal for a study-action program in ten amphoe in the Northeast. The work will be done initially by a team of five experts from the Asia Development Bank working with twelve experts drawn from five different Thai Government ~~agencies~~ departments. The team's work will be divided into three phases:

- Phase 1: January - March 1970 -- study of the selected amphoe and preparation of a development program.
- Phase 2: April & May 1970 -- preparation of a specific plan of action to implement the program.
- Phase 3: June - September 1970 -- implementation.

The project is intended to be a pilot project to be extended subsequently to other ARD amphoe. As of this writing, no decision has been made as to whether USOM will participate in COMPAC, and the extent of any participation could not be determined until after Phase 2 is completed. In any case, no funding is included in the PROP for COMPAC.

8. ARD Geographical Coverage: Phasing of Personnel Participants

Although the F-L does not specifically refer to cessation of US assistance in older ARD provinces, it does imply that commodity assistance should terminate in some changwats as it is inaugurated in other changwats.

Coupled with its endorsement of ARD into five new changwats as proposed in the F-L, USOM proposes to phase out inputs of heavy equipment for new construction to the older changwats beginning this year. After such phase out, the only heavy equipment inputs to these changwats will be road maintenance equipment. Delivery of maintenance equipment must be phased to the amount of road constructed and past experience indicates that adequate USOM support for road maintenance is critical. Maintenance generally is a weak point in Thailand.

The phase out of new heavy equipment input also implies continuing limited advisory services and some support for human development programs, such as AFG's, Youth and possibly Occupational Promotion.

As indicated in Appendix C, USOM proposes phasing out new heavy equipment inputs this year in Changwats Sakon Nakhon and Nakhon Phanom; by 1971 in Changwats Nong Khai, Kalasin and Petchabun; and by 1972 in Changwats Udon, Loei, Nan and Uttaradit. While further refinements of the F-L might change the designation of specific changwats among the years, the phase out will take place in at least 2, 3 and 4 changwats in each of the 3 years respectively.

Correspondingly, USOM and ARD will discuss placement of US field representatives in ARD changwats. It is clear that USOM personnel ceiling would prohibit placement of an advisor to the governor and an engineering advisor in ~~nearly~~ every ARD changwat as ARD continues to expand. In fact, USOM policy, as stated in the FY 1971 Country Field Submission, is a gradual reduction of personnel. Although it would be premature to suggest a schedule prior to consultation with the RTG, USOM suggests that consideration be given to phasing US advisory personnel out of older ARD

changwats and replacing them solely with Thai personnel. Although this might lead to a slight loss of efficiency initially, the long-range benefits would almost certainly outweigh the temporary drawback. At the same time, a careful study is being made of the responsibilities of these advisors and some change, especially in the role of the ADO (advisor to the governors) is expected. A more studied use of the participant program, e.g., sending engineers destined for provinces where USOM personnel will terminate to the US or Taiwan for training - might also help avoid some of the potential problems.

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Appendix ASpread Cost Estimates

Basic Road (First Year)	\$253,000
Basic Road Augment	\$122,000
Second and Following Road	\$278,000
Road Maintenance	\$ 45,000
Village Project	\$135,000

Note: All costs include shipment and spare parts allowance
not to exceed 15% in FY 70, 10% in FY 71 and 5% in FY 72.

Appendix ABasic Road Unit (First Year)

<u>Item</u>	<u>Nomenclature</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total Cost</u>
a.	Crawler Tractor 115, A. Blades	1	\$ 30,700	\$ 30,700
b.	Crawler Tractor 150, PCU St. Bl.	2	44,000	88,000
c.	Industrial Tractor	2	8,100	16,200
d.	Motor Grader	2	22,900	45,800
e.	Front End Loader	1	17,100	17,100
f.	Scraper, 7-9 CY	1	12,600	12,600
g.	Roller, Sheepsfoot	2	2,500	5,000
h.	Roller, Pneumatic Tired	1	2,800	2,800
i.	Truck, Water	2	15,200	20,400
j.	Truck, Dump	1	5,300	5,300
k.	Truck, Flatbed	1	8,400	8,400
l.	Truck, Pickup	2	4,300	8,600
m.	Vehicle, $\frac{1}{4}$ ton	3	3,400	10,200
n.	Truck, Mobile Maint.	1	5,000	5,000
o.	Tractor/Trailer 20 ton (excess)	1	6,000	6,000
p.	Lubrication Unit	1	2,900	2,900
q.	Pump, 6" Cent. Trailer Mt.	1	3,500	3,500
r.	Concrete Mixer, 7 cf.	1	2,000	2,000
s.	Shop & Hand Tools	Lot	10,000	<u>10,000</u>
Total Cost - Say				<u>\$253,000</u>

Note: Items crossed out will be bought by RTG.

Appendix ABasic Road Unit Augment (Second Year)

<u>Item</u>	<u>Nomenclature</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total Cost</u>
1.	Crawler Tractor, 115	1	\$ 30,700	\$ 30,700
2.	Crawler Tractor, 115 w/FCU	1	33,300	33,300
3.	Motor Grader	1	22,900	22,900
4.	Front End Loader	1	17,100	17,100
5.	Pneumatic Tired Roller	1	2,800	2,800
6.	Truck-Dump-5-GY	-1	-9,300-	-9,300-
-7.	Truck-Flatbed	-2-	--8,400-	-16,800-
8.	Pump 3" Cent.	2	600	1,200
9.	Lubrication Unit	1	2,900	2,900
10.	Mechanics Tools	lot	800	800
11.	Soil Compactor	2	500	500
12.	Truck Crane (excess)	1	10,000	<u>10,000</u>
Total Cost - Say				<u>\$122,000</u> =====

Second & Following Road Unit

<u>Item</u>	<u>Nomenclature</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total Cost</u>
1.	Crawler Tractor 115, St. Bl. PCU	1	33,300	33,300
2.	" " 115, Angle, PCU	1	34,000	34,000
3.	" " 150, St. Bl. PCU	1	44,000	44,000
4.	" " 150, Angle, PCU	1	44,700	44,700
5.	" " 115, Drott Buck	1	30,700	30,700
6.	Industrial Tractor	1	8,100	8,100
7.	Motor Grader	2	22,900	45,800
8.	Front End Loader	1	17,100	17,100
9.	Roller, Sheepsfoot	1	2,500	2,500
10.	Roller, Pneumatic Tired	1	2,000	2,000
	Truck, Water	3	13,200	39,600
	Truck, Dump	4	9,300	37,200
	Truck, Flatbed	2	3,400	6,800
	Truck, Pickup	1	4,300	4,300
11.	Vehicle, $\frac{1}{4}$ ton	2	3,400	6,800
12.	Pump 6" Cent., trailer mounted	1	3,500	3,500
13.	Lubrication Unit	1	2,900	2,900
	Truck, Mobile Maint.	1	3,000	3,000
14.	Mechanics Tools	lot	2,100	2,100
Total Cost - Say				<u>\$270,000</u>

Road Maintenance Unit

<u>Item</u>	<u>Nomenclature</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total Cost</u>
1.	Motor Grader	1	\$ 22,900	\$ 22,900
2.	Industrial Tractor	1	8,100	8,100
3.	Front End Loader Attachment	1	3,900	3,900
4.	Roller, Pneumatic Tired	1	2,800	2,800
5.	Truck, Water	2	13,200	26,400
6.	Truck, Dump	1	9,300	9,300
7.	Truck, Diodump	1	4,300	4,300
8.	Vehicle, $\frac{1}{4}$ ton	1	3,400	3,400
9.	Pump 6" Cent.	1	3,500	3,500
10.	Mechanics Tools	Lot	500	<u>500</u>
	Total - Say			<u>\$45,000</u>

Village Project Unit

<u>Item</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total Cost</u>
1. Crawler Tractor, 115, Angle Bl.	1	30,700	30,700
2. Crawler Tractor, 115, St. Bl., PCU	1	33,300	33,300
3. Motor Grader	1	22,900	22,900
4. Industrial Tractor	1	8,100	8,100
5. Front End Loader	1	17,100	17,100
6. Truck, Motor	1	13,200	13,200
7. Truck, Dump	2	9,300	18,600
8. Truck, Flatbed	2	8,400	16,800
9. Truck, Pickup	2	4,300	8,600
10. Vehicle, $\frac{1}{2}$ ton	3	3,400	10,200
11. Sheepfoot Roller	1	2,500	2,500
12. Pneumatic Tired Roller	1	2,800	2,800
13. Pump 6" Cent.	1	3,500	3,500
14. Lubrication Unit	1	2,900	2,900
15. Concrete Mixer 5 cf.	1	1,000	1,000
16. Mechanics Tools	lot	1,000	<u>1,000</u>
Total Cost - Say			<u>\$135,000</u>

Appendix BClassification of Changwats under the Forward LookType A - 9 Changwats

Sakon Nakhon	(1964)
Nakhon Phanom	(1964)
Ubon	(1964)
Kong Khai	(1964)
Udon	(1964)
Loei	(1964)
Chiang Rai	(1965)
Nan	(1965)
Uttaradit	(1965)

Type B - 7 Changwats

Kalasin	(1965)
Surin	(1966)
Buri Ram	(1966)
Si Sa Ket	(1966)
Roi Et	(1965)
Petchabun	(1967)
Prachuab	(1968 - not USOM supported)

Type C - 12 Changwats

Chaiyaphum	(1967)
Maha Sarakham	(1967)
Khon Kaen	(1967)
Chiang Mai	(1968)
Mae Hong Son	(1968)
Tak	(1969)
Lampang	(1969)
Korat	(1969 - not USOM supported)
Frac	
Phitsanulok	
Sukhothai	
Phichit	

Note - parentheses refer to year province included in ARD

PROJECTION OF CONSTRUCTION UNITS - ARD PROGRAM

FY 70 - FY 74

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 TOAID A - 2527
 SAKKOK
 Appendix C

CLASS	# Amphoe	Total																				
		Existing & Pipeline (34--69)			Proposed Phasing of Required Units																	
		RR	VP	RM	FY 70			FY 71			FY 72			FY 73			FY 74					
CLASS A																						
UDON	19	3	5	2	-	1	1	1	-	-	-	1	1	-	1	-	-	-	-	-	-	1
SAKON NAKHON	3	2	5	2	-	-	1	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-
NAKHON PHANOM	9	2	4	2	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-
UDON	8	3	2	2	-	1	1	1	1	-	-	-	1	-	-	1	-	-	-	-	-	-
NONG KHAI	6	3	2	2	-	1	-	-	-	1	-	-	-	-	-	-	-	-	1	-	-	-
LOEI	6	2	2	2	1	-	-	-	1	1	-	-	-	-	-	-	-	-	1	-	-	-
KAN	6	2	2	2	1	-	-	-	1	1	-	-	-	-	-	-	-	-	1	-	-	-
CHIANG RAI	15	2	2	2	1	1	-	1	1	1	-	1	1	-	1	-	-	-	-	-	-	1
UTTARADIT	7	2	2	2	-	-	-	-	1	1	-	-	1	-	-	-	-	-	-	-	-	1
Sub-Total	84	21	26	18	3	4	4	3	5	6	-	2	6	-	2	4	-	-	-	-	-	3
CLASS B																						
KALASIN	7	2	3	2	1	-	-	-	-	1	-	-	1	-	-	1	-	-	-	-	-	-
ROI ET	10	2	2	2	-	-	-	-	1	1	1	1	1	-	-	1	-	-	-	-	1	-
PERCHABURI	6	1	2	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BURI RAM	9	2	2	1	1	-	1	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-
SURIN	8	2	2	1	1	-	1	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-
SI SA KET	9	2	2	1	1	-	1	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-
Sub-Total	49	11	13	8	5	-	4	-	1	2	1	4	5	-	-	2	-	-	-	-	1	-
CLASS C																						
CHAIYACHUM	11	1	1	1	-	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-
MAHA SARAKHAM	8	1	1	1	-	1	-	1	-	1	-	1	-	-	-	-	-	-	-	-	-	-
KHON KHAEN	12	1	1	1	-	1	-	1	-	1	-	1	-	-	1	-	-	-	-	-	-	-
CHIANG MAI	18	1	1	-	-	1	1	1	-	-	-	1	-	-	1	1	-	-	-	-	1	-
MAE HONG SON	5	1	-	-	-	1	1	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
TAK	7	1	-	-	-	-	-	-	1	1	-	-	-	-	1	-	-	-	-	-	-	-
PHRAE	7	1	-	-	-	-	-	1	1	1	-	-	-	-	1	1	-	-	-	-	1	-
PHITSANULOK	7	-	-	-	1	-	-	-	1	-	-	-	1	-	1	-	-	-	-	-	-	-
KORAT	18	-	-	-	1	-	-	-	1	-	1	-	1	-	2	-	-	-	-	-	2	-
SUKHOTHAHAI	8	-	-	-	-	-	-	1	-	-	-	1	-	-	1	1	-	-	-	-	1	-
LAMPANG	10	1	-	-	-	-	-	1	1	1	-	1	-	-	1	1	-	-	-	-	1	-
PHICHIT	6	-	-	-	-	-	-	1	-	-	-	1	-	-	1	1	-	-	-	-	1	-
Sub-Total	117	7	4	3	2	5	2	6	5	4	1	7	2	-	11	4	-	-	-	-	6	-
TOTAL	250	39	43	29	10	9	10	9	11	12	2	13	13	-	13	10	-	-	-	-	7	3

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TOTAL A- 1527
Appendix D

PROJECTION OF \$ COSTS - ARD PROGRAM
FY 70 - FY 74
(\$ 000)

	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>Total</u>
Road Construction # Units	2,774 10+2A	2,521 9+2A	872 2+3A	--	-	6,157 21+7A
Village Project # Units	1,215 9	1,485 11	1,755 13	1,755 13	945 7	7,155 53
Road Maintenance # Units	450 10	540 12	585 13	450 10	135 3	2,160 48
General Augment	500	500	500	500	500	2,500
Water & Well Drilling # Drill Rigs	500 3	500 3	500 3	500 3	500 3	2,500 15
Occupational Promotion	150	150	150	150	150	750
Youth	100	100	100	100	100	500
Public Relations	100	100	100	50	50	400
Planning	50	50	25	-	-	125
NEARDC	900	700	600	500	500	3,200
D.H. Salary	1,100	1,000	1,000	900	800	4,800
Participants	150	150	100	100	50	550
Contracts	800	800	700	500	500	3,300
TOTAL	8,789	8,596	6,987	5,505	4,230	34,107

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NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN '000)

Table 1
Page 1 of 2

PROP DATE
Original
Rev. No.

1

COUNTRY: THAILAND

Project Title: Accelerated Rural Development Project No. 493-11-(00-1-3

Fiscal Years	Ap	L/G	Total	Cont	Personnel Serv.			Participants		Commodities		Other Cost
					AID	PASA	Cont	U.S. Agents	Cont	Dir U.S. AG.	Cont U.S. AG.	Dir & Cont U.S. AG.
Prior through Act. FY69	SA	G	45,233	(5031)	4,016	714	5,031	207				35,210
Opr. FY70	SA	G	8,700	(300)	1,200		(300)	150				6,739
Budg. FY71	SA	G	3,596	(300)	1,000		300	150				6,046
B + 1 FY72	SA	G	6,987	(700)	1,000		700	100				5,157
B + 2 FY73	SA	G	5,505	(300)	900		500	100				4,005
B + 3 FY74	SA	G	4,230	(300)	800		500	50				2,800
All Subs.					UNDETERMINED							
Total Life												

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Bangkok TOAID A 1527

AID MANUAL CIRCULAR

REF ID: A68887

Projective Date: 10/1/74

Page No. A-1

1000.1, Act. A

a: Table 1
Page 2 of 2

Exchange rate \$1 = ₹ (in ₹ 's)

Project No. 493-11-00-103

c: Fiscal Years

Fiscal Years	AID-controlled Local Currency		Other Cash Contribution	Other Donor Funds	Food for Freedom Commodities		
	U.S. - Owned	Country-Owned	Cooperating Country <u>1/</u>	(\$ Equiv.)	Metric tons (000)	CCC Value & Freight (\$000)	World Market Price (\$000)

Prior through Act. FY <u>70</u>			\$40,000				
Opr. FY <u>70</u>			17,500				
Budg. FY <u>71</u>			21,000				
B + 1 FY <u>72</u>			25,000				
B + 2 FY <u>73</u>			30,000				
B + 3 FY <u>74</u>			35,000				
All Subs.			UNDETERMINED				
Total Life							

1/ Estimated Regular Budget plus Counterpart

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TOAID A

Bangkok: MEMEX

Circular No. 100.1 Act. A	Page No. A-2	Effective Date May 20, 1967	Trans. Letter No. 9:104	AID MANUAL CIRCULAR
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