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PROJECT PAPER

Thailand - Emerging Problems of Development

493-0309

USAID/Thailand

April 1980

Thailand
Emerging Problems of Development
Project Paper

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PROJECT DATA SHEET

TRANSACTION CODE

- A = Add
- C = Change
- D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Thailand

4. BUREAU/OFFICE

Asia

04

3. PROJECT NUMBER

493-0309

5. PROJECT TITLE (maximum 30 characters)

Emerging Problems of Development

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
06 31 85

7. ESTIMATED DATE OF OBLIGATION

(Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 80 B. Quarter C. Final FY 82

8. COSTS (\$000 OR EQUIVALENT \$1 = 20 Baht)

A. FUNDING SOURCE	FIRST FY 80			LIFE OF PROJECT		
	B. FX	C. I/C	D. Total	E. FX	F. I/C	G. Total
AID Appropriated Total	230	55	285	3200	800	4,000
(Grant)	(270)	(55)	(285)	(3200)	(800)	(4,000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Host Country		200	200		2,000	2,000
2. Other Donor(s)						
TOTALS	230	255	485	3200	2,800	6,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) AID	790B	710				4,000		4,000	
(2)									
(3)									
(4)									
TOTALS						4,000		4,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To support and improve RTG policy development, program planning, and pre-project analysis in key development problem areas.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
0 9 8 2 | | | | 0 4 8 5

SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

15. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY

Signature *Robert S. Queener*
Robert S. Queener
Title Acting Director, USAID/T
Date Signed MM DD YY
07 09 80

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY
07 11 80

PART I SUMMARY, RECOMMENDATIONS AND ISSUES

A. Recommendations

It is recommended that a grant to the Royal Thai Government of \$4 million of FAA Section 106 funds be authorized for this five-year project. The RTG will contribute one-third of total costs, up to Baht 40 million (\$2 million). A waiver to permit procurement of consulting services and participant training in AID Geographic Code 941 developing countries in addition to the U.S. and Thailand is also requested in order to utilize the expertise and training opportunities available from other developing countries when it is appropriate (See VII D for justification).

B. Summary Project Description

Recently emerging or intensifying problems in meeting energy needs, rural unemployment, providing adequate local level access to social services, environmental deterioration, urban-rural income disparities, and other socio-economic conditions, indicate that the people of Thailand will be facing a challenging development situation in the 1980's.

There is a real need for the RTG to identify the parameters of these and similar priority development problems generate responsive policies, and develop activities that are most appropriate for resolving the problems.

The purpose of the Emerging Problems of Development Project (EPD) is to support and improve RTG policy development, program planning and pre-project analysis in key development problem areas. The project follows the Transfer of Technology and Management Skills Project (TTMS) which has provided technical assistance and participant training in a variety of areas generally related to the Fourth Five Year Plan.

The proposed project differs from the TTMS project in that it is focused on priority development problem areas, for which a policy or program approach has not yet been clearly defined, has an approved management system, programs project activities for a year in advance rather than on an ad-hoc basis, and provides the RTG with a wider array of responses to address key development problems. Consultant services, research, participant training, pre-feasibility studies, development seminars and workshops will all be eligible for financing as required to address specific RTG concerns for which policy alternatives need to be considered and program interventions formulated.

C. Summary Findings

The results of the technical and financial analyses prepared for this project indicate that the proposed approach is technically sound and that the cost projections are realistic and reasonable. The economic and social analyses find that the project is an efficient way to address the problems the RTG is interested in, and that it is a feasible approach in the Thai social milieu.

D. Project Issues

1. Issues Raised in PID Review

a. Project Orientation: The key problem areas initially identified for project concentration closely parallel the problem areas listed in the Mission's 1982 CDSS. A high level Executive Committee will provide policy guidance to a Project Management Committee in accordance with these key problem areas which are very much oriented toward satisfying Basic Human Needs. USAID officers will have the opportunity to participate in committee discussions and will thus provide a further orientation towards AID mandate concerns. See Section II.B.1.b. for the Key Problem Areas and Section V.A. for a detailed description of how the committee system will operate.

b. Recruitment of U.S. Consultants: A recommendation of the recently completed TTMS evaluation was that steps should be taken to improve the recruitment of U.S. consultants, and this PP discusses various measures to improve procurement of consultants in Part V. In addition, a Grant Condition Precedent will require the implementing agency, the Department of Technical and Economic Cooperation (DTEC), to develop a specific plan for dealing with deficiencies in procurement and project monitoring (See Part V).

c. U.S. Training: USAID and DTEC agree that because of rapidly rising costs, U.S. training must be kept at a minimum. The bulk of training funds will be used for short courses and observational tours in Southeast Asia and for in-country seminars.

d. RTG Share of Costs: The planned RTG contribution to the project is one-third of the total project cost, or \$40 million (\$2 million).

2. Is DTEC the Proper Organization to Manage This Project? The Administrative Analysis, Section III.D. reviews the RTG's procedures for administering grant assistance and concludes that DTEC is the logical RTG agency to manage this project. However, participation in project implementation by other concerned agencies has also been facilitated by organizational arrangements described in Part V.

3. Will Other RTG Agencies Accept This Approach and How Will Their Participation in the Process be Assured? The committee system that has been developed for this project is designed to draw all concerned RTG agencies into direct participation in the project, both at the policy level and at the operational level. A number of agencies have been involved in developing the project and the proposed system is based on their various suggestions. It is therefore reasonable to expect that other RTG agencies will accept and participate in the project.

4. Can AID/W Provide Adequate Backstopping for the Project? The evaluation of TTMS revealed a number of shortcomings, both for recruiting consultants and arranging training programs. The major problems involved long lead times and inadequate coordination between AID/W and USAID/DTEC. Experience gained under the TTMS Project and improved DTEC procedures/capabilities in recruiting consultants and setting up training courses should lessen the need for frequent liaison with AID/W, and AID/W backstopping should not be a constraint in the future.

5. Is There Overlap with PDS Funds? EPD will not substitute for PDS funds since PDS funds are limited to post-PID project preparation. The EPD project is designed to provide a linkage between the early recognition of a problem area of shared RTG/AID concern and the identification of an appropriate RTG response to the problem. If, for example, a project idea emerges from the use of EPD funds, EPD support would terminate after project identification and, if appropriate for AID funding, PDS funds might be used for project preparation.

6. Are All Project Activities Identified in the PP? Rather than attempt to identify in the PP a specific list of activities to be funded under EPD, criteria for selection and the process of selection are identified. In addition, annual conditions precedent to disbursement of grant funds for new activities will require annual review of the prior year's activities and list of prospective activities for the succeeding 12 months. During the course of the year, should other higher priority needs arise, AID and the RTG could agree to revise

the list of activities as appropriate. This approach will require the RTG executive and management committees to plan activities at least a year in advance but will not be so restrictive as to disallow funding for activities that may result from unforeseen events during the year, provided both the RTG and AID consider them high enough priority.

7. Is This Project Immediately Needed in View of TTMS Availability Through FY 81? All TTMS funds are expected to be committed for specific activities by the end of FY 80 so EPD will be needed for new activities. An initial condition precedent to disbursement of EPD funds is a firm list of activities and commitment schedule for funds still available under TTMS.

PART II DETAILED PROJECT DESCRIPTION

A. Background

This project builds upon the Transfer of Technology and Management Skills Project (TTMS) initiated in FY 1976. The TTMS Project was approved at the beginning of a period during which U.S. economic assistance to Thailand was to be phased out. Its purpose was to provide the RTG with funds for technical assistance and participant training in areas generally related to the goals of the Fourth Five Year Plan (FFYP). The project was designed to be implemented solely by DTEC with minimal USAID assistance and monitoring.

The TTMS Project was meant to address almost any development problem of interest to the RTG. Within this context it has been successful. DTEC has made notable improvement in project implementation and has programmed a total of 306 months of advisory services and 1,522 months of training. The project evaluation has indicated that almost all the training and technical assistance activities have been important and useful to the RTG and in areas of priority concern. The evaluation concluded under "Impact of Advisory Services" for example that, "In almost all cases there is clear evidence of a lasting impact in terms of new policies or programs adopted, improved procedures and techniques for technical operations, and new projects under way or in development ..." The greatest impact has been achieved by those activities which concentrated a number of advisors and/or training programs in one agency. For example, the National Environmental Board has a team of six advisors working with it while six staff members are being sent to

the U.S. for specialized training; and the Bureau of the Budget has a team of four advisors to assist it in designing a new budgeting system. Some of BOB's staff will also receive training in the U.S.

The success of TTMS led the RTG to request a follow-on project that would build on TTMS strengths and correct its deficiencies. Specific recommendations of the TTMS evaluation which apply to EPD (as well as TTMS) include:

1. Allow for funding local training and advisors.
2. Emphasize "package approach" to assistance.
3. Allow for transfer of funds between training and advisory services components.
4. Provide for standardized evaluation procedure and training.
5. Several candidates should be proposed and evaluated for each consultant position, wide publicity needed for each position.
6. AID/W OIT should keep USAID/RTG advised of trainee placement status and review contractors performance.
7. DTEC should consider assigning individual in Washington to help arrange consultant recruitment and training.
8. Consultancies should be considered to help DTEC with worksopes as required.
9. Search for consultants should be begun as soon as request received at DTEC.
10. Flexibility needed so that short and long term consultants and PSC institutional contracts used as needed.
11. Regulations on maximum benefits for contractors need to be revised to allow for increased benefits.
12. Long range requirements for trainees need careful assessment.
13. Procedure for requests for assistance for specific activities need to be regularized.

14. Working group involving representatives from other staff and line ministries should be used to decide assistance process.

15. Small portion of funds should be available for commodities in support of advisory and training activities.

In preparing a follow-on project to TTMS, the Mission and the RTG improved the project approach in several ways. Many of the improvements responded to the recommendations of the 1980 evaluation. The main improvements of the EPD project are (a) its primary focus on key macro problem areas that have not yet been clearly defined or for which a policy or program approach has not yet been established; (b) the involvement of a high level committee to establish project policy and give final approval to subprojects; (c) a project working level committee to identify specific topics and initial assistance responses to them; (d) the involvement of liaison officers from other ministries; (e) technical committees to implement subprojects; (f) the packaging of assistance measures for each development topic addressed; and (g) the expansion of the project to include not only individual foreign consultants and participant training but also institutional contracts, prefeasibility studies, research, local and regional consultants, local training programs, seminars and workshops, as appropriate; (h) assistance for improving DTEC's administration of the Grant (especially procurement procedures) and providing for standardized evaluation procedure; (i) providing for adequate per diem and housing support to contractors as well as allowing for a small amount of commodity procurement to support training and advisory services.

B. Project Narrative

1. Strategy

a. Overview

On an aggregate basis, recent economic progress in Thailand has been impressive. Per capita income has more than doubled since 1969 (\$266 in 1977 at 1972 prices). During the past decade, real GDP has grown at between 5% and 8% per annum. By mid 1970's, the percentage of Thai living in absolute poverty had decreased to 25% of the population compared to a figure of 52% in 1963.



These statistical averages, however, mask significant differences in regional and income group performance, and although there are recent indications that the gap may be narrowing (e.g. World Bank Working Paper No. 364, 11/79), there is still a large income differential between rural and urban areas. Compared to the national average per capita income of \$266 in 1977 (1972 prices), average per capita income in Bangkok was \$778 while in the North and Northeast it stood at \$169 and \$112 respectively.

The RTG is very much aware of the income inequity problem and intends to deal with it in a variety of ways. In the Fifth Development Plan now being formulated, major emphasis is being placed on decentralizing government administration and promoting local community participation in development as well as on addressing land use and land tenure problems. Other major areas of emphasis include rural health; population, manpower and wages; and agricultural productivity, pricing and marketing. At the RTG's request USAID is playing an active role in assisting RTG policy/program development by providing funds under TTMS for studies to support the formulation of the Fifth Development Plan. The World Bank and UNDP are also expected to provide assistance. This example of donor participation in RTG program/policy development is evidence that the Government is seriously seeking donor inputs in key development problem areas, and that EPD can play an important future role as a facilitative mechanism and funding resource for policy formulation.

One other example of how EPD can assist RTG policy formulation may also be seen in the following;

During late 1977 and early 1978, TTMS financing enabled three separate groups of senior RTG officials to visit Korea and observe the results of the Sae Maeul Um-Dong Program (New Village Development). Following these trips and making allowance for cultural differences between Thai and Korean villagers, several of the TTMS participants drew upon the Korean experience and relevant antecedents in Thailand in conceptualizing the New Village Development Program. This program, launched in late 1979 with financial assistance from the Japanese Government, will attempt to intensify government services and promote self-help development in up to 5000 disadvantaged villages.

b. Key Problem Areas

The Mission's 1982 CDSS presented an indepth examination of Thailand's current development situation and the causes of poverty and income inequities in the country. It concluded that USAID assistance should be directed towards rural development in the North and Northeast, addressing high population growth rates and child morbidity/mortality, decentralization and energy problems. As indicated above, these problem areas are also on the RTG's list of priority concerns and so are included as key problem areas to be addressed by this project. Given the project's wider orientation as a policy instrument for the RTG, however, it is expected that the project will also help the RTG address macro level concerns (e.g. mobilizing domestic resources, shifting public investment patterns and improving agricultural pricing and input policies) in a manner which will help provide economic incentives consistent with a poverty oriented development strategy. The Government's Fifth Development Plan (FY 1982-87) which is currently being developed will provide a focus for these macro level concerns and it is expected that new priority problem areas will be surfaced when the Fifth Plan is completed in FY 81 (Note: RTG fiscal years parallel U.S.G.).

Key problem areas currently identified by USAID and the RTG include the following:

1. Low agricultural productivity, especially in the North and Northeast.
2. Inadequate growth of off-farm production potential to absorb surplus agricultural labor.
3. Increasing environmental deterioration in rural areas
4. Continued high population growth rates.
5. A high rate of Child morbidity and mortality throughout rural areas.
6. Inadequate rural primary and non-formal education system.
7. Inability to meet energy requirements from indigenous sources.

8. Limited capability in development planning and administration at provincial and local levels.

Initial ideas for use of EPD funds are expected to be directed at these priority concerns of both the RTG and USAID. Other RTG development priorities may also emerge in the future, and as long as they fall within AID mandated concerns and are seen by AID and the RTG as contributing to formation of important development policy and/or program planning EPD could be used for their support.

c. Selection of Topics

Specific topics for EPD to address will be suggested by operating ministries, DTEC, or USAID, however, as noted earlier, the project will be limited to key problem areas in order to better focus efforts on priority concerns and to eliminate assistance to low priority areas.

Drawing on the experience of the TTMS project, it is expected that most topics will be best addressed by means of a coordinated package of responses, rather than just technical assistance or just training. The combination of various types of assistance will reinforce the effects of each one and will provide greater depth in addressing the different topics.

In the selection of topics for investigation, priority will be given to those for which policy options and program alternatives are not yet clear. The objective of the package of technical assistance, research or training recommended to address each problem area topic will be to develop policy or program recommendations, alternative project proposals and the like which will help indicate in which direction further action should be taken. The objectives of each assistance package will be identified before programs are initiated. When possible projects are identified, described and justified with respect to alternatives and required pre-feasibility analyses, support under this project will terminate and the RTG planners and donors will then decide how best to develop and fund the projects.

d. Project Management Procedures

The project will be implemented by means of a three-tiered system of committees, with a Project Management Committee bearing primary responsibility for the

project. This committee will consist of officers from each ministry and agency concerned with the project. The DTEC Executive Committee will provide policy guidance and give final approval to subproject packages. Technical committees appointed by the Project Management Committee for each subproject, will manage the day-to-day implementation of the assistance packages.

This project management structure is described in detail in Section V.A. Administrative Arrangements.

2. Goal

The goal of the project is a responsive RTG program for dealing with current development problems in rural areas. This is a very broad objective to which the project will make only a limited, though significant, contribution. Indicators of progress in achieving the project goal will be improved living conditions (i.e. better incomes and employment levels, lower mortality and birth rates, improved literacy rates) in rural areas and more effective local-level planning. These indicators can be assessed using national statistics and in evaluation of various development projects. In addition to the achievement of the project purpose, in order to meet the project goal, the RTG must (inter alia) devote a greater share of its budget to programs in rural areas, attract increased and more effective external assistance, provide for the training of sufficient personnel to plan and implement rural development programs, and continue to encourage local level participation in development projects.

3. Purpose

The purpose of this project is to support and to improve RTG policy development, program planning, and pre-project analysis in key development problem areas. Through the project, attention will be focussed on specific topics within problem areas (examples are listed in Section II.B.1.b.), and a system for dealing with the topics will be instituted. Success should be indicated by a number of policy statements, programs and projects that are directly relevant to many important development problems of the 1980's, and will also be indicated by the extent to which the consultants' recommendations, research results, workshop proposals, and trained RTG personnel are incorporated into the RTG policy development and program planning process. This can be verified through evaluations of the project and interviews with key decision-makers and individuals trained.

In order to achieve the project purpose, the programs of technical assistance, training, etc. recommended to initially address identified problems, must be quickly available and relevant to priority needs. In addition, the RTG must devote adequate resources to the key problem areas of project concentration during and after period of implementation and give adequate attention to recommendations made for follow-on work.

4. Outputs

Project outputs will be (a) an established and functioning system for coordinated RTG analysis and initial response to emerging development problems, (b) initial assistance programs of TA, research, training etc., (c) problem analysis, policy recommendations, program/project proposals and pre-feasibility studies in key problem areas, and (d) trained personnel. The committee system discussed in Section II.B.1.d. will have to be established before implementation can begin, and continuing effort will be necessary to improve its effectiveness.

Since it will be difficult to identify specific topics and related assistance packages sooner than a year in advance, they will be identified on an annual basis. Progress in obtaining the project's outputs will be assessed through annual reviews, periodic project monitoring and using final reports from consultants, research efforts, seminars and workshops and participant training records. In order to obtain the desired project outputs, it is assumed: (a) that the concerned RTG ministries and agencies will accept the proposed coordinated, problem-specific approach for initially addressing emerging development problems; (b) that agreement can be reached among RTG ministries and agencies and USAID on specific topics to be addressed within the agreed key problem areas and on programs of assistance; (c) that AID and RTG administrative delays are minimized and adequate RTG financial support is provided; and (d) that suitable consultants and trainees are identified, and (e) research and workshops are well-planned. Discussions and analyses conducted during the last TTMS evaluation and during development of this PP indicate that the above assumptions are justified.

5. Inputs

The AID input will be \$4 million over three years (FY 1980-1982) for consultants (U.S., Thailand, Code 941) training (primarily short-term, non-degree, local,

regional, and U.S.), and support for research pre-feasibility studies workshops, and seminars. The RTG will contribute Baht 40 million (2 million) to cover local costs and as an in-kind contribution in staff salaries for project implementation. The project period is 5 years. The financial plan shows a tentative mix of assistance, but annual revisions will determine the final plan for each year. The expenses to be covered by AID and the RTG are listed in Part IV.

PART III PROJECT ANALYSES

A. Economic Analysis

This project is not amenable to traditional cost-benefit analysis because its outputs are not presently quantifiable. Policy recommendations, program proposals and trained personnel which will result from the project (outputs) are only the means to ultimately benefit an indeterminate number of rural poor, if they are properly used. Assuming that the subprojects are well designed, technically and administratively feasible, and socially sound, it is likely that this project's ultimate benefits will significantly exceed its costs.

Of more relevance here, however, is whether the project is the most effective way to achieve the desired outputs. Although, again, a quantitative cost-effective analysis comparing alternative projects is not possible, some comparisons can be made.

Achievement of the designed project outputs will not be easy. It will require the adoption of a new and more coordinated approach to emerging problems on the part of several RTG agencies, agreement on priorities and on initial assistance programs, sound project management by DTEC, as well as a high level of competence among the advisors engaged in the project. It is difficult to conceive of any better alternative for achieving the intended results, since the RTG would not otherwise have ready access to assistance to address problems as they arise.

The only other alternative available to AID would be to attempt to address selected problems through separate projects and, where projects could not yet be designed, through separately funded studies. Although this alternative would have some chance of success in terms of AID programming objectives, it also would not foster a more coordinated and

systematic approach within the RTG to its wider range of emerging problems. Furthermore, without an assured source of funds, opportunities to tackle current issues in a timely manner would be missed.

Although the above comparisons are not as rigorous (i.e. quantitative) as one might wish, they do provide support that the proposed project is the best available alternative for obtaining the desired benefits.

Other sections of this paper outline project features which should further improve the cost effectiveness of the project, e.g. the use of an inter-ministerial committee to coordinate analysis of problems and suggest initial assistance, the focus on selected key problems, the packaging of various types of assistance for greater impact, the setting of objectives for each assistance package, and continued DTEC administration of the project.

B. Social Soundness Analysis

1. Project Beneficiaries

The primary beneficiaries of this project will be the RTG itself and various civil servants. If the project outputs are effectively utilized to achieve project purpose, however, the rural poor will benefit through improved development projects and government services. The RTG recognizes the necessity for reaching the rural poor and the support opportunity that this project offers to improve its capabilities to do so. The government has clearly expressed its intention to follow-up on the reports and analyses resulting from the project and the Mission is confident that benefits will flow to the target group as a result.

2. Social Feasibility

As noted in the CDSS, the combination of population pressure and the end of the agricultural frontier in Thailand mean that increasingly sophisticated efforts will now be needed in order to deliver to the rural poor the assistance needed to accomplish agricultural intensification, to provide new options, and to ameliorate the various conditions that now contribute to rural poverty in Thailand. Whereas in the past, the Thai Government was generally remote from the lives of rural dwellers, it will increasingly

be called upon to provide a range of needed services and to help find solutions to rural problems. To do this will require a detailed understanding of the ways in which governmental functions fit together in order to accomplish goals and the needed coordination and cooperation to meet these goals. Traditional, personalized forms of cross-agency communication will become increasingly overburdened and outmoded while at the same time individuals and organizations search for the needed mechanisms to carry out the more complex functions.

The role of foreign-donor institution-building assistance in this regard may be viewed in light of a long history of foreign capital and advisory aid to Thailand. The foreign advisor/donor has traditionally assisted in performing catalytic functions which were otherwise difficult to accomplish by Thais within the Thai context. In light of the current development problems alluded to above, these capabilities now take on added significance.

A project such as Emerging Problems in Development can perform a socially useful role in the present Thai cultural context in the following ways: First and perhaps most important, it can provide, through seminars and workshops, the needed neutral ground where members of different agencies and groups of influential sectors in the Thai community have the opportunity to meet, discuss problems that exceed the scope of the particular agency or group, and strive for consensus on problem definition and approach. Such meetings are difficult to set up in the Thai context without a particular agency or group running the show.

Secondly, the project can serve to propose, through education, training and research, topics and approaches to development that can serve as trial devices for cohesive action and mutuality of purpose in the Thai community. A selection of innovation approaches in this regard fosters the opportunity for consensus because it has outside initiation and legitimation. Without an outside presence of this sort, motives for internal initiation might be suspect.

The project can thus be socioculturally appropriate in at least the above two ways. It can provide the missing link whereby innovative solutions to emerging problems in development can be more rapidly and smoothly adopted within the Thai sociocultural milieu.

C. Technical Analysis

The technical soundness of each individual sub-project will be decided on its own merits at the time it is approved.

Based on the findings of the 1980 TTMS evaluation, the input package for this project has been expanded to give the RTG a wider range of ways to initially address current problems. In addition to technical consultancies and participant training, the RTG will be able to sign institutional contracts, use local and regional consultants and universities, arrange seminars and workshops, set up local training programs, and commission research and pre-feasibility studies. Training will be mostly short-term and non-degree. Most training will take place in local and regional institutions while U.S. training will be considered only on an exceptional basis. Observational tours in the region will also be encouraged when appropriate.

D. Administrative Analysis

In order that selected problems can be comprehensively reviewed and sensible initial approaches to them can be adequately designed, coordination through a committee structure which provides for interministerial discussion is planned for the project. DTEC is responsible for RTG coordination of grant-funded assistance. It already receives policy direction from the DTEC Executive Committee and has organized two interministerial committees under the TTMS project - a technical assistance planning committee and a training committee. In coordinating RTG actions concerning donor project activities, it is the principle RTG contact for the donors involved. DTEC is currently working with the U.S., other bilateral donors, the UN agencies, the Colombo Plan, and a number of foundations and PVOs. It works closely with key RTG staff ministries and agencies (NESDB, BOB, MOF) and with the line ministries responsible for project implementation.

DTEC's responsibilities for grant assistance provided by foreign donors can be summarized as follows:

- (a) to help prepare and consider project proposals.
- (b) to coordinate the actions of RTG ministries and agencies working with foreign donors and serve as a central RTG contact point for those donors.
- (c) to sign grant agreements on behalf of the RTG.

(d) to control the reimbursement of RTG counterpart funds, procure or monitor procurement of project personnel commodities and equipment, and provide logistical support for foreign donors and technicians - all in accordance with the terms of relevant project agreements.

(e) to program RTG technical assistance to other developing countries.

DTEC currently employs 294 people, of whom 183 are officers. These employees work in line divisions responsible for direct contact with various donors, technical divisions responsible for project analysis and monitoring and for coordination within the RTG, and in various support offices. DTEC's current annual budget is about 56 million Baht (\$2.8 million). About \$10 million (\$0.5 million) of this amount is for administrative expenses and the rest represents this year's counterpart contribution to grant projects. The counterpart portion of the budget fluctuates with the level of grant assistance to Thailand and has often been above \$100 million (\$5 million). Under TTMS, more than \$1.6 million of grant funds was committed in FY 77 and it is not planned to exceed this level during any year of EPD.

The 1980 TTMS evaluation has shown that DTEC's procedures for project implementation have improved markedly over the last five years and it has recently succeeded in programming packages of assistance under the project. It therefore makes sense both in terms of DTEC's formal responsibilities and its successful direction of the TTMS coordinating committees to establish the proposed committee structure for this project under DTEC's aegis. It will be necessary to adjust committee procedures to meet specific needs during project implementation, especially during the first year. DTEC will have an interest in making sure it functions effectively because in addition to helping DTEC administer the project, the committee structure will help it meet its overall coordination responsibilities by facilitating contact between DTEC technical personnel and their line ministry counterparts. Operating ministries will be induced to participate actively in the DTEC committees because it is they who will receive assistance under the project.

As indicated in Part 2.2.1, certain administrative constraints have been identified in the TTMS evaluation and they will be corrected before or during implementation of this project. These include:

(a) requiring adequate staff in place at the EPD unit in DTEC (only 2 of 8 positions are filled under TTMS)

(b) providing consultant assistance directly to the unit to review DTEC regulations/administrative arrangements and recommend changes, and to provide on-the-job training in developing adequate work scopes, RFPs, contracts and establishing a smoothly functioning financial control component; and

(c) improving RTG arrangements for following-up on training and technical assistance in order to evaluate effectiveness of project assistance. The technical assistance and training required to take care of items (b) and (c) are expected to be among the first activities funded under EPD, and will be covered by a condition precedent. A condition precedent to disbursement will also be a staffing plan for the EPD unit.

DTEC has shown that it can administer the TTMS project. There is every reason to expect that given its official mandate, improving technical staff resources and desire to build upon the success of the TTMS project, DTEC will be able to undertake the more challenging responsibilities this project will entail. As explained in Part V.,A. other agencies will also participate in the management process in order to more fully involve potential beneficiaries of the EPD assistance.

The office of Human Resources and Training in USAID/Thailand will be responsible for monitoring this project. The Director of that office may participate in the DTEC Project Management Committee discussions, and his staff will continue to assist DTEC, as required, to recruit consultants and arrange training programs. In addition, a broad-based USAID project committee has been formed to support the project, and will include the Directors of the Rural Development, HPN and Program/Project Development offices, a capital development officer, and a financial analyst. The broad representation and high level of the committee will help ensure that AID policy and program concerns are taken into consideration at every major step in the implementation process.

USAID technical staff will participate in technical committee deliberations. USAID also expects to maintain close coordination with other donors to prevent unnecessary overlap in project activities.

The services of ASIA/TR and DSB/IT in AID/W will continue to be required. Up to 3 person-months of time per year will be required from ASIA/TR to assist in recruiting consultants, upon the request of DTEC. DSB/T will continue to receive payment for the training services it provides.

E. Environmental Concerns

AA/ASIA concurred with the negative determination on this project when the PID was approved.

PART IV FINANCIAL PLAN

A. General

Table IV A and IV B are the Summary Cost Estimates and Financial Plan. The AID contribution to this project will be \$4 million between FY 80 and FY 82, with \$820,000 obligated in FY 80. AID will finance all foreign exchange costs as well as certain local costs. The life of project is five years.

The cost sharing plan for foreign consultants and overseas training is similar to that under the TTMS project, except that under EPD, funding is also available for Thai consultants, in-country training for individuals, workshops and local group training sessions. AID will finance Thai consultant salaries, direct tuition/training costs and certain materials and books required by consultants. Besides a significant input of staff time, the RTG contribution to the project will include local support costs and most travel and travel related costs for participants. (See Annex C for details). The RTG will submit a financial plan for each year of the project as an annual condition precedent to assure that adequate funds are available for each year.

B. Input Cost Estimates

1. Consultants

Foreign consultant cost estimates for the first project year are based upon current AID and RTG costs under the TTMS project. Thai consultant salaries are based on average USAID professional local rates. Estimates include a 10 percent annual inflation rate for subsequent years. In case that the RTG contracts with an institution to provide consulting services, overhead at approximately 80% of salaries is estimated for all foreign technical assistance. It is expected that most consultants will be contracted for 6 months or longer. Support costs correspond to USAID estimates.

Based on DTEC's experience in programming technical assistance under TTMS and the funds available, it is expected that about 50 months of consultant services will be funded on the average each year, or a total of 250-255 months for the life of the project. (Note: The annual disbursement plan assumes more services will be provided in years 2-4 than 1 and 5. See Annex C).

2. Training Costs

Costs for training are based on actual current costs inflated 10% annually and are shown in Annex C. It is estimated that only 31 short-term participants will be trained in the first project year (72 months total) and no long-term participants. The peak training year will be year 3 with 13 long-term participants and 67 short-termers. At the end of the project 223 persons are expected to be trained (25 long-term) at an average cost of about \$3,000/month for short-termers and \$1,500/month for long-termers (in the U.S.). Long-term training in Thailand and third countries is expected to cost a little over \$600/month.

C. Other Inputs

Costs for miscellaneous support commodities, evaluations, and a contingency fund (about 15% of the Grant) are summarized in Table IV A and IV B and detailed in Annex C. The contingency fund would be available for activities that were not foreseen during the annual programming process, but that represent important targets of opportunity that have a short lead time and require a rapid response. Illustrative activities include support for various development seminars and conferences proposed during any year of the project on policy issues for such subjects as women in development, family planning, local administration, and energy conservation. Unforeseen pre-feasibility type studies on key problem areas might be another item proposed for funding under the contingency fund.

SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(US\$000)

Source	AID		Host Country		Total	
	FX	LC	FX	LC	FX	LC
1. Technical Assistance	1,580	100	-	840	1,580	940
2. Training	1,080	580	-	925	1,080	1,505
3. Commodities	50	-	-	-	50	-
4. Evaluation	40	10	-	-	40	10
5. Contingency Fund Illustrative Activities:						
(a) Seminars and Conferences	250	10	-	50	250	60
(b) Special Studies	200	100	-	185	200	285
Annual Inflation of 10% included in above						
Total	3,200	800		2,000	3,200	2,800
	4,000		2,000		6,000	

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Table IV-A

ANNUAL GRANT DISBURSEMENT PLAN
(US\$000)

Table IV-B

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
1. Technical Assistance	70	235	500	555	320	1,680
2. Training	165	330	670	330	165	1,660
3. Commodities	-	15	20	15	-	50
4. Evaluation	-	20	-	-	30	50
5. Contingency Fund	50	110	120	135	145	560
Totals	285	710	1,310	1,035	660	4,000

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D. Payment Procedures

Most AID-funded expenses under the TTMS project have been paid from quarterly advances made to DTEC. DTEC has requested advances based upon signed consultant contracts and upcoming participant training. Under EPD, DTEC will finance local costs directly and request reimbursement of actual costs up to agreed maximum amounts from USAID. The following payment procedures are expected for each project component:

a. Consultants (individual and institutions)

1. Host Country Contract - For foreign consultants, direct payment by USAID; direct L/COM issued at request of contractor. For Thai consultants, USAID reimbursement to RTG.

2. AID Contracts - To be used at request of DTEC; USAID will pay directly.

3. PASA - Direct USAID payment.

b. Participant Training

Direct payment by USAID when AID arranges training overseas; reimbursement to DTEC when DTEC arranges and funds training.

c. Workshops, etc.

Same procedures as above for consultants. Reimbursement to DTEC for AID share of conference costs.

PART V IMPLEMENTATION PLAN

A. Administrative Arrangements

The administrative arrangements for this project are intended to permit the widest possible participation in the project during the project management process and fully involve policy level officials at appropriate times.

An Executive Committee will be responsible for selecting the specific topics that will be investigated under the project. The Committee is chaired by a Minister

attached to the Prime Minister's Office with the Under-Secretary to the Prime Minister serving as Vice Chairman. Members include: Under-Secretary, Ministry of Finance (MOF); Under-Secretary, Ministry of Foreign Affairs; Secretary-General, National Economic and Social Development Board (NESDB); Secretary-General, Civil Service Commission; Director, Bureau of the Budget (BOB); Director-General, DTEC; Deputy Director-General, DTEC (secretary); and Director, Technical Division, DTEC (assistant secretary). The Committee meets at least every two months and sometimes as often as every two weeks, depending on workload. It has the authority to set and interpret RTG policy regarding priority areas of need and will be able to provide clear direction to the project. The USAID Director will ensure that AID's policy and programming interests receive adequate consideration through frequent contacts with members of the Executive Committee, and the EPD Project Committee will monitor implementation of the policy.

Each year the Executive Committee will review all the topics that have been proposed for investigation and then establish a list of those that will be funded during the following year. It will later review and approve the specific plans for addressing these topics and periodically during the year it will review the progress of each sub-project.

The second level of project management will be a Project Management Committee that will be charged with soliciting and processing line agency requests for technical assistance and training. The Deputy Director-General of DTEC will chair the Committee. The Director of USAID's Office of Human Resources and Training may participate in the Committee's deliberations (but not final decisions) should the RTG and USAID decide it is appropriate. To ensure adequate line Ministry input into preliminary discussions of proposed topics, an EPD liaison officer will be appointed in each Ministry that is likely to make use of project funds. The liaison officer will be from the Planning Office in the Under-Secretary's Office of each Ministry and will be responsible for developing an assistance plan for his Ministry based on the Ministry's priority needs within

the scope of the project and of RTG policy. The liaison officers will work closely with the Project Management Committee in developing project ideas. Once an activity has been approved for funding, the relevant liaison officer will monitor the project.

Representatives will also be appointed from the staff agencies that DTEC normally will have to coordinate project activities with. The representatives from these agencies, i.e., NESDB, BOB, and the Civil Service Commission, will have the same project planning and development responsibilities as those in the line Ministries, but will also be expected to represent their agencies' policy and technical concerns to the DTEC Project Management Committee. Each staff agency will be represented by an officer at the Deputy Director-General level.

When a topic has been selected for study, the Project Management Committee will appoint a subproject specific Technical Committee (TC), consisting of technical officers from the line ministry primarily responsible for the topic to be considered and representatives of other concerned RTG ministries and agencies. A USAID Technical officer may also sit on the TC. The Committee will develop the project idea and decide on the types of responses (feasibility study, research, technical assistance, seminar, study tours, etc.) that are best suited to addressing the problem. It will then outline an assistance package and present this to the Executive Committee's approval, the TC will draw up a detailed project description and proceed to implement the project. DTEC, through the Project Management Committee, will provide support services as necessary. The chief technical officer on the TC will be the chairman of the committee and will have responsibility for managing the project. He will make regular progress reports to the Executive Committee through the liaison officer and the Project Management Committee.

USAID's Office of Human Resources and Training will be responsible for project monitoring. The USAID Office of Finance will make payments of AID funds as described in the previous section. At the request of DTEC, AID will contract consultants directly and arrange participant training program. USAID approval of RTG contracts will be required, although the final selection of RTG contracted consultants

will be up to the RTG, provided procedures conform to AID requirements. Similarly, the choice of candidates for participant training and local group training sessions will also be left to the RTG. Lastly, USAID approval of DTEC arrangements and budgets for locally organized project activities will be required before expenditures are made.

Approximately 85 percent of the funds for each year's activities would be programmed in the above manner. The remaining 15 percent of the funds are planned to be reserved for unforeseen requirements each year. (Note: Although the amount may fluctuate somewhat each year, no more than 15 percent of total grant funds will be utilized for contingency activities.) Programming for this contingency fund will follow an expedited track that will only require USAID and DTEC approval of activities based on priority need, conformance to project objectives, and compliance with AID/RTG development policy.

B. Implementation Schedule

A summary implementation schedule follows. The Project Executive Committee will approve project activities in detail at the beginning of each project year when program requirements, budget needs and project progress will be clearer. This normally will be done after each annual project evaluation. Detailed implementation and financial plans, indicating problem area topics to be addressed during the coming year, will be completed at that time, and submitted to USAID to meet the annual conditions precedent.

<u>DATE</u>	<u>ACTION</u>	<u>RESPONSIBILITY</u>
5/80	Project authorized	AID/W
6/80	FY 80 allotment received	AID/W
7/80	Grant Agreement signed	USAID/T-DTEC
8/80	Project Management Committee (PMC) established	DTEC
9/80	Detailed annual implementation plan developed/approved	Exec. Com/PMC
10/80	Initial and Annual CPs met	USAID/T-DTEC
11/80	FY 81 allotment received	AID/W
12/80	FY 81 obligation made	USAID/T-DTEC
5/81	Project monitoring meeting	PMC
9/81	First annual evaluation	USAID/T-DTEC

<u>DATE</u>	<u>ACTION</u>	<u>RESPONSIBILITY</u>
10/81	Detailed annual implementation plan developed/approved	Exec. Com/PMC
10/81	Annual CPs met	USAID/T-DTEC
11/81	FY 82 allotment received	AID/W
11/81	Project review meeting	Exec. Com
12/81	FY 82 obligation	USAID/T-DTEC
3/82	Project monitoring meeting	PMC
9/82	External evaluation	RTG/AID/Consultants
10/82	Detailed annual implementation plan developed/approved	Exec. Com/PMC
11/82	Annual CPs met	USAID/T-DTEC
3/83	Project monitoring meeting	PMC
9/83	Annual evaluation	USAID/T-DTEC
10/83	Detailed annual implementation plan developed/approved	Exec. Com/PMC
11/83	Annual CPs met	USAID/T-DTEC
3/84	Project monitoring meeting	PMC
9/84	Annual evaluation	USAID/T-DTEC
10/84	Detailed annual implementation plan developed/approved	Exec. Com/PMC
11/84	Annual CPs met	USAID/T-DTEC
3/85	Project monitoring meeting	PMC
4/85	Final evaluation	RTG/AID/Consultants

C. Projected Utilization of EPD Funds

The following is an illustrative list of the kinds of activities which are expected to be funded under this Project. The actual problem areas to be addressed will be developed by the DTEC Executive Committee. The response package will be developed by the Project Management Committee. (see Part V.A.)

	<u>Activity Package</u>	<u>Duration Cost</u>
1. Budget System Improvement.		
Bureau of Budget	Advisors	18 months
Technical Assistance and Development of Program	Training	\$300,000
to better evaluate and coordinate financial resources with program needs to accelerate the development process.	Workshop	

	<u>Activity Package</u>	<u>Duration Cost</u>
2.	Assistance with National Environment Board Policy and Environment Studies To assist with development of National Environmental Policy and prepare studies and recommendations on specific major environmental problems.	Advisors 24 months Training \$400,000 Workshop/Seminar
3.	NESDB Rural Development Policy Planning Assistance. To provide TA to NESDB in formulation of plans for rural programs for low income areas.	Advisors 12 months Training \$100,000 Workshop/Seminar Studies
4.	Advisory Assistance in Development of Science and Technology Policy. To provide TA to new Ministry of Science and Technology in formulation of policies and procedures and accelerate the Ministry's involvement in the development process.	Advisors 18 months Training \$125,000 Workshop/Seminar Studies
5.	Land Bank feasibility study. To study feasibility of implementing a Land Bank Program to accelerate Land Reform.	Advisors 18 months Training \$200,000 Working/Seminar Studies
6.	Ground Water Assessment and Policy Development. To assess ground water availability, utilization and potential use for Provincial Water Authority.	Advisors 2 years Training \$150,000 Workshop/Seminar Studies
7.	Feasibility of School Based CD through Regional Institutions. To test feasibility regional universities participation in NFE through School Based Community Development Programs.	Advisors 2 years Training \$100,000 Workshop/Seminar
8.	Project Planning and Implementation Training Seminars. To provide in-country mid career training opportunities in project planning and management to improve the quality of RTG and donors' development programs	Advisors 1 year Training \$100,000 Workshop/Seminar

PART VI EVALUATION AND MONITORING PLAN

Due to the nature of the project, with its unspecified final outputs, there will be frequent reviews and monitoring meetings.

Internal evaluations will be scheduled in 1981, 1983 and 1984. They will be undertaken by a joint USAID/DTEC team. There will be special evaluations in 1982 and 1985 in which external evaluators will play a prominent role. All of the evaluations will be intended to judge progress toward attainment of the project outputs and purpose. Evaluations during the initial 2 years will necessarily concentrate on outputs. Some indication of purpose achievement should be clear during the final three years of the project.

Annual evaluations will provide the basis for the DTEC Executive Committee planning sessions for the next year's program. The evaluation will then serve as an ongoing element of overall project management in guiding implementation.

Between annual evaluations, as prompted by the circumstances of the project, project management committee meetings will be held. These meetings will differ from evaluations in that they will be more explicit management tools intended to both flag possible problem areas and refine procedures. Reports of these meetings will provide support and guidance for subsequent evaluations. USAID representatives will participate in the meetings as appropriate.

Estimated funding requirements for participation of external evaluation have been included in the project budget

PART VII CONDITIONS PRECEDENT, COVENANTS, AND WAIVERS

This Project has been collaboratively developed by the Royal Thai Government and AID, and the following illustrative conditions precedent are based on mutual understandings between the RTG and AID. Although it is understood that the RTG is generally in accord with these, the final texts cannot be determined until the Project Agreement has been negotiated. However, it is expected that no major negotiation issues will remain to delay the execution of the Agreement once the Project has been authorized.

A. Initial Conditions Precedent to Disbursement (within 90 days of the Project Agreement)

1. A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2, and of any additional representatives.

2. Key Problem Areas to be addressed by the Project.

3. A plan of operations for the Executive Committee and Project Management Committee and evidence that these committees have been established and committee members designated, including liaison officers from relevant staff and line agencies concerned with the Project.

4. Evidence that DTEC has established and adequately staffed an administrative unit to adequately implement the procurement, training and financial activities under the Project.

5. A schedule of the maximum rates payable to consultants from DTEC counterpart funds for per diem and housing.

6. A list of activities and commitment schedule for available funds under TTMS.

7. A plan of action for developing scopes of work, RFPs, contracts, and monitoring arrangements under the project and institutionalizing such procedures within the RTG.

B. Annual CPs for Disbursements for New Activities
Each Project Year

1. Beginning with year two of the Project evidence that the Executive Committee has adequately reviewed the preceding year's activities financed under the Project.

2. A list of activities proposed for the succeeding 12 months satisfactory to AID.

3. An annual financial plan.

C. Waiver

Given the wide range of training and consultant services that are possible for funding under this Project, it is likely that the U.S. and Thailand will not always be the most appropriate source for these services. International institutes such as IRRI and ICRISAT, for example, may be the best sources of expertise and training services under the Project in certain instances. The RTG may also wish to invite experts from other developing countries, particularly in the Asia region, to attend seminars or offer consulting advice on certain mutual key development problems

In order to allow for such instances, it is proposed that use of Grant funds for procurement from the Code 941 Countries be authorized. Although it is not possible at this time to accurately predict how much of the Grant will be utilized for Code 941 procurement, the amount is not expected to exceed \$400,000 over the life of the Project. (The waiver should not be limited to a specific amount)

(E) INITIAL ENVIRONMENTAL EXAMINATION. APAC CONCURS IN IEE RECOMMENDATION OF NEGATIVE DETERMINATION.

(F) PROJECT PREPARATION. REQUEST MISSION INFORM AID/W OF PERSONNEL NEEDS FOR FINAL DESIGN WORK AS MUCH BEFORE REQUIRED ARRIVAL AS POSSIBLE, PROVIDING DRAFT SCOPES OF WORK FOR ALL PROPOSED TEAM MEMBERS. VANCE
BT

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 1983-1985
 Priority: 1
 Total Funding: \$11 million
 Date Approved: 12/1/82
 PAGE 1

ADB FORM 10-79
 SUPPLEMENT 1

INSTRUCTIONS: THIS IS AN OPTIONAL
 FORM WHICH CAN BE USED AS AN AID
 TO ORGANIZING DATA FOR THE P.D.S.
 REPORT. IT NEED NOT BE RETAINED
 OR SUBMITTED.

Project Title & Number: Rural Development Problems of Development (121-03001)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which the project contributes: (A-1)</p> <p>Responsive RTG programs for leading will correct development problems in rural areas.</p> <p>Project Purpose: (B-1)</p> <p>To support and improve RTG policy development, program planning, and pre-project analysis in key development problem areas.</p> <p>Outputs: (C-1)</p> <ol style="list-style-type: none"> System for coordinated RTG analysis and initial response to emerging development problems established and functioning. Programs of technical assistance, training and research designed and implemented. Problem analysis, policy recommendations, program proposals, and pre-feasibility studies in key problem areas. Trained personnel. Completed Seminars and Conferences. Evaluations. <p>Inputs: (D-1)</p> <p>AID - \$4 million grant RTG - Up to \$40 million budgetary support</p>	<p>Measures of Goal Achievement: (A-2)</p> <ol style="list-style-type: none"> Improve living conditions in rural areas reflected by measurable increments of: <ul style="list-style-type: none"> higher rural incomes and less urban/rural disparity lower birth rates lower mortality/morbidity higher literacy rates Effective local-level planning of rural development <p>Conditions that will indicate purpose has been achieved: End of project status: (B-2)</p> <ol style="list-style-type: none"> Technical assistance, trained personnel and results of research and workshops are incorporated into RTG policy development and program planning process in key problem areas. Specific policy statements, programs, and projects directly linked to activities funded under the project, and relevant to priority development needs of the 1980's. <p>Magnitude of Outputs: (C-2)</p> <ol style="list-style-type: none"> Project Management Committee established. Minimum of five assistance packages completed that are relevant to priority development problems. <ol style="list-style-type: none"> Approximately 4 special studies and 10 seminars and conferences completed on key development issues. 200 persons trained and working in priority development areas. Project Evaluations. <p>Implementation Target (Type and Quantity): (D-2)</p> <p>255 person months T.A. 1000 person months training \$500,000 for seminars, conferences and special studies (program support budget) \$50,000 for commodities \$50,000 for evaluations.</p>	<p>(A-3)</p> <ol style="list-style-type: none"> National statistical indicators. Project evaluations. <p>(B-3)</p> <ol style="list-style-type: none"> Project evaluations. Interviews with policy and program decision makers, and individuals trained. <p>(C-3)</p> <ol style="list-style-type: none"> Annual evaluations. Periodic project monitoring. <ol style="list-style-type: none"> Final reports from consultants, studies, research projects, and seminars/workshops results. Participant training records. <p>(D-3)</p> <ol style="list-style-type: none"> AID and RTG records. Project monitoring meetings and project evaluations. 	<p>Assumptions for achieving goal targets: (A-4)</p> <ol style="list-style-type: none"> A greater share of the RTG budget is devoted to development programs in rural areas. Increased (effective) external assistance. Identified holders of RTG personnel are trained to plan and implement rural development programs. Local participation in the planning and implementation of development activities continues to be encouraged. <p>Assumptions for achieving purpose: (B-4)</p> <ol style="list-style-type: none"> Package of grants initiated to address specific problems quickly available and relevant to priority needs. Adequate resources are devoted to policy development and program planning in areas on which the project concentrates during and following the period of implementation. Areas indicated for follow-up work are given adequate attention. <p>Assumptions for achieving outputs: (C-4)</p> <ol style="list-style-type: none"> Concerned RTG ministries and agencies will accept the proposed coordinated problem-specific approach to address emerging development problems. Agreement can be reached among RTG ministries and agencies and UNDAID on topics to be addressed and of assistance programs. Adequate RTG financial support will be provided. AID and RTG administrative delay are minimized. Suitable technical advisors can be recruited. Suitable RTG candidates are identified and released for training. Research proposals, seminars, workshops and local group training sessions are well planned. <p>Assumptions for providing inputs: (D-4)</p>

DETAILED FINANCIAL TABLES AND SCHEDULES

- I Technical Assistance Annual Costs
- II Participant Training Annual Costs
- III Seminars and Conferences Annual Costs
- IV Special Studies Annual Costs
- V Equipment Annual Costs
- VI Evaluation Costs
- VII Cost Breakdowns for Consultant Costs
 - a. Foreign
 - b. Domestic
- VIII Cost Breakdowns for Participants
- IX Cost Breakdowns for Seminars
- X Schedule for Consultants and Training

I. Technical Assistance

A. Foreign Consultants

	1st Yr.		2nd Yr.		3rd Yr.		4th Yr.		5th Yr.	
	U.S.\$	RTG \$	U.S.\$	RTG \$	U.S.\$	RTG \$	U.S.\$	RTG \$	U.S.\$	RTG \$
1. Chief of Party (3x24 mos.)	-	-	71,473	38,478	78,565 78,565	42,325 42,325	86,421 86,421	46,558 46,558	95,063	51,214
2. Consultant (3x18 mos.)			91,423	38,478	42,608 78,565	20,588 42,325	47,968 86,421	22,614 46,558	52,764	24,875
3. Consultant (4x6 mos.)	36,000	16,990			42,608	20,588	47,968	22,614	52,764	24,875
Overhead Cost (80%) (Salaries)	16,800		75,504		161,568		178,464		96,096	
B. Local Consultants										
1. (3 mos.) - one per year	2,350	2,075	2,585	2,282	2,843	2,510	3,121	2,761	3,439	3,037
2. (6 mos.) - one per year	4,650	3,750	6,115	4,120	5,626	4,537	6,188	4,990	6,806	5,489
3. (12 mos.) - one per year	9,250	7,100	10,175	7,810	11,192	8,591	12,311	9,450	13,542	10,395
DTEC and Requesting agency contribution		13,000		30,800		50,080		63,888		40,094
	69,050	42,915	236,225	121,973	504,140	241,809	555,283	265,991	320,474	160,879
			Total: US.\$1,685,172		RTG: \$833,567					

II. Participant Training

Year	U.S.		T.C./I.C.		Total	
	Long Term	Short Term	Long Term	Short term	U.S. \$	RTG \$
1	—	5 (4 mos) \$52,000	—	26 (2 mos) \$114,400	\$166,400	Ø18,412,136 \$920,606
2	2 (12 mos) \$30,000	6 (4 mos) \$68,640	5 (24 mos) \$66,000	25 (2 mos) \$169,400	\$334,040	
3	3 (12 mos) \$54,432	15 (4 mos) \$188,760	10 (24 mos) \$152,400	52 (2 mos) \$271,524	\$667,116	
4	—	5 (4 mos) \$69,200	5 (24 mos) \$83,760	31 (2 mos) \$181,536	\$334,496	
5	—	2 (4 mos) \$30,448	—	21 (2 mos) \$135,240	\$165,688	

III. 8 Seminars and Conferences (Two Per Year)

1st Yr.		2nd Yr		3rd Yr		4th Yr		5th Yr	
U.S. \$	RTG \$	U.S. \$	RTG \$	U.S. \$	RTG \$	U.S. \$	RTG \$	U.S. \$	RTG \$
-	-	55,352	10,648	60,888	11,712	66,976	12,884	73,774	14,172
TOTAL: U.S. \$256,990						RTG: \$49,416			

IV. Special Studies
(One Per Year)

1st Yr.		2nd yr		3rd Yr		4th Yr		5th yr	
U.S \$	RTG \$	U.S.\$	RTG \$	U.S.\$	RTG \$	U.S.\$	RTG \$	U.S.\$	RTG \$
50,000	30,000	55,000	33,000	60,500	36,300	66,550	39,930	73,205	43,923
Total: U.S. \$305,255					RTG: 183,153				

V. Equipment

<u>1st Yr</u>	<u>2nd Yr</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>
-	15,000	20,000	15,000	-

Total: U.S.\$50,000

VI. Evaluation

<u>1st Yr</u>	<u>2nd Yr</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>
-	20,000	-	-	30,000

Total: U.S.\$50,000

VII. Cost Breakdowns for Consultants

Table A. Foreign Consultants

	<u>6 mos</u>	<u>9 mos</u>	<u>1 yr</u>
<u>AID</u>			
Salary (\$150 day)	\$19,500	\$29,250	\$39,000
Post Diff. (10%)	1,950	2,925	3,900
			5,000
Travel Trans*	11,800	11,800	11,800
Medical/Ins.	300	300	300
Workmen's Comp (12%)	2,340	3,510	4,680
Materials	<u>150</u>	<u>200</u>	<u>250</u>
Total	\$36,000	\$47,985	\$64,930
<u>RTG</u>			
Local Travel			
- per diem (฿600x10d/mo)	฿ 36,000	฿ 54,000	฿ 96,000
- transport	12,000	18,000	24,000
Quarters Allowance			
- temporary (฿600 x 15 days) (short term ฿1,460/day)	262,800	384,300	384,300
Regular Quarter Allowance \$9460/yr = ฿15,800/mo			
- regular (฿4,000/mo.)	-	94,800	142,200
Secretary (฿3,000/mo.)	18,000	27,000	36,000
Transportation to Office	6,000	9,000	12,000
Misc.	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total	฿339,800	฿592,100	฿699,600
	<u>\$ 16,990</u>	<u>\$ 29,605</u>	<u>\$ 34,980</u>
Total Cost	\$ 52,990	\$ 77,590	\$ 99,910
	=====	=====	=====

*includes 3 dependents when period over 3 months

Employee, wife & 2 children (1 over 12 & 1 under) 3.5 persons.
 Education allowance \$2,250 + \$2,650 = \$4,900 or ฿98,000 + Lab. Fee ฿300 +
 Transportation ฿8,800 = ฿102,700 for 2 children/year

Table B. Thai Consultants

	<u>3 mos</u>	<u>6 mos</u>	<u>9 mos</u>	<u>1 yr</u>
<u>AID</u>				
Salary	45,000	90,000	135,000	180,000
Materials	<u>2,000</u>	<u>3,000</u>	<u>4,000</u>	<u>5,000</u>
Total	47,000	93,000	139,000	185,000
<u>RTG</u>				
Quarters Allowance	13,000	25,000	37,000	49,000
Local Travel	8,500	17,000	25,500	34,000
Secretary	9,000	18,000	27,000	36,000
Transportation to Office	3,000	6,000	9,000	12,000
Recruitment, Insurance, Misc.	<u>800</u>	<u>9,000</u>	<u>10,000</u>	<u>11,000</u>
Total	<u>41,500</u>	<u>75,000</u>	<u>108,500</u>	<u>142,000</u>
<u>Total Cost</u> Baht	88,500	168,000	247,500	327,000
US\$	<u>4,425</u>	<u>8,400</u>	<u>12,375</u>	<u>16,350</u>

Tables a and b provide cost estimates for the first year of the project. Years 2-5 should be inflated by a minimum of 10% annually.

VIII. Cost Breakdowns for Participants

Participants

Estimated costs based on actual current cost are:

<u>Location</u>	<u>Short Term</u> <u>AID</u> per month;	<u>Long Term</u> <u>AID</u> (per month)
U.S.	\$2,600	\$1,250
Southeast Asia Region	2,200	500

AID's costs (per month) for subsequent years, assuming a 10% inflation rate, are as follows:

	<u>2nd yr</u>	<u>3rd yr</u>	<u>4th yr</u>	<u>5th yr</u>
<u>Short Term</u>				
U.S.	\$2,860	\$3,146	\$3,460	\$3,806
Third Country and Thailand	2,420	2,662	2,928	3,220
<u>Long Term</u>				
U.S.	\$1,375	\$1,512	\$1,663	\$1,829
Third Country and Thailand	550	605	665	731

RTG costs for U.S. and regional training cover one time expenses for Travel and Transportation and English Language Training. RTG estimates for in-country training also include tuition, subsistence, books and insurance. RTG salaries are not included in any estimates.

IX. Cost Breakdowns for Seminars

Workshop/Local Group Training Sessions

A one-week seminar, workshop or training session in Bangkok with 20 Thai participants and 5 foreign trainers is estimated to cost about \$30,000 in the first year, broken down as follows:

<u>Item</u>	<u>U.S. (\$)</u>	<u>RTG (\$)</u>
Salaries	6,500	1,650
Subsistence	3,750	500
International Travel and Per Diem	12,000	-
Travel in Thailand	-	1,000
Office & Secretariat Support	-	500
Honorariums (for university staff and non-government only)		100
Conference Costs*	650	650
Contingency	2,260	440
	<u>25,160</u>	<u>4,840</u>
	=====	=====
Total	25,160	4,840

* Room rental, supplies, support staff

Assuming an annual inflation rate of 10% costs in subsequent years will be as follows:

	<u>2nd yr</u>	<u>3rd yr</u>	<u>4th yr</u>	<u>5th Yr</u>
AID	\$27,676	\$30,444	\$33,488	\$36,837
RTG	<u>5,324</u>	<u>5,856</u>	<u>6,442</u>	<u>7,086</u>
Total	<u>\$33,000</u>	<u>\$36,300</u>	<u>\$39,930</u>	<u>\$43,923</u>

X. Work Plans for Consultants and Training

1st yr 2nd yr 3rd yr 4th yr 5th yr

Consultants

1. Foreign Consultants
(packages)

1/6 pm 2/42 pm 3/48 pm 3/48 pm 1/6 pm

2. Local Consultants

3/21 pm 3/21 pm 3/21 pm 3/21 pm 3/21 pm

4/27 pm 5/63 pm 6/69 pm 6/60 pm 4/27 pm

Total 25 Persons/255 Person Months

1st yr 2nd yr 3rd yr 4th yr 5th yr

Participant Training

Long Term

- 7/144 mos 13/276 mos 5/120 mos

Short Term

31/72 mos 41/94 mos 67/164 mos 36/82 mos 23/50 mos

Total: 223 Persons/1002 Person Months

Annex D

DEPARTMENT OF TECHNICAL AND ECONOMIC COOPERATION

Krung Kasem Road, Bangkok, Thailand

Cable: DTEC.

TEL. 817555

No. 1803(1)/14202

July 8 , B.E. 2523

Mr. Robert S. Queener,
Acting Director,
USAID/Thailand.

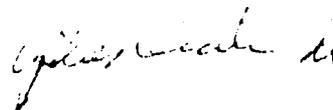
Dear Mr. Queener,

This is to advise you that we have reviewed the Project Paper for the Emerging Problem of Development and agreed with the proposed project description, objective, financial plan as well as the implementation arrangement.

We, therefore, request that a grant of \$4 millions be provided by USAID for this five year project. The RTG agreed to contribute up to Baht 40 millions (\$2 million) or one-third of the total project cost. A list of project is also herewith enclosed.

Your kind cooperation is, as always, much appreciated.

Yours sincerely,



Apilab Usatanandh
Director-General

USAID/Sub-Division
DEC-I
Tel. 2810966, 2813963

STATUTORY CHECKLIST

I. COUNTRY CHECKLIST

A. General Criteria for Country Eligibility

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in consistent pattern of gross violations of internationally recognized human rights?
2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully?
3. FAA Sec. 620(b) If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?
4. FAA Sec. 620(c). If assistance is to government, is the government liable as

A. General Criteria for Country Eligibility

Yes. N/A.

No.

Yes.

No.

debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?

5. FAA Sec 620(e) (1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.
6. FAA Sec. 620(a), 620(f); FY 79 App. Act, Sec. 108, 114 and 606. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola? No. No.
7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? (a) No.
(b) No.
8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No.
9. FAA Sec. 620(1). If the country has failed to institute the investment guaranty program for The investment guaranty program is in effect.

the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason?

10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters:
- a. has any deduction required by the Fishermen's Protective Act been made? a) N/A
- b. has complete denial of assistance been considered by AID Administrator? b) N/A
11. FAA Sec. 620; FY 79 App. Act, Sec. 603.
- (a) Is the government of the recipient country in default for more than 6 months on interest or principal of any AID loan to the country? a) No.
- (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds? b) No.
12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? Development Assistance Grant Funds are proposed. In any cases, yes, as reported in annual report on implementation of Sec. 620(s).

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No. N/A
14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? Not in arrears.
15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? Not to the knowledge of the Mission.
16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? No.
17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977 although not a "nuclear-weapon State" under the nonproliferation treaty? No.

B. Funding Criteria for Country Eligibility

1. Development Assistance Country Criteria

- a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy? Yes, See FY 1980, CDSS.
- b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor? May be used to address problems in any priority development area, including child health care, nutrition, agricultural production and rural development.

2. Economic Support Fund Country Criteria

- a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human N/A

- b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests? N/A

- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

- d. FY 79 App. Act Sec. 113. Will assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? N/A

- f. FAA Sec. 620B. Will security supporting assistance be furnished to Argentina after September 30, 1978? N/A

II. PROJECT CHECKLIST

A. General Criteria for Project

1. FY 79 App. Act Unnumbered; FAA Sec. 653 (b); Sec. 634A.
(a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;
(b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?

The project was included in AID's 1980 Congressional Presentation. Assistance is within OYB.
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Agreed plans and firm cost estimates are incorporated into the Project Paper.
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required.
4. FAA Sec. 611(b); FY 79 App. Act Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

N/A

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. The project is not designed to have any significant effect on any of these items.
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). See above.

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.
- The Royal Thai Government contribution to this project will exceed 25 percent. These are no U.S. owned local currencies available for this project.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
- No.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
- Yes.
12. FY 79 App. Act Sec. 608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar, or competing commodity?
- The project is not for this purpose.

B. Funding Criteria for Project

1. Development Assistance Project Criteria

- a. FAA Sec. 102(b); 111; 113; 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-
- (a, b, d) This project will not directly involve the rural poor in development but may result in other activities that will effectively involve the poor (including women) in development and help them to help themselves.

intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

(c) This project will directly support the self-help efforts of Thailand by providing resources to address priority development constraints as determined by the RTG.

(e) The project provides funding and encouragement for procuring technical assistance and training services from Asian regional institutions.

- b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source)

(1) (103) for agriculture, rural development or nutrition, if so, extent to which activity is specifically designed to increase productivity and income of rural poor;

N/A

- (103A) if for agricultural research, is full account taken of needs of small farmers;
- (2) (104) for population planning under sec. 104(b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research. N/A
- (3) (105) for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; N/A
- (4) (106) for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is: Yes.
- (i) technical cooperation and development, especially with U.S. (i), (ii), (iii), (iv), (v), (vi)
A large portion of the funds will be used for technical assistance and training services from U.S. private and Thai/regional

private and voluntary, or regional and international development, organizations;

(ii) to help alleviate energy problem;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

development organizations. Specific activities have not yet been identified for funding but will be considered on an annual basis in accordance with AID and RTG policy. Any of the special development problems in (ii-vi) could be addressed by the project if mutually agreed by AID and the RTG.

- c. (107) Is appropriate effort placed on use of appropriate technology?
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

N/A

Yes, per the PP financial plan.

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

This is not a capital project.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

This project is designed to be directly responsive to felt development needs of the RTG. They will initiate and manage project interventions.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase or productive capacities and self-sustaining economic growth?

Yes, these are major objectives.

2. Development Assistance Project
Criteria (Loans only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

N/A

- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N/A
3. Project Criteria Solely for Economic Support Fund
- a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102? N/A
- b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities? N/A

Draft Project Authorization

Country: Kingdom of Thailand
Project: Emerging Problems of Development
Number: 493-0309

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Emerging Problems of Development Project for the Kingdom of Thailand involving planned obligations of not to exceed Four Million United States Dollars (\$4,000,000) in grant funds over a five year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.
2. The project consists of support and improvement of Royal Thai Government policy development, program planning and pre-project analysis in key development problem areas.

Consultant services, research, participant training pre-feasibility studies, workshops and locally-organized group training sessions will all be eligible for financing under the grant to assist the RTG to address specific concerns for which project alternatives are not yet clear. In addition, a part of the grant funds will be available for program support activities such as development seminars and advisory assistance that are

directed at formation of development policy and program planning in mandated AID subject areas. Funds might also be used to support ongoing RTG activities in priority AID/RTG areas as long as the activities are not being funded under any other AID projects.

3. The Project Agreement which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Blanket Waiver to Code 941

The following waiver to A.I.D. regulations is hereby approved:

On the basis that certain services and training will most effectively be procured in other developing countries particularly Asia Regional International Institutions, goods (except vehicles) and services financed under the project may be procured from countries included in A.I.D. Geographic Code 941.

EXPECTED UTILIZATION OF REMAINING TTMS FUNDSSection 103

Unprogrammed: \$710,843

Planned Programs Under Arrangement:

Certain

a. U of Conn. In-country Training ...Proj. Mgt. for Local Dev. First Course - October 1980....\$ 75,000 Second Course - May 1981\$ 75,000	Proposal Rec'd Being Negotiated To be Negotiated	100 50
b. Arthur D. Litte In-country Training ...Proj. Analysis & Mgt.\$ 65,000	Proposal being revised	100
c. Miss. State U/NIDA In-country Training ...Seed Technology\$ 25,000	Program Firm Oct. 27 begin	100
d. IIRR ...Community Ext. Agent Training....\$100,000	Proposal rec'd to be discussed at IIRR in Philippines mid July	80
e. USDA In-country Course ....\$100,000 (3 courses)	Firm to begin mid Nov.	100
f. Local Cost Support and Advisory Services to Ministry of Industry Energy Conservation Committee\$ 50,000	Informal Request Received. DTEC Awaiting Proposal	50
g. Advisory Services EGAT (Pre- feasibility Study) ....\$100,000	DTEC in Receipt of Request. Discussions Being Held	50
h. Third Country Training Programs\$ 20,000	Being Programmed. TR's in Process	100
i. Science & Technology - Workshop ....\$100,000 Short and Long Term Advisory	AID/W Requested to Negotiate with NAS and the Advisors.	100
j. Water use workshop (MOAC)\$ 10,000	Under discussion	75
k. Prefeasibility study multi- purpose utilization of Mae Kong, Mae Ngat Rivers (3 persons)\$ 60,000	Being discussed	75
l. Rural Dev. Planning Adv. NESDB\$ 75,000	Being discussed	75
		<u>\$855,000</u>

Section 104

Unprogrammed: \$113,329

Planned Programs Under Arrangement:

a. AIT Training (Rural Water Supply)...	\$ 25,000	Under Negotiation	100
b. Provincial Water Works Authority T/A for Groundwater Resource	....\$100,000	Request Received from PWVA	75
Development (24 P/M)	<u>\$125,000</u>		

Section 105

Unprogrammed: \$264,450

Planned Programs Under Arrangement:

a. Advisory Services in Appr. Techn....	\$ 60,000	Job Description submitted to AID/W	100
b. U of Conn ---Mgt. Sc. Trng.	....\$ 70,000	Under Discussion with BOB	85
c. Senior Budget Officials - ASEAN obs.	\$ 15,000	Firm	100
d. Feasibility Study, Jr. Col in Rural Areas	....\$ 70,000	Under Negotiation	60
e. Improvement in Accounting System - Controller Office	....\$ 90,000	Under Negotiation w/Comptroller General Department	100
	<u>\$305,000</u>		