

PROJECT PAPER

THAILAND

EMERGING PROBLEMS OF DEVELOPMENT II

PROJECT NUMBER 493-0341

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
(USAID/THAILAND)

JANUARY 1985

PROJECT DATA SHEET

1. TRANSACTION CODE

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

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Thailand

3. PROJECT NUMBER

493-0341

4. BUREAU/OFFICE

Asia

04

5. PROJECT TITLE (maximum 40 characters)

Emerging Problems of Development II

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
01 31 90

7. ESTIMATED DATE OF OBLIGATION
(Under "B." below, enter 1, 2, 3, or 4)

A. Initial FY 85 E. Quarter 2 C. Final FY 88

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

A. FUNDING SOURCE	FIRST FY 1985			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(2,250)	(750)	(3,000)	(13,500)	(4,500)	(18,000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country		1,000	1,000		6,200	6,200
Other Donor(s)						
TOTALS	2,250	1,750	4,000	13,500	10,700	24,200

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) 106	797B	930				3,000		18,000	
(2)									
(3)									
(4)									
TOTALS						3,000		18,000	

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

950 960

11. SECONDARY PURPOSE CODE

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

A. Code BR BU RDEV
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To support and improve the Royal Thai Government's policy formulation, program planning and pre-project analysis in key development problem areas.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
01 87 01 90

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

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

17. APPROVED BY

Signature: Robert Halligan
Title: Robert Halligan, Director, USAID

Date Signed MM DD YY
02 19 85

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

MM DD YY

PROJECT AUTHORIZATION

Emerging Problems of Development II Project

AID Project No. 493-0341

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Emerging Problems of Development II Project for the Royal Kingdom of Thailand (RTG), involving planned obligations of not to exceed \$18,000,000 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. The planned life of the project is six years from the date of initial obligation.
2. The project consists of providing assistance to the RTG to improve its policy formulation, program planning and pre-project analysis in key development problem areas, through technical assistance, training and limited commodity support.
3. The Project Agreement, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegation 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.
4. (a) Source and Origin of Commodities, and Nationality of Services

Commodities financed by A.I.D. under the project shall have their source and origin in the United States or Thailand, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States or Thailand as their place of nationality, 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.

Signature Robert Halligan
Robert Halligan
Director

Date 19 Feb 1985

O/PRO:TEJohnson:km

Clearance: O/PRO: EJPloch EP date 2/15
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RLA: LChiles (draft) date 12/12/84
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111

THAILAND

Project Paper

Emerging Problems of Development II Project

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EMERGING PROBLEMS OF DEVELOPMENT II

I. SUMMARY

The Emerging Problems of Development (EPD) II Project is proposed to expand U.S. support of Royal Thai Government (RTG) policy development, program planning and pre-project analysis in key problem areas. EPD II will provide responsive, timely funding which will facilitate policy dialogue, promote policy studies, support development seminars and help meet technical assistance and training needs directed toward resolution of crucial development problems. This proposed \$18 million grant, to be implemented over a six year period, will build upon the considerable strengths and experience of the existing EPD I Project (493-0309) and its predecessor Transfer of Technology and Management Skills (TTMS) (493-0274).

II. PROJECT DESCRIPTION

A. Background

The USAID Mission's FY 1987 Country Development Strategy Statement proposes a new middle income strategy for Thailand. A central objective of this revised approach to Thai development is to work toward a fundamentally redefined relationship in the area of development cooperation, involving a collaborative and balanced exchange of information and technical knowledge, and concentrating on emerging problem areas. As noted in the CDSS, the substance of the relationship will focus on issues of a policy and institutional nature which bear on the productive, equitable and sustainable development of Thailand's resources. Toward this end, the Mission is proposing a focused loan program, a grant fund to support non-governmental organizations, and the Emerging Problems of Development II Project. These project activities are the building blocks for redirected application of U.S. development resources in Thailand. EPD II is of particular importance in building a more future-directed A.I.D. program capable of accommodating evolutionary changes in Thailand's developmental needs.

B. Statement of Problem

Thailand is changing rapidly. The previous two decades of high growth have transformed the nation's economy. Manufacturing, for example, has been growing at 10% p.a. for the last 20 years and in current terms now exceeds agriculture in its percentage contribution to gross domestic product. A strong, vibrant private sector is in place. Substantial progress has been made in meeting rural infrastructure requirements and providing basic government services. Thailand is now entering a new era of economic development as it joins the ranks of the middle income countries. Yet, the country's very success in achieving rapid economic growth has led to a different set of problems which are now beginning to constrain the pace of development. Examples of these are the disappearance of the land frontier, declining per unit agricultural productivity, degradation of natural resources, structural imbalances within the economy and growing unemployment. These and other emerging problems are more complex in nature than past development constraints and require basic policy and program changes, the substance of which are not yet clearly defined, in order to formulate effective solutions.

The RTG's ability to deal with the new and difficult development challenges of the 1980's (and beyond) is limited by:

1. Lagging Capacity to Conduct Research and Analysis

Although the ranks of Thailand's development administration include many capable men and women, their capacity to meet pressing research and analytic needs is limited. The rapid pace of economic and social change is exacerbating this problem. As a consequence, the RTG is presently unable to sustain high quality research and analysis needed to deal with longer term national issues and development constraints. A recent internal staff analysis done by an RTG agency outlines the problem succinctly:

"It has become increasingly obvious that the direction of policy analysis and development planning activities are requiring a new generation of planning staff who are technically equipped and in newer and highly specialized fields of development management other than the traditional social sciences. Our national economic and social structures are undergoing rapid transformation with application of higher technologies at an unprecedented level. Therefore, it is imperative that [we] should adopt a new approach ... to highly advanced training in the fields identified to be crucial for future development management."

2. Inadequate Resources for Studies of Development Problems

The resident office of the World Bank in Bangkok provides direct and indirect support to the RTG for macro-level economic analysis. Other major donors also provide varying levels of support for macro-studies. Similarly, at the project level, most donors support detailed feasibility and related analyses. However, a critical gap exists in donor support to translate macro-economic analysis and research into carefully crafted programs and projects. The EPD II project addresses this need through its ability to provide quick, flexible resources to Thai researchers, planners and managers, using a joint RTG-USAID administrative system. The assured access of Thai decision-makers to technical expertise from the U.S. and other sources under the project offers both a means and incentive to deal with emergent development problems in a systematic manner.

C. Project Goal and Purpose

The goal of EPD II is to improve RTG resource allocation and use. Within the last 10 years, foreign borrowing by the RTG has mushroomed from \$100-150 million annually to over \$1 billion a year at present. RTG budget expenditures have increased from \$5.1 billion in FY 1980 to a

projected \$8.5 billion in FY 1984. Both revenues and taxes have stagnated during this period, resulting in chronic budgetary deficits (\$1.4 billion estimated for FY 1984). As its external debt level increases and public expenditures mount the RTG must devote much greater attention to improved resource management to assure attainment of equitable, self-sustaining economic growth.

This project, through both technical assistance and training, will help address the RTG's needs for improved research and analysis to guide future decision-making. Whenever possible, both technical assistance and training will be "packaged" together to maximize the impact of project resources.

An equally important goal of this project is the establishment of a mature partnership with Thailand, setting the stage for longer term U.S.-Thai collaboration which goes beyond the traditional donor-client relationship. EPD II is intended to be the precursor of a more mature development assistance relationship with Thailand during a period that will be characterized by major shifts in the production base of the economy. The EPD II Project offers a means to begin initial planning and preparations for the continuation of strong political, economic, technical and other forms of cooperation with Thailand when traditional concessional assistance no longer has a role. EPD II is envisioned as being the precursor of a new form of collaboration with the RTG, perhaps leading eventually to the establishment of a binational commission or foundation which would jointly administer U.S./Thai development efforts.

The project's purpose is to support and improve RTG policy formulation, program planning, and pre-project analysis in key development problem areas. EPD II will utilize an activity selection

process designed to service the needs of the central planning authorities, individual line ministries and departments. The project will also examine private sector linkages to individual activities supported. The system established will utilize mutually agreed selection criteria to establish priority subjects for research, analysis, and problem resolution. Indications of success will be ascertained through measuring the extent to which the technical assistance and training provided led to improvements in policy direction, planning, design and implementation of RTG programs and projects.

D. Project Description and Implementation

A joint RTG-USAID policy committee made up of the Director-General, Department of Technical and Economic Cooperation (DTEC), Secretary-General, National Economic and Social Development Board (NESDB), and the Director, USAID/Thailand plan to meet no less than bi-monthly to set policy direction, approve program and implementation plans, and identify and select problem areas to be examined utilizing agreed criteria. A project coordinating committee will be established to: (a) develop details of technical assistance and/or training needs; (b) reach decisions on workshops, seminars or other proceedings to facilitate understanding and build consensus; (c) manage implementation activities; and (d) conduct follow-up and evaluation activities. The project coordinating committee will consist of senior level representatives of DTEC, which is responsible for administering all RTG grant-financed technical assistance and training activities, USAID/Thailand, and the NESDB, which is responsible for national development planning. Representatives from the Bureau of the Budget (BOB), Civil Service Commission (CSC), or the cognizant RTG line agency may be included, as appropriate. The coordinating committee will work

with RTG line ministries and departments in developing areas and activities to receive funding support under the project. An annual program plan will be developed for approval by the policy committee. It will list priority areas to be studied and individual funding allocations. Each component of the annual plan will have been examined against a set of mutually agreed criteria and reflect jointly developed priorities. The proposed EPD II Management Unit, within the USAID Sub-Division of DTEC will serve as the project's administrative secretariat.

USAID and the RTG have reached basic agreement on criteria setting forth priority areas for funding emphasis and establishing the basic groundrules for selection among competing activities or requests for assistance under the project. It is mutually understood that activities undertaken will primarily deal with developmental policy issues and that stress will be put on relatively large activities (as contrasted to EPD I) in order to 1) make the implementation workload manageable, and 2) enable the commitment of the substantively larger EPD II resources in a timely manner. Project activities will be directed toward resolution of crucial issues which are truly policy in nature and toward those which will have immediate beneficial development impact on the Thai economy. Similarly, activities will be directed toward areas not otherwise being addressed or supported by other donor countries or agencies.

Selection criteria include:

1. Consistency with the aims and focus of the RTG Sixth Five Year Plan now under preparation.

2. Consistency with USAID's recent Country Development Strategy Statement (CDSS), with emphasis on Science & Technology development and measures to alleviate rural unemployment, i.e. industrial development.

3. Reduction of environmental degradation.
4. Human Resource development.
5. Reduction of regional imbalances in living standards, i.e. continued emphasis on increasing rural incomes, particularly in the Northeast.
6. Improved management and delivery of public services, including governmental budgeting and administration, public health and sanitation, family planning and upgrading of academic standards.
7. Agricultural Research and Productivity.
8. Original research in areas inadequately addressed.

Project outputs will consist of: (a) an effective system for determining priorities and planning activities; (b) an equally effective system for arranging required consultancies and training; (c) coordinated problem analysis, policy recommendations, program/project proposals and pre-feasibility studies; and (d) trained personnel. Project inputs will consist of technical assistance, training programs, and limited commodity support.

Through extensive cooperation with DTEC and NESDB, the project will develop longer term institutional capacity to identify priority areas for U.S.-Thai cooperation and to secure, on an informed basis, the assistance required. Most contracting for technical assistance will be done directly by the host government, following A.I.D. Handbook 11, host country contracting procedures. In the case of participant training, a significantly greater level of direct involvement will be taken by the RTG in arranging training programs rather than relying solely or even primarily on USG agencies as intermediaries. This experience should

contribute substantially to RTG management capacity and, over the longer term, help lay the groundwork for greater collaboration between Thai and U.S. institutions independent of the source of financing.

An established mechanism for project administration is already in place under the existing EPD Project. DTEC has been the principal action agent in the completion of 9 major consultancies under the project, with another 13 planned/underway. DTEC has also managed directly the participant training component. Through September, 1984, 89 RTG personnel have received long-term training under EPD I. DTEC is the principal RTG contact for grant-funded assistance by bilateral donors, UN agencies, the Colombo Plan, numerous foundations and private, voluntary organizations. The Department works closely with RTG development ministries and agencies in carrying out its assigned functions. DTEC controls the disbursement of RTG counterpart funds; procures or monitors procurement of project personnel, commodities and equipment; provides logistical support for expatriate technicians; and arranges training.

Although the present project administrative arrangements will essentially continue for EPD II, DTEC, in anticipation of the increased level of financial resources and foreseen workload, contracted for the services of senior financial and contracting consultants to assess its current operations and to make recommendations and provide guidance aimed at enhancing the efficiency of the present system. Several of the consultants' findings/recommendations being implemented by DTEC management follow:

1. DTEC Establishment of an EPD II Management Unit.

DTEC management of EPD I activities has been excellent; however, changes being contemplated for EPD II, including the major increases in funds to be available, will require changes in DTEC management both internally as well as in their relationships with other RTG agencies.

Thus, a consolidated central focal point for DTEC management of EPD II will be clearly identified and established. Functions of this central EPD II Management Unit will include the following:

- coordinate all DTEC operations under EPD II;
- perform secretariat responsibilities for the EPD II Policy Committee and Coordinating Committee;
- be the primary DTEC liaison with USAID and NESDB and with other RTG project agencies on EPD II operational activities;
- prepare EPD II work plans and financial plans, based on decisions of the EPD II committees;
- monitor EPD II project activities, prepare progress reports on activities for the EPD II committees and for DTEC and USAID; and
- supervise DTEC internal monitoring and evaluation systems for EPD II, and coordinate these activities with USAID.

This Management Unit will be established in the USAID Sub-Division.

2. Establishment of a DTEC office in the Royal Thai Embassy in Washington, D.C.

A DTEC office will be established in the Royal Thai Embassy in Washington, D.C. to (a) identify and maintain contact with U.S. consultants, educational institutions, and other firms and organizations; (b) maintain close relationships with AID/Washington officials; (c) negotiate contracts with consultants and firms; and (d) generally to

facilitate DTEC management of EPD. Establishment of the Washington DTEC office is subject, however, to approval and authorization by the Cabinet of the RTG.

3. With USAID Concurrence, Change the Method in Obtaining Dollar Funds from USAID to an "Advance on Reimbursement System".

DTEC currently receives dollar funds from USAID for payment to consultants and trainees in two ways:

-If sufficient time is available, DTEC requests individual advances from USAID for each contract or training request.

-USAID has advanced \$20,000 to DTEC which is used to make emergency payments. These funds are handled by DTEC as a revolving fund, with reimbursements requested from USAID for each emergency payment.

The amount of the Revolving Fund is considered by DTEC to be inadequate for urgent dollar requirements under EPD I. The DTEC Project Finance Division has recommended and USAID has agreed that the amount of the Revolving fund be increased to \$30,000.

The present system has been in use because of difficulties in planning future project actions under EPD I. Since planning capabilities should improve with this project, the Revolving Fund system in obtaining dollar funds should be replaced with an "advance and reimbursement" system similar to that which is used by both DTEC and USAID for other projects.

The change would have several advantages. It would help ensure that sufficient funds are available to DTEC for payments when they are needed. Another major advantage is that individual reimbursement vouchers need not be processed by the Project Finance Sub-division, resulting in substantial workload savings especially under the proposed EPD II activities. USAID has agreed in principle to adopt an "advance and reimbursement" system subject to satisfactory preparation of Annual Work and Financial Plans (see item 4 below).

4. Initiation of Formal, Standard Planning and Monitoring Procedures for the EPD II Project to include Preparation of Annual Work and Financial Plans.

Implementation procedures under USAID funded projects in Thailand call for preparing and submitting detailed work and financial plans by the RTG project agencies. These describe planned activities and estimated grant (and loan, if applicable), DTEC counterpart, and regular RTG budgetary resources needed for each activity for the next year.

These work and financial plans are used for several management purposes: documenting the planned activities for review and approval by both RTG and USAID officials, ensuring that adequate funds will be available for project activities, etc. Oftentimes, the work and financial plans are used in monitoring both the physical and financial progress of the project and provide the basis for an internal project information system and an internal evaluation program. Forms have been developed which provide basic work and financial planning data. Progress reports oftentimes provide data in a similar fashion to allow analysis and comparison with the plans.

The standard USAID/DTEC system will be applied to EPD II. However, it is recognized that in many cases both work and financial estimates will be tentative. These uncertainties may require changes in the plans which would be the subject of management committee discussions and approvals.

5. Augmentation of the staffs of the DTEC USAID Sub-Division and the Project Finance Division, as necessary, to manage the increased responsibilities and anticipated workload. DTEC is considering hiring or reassigning 7 additional employees for this purpose.

6. Provision of more adequate office space and additional office furniture and equipment, particularly a micro computer with word processing capabilities as soon as possible.
7. Provision of in-service training programs for personnel involved in EPD II activities.

Equipment and training costs as well as additional costs of contracting for financial consultant services will be eligible for financing under the project as required. While DTEC has agreed to implement the above consultants' recommendations, it is recognized that many of the actions and activities will be jointly implemented by USAID and the RTG over the course of the project and that continuous refinement and development will be necessary.

E. Proposed Activities

Discussions between USAID and RTG officials have identified a number of areas to be supported. In carrying out the project, some areas will be earmarked for funding support throughout the life of the project; others will be identified specifically for the first year of the project. These include:

NATIONAL ECONOMIC DEVELOPMENT PLANNING

1. NESDB Five Year Staff Development Program

As part of the National Budget Improvement consultancy financed by EPD I, an analysis was made of NESDB analytic requirements and manpower availabilities. The study concluded there is a very real need for a concerted program of staff development and training. The NESDB has, in turn, prepared a five-year program to provide advanced degrees

for selected staff in such areas as energy resource management, project design and system analysis, regional planning and resource management, public policy, industrial planning and management, and project appraisal and evaluation techniques. The RTG is seeking support from a number of donor countries to help finance NESDB's overall planned training program.

The EPD program will fund ten doctoral degree study programs in the U.S. for middle level NESDB staff, two per year for five years beginning in the Fall of 1984. Two persons have already begun their training in 1984 under the EPD I project, but will continue for a second year under EPD II. The five areas planned for training are:

- (1) Transport Planning and Management
- (2) Econometrics
- (3) Industrial and Financial Management
- (4) Systems Engineering
- (5) Public Policy Science

The above training program will require \$1,000,000 in EPD funding, exclusive of international transportation, assuming a training cost of \$1,700 per academic month inflated at a rate of 11% per annum. The first year funding requirement from EPD II is \$76,000 peaking in academic year 1988 at \$206,480.

NESDB also requires the services of an expatriate development economist to serve in the position of Special Assistant to the Secretary General. The individual must be a senior economist with extensive knowledge of economic development across the board, and of Thai development in particular. The economist will report directly to the Secretary General and work under his personal supervision, but will also be available to provide support to other senior NESDB officials as required.

The responsibilities of the Special Assistant will center around the need to strengthen a) preparatory work for the Sixth Five-year Plan, b) NESDB's absorption of evolving insights and ideas in the field of international development generally, and new findings of development research relevant to Thailand, and c) NESDB's development communication program, i.e. articulation of RTG development policy, objectives and experience.

Specific responsibilities will include a) advisory and analytic services, especially in the areas of the macro-economic framework of the Sixth Plan, rural development and rural industry, and human resource development, b) screening current development literature, and identifying and interpreting research findings pertinent to development in Thailand, c) assistance in preparation of development communication materials, and d) other assistance to the Secretary-General as required.

Support of the Special Assistant function will require total project funding estimated at \$250,000. First year requirements will be \$125,000.

2. Thailand Research Development Institute (TDRI)

TDRI is a newly established autonomous national policy research organization. Registered as a non-profit policy research foundation, with NESDB Secretary General, Dr. Snoh Unakul, as its founding Chairman, the Government of Canada has provided \$3.4 million to finance initial start-up, research and operating costs. The Government of Japan has been asked to finance construction of facilities to house the Institute and the United States, through EPD, is being asked to assist in development research and information center capabilities. Provision of technical experts, sponsorship of research fellows, support of training activities,

and procurement of materials and commodities to support the information center, computer and library facilities is contemplated. Two senior level technical advisors are actively under recruitment to assist in delineating full-scale programs of research in the following priority areas:

- 1) Agriculture and Rural Development
- 2) Industry, Trade and International Economic Relations
- 3) Macroeconomic Policy
- 4) Natural Resources and Environment
- 5) Human Resources and Social Development
- 6) Science and Technological Development
- 7) Energy, Infrastructure and Urban Development

In addition, the advisors will assist TDRI in establishing long term institutional relationships with a leading U.S. institution or institutions to provide on-call expertise in any of the above disciplines. Life of project assistance to TDRI is estimated at \$4,000,000. First year requirements are projected at \$600,000.

a. Technical advisory services.	250,000
b. Macroeconomic data bank support	150,000
c. Information center, computer, and library support	<u>200,000</u>
Total	\$ 600,000

3. Khon Kaen University Rural Management

A three-year effort of about \$400,000 to improve policy formulation and management skills in rural development and private enterprise in Northeast Thailand is proposed to help Khon Kaen University develop a multi-disciplinary capability to research, train, and consult in rural management policy formulation and implementation. It will use the case study approach and be based on case studies developed by KKU faculty from actual situations in N.E. Thailand. Employing the needed expertise in rural development management and in the case method of the Asian Institute of Management (AIM) in Manila, and involving faculty from the Graduate Institute of Business Administration at Chulalongkorn University (GIBA), the project will be administered by the Asia Foundation (TAF) to provide the coordination that KKU feels it cannot yet manage alone and the continuity with ongoing activities by TAF at KKU that have initiated this project.

To date fifteen younger faculty members from several disciplines at KKU and two researchers from GIBA have received short term training in rural management case development and are presently planning the research of cases in N.E. Thailand under the guidance of AIM faculty. Through involvement of co-researchers from the University in the field work and case-writing, it is expected that about three dozen KKU faculty members from at least ten disciplines will learn how to apply the case method in local field research and participate in the development of appropriate, policy-relevant teaching materials based on real management concerns encountered in the Northeast.

These cases will be used in training, curriculum and program development, reform of teaching methods, and workshops and consulting for public and private policy makers and managers in N.E. Thailand. Initial year funding requirements are estimated at \$150,000.

4. Natural Resources Management/Environment

Sustainable management of Thailand's natural resource base is a fundamental emerging problem. Over-exploitation and mismanagement of natural resources constrains future development opportunities, imposes a progressively greater economic burden in the form of lowered resource productivity and required remedial measures, and reduces the quality of life and health for everyone -- especially the poor.

Thailand's growth in agriculture, fisheries, forest products, mining, and industry has been based on land- and resource-extensive patterns of use. For example, 90% of growth in agriculture over the last 20 years has been attributed to the expansion of crop areas alone. Farmers are now, however, reaching the limits of readily accessible arable land. Similarly, demand for land and wood products has led to a decline in Thailand's forests from 60% of total national area in 1960 to around 25% today. Problematic soil erosion (soil erosion exceeding 30 tons/hectare/year) is estimated to affect some 30% of the country. Streams are carrying a heavy silt load into reservoirs and lowland irrigated areas. Traditionally abundant fisheries have been substantially depleted. Soil salinization has become a major problem as an inadvertent consequence of irrigation and intensive agricultural techniques. Air and water pollution in urban areas is widespread.

Thailand has already taken initiatives in each of these areas. The Natural Resources Management/Environment Component of the EPD II Project will further such work and strengthen it. The project at a total estimated cost of \$2,000,000 will be used to assist the RTG in:

- a. Problem Assessment: Identifying and assessing key natural resource management problem areas and developing strategies for addressing them. Solutions may ultimately require

institutional or manpower development; components, technical assistance and transfer of technology, formulation of new policies, and research. Because these problems typically are complex and long-term in nature, development of strategic frameworks for understanding and addressing them would be an important goal of the EPD II Project.

- b. Management Innovations: Implementation of relevant studies, technical assistance, training, and pilot programs in natural resources management will follow the Problem Assessment phase. While some activities will be able to solve a particular problem or issue, they are expected usually to establish a basis for major programs to be followed through by the RTG or with the support of major donors.

During the first year of the project, USAID will draw upon the services of the AID Regional Environmental Officer and collaborate with the RTG in developing a series of specific proposals for funding under the project. The modest resources of the project will, whenever possible, be used also to leverage support from AID/W and other donor assistance programs.

A number of topic areas will be eligible for consideration under the project:

- soil and water conservation
- watershed management
- coastal resources management
- water resource planning
- urban energy and resource management
- industrial pollution and toxic wastes management
- environmental assessment and planning
- environmental policy
- research management

Several specific activities are proposed for immediate funding under the project:

a. Environmental Profile:

In coordination with the AID Regional Environmental Officer (REO), Jakarta, a nationwide natural resources environmental profile for Thailand will be constructed similar to, but not constrained by, the Phase II Environmental Profiles carried out under AID sponsorship in several other countries. Included will be study of natural resource trends beyond the year 2000. It is estimated that the profile, to be done by Thai analysts--either under the auspices of the Thai Development Research Institute or an informed group of top representatives from several universities or agencies--with on-going involvement of the REO, will cost \$60,000.

b. Training of Trainers for Coastal Resources Management:

A follow-on for Thai participants in the Training of Trainers for Coastal Resources Management Workshop to be held at Mahidol University under AID/W sponsorship in March, 1985 is proposed to develop appropriate training and dissemination materials over the next 18 months. Estimated cost - \$12,000.

c. In-Service Training Program in Coastal Development Planning and Management for Thailand Institute for Scientific and Technological Research (TISTR) Staff:

TISTR is seeking foreign donor assistance in upgrading the skills of its staff in the development of coastal resources. TISTR is responsible for the preparation of regional and provincial development plans for the coastal areas of Thailand. These plans are created for the Ministry of Agriculture and Cooperatives and TISTR acts as the scientific and technical advisory group for that Ministry's Office of Coastal Land Development.

To date master plans for 2 regions, including 6 sub-regions have been completed (the Eastern, Central, Western, Upper South, Lower South and Andaman Sea Sub-regions). There are a total of 25 provinces within these sub-regions which have coastal areas. Twelve of the 25 provincial level plans were completed by the end of 1984. Considering that the concept of creating a special framework and procedures for handling the development of coastal resources was only introduced in 1979, the rate at which plans have been introduced is impressive. TISTR is, however, very aware of limitations in its methodologies for coastal resource assessment, plan formulation and the resolution of conflicts and the successful implementation of the existing coastal development plans. Given both a critical shortage of trained manpower and a major program for the revision of existing plans and the formulation of the remaining provincial level plans, TISTR is seeking a high standard of in-service training in Thailand and, for short periods, abroad at major centers of excellence in the field of coastal development. \$12,000 is proposed for initial activities in this area.

d. Agricultural Research Management Training

Currently research on rice, field and horticulture crops is managed from Bangkok. However, after the Department of Agriculture (DOA) is reorganized, there will be 19 decision-making centers. Decentralization will place a heavy demand on the supply of research management capability, as the new DOA decentralization system will require management capability diffused throughout the research system. Thus, DOA is faced with increasing its supply of management talent. \$100,000 is proposed to support advanced degree training as well as extended observation visits to International Agricultural Research Centers, U.S. Land Grant Universities, and other reputable research programs in other countries, particularly in the Asia region.

e. In addition, \$170,000 is being reserved for funding outside consultancies or studies, which may be identified as a result of the nationwide environmental profile to be carried out under the project.

5. Support for AID/W Centrally Funded Activities.

A broad variety of AID/W centrally funded projects are being implemented in Thailand or in the region. Many of these activities are currently being supported, in part, through contributions from on-going bilateral projects and which could be expanded in scope, for Thailand's particular benefit, with supplementary financing. More importantly, as the USAID Mission begins to concentrate its program in limited sectors during the FY 1986-88 CDSS planning period, centrally financed activities will be increasingly important to help sustain overall developmental impact in those sectors where there are no bilateral project resources to draw upon. "Buy-ins" to AID/W centrally financed projects wherein DTEC/NESDB perceive measurable direct benefit to Thailand could easily reach \$1,562,000 over the life of the project. \$200,000 is budgeted for first year activities.

6. Sixth Plan Analysis

Under NESDB leadership, Thailand is currently gearing up for preparation of its Sixth Five-Year National Economic and Social Development Plan. Special studies and evaluations will be undertaken in several sectorial areas and disciplines over the next two years. For instance, the Bangkok Metropolitan Regional Development Study will undertake studies in six sectorial planning activities: population, employment, transport, housing and urban poor, water resources, and urban public finance and management. \$400,000 is programmed under the project to assist with such studies, of which \$200,000 will be required the first year.

7. Health, Population and Nutrition

Certain critical management, analysis and training needs have been identified for funding under EPD II as follows:

A. Health Economics and Financing

Recent health sector studies have identified critical institutional weaknesses in the area of health economics and financing which will be addressed through the EPD II Project. As the coverage and demand for health services expand, there are ever-increasing pressures to maximize the efficient use of limited human and financial health resources. Some recent creative innovations, such as the MOPH's new health card scheme, have been introduced which show promise of improving the quality of health care delivery. However, the long range financial implications of such schemes are problematic and may even result in significant increases in the cost of health care. At present, there is no central focus for health policy, finance and planning that addresses Thailand's long-range dilemma of providing quality health for all at an affordable price.

The project will provide assistance in the following key areas of health policy and finance: a) Support to the MOPH and the academic community for the formation of a Health Economics and Financing Policy Study Center. Such a Center would provide the central institutional focus that is now lacking in this vital area; b) Technical assistance to the MOPH in carrying out studies in health sector financing which require detailed analysis and which show promise of improving the quality and lowering the cost of health services delivery. Examples include the role of the private sector in expanding health service delivery, the potential role of the health insurance industry, the potential contribution of the new health card scheme and village development funds for self-financing of health care, the cost recovery efforts at RTG hospitals and health centers and assessment of the cost-effectiveness of rural health service delivery strategies; and c) Support for strengthening health economics training in the curricula of Thai universities and within the Health Planning Division of the MOPH.

A total of \$222,000 is allocated over the next four years as follows:

- | | | |
|----|--|-----------|
| a) | Institutional support for the Health Economics and Financing Policy Study Center | \$100,000 |
| b) | Technical assistance for health financing studies | 50,000 |
| c) | Health economics training | 72,000 |

\$150,000 will be required in the first year.

B. Primary Health Care (PHC) Program Management & Training

A major assessment of the Thai health sector carried out by a team of Thai and U.S. experts in October, 1983, identified a number of deficiencies in the MOPH health planning and management system which impede the effective utilization of scarce human and material resources. One of the team's major recommendations was that experts be employed to review and assess MOPH PHC program management constraints and help set up guidelines for modifying management systems to be used during the next five year plan (1987-1991). The PHC training system will also be assessed so as to measure its effectiveness and to provide an improved training approach for health personnel involved at the peripheral level. \$48,000 to provide 4 person-months of service is budgeted for year one and \$96,000 overall.

C. Community Nutrition

Nutritional status has long been recognized as a critical indicator of a nation's overall health and social welfare. Recently, Thailand has experienced a sharp decrease in the percentage of cases of

moderate and severely malnourished children under five years old. It is important for the development of the national nutrition policy and strategy to be employed in the 6th Five Year Economic and Social Development Plan to gain a clear understanding of the causes and contributory factors in the decline of malnutrition, and to assess the implications of those findings with respect to nutrition strategies and programs now being carried out by the MOPH. \$24,000 has been budgeted to support this assessment to be carried out in late FY 85.

D. Operations Research Studies

Field operations research studies will be carried out to determine ways and means of improving the efficiency and performance of key MOPH health programs. Examples include the following:

- PHC worker training processes
- Appropriate intersectoral sanitation strategies
- Nutrition education
- ORS production at the district level
- Private sector involvement in provision of PHC
- Alternative technologies for water supply and sanitation
- Disease control strategies, e.g., malaria

\$50,000 a year for three years is allocated for such studies for a total of \$150,000. Use of Thai researchers to carry out these studies is contemplated.

E. Monitoring Domestic Air Pollution from Cooking Fires
in Northern Thailand

The objectives of the proposed research are to gather information on location of fire and smoke-related activities, and the division of labor and living space associated with these activities among residents of households in communities selected to represent a range of

physical and cultural environments, to monitor personal and ambient air quality for selected individuals and households within this range, to ascertain cultural constraints or options for reducing exposure to smoke (e.g., through increased ventilation or improved stoves), and to measure respiratory functions among individuals chronically exposed to different levels of air pollution. The study is intended as a means of assessing the risk of exposure for different age, sex, occupational, cultural and environmental groups, and a means of establishing the possibilities for reducing smoke exposure through introduction of new stoves or architectural features, as well as serving to lay the groundwork for longitudinal studies of the health consequences of introducing these innovations.

The research is important because of the apparent strong relationship between air quality and respiratory illness, and the importance of respiratory diseases in Thailand. It is unlikely that conventional medical approaches (immunization, antibiotic treatment) will have much long range impact on the majority of respiratory illnesses, which are for the moment non-immunizable, and which present a major burden for health care. It is hypothesized that environmental intervention (in terms of reducing exposure to smoke) will have health benefits which could not otherwise be achieved. \$60,000 is budgeted under EPD II to carry out the study.

F. Population Technical Assistance

Short term advisors will be financed in 1987 (\$220,000) and 1988 (\$230,000) to provide technical assistance in the areas of program management and development, training, planning, and evaluation to the MOPH, NESDB, MOI and private sector agencies as needed. Support will also be provided for operations research and studies designed to improve the efficiency and effectiveness of the national family planning service delivery system.

1987	\$220,000
1988	230,000

G. Training

1) Long-term, U.S. Training is required in the fields of population planning, health economics and financing, PHC program management, and health professional education:

1986	3 fellowships	\$75,000
1987	3 fellowships	75,000
1988	3 fellowships	75,000

2) Short-term, In-country training

a) An intensive management training program for MOPH provincial and district health personnel will be carried out. Training will focus on PHC management skills including the community-financed and managed approach to health services delivery in the areas of nutrition, water supply and sanitation, endemic disease control, immunization, and simple curative care.

1986	\$120,000
1987	120,000
1988	120,000

b) Management training will be supported for RTG and private sector family planning service providers at district and sub-district levels, especially those in low performance districts, and providers working with underserved ethnic groups (e.g., hilltribes). In addition high priority short-term technical training will be supported to introduce new contraceptive technologies such as the NORPLANT sub-dermal implant.

1987	\$250,000
1988	300,000

8. Municipal Management and Socioeconomic Development in Regional Cities

The Mission and the RTG are interested in promoting growth in regional and secondary cities. These municipalities can only grow in an orderly fashion if they have trained and capable administrators at the helm. Many of the current administrators, however, lack some of the technical and managerial skills required to assume the increasingly complex task of promoting growth and providing services to their residents.

The need to improve services provided to residents in municipalities is especially true in the case of the urban poor who are forced to rely more heavily on publicly provided goods and services than other income groups. Because of low incomes, poor health and poor skills, they cannot now fully participate in the economic benefits of growth.

The purpose of proposed activities is twofold: (1) to improve municipal management in order to facilitate the growth of regional and secondary cities, and (2) to promote the development of socioeconomic programs for the urban poor so that they may benefit from regional growth.

Although specific types of training and technical assistance will be identified based on further discussions with DTEC, NESDB, and the Department of Local Administration (DOLA), areas of assistance might include: an analysis of alternative forms of municipal government; an assessment of managerial and technical training needs for municipal employees and financing of technical assistance and training to improve their skills; an assessment of the needs of the poor in regional cities and financing programs to provide vocational training; improved access to water and health facilities; and sponsoring the establishment of community revolving funds so that neighborhood groups can improve their own living conditions. Municipal administrations and provincial branches of central government agencies will be the chief participants/implementors.

An illustrative summary two year budget follows of which \$200,000 will be required the first year:

A. City Management

Analysis of Municipal Systems (3-4 person months)	30,000
Systems Survey (12 person months)	300,000
Training Needs Assessment (3-4 person months)	30,000

Training Activities

a. Incountry Seminars

Participant expenses	15,000
Travel and per diem for local experts	15,000
Preparation and printing of course materials	2,000

b. In-country academic/vocational
training 20,000

c. U.S. Academic/on-the-job training 50,000

Sub-Total \$462,000

B. Socioeconomic Needs

Survey of needs of Urban Poor (Includes 5 man months of work to conduct the survey and hire local consultant)	25,000
Report on RTG programs for Urban Poor	15,000
In-country seminars on Coordinating Programs for the Urban Poor	30,000
Vocational Training for the Urban Poor	30,000
Study of Financing Water Improvements	30,000
Community Revolving Fund or pilot schemes (at 100,000 baht each for 12 cities)	<u>50,000</u>
Sub-Total	<u>180,000</u>
Grand Total	\$ 642,000

9. DTEC Management Support

As part of the mid-term evaluation of the EPD I project, certain recommendations were made to enhance DTEC staff and administrative capabilities. Given the sizeable increase in funding levels under EPD II and the decision to establish an EPD II Management Unit to serve as the administrative and management focus for the project, \$590,000 is budgeted over the life of the project to strengthen staff capabilities and to provide short term expatriate and local advisory services in the areas of management improvement, information and evaluation systems development, contract negotiation support and project administration. \$40,000 is also budgeted for procurement of modern office equipment, including microcomputers with word processing capabilities. Training and technical assistance requirements are budgeted at \$97,000 for the first year and commodity purchases at \$13,000.

Eight DTEC staff members will receive M.S. degree training in the United States in the fields of economics and development and in the social sciences over the life of the project. Short term in-service training in Thailand will be carried out to improve staff capabilities in project management, financial analyses, project monitoring and follow-up, evaluation, etc. Special consultancies and advisory services to carry out the training above and to improve management and evaluation systems will also be provided. Project funds may also be utilized to coordinate EPD II activities and to carry out detailed contract negotiations in the United States, as required. The following summarizes DTEC support activities:

DTEC Management Support

<u>Item</u>	<u>First Year</u>	<u>LOP</u>
1. M.S. Training	\$ 40,000	\$ 320,000
2. In-country training	10,000	40,000
3. Advisory Services	40,000	200,000
4. Contracting Support	7,000	30,000
5. Commodities	<u>13,000</u>	<u>40,000</u>
Total	\$110,000	\$630,000

10. Human Resource Development

Under the EPD-I project, approximately 12.5% of the available dollar funds have been spent to date for human resource development, of which 48% was spent for academic (28%) and on the job (20%) training, observation tours to the U.S. and to third countries used 7% and support to workshops, seminars and conferences covering a wide variety of developmental issues 45%. By component, development administration has received the lion's share (76%), followed by national budget improvement (11%), environmental concerns (6%) and other miscellaneous training activities (7%).

For EPD II, training costs of all kinds are projected at some \$2,160,000, exclusive of those training costs specifically itemized in paragraphs 1 through 9 above. First year requirements are budgeted at \$303,000.

10. Contingencies and Unprogrammed

It is the nature of a project such as EPD II that issues may surface unexpectedly or opportunities arise that require immediate response. Thus, 15% of all monies obligated will be set aside to meet unanticipated cost overruns or to meet "targets of opportunity". Annual Financial Plans will be expected to contain a 15% reserve. Thus, assuming \$18 million will be obligated over the life of the project, \$2,700,000 will be required for such purposes. \$450,000 is earmarked from the initial \$3 million obligation.

Financial Plan

The overall AID contribution to the project is estimated to be \$18 million provided over a four year period (FY85-FY88), with \$3 million obligated in FY 1985. AID will finance all foreign exchange costs, other than international transportation costs of participants of Thai nationality, as well as certain local costs. The RTG contribution, including administrative support costs and contributions in kind, is expected to approximate 25% of the total project costs or \$6.2 million equivalent over the life of the project. Thus, total project resources will approximate \$24.2 million.

Table 1

Summary Fiscal Year Obligation Schedule
(U.S. \$000)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Total</u>
AID	3,000	5,000	5,000	5,000	18,000
RTG DTEC	350	600	600	550	2,100
Other	650	1,150	1,150	1,150	4,100
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Total	4,000	6,750	6,750	6,700	24,200

The cost sharing plan will be similar to that for EPD I, except that under EPD II, AID funds will be available to "top off" logistical support costs for foreign consultants (per diem, living and educational allowances, etc.) where Thai government regulations impose restrictive ceilings, which might lead to inadequate or uncompensated out-of-pocket consultant expenses. Experience has shown that difficulties in arriving at mutually satisfactory logistical arrangements have led to inflated salary requests and unduly protracted contract negotiations.

An examination of 10 of the 26 completed or on-going technical assistance contracts financed under EPD I, indicates that the RTG direct Baht contribution (exclusive of DTEC and implementing agency staff time and other logistical in-kind support) approximated 10% of total contract costs. For participant training costs, the RTG proportionate share for academic training in the U.S. was 16% of the AID contribution and the RTG share for academic training in other countries was 51%. The RTG also

contributed 41% of on-the-job training costs and supported observation tours and workshops/conferences/seminars at the level of 67% and 27%, respectively.

AID funds will be eligible for financing of consultants, both Thai and foreign, off-shore and in-country training for individuals, observational trips, workshops and seminars, publication of reports, and certain materials and books required by the project.

The RTG contribution represents both a cash and "in-kind" contribution on a ratio of approximately 1 to 2.

The DTEC counterpart funds will be used to provide logistical support for contractors hired under technical assistance consisting of housing, travel costs and per diem, secretarial support etc. Support will also be provided under training such as international travel costs and local transportation costs of participants.

The RTG contribution represents the estimated value of salaries, other personnel costs and office expenses of other RTG agencies related to technical assistance and training under the project.

Summary tables showing initial year and life of project requirements identified to date follow. Total project costs in the Financial Plan are provisional. Cost breakdowns within the financial elements will be finalized based on the submission of detailed Work and Financial Plans which will be approved by the project's policy committee.

Table 2
Emerging Problems of Development II
Planning Estimates and Financial Plan
(US\$000)

Functional Area	AID		Thai Contribution-LOP		Total LOP
	First Year	LOP	DTEC Counterpart	RTG Budget	
1. NESDB Staff Development	201	1,250	186	350	1,786
a. Training	(76)	(1,000)	(161)	(300)	(1,461)
b. Special Assistant	(125)	(250)	(25)	(50)	(325)
2. TDRI	600	4,000	400	800	5,200
3. KKU Rural Mgt.	150	400	40	80	520
4. Natural Resource Mgt.	254	2,000	234	400	2,634
a. Environmental Profile	(60)				
b. Training for Coastal Resource Mgt.	(12)				
c. TISTR In-Service Training	(12)				
d. Agr. Research & Mgt. Training	-	(100)			
e. Consultancies & Studies	(170)				
5. AID/W Centrally-Funded Activities Support	200	1,562	156	312	2,030
6. Sixth Plan Analysis	200	400	40	80	520
7. Health, Population & Nutrition	332	2,137	538	551	3,226
a. Health Economics & Financing	(150)	(222)	(22)	(44)	(288)
b. Training Health Care Center Mgt. Training	(48)	(96)	(39)	(29)	(164)
c. Community Nutrition	(24)	(24)	(2)	(5)	(31)
d. Operations Research	(50)	(150)	(15)	(30)	(195)
e. Domestic Air Pollution Studies	(60)	(60)	(6)	(12)	(78)
f. Population TA	-	(450)	(45)	(90)	(585)
g. Training		(1,135)	(409)	(341)	(1,885)
8. Municipal Mgt. & Socio-Economic Devlp.	200	642	64	128	834
9. DTEC Mgt. Support	97	590	106	-	696
10. Human Resource Devlp.	303	2,160	336	825	3,321
11. Commodities	13	59	4	10	73
a. DTEC	(13)	(40)			
b. Others	(-)	(19)			
12. Evaluation & Financial Auditing	-	100		20	120
13. Contingency & Escalation	450	2,700		540	3,240
Total	3,000	18,000	2,104	4,096	24,200

Table 3.
Summary Cost Estimate and Financial Plan
(US\$000)

Functional Area	AID		Thai Contribution-LOP		Total LOP
	First Year	LOP	DTEC Counterpart	RTG Budget	
1. Selected Development	1,511	8,503	956	1,681	11,140
a. NESDB Staff Development					
Training	(76)				
Special Assistant	(125)				
b. TDRI	(600)				
c. AID/W Centrally Funded	(200)				
d. Activities Support					
e. Sixth Plan Analysis	(200)				
f. Municipal Mgt. & Socio-economic Dev.	(200)				
g. DTEC Mgt. Support	(97)				
h. Commodities	(13)				
2. Agricultural and Natural Resource Mgt.	404	2,400	274	480	3,154
a. Environmental Profile	(60)				
b. Training for Coastal Resource Mgt.	(12)				
c. TISTR In-Service Training.	(12)				
d. Consultancies & Studies	(170)				
e. KKU.Rural Mgt.	(150)				
3. Health, Population & Nutrition	332	2,137	538	550	3,225
a. Health Policy & Financing.	(150)				
b. Primary Health Care	(48)				
c. Community Nutrition	(24)				
d. Health Sector Financing	(50)				
f. Domestic Air Pollution Studies	(60)				
g. Population TA	-				
h. Training	-				
4. Human Resource Dev.	303	2,160	336	825	3,321
5. Evaluation & Financial Auditing	-	100		20	120
6. Contingency & Inflation	450	2,700	-	540	3,240
Total	3,000	18,000	2,104	4,096	24,200

F. Monitoring and Evaluation Plan

A recent evaluation of EPD I identified a need for systematic follow-up of technical assistance and training to build capacity for more effective planning and use of project resources. In the case of participant training follow-up, a DTEC manpower shortage has placed limitations on the organization's ability to conduct evaluations of training effectiveness. While staff limitations have also constrained contractor evaluation, the lack of a more fully integrated DTEC-USAID management information system underlies present difficulties in assessing contractor performance and longer term policy/operational impact.

Monitoring

Stage I

In the early phase of EPD II, assistance will be provided to DTEC for installation of a WANG Word Processing System through procurement of WANG PCs with word processing capabilities. Both consultant and commodity support will be furnished. Overall requirements will be determined, equipment purchased and installed, and training for staff provided. The Word Processing System will be used for contracting and participant training actions, financial and audit transactions, and for the issuance of project status reports.

Stage II

Prior to full on-line operation of the DTEC WANG system, a Management Information Systems (MIS) consultant will be brought in to assess the following:

--Present use of the WANG system by USAID, including its main frame computer, for support of EPD II activities;

--Recommendations for improvements, expanded applications;

--Planned use by DTEC of its WANG system;

--Design of integrated project monitoring system(s) for compatible use by both DTEC and USAID;

--Preliminary design and terms of reference for phasing in a DTEC fully computerized system for project monitoring.

Short term consultants may be contracted to develop and test appropriate reporting formats.

Stage III

The project monitoring system will utilize a micro/computer for project administration and necessary analyses.

Basically, two separate monitoring tracks will be installed and be progressively refined, for technical assistance activities and participant training, respectively.

1. Technical Assistance Activities

The MIS system will serve to both monitor and plan the use of project resources. It will:

--List consultancies planned, underway or completed;

--Summarize the nature of the various technical consultancies;

--List actions accomplished against consultancy scopes of work;

--List further required actions by the consultants and the various action agencies (i.e. DTEC, USAID, user agencies);

--Provide suspense dates for required actions;

--Provide "tickler" dates for follow-up actions on consultancy recommendations once the consultancy has been completed.

2. Participant Training

The MIS system will:

--List training programs planned, underway or completed;

--List required actions for participant identification, English language testing/training and other related steps relating to participant departure;

--Provide suspense dates by each action agency;

--Provide "tickler" dates for follow-up actions upon return of the participants; and

--Provide a necessary data bank for tracking and maintaining contact with returned participants under the program.

The overall MIS will be used to generate a number of reports on planning, contracting, training and financing. Each basic report will be issued in at least two versions. A detailed analysis will be used by the project coordinating committee and administrative staffs in NESDB/DTEC/USAID. A second, condensed version will be prepared and furnished for the information and use of the project policy committee.

The overall process of perfecting the MIS is expected to take between one to two years to complete. At that time, consideration will be given to promoting it as a management tool that may be of use to other RTG ministries/agencies.

Evaluation

The importance of EPD II to RTG policy-makers and the USAID country development assistance strategy requires the design of a thorough evaluation plan. Specific indicators of progress will need to be formulated. Initially, we see the evaluation process as consisting of:

1. Assessment of the topic selection process, to include the adequacy of selection criteria and relevance to RTG analytical requirements;
2. Assessment of individual consultancies and training to determine the degree to which RTG policy formulation, program planning, and project or pre-project design have been strengthened, and
3. Analysis of policy decisions and actions taken as a result of project studies or consultancies.

Although formal evaluations will be scheduled to take place at designated intervals, we expect that the evaluation process itself will be active throughout project implementation. This would consist of making sure that consultant and training assessments are carried out as planned, and include periodic meetings to help guide project administration and follow-up actions.

Since the project monitoring process will be intensive, only two major project evaluations per se are planned. The initial evaluation will take place at the end of Year Two. It will be a "process" evaluation centered primarily on the managerial and administrative aspects of project implementation. Areas to be examined include:

- Relevancy of Selection Criteria
- Program Planning
- Follow-up Procedures, including measurement of beneficial impact of activities undertaken
- Management Information System

- Contracting Procedures
- Financial Accounting Procedures
- Auditing Procedures
- Implementation Procedures
- The Technical Assistance Subsystem
- The Participant Training Subsystem
- The Project Administrative Committee
- The Project Policy Committee

This evaluation will serve to smooth out the project management system for its final four years, the period when most of the assistance planned will be carried out. The evaluation team will consist of DTEC, USAID and NESDB staffs plus external consultants possessing expertise in management information systems, contracting, financial management, and auditing.

A four-person team is planned, with the evaluation to require 4 weeks of analysis, 2 weeks for preparation of the initial report, and 2 weeks for issuance of the final report. Project funds will be used to translate and publish the report in Thai.

The second evaluation will take place during the project's final year, FY 1990. It will be an impact evaluation to meet the dual objectives of assessing: (1) the project's success or lack of success in achieving its stated purpose(s), and (2) the advisability of an extension or follow-on activity.

The evaluation will be a major undertaking. AID/W assistance will be required to assist in the design of the terms of reference and recruit the evaluation team. We would expect that the focus of the evaluation will be on the project's usefulness in presenting policy options to the leadership of the Royal Thai Government and the effect it has had in expanding human resources development. Depending upon actual project experience, one or more sectors/subsectors may be singled out for an in-depth look, with a view toward synthesizing the analysis for future planning purposes.

The evaluation team will have available for its use the results of the Mission's own "in-house" mini-studies that will regularly take place over the project's life. At the end of each technical consultancy and training program, USAID and DTEC will conduct an initial review to match plans with results. At the end of 6 months following completed consultancies and training, NESDB/DTEC/USAID teams will reassess results.

The end-of-project evaluation will be conducted primarily by outside consultants, both Thai and American, and will consist of a managerial specialist, two or more policy and research analysts familiar with Thailand, a training expert, and perhaps one or two sectoral consultants. Representatives of the NESDB, DTEC and USAID will however, also play a direct role in the evaluation, either as members of the evaluation team itself or in a support role. To be of any value at all, the evaluation will need to be extensive. At least 2 months of study, interviews and preliminary analysis is contemplated, to be followed by another 6 weeks for assessing results. In addition to its other purposes, it is intended that the evaluation report also serve to document the case for effective policy dialogue and for investments in the further training of government (and private sector) personnel.

III. FEASIBILITY ANALYSIS

A. Relevant Experience with Other Projects

USAID/Thailand first initiated a generalized technical assistance and training project in FY 1976. This activity, TTMS, met genuine needs but was meant to address an open-ended array of development problems. Worthy of note was the transfer of most participant training functions during the project from the USAID Mission to DTEC. The successor project, EPD I, was initiated in FY 1980 and will be completed in June 1985. The current activity is focused on priority development areas for which a policy or program approach has not yet been defined clearly. It possesses a more refined management system, is more closely tied to the

RTG's Five Year Plan and USAID priorities, and programs individual activities a year in advance rather than on an ad hoc basis. An evaluation of EPD I (December 1983) confirmed the effectiveness and policy impact of the present project, although certain problems were identified with current technical assistance and participant training follow-up procedures. The evaluation also provided observations and recommendations used herein for the final design of EPD II.

Some examples of EPD I's effectiveness highlighted by the evaluation are:

National Budget Improvement

A long term technical assistance contract was used to assist the NESDB, Bureau of the Budget, Comptroller General's Department and the Office of the Auditor General to: (a) establish a National Development Planning System, and (b) institute a more effective budget and accounting system to support the NESDB's role in national planning. This consultancy resulted in the development of a step-by-step programming process that should ultimately help translate the generalities of the five year plans into specific, time-phased and costed projects compatible with targets and opportunities in the plans and resource constraints.

Urbanization and Transport Study

Under this activity a proposal for a three-phase comprehensive assessment of Bangkok's urban transport options was prepared for the RTG and adopted as the basis for follow-on action. The first two phases, involving inception studies and interim evaluation of investment proposals, are underway with support from a \$30 million World Bank loan. When completed, the final result will be a 5 year master plan for meeting the transportation needs of an estimated 7 million people in the Metropolitan Bangkok area.

Environmental Improvement

This consultancy provided assistance to the National Environment Board (NEB) for air pollution control. As a result of recommendations made, nine pollution monitoring stations have been set up in the greater Bangkok area. In addition, national air pollution emissions criteria have been established as well as noise standards for all vehicles. The assistance provided has also strengthened the NEB's ability to sensitize other RTG agencies to the need to adequately address environmental concerns.

Agricultural Project Development

Support was provided for the development of an intensive course in project proposal preparation for staff of the Ministry of Agriculture and Cooperatives. Some 125 Ministry staff were trained and an equal number of project proposals examined or developed, several of which have been subsequently adopted and funded. Other sub-project activities supported improvements in monitoring and evaluation functions. In addition, a recommendation for the adoption of a crop forecasting system was accepted and is being instituted by Iowa State University.

Development Communications

Consultant recommendations for means to improve communication of five year plan programs and objectives have been accepted by the NESDB and are in the first stage of implementation. A working group and an advisory committee for promotion of five year plans have been established. Activities to be carried out include media promotion among the general public, establishment of an information center to explain government plans to students, government workers, and donor agencies, and in-service training in public relations for NESDB staff.

Other activities currently being carried out or recently completed under EPD I include the following:

Manpower Planning Center

Studies to develop policies and methods for improved management by the Civil Service Commission of employee selection and career planning systems.

Training System Improvement

Analysis, design and implementation of training programs for Community Development Department staff which are more relevant to needs and objectives.

Environment Improvement

Provision of water pollution and toxicology consultants to the NEB.

Phosphate Development

Preparation of a work plan for exploration and development of phosphate rock mining and fertilizer production.

National Fertilizer Complex

Consulting contract with a U.S. firm to assist the National Fertilizer Corporation implement plans to construct a \$400 million fertilizer production complex.

Among other on-going activities are:

Eastern Seaboard Development

Provision of 5 experts to work with the NEB and NESDB in dealing with environmental concerns related to industrial development of the Eastern Seaboard.

Petroleum Institute

Provision of short-term consultants to prepare a strategic plan for the development of a Petroleum Institute of Thailand to accelerate the production of qualified Thai engineers and to provide information services as well as technical support to the petroleum industry.

Agricultural Marketing

Consultancy to assist the RTG to develop improved domestic and international agricultural marketing strategies.

1. Rationale

There is unmistakable agreement that EPD II holds promise for becoming one of the most important applications of U.S. development assistance to Thailand over the current decade. It should be noted that apart from the PVO Co-Financing II Project, EPD II is expected to be the only bilateral grant project initiated by the Mission during FY 1985-88.

An essential difference between EPD II and its predecessors is that the USAID Mission is proposing to take a more active part in defining and selecting topic areas for research, analysis, and specialized training. This was not the case earlier, wherein USAID's role was limited to approval/disapproval of annual program plans prepared by RTG agencies and coordinated by DTEC. The introduction of USAID to problem identification should enliven the overall process itself, increasing the level of policy dialogue and improving the quality of research and analysis. Further, mutual responsibilities in determining priorities will strengthen our mutual desire to build a more mature economic assistance relationship, establishing the basis for a new form of cooperation in the future. A second major difference between EPD I and II is the level of resources contemplated. At an overall level of \$18 million, EPD II is four times larger than the existing EPD I project. This higher amount of funding is intended not only to provide a more meaningful level of resources, but

also to demonstrate commitment to deal with difficult national developmental problems and for the discussion of broad policy issues, rather than merely the nuts and bolts aspects of individual consultancies and training programs.

2. Opportunity

Thailand is ready, and USAID is prepared to support, major efforts to upgrade policy formulation and institutional strengthening. As mentioned earlier, Thailand's entry into the ranks of the middle income countries requires a more capable and informed development administration to anticipate and resolve future barriers to achievement of equitable, self-sustaining growth. EPD II is unique among donor-funded projects in its ability to provide rapid, flexible analytical support for Thai policy-makers.

3. Policy Dialogue

Because of the traditionally close intellectual ties between the U.S. and Thailand, there are significant opportunities to enhance the policy dialogue between our two countries and, in fact, to make "policy dialogue" a principal aspect of development assistance. EPD II promises to be a major vehicle for fostering exchanges of views on policy as well as immediate operational problems. In particular this project is seen as a means to further strengthen institutional linkages with DTEC, the NESDB, and senior Thai officials in other agencies. At present, much of our existing interaction and dialogue with Thai decision-makers is centered on project implementation issues or problems.

B. Economic Considerations

It is not possible to apply standard cost-benefit analysis to the EPD Project due to the nature of its design. The nature of the various proposed activities is short term, qualitative, and leads to future

solutions and results. Thus, each activity, when considered by the committee, will probably not lend itself to economic analysis per se. However, each proposal can be scrutinized as to its potential benefit to longer term activities and the economic potential of those activities would be known or could be determined. The actual cost of each activity or sub-project will be minimal in terms of overall project resources. Thus, measurement of benefits will be against low cost input factors. One major issue of economic relevance does emerge, however. The question arises whether this project is the most cost-effective means to obtain desired outputs. It might be possible to support at least some of the planned technical assistance and training proposed by EPD II under other existing or future projects in the Mission's bilateral portfolio. However, the built-in rigidity of the project portfolio is such that little flexibility exists to meet unanticipated analytical or training needs. Project objectives and financial allocations are for the most part too firmly established to be redirected to a future-oriented studies program. The EPD II Project is the only means available to the Mission to assure a more coordinated and systematic approach to emerging problems of development faced by the RTG. Through this mechanism USAID can, with relatively small individual investments, provide assistance of immediate relevance and long term importance to Thai development. This is, in fact, a unique advantage to USAID enjoyed by few if any other donors in Thailand.

C. Social Considerations and Project Beneficiaries

The project will ultimately benefit the country's rural poor through improved planning and management of development activities. The RTG is committed to rural development under its existing Five Year Plan (1982-86) and can be expected to utilize EPD II in furtherance of established objectives. In addition, the project will also provide support for development of the succeeding Plan and serve as a means to help facilitate current attention on development of the nation's rural sector, to include employment and rural industries.

The project will enhance the administrative and technical capabilities of researchers, economists, subject matter specialists, administrators, implementers, and managers to perform in their areas of specialization. Included will be staff of DTEC, NESDB and participating ministries, university researchers and private sector participants, both at the Bangkok level and in the field.

Women play an important role in the DTEC and NESDB organizations as well as in in the various ministries and the private sector. A significant portion of project activities will involve women researchers, subject matter specialists, and managers. The administrative staff for the project will include a large proportion of women, who will receive on the job and specialized training in project administration and management. In addition, a significant number of women are also expected to receive formalized academic and on the job training and to participate in observational tours to the U.S. or third countries under the project. Under EPD I, of the 73 participants who have completed their training or are in process as of September 30, 1984, 30 were women or 41% of the total. A similar proportional relationship is expected to obtain under EPD II. Also, researchers and evaluators will be encouraged to look at the varied roles of women in the Thai economy and to take these into account in examining the various priority developmental areas addressed under the project.

The proposed project is socially significant in several other ways. It can provide, for example, an acceptable framework for diverse groups (public and private) to carry out policy dialogue, exchange information, participate in workshops or seminars, and seek common ground on matters of national concern. This is especially important in Thailand, where consensus-building and accommodation are significant aspects of policy determination and subsequent government action. Expatriate consultants financed by the project will have an opportunity to perform catalytic functions in stimulating debate, raising the quality of informed discussion, seeking agreement, and assisting with the planning of

required follow-up actions. EPD II will emphasize use of the highest quality technical experts, individuals whose backgrounds and expertise are respected by an increasingly sophisticated Thai development establishment.

Small and Minority Business Participation

Various activities under this project may be appropriate for participation of small and minority businesses, particularly on a sub-contracting basis. In order to assure maximum consideration is given to the use of small and minority businesses in the implementation of this project, the Mission will include in all CBD notices/RFPs language similar to the following:

"The RTG and AID encourage and welcome in this activity the participation to the fullest extent possible of small, minority and women-owned businesses as individuals and as members of contracting or subcontracting firms. In this respect, prime contractors are urged to make efforts to identify and make maximum practicable use of such personnel and firms."

The Mission will also work with ASIA/PD, ASIA/TR and the Office of Small Disadvantaged Business Utilization (OSDBU) in identifying firms potentially qualified or interested in participating. Firms identified as having capability of performing required services will receive copies of appropriate RFPs.

Involvement of small, minority and women-owned businesses with respect to host country and direct contracting has been discussed with the RTG.

D. AID Support Requirements and Capability

A USDH officer will be assigned to the project on a part-time basis. Principal functions will consist of monitoring and oversight

responsibilities, assistance as may be required in meeting AID procurement guidelines, e.g., due consideration of small and minority business opportunities, facilitating and advising on contracting technical assistance and locating training courses, and serving as a member of the project's joint coordinating committee. A Thai Program Specialist will also be utilized on an as-needed basis to assist with project implementation. The Mission's project development staff, the Area Contracting Officer, and the Program Officer will provide additional support or guidance as may be required. USAID technical specialists will provide additional back-up for senior Mission management consideration of proposals and follow-on decisions. At the policy level, the Mission Director and Deputy will work closely with Thai counterparts in facilitating dialogue and further strengthening cooperative relationships generated by the project.

E. Environmental Threshold Decision

Due to EPD II's emphasis on studies, research, technical analysis and training, no adverse impact on the environment is foreseen from activities financed by the project. A categorical exclusion was therefore approved by the Asia Bureau Environmental Officer on October 11, 1984 (See Annex C).

F. AID Policy Issues

The following issues were examined and dealt with during final project design:

1. Can adequate criteria be developed to assure the immediate relevance and utility of activities undertaken?
2. Can the RTG effectively program the level of participant training envisioned by the project?

3. Should, or should not, the project overlap in various aspects with other projects in USAID's portfolio?

4. Relationship to centrally funded activities.

In addition, the following suggestions offered by the APAC in its approval of the PID (Annex A), were examined and dealt with as follows:

1. Policy Dialogue: The PP identifies and analyzes major policy areas to be affected by EPD II subprojects, sets activity selection criteria and ensures continuous policy dialogue through establishment of joint RTG - USAID policy committee made up of DTEC Director-General, NESDB Secretary-General and USAID Mission Director. A comprehensive project evaluation is scheduled two years after start-up.

2. Relationship to CDSS: The PP discusses relationships to CDSS, identifies major areas of emphasis and establishes tentative budget allocations for initial year and life of project, per area of interest.

3. The PP recognizes the importance of small business and 8A participation and establishes mechanisms to deal with this issue (Section III, C.).

References:

1. AID Policy Paper: Approaches to the Policy Dialogue, December 1982.
2. AID Policy Determination No. 60: Development Administration, February 10, 1977.
3. AID Policy Paper: Institutional Development, March 1983.

4. Emerging Problems of Development I Project Evaluation, December 1983.
5. Transfer of Technology and Management Skills Project Evaluation, February 1980.
6. PID Approval Cable dated 19 July 1984.
7. Copies of Project Papers and available evaluations for the following AID projects:

388-0027	Technical Resources
386-0487	Development and Management Training
497-0340	Development Studies
391-0470	Project Design Fund
391-0474	Development Support Training
492-0340	Training and Development Issues

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ANNEX A.

20 JUL 1984

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: EMERGING PROBLEMS OF DEVELOPMENT II (493-2341)
 APAC REVIEW

1. APAC RECONVENED JULY 9, 1984 AND APPROVED PID FOR EFD II. MISSION MAY PROCEED TO PREPARE PROJECT PAPER WHICH WILL BE AUTHORIZED IN MISSION. THE FOLLOWING SUGGESTIONS ARE OFFERED AS GUIDANCE IN PREPARATION OF PP.

2. POLICY DIALOGUE: PROJECT PAPER SHOULD IDENTIFY AND ANALYZE, TO EXTENT POSSIBLE, THOSE POLICY AREAS WHICH ARE MOST LIKELY TO BE AFFECTED BY EFD II SUBPROJECTS. DAA/ASIA REQUESTS ANNUAL REVIEW OF PROJECT BE HELD IN AID/W (PERHAPS IN CONJUNCTION WITH PROGRAM WEEK) DURING WHICH EXPERIENCE OF PAST YEAR AND PLANS FOR NEXT YEAR WILL BE DISCUSSED WITH SPECIFIC ATTENTION TO POLICY ISSUES. THESE ANNUAL REVIEWS WOULD BE INTENDED TO ESTABLISH A MECHANISM WHEREBY POLICY AREAS TO BE ADDRESSED BY EFD II COULD BE MODIFIED AND/OR PROJECT FOCUS SHARPENED. THERE SHOULD ALSO BE A COMPREHENSIVE EVALUATION OF EFD I & II SCHEDULED TWO YEARS FROM DATE OF NEW PROJECT AUTHORIZATION.

3. RELATIONSHIP TO CDSS: APAC RECOGNIZED NEED FOR FLEXIBILITY IN IMPLEMENTATION OF EFD II. THE APAC DOES RECOMMEND, HOWEVER, THAT MISSION IDENTIFY FIVE OR SIX MAJOR AREAS OF EMPHASIS ("POINTS OF ATTAC") WHICH WOULD BE RELATED TO AND COMPLEMENT OVERALL PROGRAM. THE MISSION MUST MAKE SURE THAT THIS PROJECT DOES NOT BECOME A LOOSE, UNFOCUSED SERIES OF ACTIVITIES.

4. FUNDING MODE: APAC DEFERS TO MISSION DECISION TO GRANT FUND EFD II IN ITS ENTIRETY SUBJECT TO AVAILABILITY OF FUNDS.

5. ALTHOUGH NOT DISCUSSED DURING APAC, THE SUBJECT OF SMALL BUSINESS AND SA PARTICIPATION REQUIRES MISSION ATTENTION. ASIA/PE URGES MISSION CONSIDER SIGNIFICANT SA AND SMALL BUSINESS PARTICIPATION. BUREAU ABLE TO PROVIDE ASSISTANCE IN THIS REGARD IF SUBPROJECT IA AND TRAINING REQUIREMENTS KNOWN IN ADVANCE. CAPABILITY STATEMENTS AVAILABLE AND CAN BE PROVIDED TO MISSION ONCE PROAG GUIDELINES ARE DETERMINED. ARMACOST

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ACTION TO: *transmission*
 DUE DATE: *7-20-84*
 ACTION TAKEN: *N/A*
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PRELIMINARY LOGICAL FRAMEWORK

From FY 85 to FY 90
 Total U.S. Funding \$18 million
 Date Prepared: March 1984

Project Title & Number: Emerging Problems of Development II (493-0341)

ANNEX B.

Best Available Document

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS										
<p>Program or Sector Goal:</p> <ol style="list-style-type: none"> Improved RTG resource allocation and utilization. Establishment of mature partnership with RTG in planning and implementing development assistance activities. <p>Project Purpose:</p> <p>To support and improve RTG policy formulation, program planning, and pre-project analysis in key development problem areas.</p> <p>Outputs:</p> <ol style="list-style-type: none"> System for coordinated RTG analysis and response to emerging development problems established and functioning. Problem analysis, policy recommendations, program proposals, and pre-feasibility studies in key problem areas. Trained personnel. Completed seminars and conferences. Evaluations. <p>Inputs:</p> <p>AID - \$18 million grant</p> <p>RTG - \$6.2 million in budgetary and in-kind support - Total \$24.2 million:</p> <table border="0"> <tr><td>1. Selected Div.</td><td>\$10.4</td></tr> <tr><td>2. Agri & Nat. Res.</td><td>3.2</td></tr> <tr><td>3. Health, Pop & Nutr.</td><td>3.2</td></tr> <tr><td>4. Human Res. Div.</td><td>4.0</td></tr> <tr><td>5. Evaluation</td><td>.1</td></tr> </table>	1. Selected Div.	\$10.4	2. Agri & Nat. Res.	3.2	3. Health, Pop & Nutr.	3.2	4. Human Res. Div.	4.0	5. Evaluation	.1	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> New or altered policies and programs which make more productive use of resources. Formal/informal working groups operating at policy level. <p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>Technical assistance, trained personnel and results of research and workshops are incorporated into RTG policy development and program planning process in key problem areas.</p> <p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> MESDB/DTEC/USAID planning group established. Approximately 35-50 assistance packages completed that are relevant to priority development problems. 400 persons trained and working in priority development areas. Approximately 15 seminars and conferences completed. Mid-term and final project evaluation completed. 	<p>MEANS OF VERIFICATION</p> <ol style="list-style-type: none"> Initiation of policy and program planning. Implementation of policy changes and programs. National statistical indicators. Project and sub-project evaluations. <ol style="list-style-type: none"> Project evaluations. Interviews with policy and program decision-makers, and individuals trained. <ol style="list-style-type: none"> Project evaluations. Periodic project monitoring Financial reports from consultants, studies, research projects, and seminars/workshops results. Participant training records. Meetings of MESDB/DTEC/USAID planning group. <ol style="list-style-type: none"> AID and RTG records. Project monitoring and evaluation. 	<p>IMPORTANT ASSUMPTIONS</p> <p>Assumptions for Achieving Goal Targets:</p> <p>RTG willingness to effect difficult policy and program choices addressing emerging problems of development.</p> <p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> Programs initiated to address specific problems quickly available and relevant to priority needs. Adequate resources are devoted to policy development and program planning in areas which the project supports. Areas indicated for follow-up work are given adequate attention. <p>Assumptions for Achieving Outputs:</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 USAID on topics to be addressed. Adequate RTG financial support will be provided. AID and RTG administrative delays are minimized. <p>Assumptions for Providing Inputs:</p> <ol style="list-style-type: none"> Suitable technical advisors can be recruited. Suitable RTG candidates are identified and released for training. Research proposals, seminars, workshops and local group
1. Selected Div.	\$10.4												
2. Agri & Nat. Res.	3.2												
3. Health, Pop & Nutr.	3.2												
4. Human Res. Div.	4.0												
5. Evaluation	.1												

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INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Thailand

Project Title: Emerging Problems of Development II

Funding: \$18 million grant

Life of Project: 6 years

IEE Drafted by: Edward J. Ploch, O/PRO, USAID/T

Reviewed by: John W. Neave, O/PES, USAID/T

Environmental Action Recommendation: Categorical Exclusion

Concurrence: Mission Director: Robert Halligan
Robert Halligan

Bureau Environmental Officer's Decision:

APPROVED: Michael D. Pillely

~~APPROVED:~~ _____

DATE: Oct. 11, 1984

I. Examination of Nature, Scope and Magnitude of Environmental Impacts

A. Project Description

The Emerging Problems of Development (EPD) II Project is designed to support Royal Thai Government policy development, program planning and pre-project analysis in key problem areas. EPD II will provide responsive, timely funding to facilitate policy dialogue, promote policy studies, support development seminars and workshops, and help to meet technical assistance and training needs directed toward resolution of crucial development problems. Potential topic areas to be addressed by the project include national development planning, natural resources management, science and technology, environmental preservation, agriculture, health and family planning.

Virtually all project funds will be used to hire consultants, finance participant training programs, and support workshop or seminars. Little commodity assistance, aside from office equipment, is contemplated.

B. Identification of Impacts

We foresee no adverse environmental effects resulting from implementation of this project. With the exception of studies and training directed at present and potential environmental problems in Thailand, none of the other activities financed under EPD II will have direct effects on the environment.

II. Conclusions and Recommendations

Based on the project description and identification of impact given above, it is judged that the project meets the criteria for a Categorical Exclusion under 22 CFR 216.2 (c) (2) (xiv), quoted below:

(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.);

There will be no construction, etc. under the project. A Categorical Exclusion is therefore requested.

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5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:
B.1. applies to all projects funded with Development Assistance loans, and
B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1985 Continuing Resolution Sec. 625; FAA Sec. 634A; Sec. 653(p).

(a) Describe how authorizing and appropriations committees 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 amount)?

(a) Congressional notification for initial obligation submitted 11/27/84; expired 12/12/84; (b) Assistance is within OYB.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes. See Project Paper pages 30, 31, 32 & 33

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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 required.

4. FAA Sec. 611(b); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, or the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.)

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 to 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.

FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and 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.

FAA Sec. 601(b). Information and conclusions 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).

FAA Sec. 612(b), 636(h); FY 1965 Continuing Resolution Sec. 507. 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 in lieu of dollars.

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?

This project does not directly address these issues per se, on the other hand, the project should not impede efforts to encourage progress in such areas.

It is planned that project procurement, outside of Thailand, of services and commodities and for training activities will be from the U.S. Third country procurement will be on an exception basis only.

The RIG will contribute twenty-five percent of the cost of this project. No procurement is planned in countries for which the U.S. owns excess foreign currencies.

There is no U.S. owned Thai currency available available for this project.

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1. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

2. FY 1985 Continuing Resolution Sec. 522. 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?

N/A

3. FAA 116(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program taken into consideration the problem of the destruction of tropical forests?

A categorical exclusion under Section 22 CFR 216.2 (c) (2) (XIV) has been received.

4. FAA 121(d). If a Sanel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A

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15. FY 1985 Continuing Resolution Sec. 536. Is No.
disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

- a. FAA Sec. 102(p), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-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 project will significantly improve Thailand's self-help efforts by improving the RTG's policy formulation, program planning and pre-project analysis in key development areas. It will ultimately benefit the poor through improved planning and management of development activities. The project will serve as a means to help facilitate current attention on development of the nation's rural sector, to include employment and rural industries. A significant portion of project activities will directly involve women.

the participation of women in the national economies of developing countries and the improvement of women's status, (e) utilize and encourage regional cooperation by developing countries?

- b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? Yes.
- c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N/A
- 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 is the latter cost-sharing requirement being waived for a "relatively least developed country)? Yes.
- e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project for more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country No. Project is not capital assistance in nature.

"relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."

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

Yes. See Project Paper analysis.

- g. 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 processes essential to self-government.

The project directly draws upon the country's leading intellectual resources and supports institutional development leading to effective participation in governmental processes essential to self-government.

2. Development Assistance Project
Criteria (Loans Only)

a. FAA Sec. 122(b).
Information and conclusion on
capacity of the country to
repay the loan, at a
reasonable rate of interest. N/A

b. FAA Sec. 620(d). If
assistance is for any
productive enterprise which
will compete with U.S.
enterprises, 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. Economic Support Fund Project
Criteria

a. FAA Sec. 531(a). Will this
assistance promote economic
and political stability? To
the extent possible, does it
reflect the policy
directions of FAA Section
102? N/A

b. FAA Sec. 531(c). Will
assistance under this
chapter be used for
military, or paramilitary
activities? N/A

c. FAA Sec. 534. Will ESF
funds be used to finance the
construction of, or the
operation or maintenance of,
or the supplying of fuel
for, a nuclear facility? If
so, has the President
certified that such use of
funds is indispensable to
nonproliferation objectives? N/A

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d. 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

65

Q/PRO

C&R RECEIVED

31 JAN 1985

file FRONT: 493-0241

DEPARTMENT OF TECHNICAL AND ECONOMIC COOPERATION (PP-Gen. Comm.)
Krung Kasem Road, Bangkok, Thailand
Cable: DTEC.
TEL. 817555

No. 1702/2599

January 31, B.E. 2528

Mr. Robert Halligan
Director
USAID/Thailand.

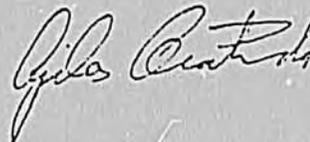
Dear Mr. Halligan,

This is to advise you that we have received the draft Project Paper for the Emerging Problems of Development Project II (EPD II) and agreed in principle with the proposed project description, objective and financial plan whilst the detailed implementation arrangements are now under review and finalization by our two offices.

We, therefore, request that a grant of \$18 million be provided by USAID for this five-year project. The PMG agreed to contribute up to Baht 167 million (\$6.2 million) or one-third of the total project cost.

Your kind cooperation is, as always, much appreciated.

Yours sincerely,



Director General

ACTION TO:	<i>Mr. G. Smith</i>
DUE DATE:	FEB 6 1985
ACTION TAKEN:	
INITIALS:	
DATE:	

DISTRIBUTION

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	CAE

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

AMPLIFIED PROJECT DESCRIPTION

Emerging Problems of Development II Project

I. General

The goal of EPD II is to assist the RTG in its efforts to improve the Government's resource allocation and use.

The project's purpose is to support and improve the RTG's policy formulation, program planning, and pre-project analysis in key development problem areas. EPD II will provide responsive, timely funding which will facilitate policy dialogue, promote policy studies, support development seminars and help meet technical assistance and training needs directed toward resolution of crucial development problems. The project, through both technical assistance and training, will help address the RTG's requirements for improved research and analysis to guide future decision-making. Whenever possible, both technical assistance and training will be "packaged" together to maximize the impact of project resources.

The EPD II project addresses a need to translate macro-economic analysis programs and projects through its ability to provide quick, flexible resources to Thai researchers, planners and managers. The assured access of Thai decision-makers to technical expertise from the U.S. and other sources under the project offers a means to deal with emergent development problems in a systematic manner.

II. Project Inputs and Outputs

Project inputs will consist of technical assistance, training programs and limited commodity support provided under an \$18 million AID grant, over a six year period. RTG contributions in the form of Baht financing, in-kind support and staff services approximating \$6.2 million will also be made available to the project.

Project outputs will consist of: (a) an effective system for determining priorities and planning activities; (b) an equally effective system for arranging required consultancies and training; (c) coordinated problem analysis, policy recommendations, program/project proposals, and pre-feasibility studies; and (d) trained personnel. Overall, the project will develop an improved institutional capacity within the RTG to identify priority areas for outside assistance and to secure, on an informed basis, the assistance required.

III. Project Implementation

A joint RTG-USAID policy committee made up of the Director-General, Department of Technical and Economic Cooperation (DTEC), Secretary-General, National Economic and Social Development Board (NESDB), and the Director, USAID/Thailand plan to meet no less than bi-monthly to set policy directions, approve program and implementation plans, and identify and select problem areas to be examined utilizing agreed criteria.

A project coordinating committee will also be established to: (a) develop details of technical assistance and/or training needs; (b) reach decisions on workshops, seminars or other proceedings; (c) manage implementation activities; and (d) conduct follow-up and evaluation activities. The project coordinating committee will consist of senior level representatives of DTEC, which is responsible for administering all RTG grant-financed technical assistance and training activities, USAID/Thailand, and the NESDB, which is responsible for national development planning. Representatives from the Bureau of the Budget (BOB), Civil Service Commission (CSC), or the cognizant RTG line agency may be included, as appropriate. The coordinating committee will work with RTG line ministries and departments in developing areas and activities to receive funding support under the project. An annual program plan will be developed for approval by the policy committee. It will list priority areas to be studied and individual funding allocations. Each component of the annual plan will have been evaluated against the set of mutually agreed criteria and reflect jointly developed priorities. An EPD II Management Unit, within the USAID Sub-Division of DTEC, will serve as the project's administrative secretariat.

Most contracting for technical assistance will be done directly by the host government, following A.I.D. Handbook II, host country contracting procedures. In the case of participant training, the lead will be taken by the RTG in arranging training programs, rather than relying solely or even primarily on USG agencies as intermediaries, contributing substantially to RTG management capacity and laying groundwork for greater collaboration between Thai and U.S. institutions independent of the source of financing.

It is mutually understood that activities undertaken will primarily deal with developmental policy issues and that stress will be put on relatively large activities (as contrasted to EPD I) in order to 1) make the implementation workload manageable, and 2) enable the commitment of the substantively larger EPD II resources in a timely manner. Project activities will be directed toward resolution of crucial issues which are truly policy in nature and toward those which will have immediate beneficial development impact on the Thai economy. Similarly, activities will be directed toward areas not otherwise being addressed or supported by other donor countries or agencies.

IV. Monitoring and Evaluation

A USDH officer will be assigned to the project on a part-time basis. Principal functions will consist of monitoring responsibilities, assistance as may be required in meeting AID procurement guidelines, e.g., due consideration of small and minority business opportunities, facilitating and advising on contracting technical assistance and locating training courses, and serving as a member of the project's joint coordinating committee. A Thai Program Specialist will also be utilized on an as-needed basis to assist with project implementation. The Mission's project development staff, the Area Contracting Officer, and the Program Officer will provide additional support or guidance as may be required. USAID technical specialists will provide additional back-up for senior Mission management consideration of proposals and follow-on decisions. At the policy level, the Mission Director and Deputy will work closely with Thai counterparts in facilitating and further strengthening cooperative relationships generated by the project.

Assistance will be provided to develop an integrated DTEC-USAID management information system (MIS) to track project inputs, and to assess contractor performance and longer term policy/operational impact.

MIS reports will be issued in at least two versions. A detailed analysis will be used by the project coordinating committee and administrative staffs in NESDB/DTEC/USAID. A second, condensed version will be prepared and furnished for the information and use of the project policy committee. Two separate monitoring tracks will be installed and progressively refined, for technical assistance activities and participant training, respectively. At the end of each technical consultancy and training program, DTEC and USAID will conduct an initial review to match plans with results. At the end of 6 months following completed consultancies and training, NESDB/DTEC/USAID will reassess results.

The evaluation process will consist of:

1. Assessment of the topic selection process, to include the adequacy of selection criteria and relevance to RTG analytical requirements;
2. Assessment of individual consultancies and training to determine the degree to which RTG policy formulation, program planning, and project or pre-project design have been strengthened, and
3. Analysis of policy decisions and actions taken as a result of project studies or consultancies.

Although formal evaluations will be scheduled to take place at designated intervals, the evaluation process itself will be active throughout project implementation. This would consist of making sure that consultant and training assessments are carried out as planned, and include periodic meetings to help guide project administration and follow-up actions.

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Since the project monitoring process will be intensive, only two major project evaluations per se are planned. The initial evaluation will take place at the end of Year Two. It will be a "process" evaluation centered primarily on the managerial and administrative aspects of project implementation. Areas to be examined include:

- Program Planning
- Follow-up Procedures
- Management Information System
- Contracting Procedures
- Financial Accounting Procedures
- Auditing Procedures
- Implementation Procedures
- The Technical Assistance Subsystem
- The Participant Training Subsystem
- The Project Administrative Committee
- The Project Policy Committee

The second evaluation will take place during the project's final year, FY 1990. It will be an impact evaluation to meet the dual objectives of assessing: (1) the project's success or lack of success in achieving its stated purpose, and (2) the advisability of an extension or follow-on activity.

V. Financial Plan

Tables 1 and 2 summarize costs over the life of the Project. Total cost of the Project is estimated at \$24,200,000. USAID will provide \$18,000,000 in grant financing while the Royal Thai Government (RTG) will finance the remaining costs, estimated to be \$6,200,000. First year contributions will be \$3,000,000 and \$1,000,000, respectively.

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The RTG and USAID agree that the RTG contribution will support in-kind costs such as staff salaries and allowances, office space and equipment, in-country per diem and local costs for consultants, to the extent permitted by RTG regulations, and international travel for Thai training participants and observational groups.

AID's grant will be used to finance technical assistance, training, seminars and workshops and limited commodity support. Total project costs in the Financial Plan are provisional. Cost breakdowns within the financial elements will be finalized based on submission of detailed Work and Financial Plans, which will be approved by the project's policy committee.

Table 1

Summary Fiscal Year Obligation Schedule

(U.S. \$000)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Total</u>
AID	3,000	5,000	5,000	5,000	18,000
RTG: DTEC	350	600	600	550	2,100
Other	650	1,150	1,150	1,150	4,100
	<u> </u>				
Total	<u>4,000</u>	<u>6,750</u>	<u>6,750</u>	<u>6,700</u>	<u>24,200</u>

Table 2.
Summary Cost Estimate and Financial Plan
(US\$000)

Functional Area	AID		Thai Contribution-LOP		Total LOP
	First Year	LOP	DTEC Counterpart	RTG Budget	
1. Selected Development	1,511	8,503	956	1,681	11,140
a. NESDB Staff Development					
Training	(76)				
Special Assistant	(125)				
b. TDRI	(600)				
c. AID/W Centrally Funded	(200)				
d. Activities Support					
e. Sixth Plan Analysis	(200)				
f. Municipal Mgt. & Socio-economic Dev.	(200)				
g. DTEC Mgt. Support	(97)				
h. Commodities	(13)				
2. Agricultural and Natural Resource Mgt.	404	2,400	274	480	3,154
a. Environmental Profile	(60)				
b. Training for Coastal Resource Mgt.	(12)				
c. TISTR In-Service Training.	(12)				
d. Consultancies & Studies	(170)				
e. KKU Rural Mgt.	(150)				
3. Health, Population & Nutrition	332	2,137	538	550	3,225
a. Health Policy & Financing.	(150)				
b. Primary Health Care	(48)				
c. Community Nutrition	(24)				
d. Health Sector Financing	(50)				
f. Domestic Air Pollution Studies	(60)				
g. Population TA	-				
h. Training	-				
4. Human Resource Dev.	303	2,160	336	825	3,321
5. Evaluation & Financial Auditing	-	100		20	120
6. Contingency & Inflation	450	2,700	-	540	3,240
Total	3,000	18,000	2,104	4,096	24,200

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SUMMARY OF MAJOR ACTIVITIES

A. TECHNICAL ASSISTANCE

ACTIVITIES COMPLETED
(As of 9/30/84)

1. NESDB: DEVELOPMENT OF MANAGEMENT INFORMATION SYSTEM UNIT

Services provided by a contractor, Mr. Dan Coggin during 8/17-9/3/83, to advise and assist in the development of management information systems within NESDB and organizing information and data collection procedures for use in NESDB information programs.

2. BOB: NATIONAL BUDGET IMPROVEMENT

- A. PAS contract No. 63 HCC, 9/1/81-12/31/81 - a team of 3 persons for 11 person/months provided assistance to BOB to enable RTG to better evaluate and coordinate financial resources with program needs.
- B. The evaluation report assessing the effectiveness of the PAS Team's (Axelrod and Neher) performance was discussed in a seminar on Program Budgeting in Pattaya During October 28-30, 1983.

3. NESDB: PROJECT PREPARATION ON URBANIZATION AND TRANSPORTATION STUDY - (NESDB)

Three contractors, Dr. Strout, Dr. Kain and Dr. Wheaton, provided technical services for the implementation of Project Preparation on Urbanization and Transportation Study during May to August 1982.

4. NEB: ENVIRONMENTAL IMPROVEMENT

Contractor, John T. Middleton (10/29/82-6/30/83), advised and assisted NEB in the preparation of an air quality management plan in Eastern Seaboard Zone.

5. MOAC Agricultural Intensification Development Project. EPD financed costs of travel of Dr. Robert Ralston to accompany Thai Delegates to attend the Bilateral Agricultural Consultation Meeting conducted by USDA and MOAC in Washinton, D. C., during 6/3-12/82.

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6. SYMPOSIUM ON EASTERN SEABOARD DEVELOPMENT - NESDB

EPD financed a symposium on Feasibility of Eastern Seaboard Development of Basic Industries and Deep Sea Port in 1981.

7. NESDB: STUDY OF PRIVATE SECTOR INVESTMENT OPPORTUNITIES

EPD financed studies by the Thai University Research Association (TURA) in connection with the visit of a U.S. Private Sector Reconnaissance Team during February 1982. The studies examined the Thai economy and the Fifth Five-Year Plan, private management systems in Thailand, and profiles of selected industries.

8. NESDB: SEMINAR ON PLANNING OF TECHNICAL ASSISTANCE

A seminar was held during January 29-31, 1982 to plan a three year program for technical assistance and loan projects. The participants were representatives from BOB, Ministry of Finance, Ministry of Foreign Affairs, Bank of Thailand, CSC, NESDB, and DTEC.

9. NESDB: COMMUNICATION DEVELOPMENT

Research and study of NESDB communication systems by Main Co., Ltd. was completed on September 30, 1983. Report has been submitted to NESDB.

10. RD: DESIGN SELECTION STUDY

NIDA Contract (493-0309-71009), for period 10/6/83-1/31/84 to study strengths and weaknesses in order to modernize tax administration on a national scale.

11. DTEC: CONTRACT NEGOTIATION AND PROJECT ADMINISTRATION

Travel of 4 DTEC officials to the U.S. was financed in December 1983 for contract negotiation and participant training workshop.

12. EPD PROJECT EVALUATION

Dr. J. Chamberlain Contract (493-0309-71007), period October 17-December 31, 1983 to conduct a mid-term evaluation of EPD Project.

13. BOB: NATIONAL BUDGET IMPROVEMENT

PAS, Contract No. 493-0309-71002, period 1/1/82-6/30/84, to provide assistance to CGD, completed by expert, James A. Young.

14. NEB: ENVIRONMENTAL IMPROVEMENT

- WATER QUALITY MANAGEMENT ADVISOR: Mr. Rodney J. Hofer, Contract No. 493-0309-71010, period 2/2-6/30/84, to provide assistance to NEB in the preparation of Water Quality Management Plan for the Eastern Seaboard. Presentation of his findings and recommendations was made on 6/26/84.

15. CSC: MANPOWER PLANNING CENTER, PHASE I

The first phase, Mr. Edward McCrensky, Contract No. 493-0309-71011, period 3/1-4/30/84, provided services in setting up a manpower planning center for CSC. His recommendations and work plan for setting up the planning center were presented on 4/19/84 and resulted in plan for follow-on Phase II.

16. DMR: PHOSPHATE DEVELOPMENT

Dr. Richard P. Sheldon, Contract No. 493-0309-71008, period 12/31/83-4/30/84 extended to 6/20/84, provided technical services to DMR on the implementation of the Phosphate Exploration and Development project.

17. NESSDB: URBAN FINANCIAL MANAGEMENT

Dr. Roy Bahl, Jr., Contract No. 493-0309-71012, period 4/2-13/84, completed his 12 days with a World Bank team in discussions in Bangkok. The World Bank report, attached with his recommendations, was transmitted to USAID late May.

The objective of the project is to carry out a review of the Bangkok Metropolitan Region's financial and management problems.

18. NFC: NATIONAL FERTILIZER COMPLEX

To support engineering consultancy services to the National Fertilizer Corp., Ltd. for detailed engineering design, preparation and evaluation of bid documents and environmental impact statements.

A contract between NFC and Foster Wheeler International Corp. was signed on 3/23/84 and services completed 8/5/84.

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19. NESDB: COMMUNICATION DEVELOPMENT PHASE II

Second phase contract No. 493-0309-71015 for the period ending September 1984 with Main Co., Ltd., to produce for NESDB a number of video tapes to promote understanding of the National Economic Development Plan titled "National Development and its Effects".

20. MST&E: SCIENCE AND TECHNOLOGY DEVELOPMENT

Task Force on Biosciences/Biotechnology: A task force from the National Academy of Sciences (NAS) visited during 4/15-8/15/84 to provide assistance on a management framework for the national plan for biosciences and biotechnology, to prepare agenda for symposium/workshop in October/November, and to outline areas of specialization.

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ACTIVITIES UNDERWAY

1. MOAC: AGRICULTURAL INTENSIFICATION DEVELOPMENT

Dr. Ralston, Contract No. 493-0309-71001, period 9/1/81-9/30/84 was extended to 12/31/84 to assist MOAC in upgrading the skills of central and regional MOAC personnel and to develop a reporting and analytic system for decision-making MOAC administrators.

The project objective is to improve job performance in problem definition and to build up an efficient reporting system to cope with MOAC day-to-day operational progress and constraints.

2. NESDB: COORDINATING CENTER FOR EASTERN SEABOARD DEVELOPMENT (NATIONAL ENVIRONMENT BOARD)

Thirty-four consulting firms submitted expressions of interest to conduct Eastern Seaboard Regional Environmental Assessment Plan for NEB/DTEC. Three firms were shortlisted and RFTP issued. Final date for submission of technical proposal was July 13, 1984. Evaluation and negotiation followed. SEATEC International, Inc. Contract No. 493-0309-71016 to provide five environmental experts was approved 10/3/84. Field work commenced in October and is scheduled for completion in July 1986.

3. PTT: PETROLEUM INSTITUTE

Dr. Pelofsky Contract No. 493-0309-71021 and Mr. Hogan Contract No. 493-0309-71022, period 9/4/84-1/12/85, to provide technical expertise on oil and gas industry respectively, will assist PTT for 6 MM each to prepare a master plan (technical and organization aspects) leading to establishment of a Thailand Petroleum Institute.

4. CDD: TRAINING SYSTEM IMPROVEMENT

John M. Woodard and Lawrence F. Nahlik of University of Missouri, Contract No. 493-0309-71013, period 5/1/84-6/30/85, to improve the effectiveness of RTG community development system.

5. USAID: SUPPORT OF PVO

To assist the Population and Community Development Association (PDA) to improve the capacity of its work force engaged in the non-profit family planning program by financing academic training of PDA's staff member Mr. Tanathai Sookdhus at Harvard's Edward S. Mason program in Public Policy and Management.

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6. DTEC: PROJECT IMPLEMENTATION IMPROVEMENT

Financial Advisors: James E. Williams Contract No. 493-0309-71018 and Leonard D. Hagerty Contract No. 493-0309-71019, period 10/21-11/10/84 and 10/21-11/15/84 respectively, to advise and advise and assist DTEC in preparing a handbook on rules, regulations, and disbursement procedures.

Contracting procedures Advisor: Robert L. Carroll, Contract No. 493-0309-71020 for 2 MM, to improve DTEC contracting procedures and to develop a contract manual.



ACTIVITIES PLANNED

1. NEB: ENVIRONMENT IMPROVEMENT PROJECT

- Toxicology Advisors: Proposed candidates: Kathleen Roos and George Manring accepted Terms of Reference and compensation plan suggested by NEB/DTEC. Contract negotiation between Roos/Manring and DTEC officials was completed in the U.S. second half of September. Work plan was re-scheduled to start with Roos for 4 MM in mid October, followed by Manring in February 1985 for another 5 MM.

2. DBE: CENTRAL AGRICULTURAL MARKET DEVELOPMENT

DBE/DTEC agreed to revised scope of work following DBE/USAID discussion on 5/29/84. DBE finally selected Dr. Allen B. Paul as candidate. (State 282784) Dr. Paul will be available o/a 11/1/84 for 2 months to review feasibility studies recently carried out under World Bank auspices and to advise DBE toward establishment of Commodity Exchange of Thailand.

3. CSC: MANPOWER PLANNING CENTER PHASE II

Data Base Advisor: CSC/DTEC in process of negotiation with Coopers & Lybrand Corp. to implement detailed work plan as recommended in Phase I.

4. TDRI: RESEARCH DESIGN AND PLANNING

TDRI/DTEC's request for assistance in procurement of two advisors to undertake design and planning of research activities in different development areas; i.e.; agriculture, industry, science and technology, energy, etc. and of research linkage among influence groups in public and private sector and with foreign research institutions was approved September 28, 1984.

Two experts are envisioned for 12 MM each starting January 1985. Advertisement for submissions of Expressions of Interest was announced in CBD. Last day for receipt of documents in Thailand will be October 15, 1984.

5. NESDB: BANGKOK METROPOLITAN REGIONAL STUDIES

NESDB/DTEC in process of preparing detailed work plan and scopes of work for six urban studies for Bangkok Metropolitan Regional Planning, two of which are proposed for USAID support: Urban Public Finance under EPD and Urban Housing and Urban Poor from Regional Housing and Urban Development Program funding. NESDB is seeking UNDP assistance in carrying out other studies.

The objective is to provide the RTG feasible solutions in alleviating financial and management problems of the Bangkok Region.

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B. TRAINING

<u>TRAINING COMPLETED</u>				
<u>TR. No.</u>	<u>Period</u>	<u>Location</u>	<u>No. of Participants</u>	<u>Subject</u>
02001	9/11/81-6/25/82	U.S.	DTEC (1) Ms. Wannee Chonnapasatid	Public Management Development - IPS University of Connecticut (Management of training and financial management).
02002	1/11-28/82	Third Country	STU (2) Ms. Euwadee Kanjanasthiti Mr. Smarn Ngamsnit	Attendance at Workshop on Teaching at a Distance in Jakarta.
02003	9/1/82-8/30/83	U.S.	NESDB (1) Mr. Arkom Termittayapaisith	M.S. in Development Economics at Williams College.
02004	9/1/82-5/31/84	U.S.	DTEC (1) Ms. Chittimas Hinjiranandana	Public Management Development - IPS, University of Connecticut (Management training).
02005	11/29-12/7/82	Third Country	CSC (3) Mr. Wilart Singhawisai Mr. Udom Mungkasem Mr. Walathep Sawasdi	Conference on Development of Human Resources - Interchange of Technology in Hong Kong.
12001	7/83-5/84	U.S.	NESDB (1) Ms. Wantana Tanthasri	Attended the summer program at the Economic Institute, Boulder, Colorado prior to pursuing a Masters Degree in Development Economics at Williams College.
12002	7/83-5/84	U.S.	FPO (1) Ms. Viparut Nittayanun	Attended the summer program at the Economics Institute, Boulder, Colorado prior to pursuing a Masters Degree in Development Economics at Williams College.

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<u>TR No.</u>	<u>Period</u>	<u>Location</u>	<u>No. of Participants</u>	<u>Subject</u>
12003	4/26/84-9/22/84	U.S.	DMR (1) Ms. Prakmard Suwanasing (ESD Washington 9/21/84- State 274771, 9/15/84)	Control of Toxic Substances OJT at: - Union Oil Co. (Environmental Management). - Bureau of Mines Twin Cities Research Center (Environmental Impact) - U.S. Army Corps (Coastal Engineering Research Center (offshore mining) - USEPA Industrial Environmental Research Laboratory (mining pollution control)
12006	8/22-9/23/83	Group In- Country Training	DTEC (29) (Participants from BOB, CSC, NESDB, DTEC, FPO and (OAG)	Project Management Training provided by IPS, University of Connecticut (Contract No. 71006) at Pattaya.
12007	9/4-9/7/83	Group In- Country Seminar	BOB (25)	Seminar on Program Budgeting.
	9/11-9/13/83	Group In- Country Training	NESDB	Provincial Planning Workshop.
12008	9/24-28/83	In-Country Seminar	CGD (28) (Regional and Chengwad Treasurers)	Techniques on Administration and Problem Solving.
12011	1/3-4/7/84	In-Country AIT	DTEC Ms. Chittrapa Soontornpipit	Computer Application Technology Training.
12012	4/2-24/84	Pre & In-Service	DTEC (6)	Computer Training for 18 participants. PIO/P to be amended for another 12.
12013	4/23-27/84	Third Country	DTEC (2) Ms. Kanjana Pintusarn Ms. Usama Chuenchompoo	RELC Regional Seminar on Communicative Language Teaching in Singapore.

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<u>TR No.</u>	<u>Period</u>	<u>Location</u>	<u>No. of Participants</u>	<u>Subject</u>
12014	5/7-25/84	Group In-Country	DTEC (25) (Participants from MOAC - 4, MOF - 2, DTEC - 2, BOB - 1, OAG - 9, BAAC - 2, BOT - 4, Facilitator - 1)	Development Administration Training on Performance Auditing at Pattaya, provided by IPS (Contr No. 71014) for 3 weeks.
12016	7/9-8/17/84	U.S.	PWO Dr. Savaraj Sachamarga	Attended 10th Workshop on Policy for Public Enterprise in Developing Countries at HIID for 6 weeks.
12020	8/84	In Country	CGD (34)	OJT on Systems Approach to Operational Management for middle-level administrators of the CGD for 2 weeks
-	8/3-5/84	In Country	DTEC (60) (DTEC Ltr. No. 1702/17858, 7/11/84)	Seminar on USAID Mission Procedures on Financial Management, participants from various RTG agencies and 20 participants from USAID/Thailand.
-	8/23-25/84	In Country	ISIS, Chulalongkorn University	Workshop on Economic Change and National Security in Asian Countries EPD fund used for round trip ticket of Dr. David Demoon.

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<u>TR No.</u>	<u>Period</u>	<u>Location</u>	<u>No. of Participants</u>	<u>Subject</u>
12004	-	U.S.	NEB (1) Ms. Orapin Wongchumpit (Program Re-scheduled, BANGKOK 48562, 9/27/84)	Coastal Zone Environmental Management; 5 month intern in Hawaii plus one month study tour. ESD December 1984.
12005	6/84-12/84	U.S.	NEA (1) Ms. Pacharee Nawarat	OJT on Control of Toxic Substances at Environmental Protection Agency (EPA) for 6 months, STATE 140668, 5/12/84.
12009	-	U.S./ Third Country	FPO (2) Ms. Utolwan Ms. Watcharee (STATE 099211, 4/5/84 AID/W suggested possibility at ADB - Manila)	OJT in the field of preparing and evaluating loan projects.
12010	1/84-12/84	In-Country AIT	DTEC Ms. Nongkran Compoonut	Computer Application Technology.
12015	7/84-10/84	U.S.	OAG Mr. Surin Echaroe	Attending 6th International Auditor Fellowship for 3 1/2 months. ETA Washington, D. C. 7/7/84, BANGKOK 32593, 6/28/84.
12017	8/26/84-6/85	U.S.	NESDB Mr. Suwat Wanisubut	Ph.D. in Transport and Management at Polytechnic Institute of New York at Brooklyn, under NESDB Staff Development Plan, EPD fund for one academic year up to PACD.
12018	6/84-6/85	In-Country	OAG Ms. Pornthip	MBA at graduate Institute of Business Adm. (GIBA), Chulalongkorn University.

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<u>TR No.</u>	<u>Period</u>	<u>Location</u>	<u>No. of Participants</u>	<u>Subject</u>
12019	9/21/84-5/12/85	U.S.	DTEC Ms. Malinee Intarangsri	7 months training on "Project Management Development" at IPS, University of Connecticut, plus OJT.
12021	9/5/84-6/85	U.S.	NESDB Ms. Arporn Chewakriangkrai	Ph.D. in Econometrics at Boston University under EPD funded NESDB Staff Development Plan up to PACD.
12022	8/29-12/29/84	In-Country AIT	DTEC Mrs. Chitrapa Soontornpipit Mr. Namothe Suksabjarern Ms. Voraratana Kiatanavith	15-week - training program in Computer Applications Development (PCAD).
12023	10/84-11/84	U.S./ Third Country	National Budget Improvement (BOB-8, OAG-1, CGD-2, MOP-1)	Combined Executive/Seminar Committee Study Tour, 3 groups scheduled for October and November.

TRAINING PLANNED/UNDERWAY

<u>Organization/Activity</u>	<u>Subject</u>	<u>Status</u>
1. <u>NATIONAL BUDGET IMPROVEMENT</u>	Staff Training	- ESD November/December 1984.
	Seminar on Evaluation of Implementation of Program Budgeting.	- Proposal under discussion - ESD January 1985.
2. <u>DEVELOPMENT ADMINISTRATION</u>		
<u>Overseas Training</u>		
OAG	Performance and Computer Audit	- Remaining 2 participants for 3 months ESD February 1985.
<u>Academic Training in the U.S.</u>		
DTEC	2 MA in Social Science	- Miss Narumon Eiamboonsert - M.A. in Development Economics: PIO/P in process another PIO/P pending DTEC nomination.
<u>In-Country Group Training</u>		
DTEC	Project Management	- IPS contract No. 493-0309-71017, 11/4-12/14/84, 6 weeks at Pattaya plus one week post evaluation at Chiang Mai. PIO/P in process.
DTEC	Computer Training	- PIO/P 12012 amendment, DTEC to decide on scope and participants.
CGD	Group Training	- Unidentified.
<u>Seminar</u>		
OFFP	Loan Procurement	- ESD December 1984. PIO/P in process.
TDRI	Development Research and National Development	- ESD December 1984 proposal concurred.