

UNCLASSIFIED

Annual Budget Submission

FY 1984

THAILAND

BEST AVAILABLE



June 1982

Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

USAID/THAILAND
FY 1984 ANNUAL BUDGET SUBMISSION

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FY 84 Annual Budget Submission

FOREWORD

Led by a buoyant private sector and supported by prudent monetary and fiscal policies, Thailand has sustained its impressive growth rate which has averaged over 7% real GDP over the past two decades. As Thailand moves into the ranks of dynamic middle income countries, the RTG is adopting appropriate policies to respond to new economic realities. An arduous process of industrial restructuring, encouraged and supported by the World Bank and other donors, is underway which will rationalize Thailand's productive base, better exploit inherent comparative economic advantages, and stimulate exports. Realistic energy pricing policies have been put in place and, together with promising gas and oil finds, will help lessen an unacceptable drain on the economy. Disincentives to private investment are being progressively lifted -- as in the agricultural exports trade -- and the RTG is explicitly encouraging the private sector to assume the lead role in stimulating development in important sectors of the economy. The climate for foreign investment remains excellent. The Fifth Five Year Development Plan reflects a clear policy of the Thai Government to redress urban/rural imbalances. This effectively translates into a development program which gives greater emphasis to increasing agricultural productivity and income, particularly in the rainfed areas of the Northeast.

Thai policy emphases overlap closely with new and continuing A.I.D. initiatives. The synthesis of A.I.D. and RTG policy interests has resulted in several new projects for FY 83 and FY 84:

- In conjunction with the Private Sector in Development project starting in FY 82, we propose to assist in the creation of an institutional base within the Thai science and technical community to serve the technology needs of Thai industries.
- The ongoing Emerging Problems of Development project will be augmented in FY 1983 to strengthen Thai institutional capacity to undertake macro level policy research and analyses.
- The FY 83 Rainfed Agricultural Intensification project will direct AID resources toward improving the relevance and performance of existing service programs by key agricultural agencies as well as strengthening the linkages between the research and extension networks.

These and other, continuing projects (such as NESSI, NERAD, Renewable Energy and Small Scale Hydro) provide an action-program entree into important policy arenas of the Thai Government and provide an improved institutional framework, and enhanced empirical data base, for key government policy choices in the near future. They also manifest to the RTG the scope of A.I.D.'s interest and involvement in critical aspects of economic development facing Thailand today.

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ THOUSANDS)

Country/Office: Thailand

<u>DEVELOPMENT ASSISTANCE</u>	FY 1982	FY 1983	FY 1984	<u>PLANNING PERIOD</u>		
	<u>EST.</u>	<u>EST.</u>	<u>REQUEST</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Agriculture, Rural Development & Nutrition						
Grants	4,368	10,400	5,100	5,600	8,000	7,000
Loans	16,000	13,500	16,700	17,400	27,000	32,000
Population						
Grants	2,000	900	2,900	4,000	-	3,000
Loans	2,000	2,200	4,300	-	-	-
(of which centrally procured commodities)	(760)	(1,213)	(2,105)	(2,436)	(277)	
Health						
Grants	437	-	-	-	-	-
Loans	-	-	-	-	-	-
Education						
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Selected Dev. Activities						
Grants	1,000	1,000	2,000	1,000	2,000	-
Loans	1,800	-	-	5,000	-	-
SUBTOTAL DA ACCOUNTS						
Grants	7,800	12,300	10,000	10,600	10,000	10,000
Loans	19,800	15,700	21,000	22,400	27,000	32,000
<u>Economic Support Fund</u>						
Grants	5,000	10,000	10,000	10,000	5,000	5,000
Loans	-	-	-	-	-	-
TOTAL DA AND ESF	32,600	38,000	41,000	43,000	42,000	47,000
Housing Guaranties (non-add)	-	(5,000)	(15,000)	-	(20,000)	-
TOTAL PERSONNEL (See L.O.U. section transmitted under separate cover.)						

Table I - Long Range Plan
Supporting Narrative

A. Program Budget

The FY 84 CDSS up-date and this ABS reflects the evolution of a constant but increasingly focussed program strategy. As outlined in the Table V narrative, in FY 84 we will have limited our involvement to five sub-sectors of greatest relevance to AID while providing sufficient flexibility within our strategy to respond to new policy initiatives of the Reagan Administration. We plan to initiate an average of less than two projects annually during the FY 83-87 period, and there will be no new starts in education, energy, irrigation, and health subsectors. By carefully controlling the number of new project starts in FY 84 and in the outyears, as well as prudently managing forward funding requirements, we will be able to respond to AID/W's guidance regarding future year "mortgaging", reduction in units of management, and reduction in Mission staffing. Furthermore, the program will move toward 75% loan financing during the planning period and will achieve an overall 3:1 loan/grant ratio in FY 1986. (In terms of the portfolio of new projects initiated in FY 82 and beyond, we are already meeting or exceeding this objective).

In FY 1985, all incremental funding for projects started in prior years would be completed, (as shown in Table IV) with the exception of the FY 84 Thai Institute of Science and Technology grant project. Phase II of the highly-successful PVO Co-Financing Project would be initiated in this fiscal year. FY 85 loan-funded projects under consideration at this time include support to a Thai Development Institute, a local revenue generation project and/or a follow-on to the FY 82 Private Sector in Development Project, probably focussing on the agri-business subsector.

In FY 86, we anticipate a major loan follow-on to the NERAD and RAI initiatives in the rainfed agriculture subsector, a modest grant element included for experimental or high-risk activities. The structure of our involvement will be based on reaching agreement with the RTG on specific program objectives and releasing AID funds upon the achievement of predetermined benchmarks. Because of the magnitude of such a continued rainfed effort--at the core of this Mission's strategy -- USAID would need to program the loan over two budget years, i.e. FY 86 and FY 87. This would be, as in the case of RAI, an exception to ABS guidance on non-incremental financing of loans. A small grant follow-on to the Population II project is projected in FY 1987.

ESF levels are projected through FY 85 on a straight-line basis, reflecting essentially equal annual installments supporting the RTG's Rural Poverty Eradication and Affected Thai Programs. In response to AID/W's indicative planning level (State 128621), ESF has been projected

at a \$5.0 million annual level in FY 86 and FY 87. U.S. political and security objectives in the region will require continuing examination of the appropriateness of these outyear levels.

B. Mission Staffing

(See L.O.U. Section transmitted under separate cover.)

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FY 1984 ANNUAL BUDGET SUBMISSION

		ESTIMATED U.S. DOLLAR COST (\$000)										Country/Office					
		THAILAND															
PROJECT NUMBER	PROJECT TITLES	OBLIGATION DATE		LIFE OF PROJECT COST	CON PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS		ITEM #					
		INITIAL	FINAL			EXPI.	OBL.	EXPI.	OBL.	1984 APL.	1985		1986	1987	FUTURE YEAR		
493-0270	Agriculture, Rural Development and Nutrition	L	75	76	3.7	3.7	928	-	893	-	35	-	-	-	-	-	-
493-0271	Seed Development	L	76	76	2.6	1.8	392	-	392	-	-	-	-	-	-	-	-
493-0272	Sericulture Settlements	G	77	77	.1	.1	89	-	-	-	89	-	-	-	-	-	-
493-0272	Lam Nam On On-Farm Development	L	77	77	4.5	4.0	3,456	-	1,500	-	1,156	-	-	-	-	-	1/
493-0274	Lam Nam On On-Farm Development	G	75	79	1.9	1.9	12	-	(-121)	-	-	-	-	-	-	-	-
493-0275	Transfer of Tech and Management Skills	G	75	75	.4	.4	46	-	31	-	-	-	-	-	-	-	-
493-0280	Program Development and Support	L	77	77	3.0	2.8	1,259	-	1,000	-	-	-	-	-	-	-	1/
493-0289	Agriculture Extension Outreach	G	79	80	.2	.2	173	-	66	-	36	-	-	-	-	-	-
493-0289	Land Settlements (PI)	L	79	79	4.0	4.0	4,000	-	348	-	1,500	-	-	-	-	-	-
493-0294	Land Settlements	G	80	85	10.0	10.0	4,222	-	520	-	1,940	2,500	6/85	4,100	-	-	-
493-0296	Maeng Chaem Watershed Development	G	80	84	4.0	4.0	550	763	504	1,200	1,170	1,300	6/85	-	-	-	-
	PVO Co-Financing Project																
	1/ Doubtigation actions underway 5/82.																

*Includes funding for new projects not yet identified.

FY 1984 ANNUAL BUDGET SUBMISSION

Country/Office

THAILAND

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS			ITEM #		
			INITIAL	FINAL	AUTO	PLAN		OBL	EXP	OBL	EXP	1984 AAPL	FUNDED TO MO/YR	1985		1986	1987
493-0303	Village Fish Pond Development	G	79	79	.4	.4	96	-	96	-	-	-	-	-	-	-	-
493-0304	Renewable Non-Conventional Energy Development	G	79	80	5.0	5.0	4,393	-	986	-	1,856	-	-	-	-	-	-
493-0306	Rural Off-Farm Employment	G	79	79	.5	.5	76	-	76	-	-	-	-	-	-	-	-
493-0308	NE Rainfed Agriculture Development	G	81	85	3.7	3.7	1,200	500	120	1,000	550	-	-	1,000	-	-	-
493-0308	NE Rainfed Agriculture Development	L	81	81	6.3	6.3	6,300	-	90	-	500	-	-	-	-	-	-
493-0312	Northeast Small Scale Irrigation	G	80	81	2.8	2.8	2,771	-	275	-	575	-	-	-	-	-	-
493-0312	Northeast Small Scale Irrigation	L	80	80	5.8	5.8	5,800	-	378	-	828	-	-	-	-	-	-
493-0315	Decentralized Development Management	G	81	84	3.1	3.1	1,200	500	241	600	653	-	-	800	PACD 8/85	-	-
493-0315	Decentralized Development Management	L	81	82	7.5	7.5	5,900	1,600	1,100	-	1,600	-	-	-	-	-	-
493-0317	Agriculture Planning	G	80	83	3.2	3.2	665	1,000	235	1,500	670	-	-	-	-	-	-
493-0324	Small Scale Hydro	G	82	82	-	.1	-	100	-	-	-	-	-	-	-	-	-
493-0324	Small Scale Hydro	L	82	82	-	8.0	-	8,000	470	-	2,316	-	-	-	-	-	-

FY 1984 ANNUAL BUDGET SUBMISSION

PROJECT		ESTIMATED U.S. DOLLAR COST (\$000)										THAILAND						
		OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS				ITEM #				
		INITIAL	FINAL			AUTH	PLAS	ORL	EXP	ORI	EXP	1984 AACL	1984		1985	1986	1987	FUTURE YEAR
NUMBER	TITLE	G/L																
493-0326	Seed Development II	G	82	82	.1	.1	-	100	-	25	-	-	-	-	-	-	-	-
493-0326	Seed Development II	L	82	82	6.1	6.1	-	6,100	-	2,315	-	-	-	-	-	-	-	-
493-0328	Rainfed Agriculture Intensification	G	83	84	5.0		-	-	4,500	200	500	9/87	-	-	-	-	-	-
493-0328	Rainfed Agriculture Intensification	L	83	85	34.5		-	-	13,500	500	16,700	6/87	4,300	-	-	-	-	-
493-0329	Private Sector in Development	G	82	83	3.0		-	1,400	642	850	-	-	-	-	-	-	-	-
493-0329	Private Sector in Development	L	82	82	.3		-	300	-	-	-	-	-	-	-	-	-	-
	Total for Account						43,578	20,363	9,962	23,900	18,464	21,800	8,400	-	-	-	-	-
	Grant						15,493	4,363	3,791	10,400	10,004	5,100	4,100	-	-	-	-	-
	Loans						28,035	16,000	6,171	13,500	8,460	16,700	4,300	-	-	-	-	-

Country/Office

FY 1984 ANNUAL BUDGET SUBMISSION

		ESTIMATED U.S. DOLLAR COST (\$000)										Country/Office				
		THAILAND														
NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		1984 AAPL	FUNDING TO MO/YR	FY OBLIGATIONS			ITEM #	
		INITIAL	FINAL			AUTH	PLUS	OBL	EXP			OBL	EXP	1985		1986
	Population Planning															
493-0283	Population Planning	G	75	81	6.3	6.3	3,960*	-	352	-	-	-	-	-	-	-
493-0325	Population Planning II	G	82	85	-	9.8	-	2,000	996	2,900	3/85	4,000	-	-	-	-
493-0325	Population Planning II	L	82	84	-	8.5	-	2,000	1,431	4,300	9/87	-	-	-	-	-
	Total for account						3,960	4,000	2,799	7,200		4,000	-	-	-	-
	Grants						3,960	2,000	1,348	2,900		4,000	-	-	-	-
	Loans						-	2,000	1,431	4,300		-	-	-	-	-
	* Excludes AID/W funds															
	Health															
493-0274	Transfer of Tech and Management Skills	G	75	79	1.0	1.0	4	-	(-69)	-	-	-	-	-	-	-
493-0291	Rural Primary Health Care Expansion	L	78	78	5.5	5.5	2,680	-	500	-	-	-	-	-	-	1/
493-0296	PVO Co-Financing Project	G	82	82	.4	.4	-	437	175	-	-	-	-	-	-	-

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA												Country/Office			
												THAILAND			
PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS		ITEM #		
			INITIAL	FINAL			OBL	EXP	OBL	EXP	FUNDED TO MO/YR	1985		1986	1987
	Education and Human Resources														
493-0274	Transfer of Tech and Management Skills	G	75	79	1.1 1.1	8	-	(-58)	-	-	-	-	-		
493-0295	Non-Formal Vocational Education	G	80	80	.5 .5	322	-	136	-	150	-	-	-		
493-0296	PVO Co-Financing Project	G	80	81	1.0 1.0	629	-	293	-	287	-	-	-		
493-0297	Hill Area Education	G	80	81	1.6 1.6	1,356	-	155	-	272	-	-	-		
	Total for Accounts					2,315	-	526	-	709	-	-	-		
	Grants					2,313	-	526	-	709	-	-	-		
	Loans					-	-	-	-	-	-	-	-		
	Selected Development Activities														
493-0309	Emerging Problems of Development	G	80	81	4.0 5.0	3,997	-	798	1,000	1,203	-	-	-		
493-0314	Remote Sensing for Development	G	79	79	.29 .29	259	-	159	-	78	-	-	-		
493-0329	Private Sector in Development Project	G	82	82	- 1.0	-	1,000	642	-	850	-	-	-		
493-0329	Private Sector in Development	L	82	82	- 1.8	-	1,800	300	-	500	-	-	-		

FY 1984 ANNUAL BUDGET SUBMISSION

		THAILAND														
		Country/Office														
NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPILING AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS			ITEM #			
		INITIAL	FINAL			OBL	EXP	OBL	EXP	1984 AAPT.	1985	1986		1987	FUTURE YEAR	
		G/L														
	Thai Institute for Science and Technology	G	84	86	-	-	-	-	-	-	12/85	2,000	1,000	2,000	-	-
	Total for Account				4,256	2,800	1,899	1,000	2,631	1,000	2,000	2,000	1,000	2,000	-	-
	Grants				4,256	1,000	1,599	1,000	2,131	1,000	2,000	2,000	1,000	2,000	-	-
	Loans				-	1,800	300	-	500	-	-	-	-	-	-	-
	<u>Economic Support Fund</u>															
493-0327	Economic Support Fund	G	80	88	4,000	5,000	1,000	10,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Total for Account				4,000	5,000	1,000	10,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Grants				4,000	5,000	1,000	10,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Loans				-	-	-	-	-	-	-	-	-	-	-	-
	Grand Total				63,475	32,600	20,176	38,000	31,115	23,400	27,000	27,000	23,400	27,000	27,000	27,000
	Grant				30,342	17,800	10,930	22,300	19,581	19,000	19,000	19,000	19,000	19,000	19,000	19,000
	Loan				33,153	19,800	8,546	15,700	11,534	4,300	4,300	4,300	4,300	4,300	4,300	4,300

1/ "Mortgage" from prior years only; does not include new starts in outyears.

FY 1984 ANNUAL BUDGET SUBMISSION

		THAILAND																			
		Country/Office																			
		ESTIMATED U.S. DOLLAR COST (\$000)																			
NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS			ITEM #							
			INITIAL	FINAL			INITIAL	FINAL	OBL	EXP	OBL	EXP	1984 AAPL		FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR		
493-0296	ARD & N																				
240 Sub-projects																					
	G-00-1005-00 The National 4-H Council (U), (DC)	G	81	82	492	347	67	189	-	225	-	225	-								
	G-SS-1048-00 The National 4-H Council (U)	G	81	82	148	75	73	21	-	31	-	31	-								
	493-0007-T Young Men's Christian Association (U)	G	80	80	231	128	-	128	-	-	-	-	-								
	493-9020-T Catholic Relief Services (U)	G	82	82	25	-	25	10	-	15	-	15	-								
	Catholic Relief Services (U)	G	82	82	152	-	152	50	-	102	-	102	-								
	Young Women's Christian Assoc. (I), (R)	G	82	82	75	-	75	25	-	50	-	50	-								
	The Asia Foundation/PSU (U)	G	82	83	165	-	108	30	98	75	-	75	-								
	Pearl S. Buck Foundation (U)	G	82	82	63	-	63	23	-	40	-	40	-								
	Save the Children Foundation (U)	G	83	83	805	-	200	28	331	317	-	317	-	204							
	International Human Assistance Programs (U)	G	83	84	343	-	-	-	222	115	-	115	-	121							

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TABLE IV PROJECT BUDGET DATA

PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FINDED TO MO/YR	FY OBLIGATIONS			ITEM #
	OR.	INITIAL			FINAL	ORL.	EXP.	ORL.		EXP.	1984 APL.	1985	
World Education (U)	G	83	84	-	-	-	200	125	210				
G-SS-1050-00 The Asia Foundation (U)	G	83	83	-	-	-	163	55					
TOTAL				550	763	504	1200*	1170	1300*				

*Includes funding for new projects not yet identified.

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Country/Office
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TABLE IV PROJECT BUDGET DATA

PROJECT NUMBER	TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CUM FPELLING AS OF 9/30/81	FY 1982		FY 1983		ESTIMATED U.S. DOLLAR COST (\$000)				ITEM #	
		INITIAL	FINAL			OBL	EXP	OBL	EXP	1984	1985	1986	1987		FUTURE YEAR
493-0296	Health														
	The Asia Foundation	G	82	-	437	437	100	-	250	-	-	-	-	-	-
	TOTAL					437	100	-	250						

PROJECT NARRATIVE

Project No. and Title: Thai Institute for Science and Technology
(Project No. not yet assigned)

<u>Proposed Funding:</u>	(In \$000's)	
	FY 84	LOP
Grant	\$2.0	5.0

Appropriation Account: Section 106 - SDA

Project Purpose: To provide an institutional response to Thai requirements for technology transfer and applied industrial research. This institution, currently identified as the Thai Institute for Science and Technology (TIST), will assume multiple roles, ranging from information diffusion to a more active role of adapting and improving foreign technology for local utilization.

Problem Addressed: Sound scientific and technological research and development are critical to improving Thailand's production capabilities and achieving more efficient utilization of the existing resource base. In recognition of that fact, the Fifth National Development Plan emphasizes the need for public and private sectors to raise general national productivity with emphasis on the agricultural, industrial and energy areas.

Much of Thai industry and commerce has developed over the past decades in a largely protected economic environment, with ample physical, financial and human resources upon which to draw. As Thailand embarks upon a new industrial strategy, its agricultural base and low cost labor supply will contribute to its competitive position in international trade. Another important factor, however, will be the application of more advanced technology as Thailand moves from the export of primary agricultural products to more sophisticated manufactured goods. Much of the technology transfer can be expected to be a product of the RTG efforts to increase foreign private investment. There will nevertheless be a growing need to provide a wide range of scientific and technical services through a Thai based institution of applied research and development. Medium and small scale industries which cannot afford their own R&D facilities particularly will be challenged to meet international standards of quality as well as being technologically relevant. If the RTG's industrial restructuring strategy is to succeed, these industries will need to systematically screen foreign technologies, adapt them to Thai conditions and resource endowments, and keep abreast of further development thereafter.

The application of science and technology to the industrial sector has been limited, however, due to a lack of urgency associated with the past import substitution orientation of the industrial sector. National programs are now being established by the RTG to rationalize productive

processes. As part of this endeavor, the RTG would like to establish a national center for scientific and technological development along the lines of the Korean Institute of Science and Technology. Thailand is already blessed with some quality technical institutions, including the Asian Institute of Technology - an AID supported Institute offering advanced degrees in the hard sciences. They are considering the augmentation of AIT facilities and staff in establishing the new technology center. Mention also has been made of a reinforced role for such existing institutions as TISTR (Thai Institute of Scientific and Technological Research), the National Research Council (NRC), and the Thai Industrial Standards Institute.

Proposed USAID Response: USAID/Thailand was approached by the RTG early this year with a request for technical assistance to undertake a preliminary assessment of the TIST proposal. A high-level team will be fielded by June, 1982 and will produce a concepts paper to serve as the basis for future project development. USAID contributions to TIST could include technical assistance, training, and some scientific equipment. Complementary funding for the project may be sought from other interested donors including, most notably, the Japanese Government, which has already expressed an interest.

Issues:

1. Degree of independence of TIST from the RTG.
2. Determination of sectoral focus and size of industry to be addressed by the Institute.
3. Determination whether TIST could be self-sustaining or if it will require partial subsidization.
4. Relationship between TIST and the existing Thai Institute of Scientific and Technological Research (TISTR).

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

RANK	PROGRAM ACTIVITY DESCRIPTION	PROG/ACCT/GRANT	LOAN/ GRANT	APPROP. ACCT.	Country/Office	
					Thailand	
					INCR	CUM
	<u>New and Continuing Projects</u>					
1.	493-0325 Population Planning	0	G	POP	2,900	2,900
2.	493-0325 Population Planning	0	L	POP	4,300	7,200
3.	493-0308 N.E. Rainfed Ag Dev	0	G	ARDN	-	7,200
4.	493-0328 Rainfed Ag Intensification	0	G	ARDN	500	7,700
5.	493-0328 Rainfed Ag Intensification	0	L	ARDN	16,700	24,400
6.	493-0326 Seed Developments II	0	L	ARDN	-	24,400
7.	493-0289 Land Settlements	0	G	ARDN	-	24,400
8.	493-0289 Land Settlements	0	L	ARDN	-	24,400
9.	493-0327 Private Sector in Dev	0	G	ARDN	-	24,400
10.	493-0327 Private Sector in Dev	0	L	ARDN	-	24,400
11.	493- Thai Institute of Sci/Tech	N	G	SDA	2,000	26,400
12.	493-0296 PVO Co-Financing	0	G	ARDN	1,300	27,700
13.	493- Housing Invest Guarantee	0	L	HIG	[15,000]	27,700
14.	493-0294 Mae Chaem Watershed Dev	0	G	ARDN	2,500	30,200
15.	493- ESF	0	G	ESF	10,000	40,200
16.	493-0309 Emerging Problems of Dev	0	G	SDA	-	40,200
17.	493-0317 Agricultural Planning	0	G	ARDN	-	40,200
18.	493-0315 Decentralized Dev and Mgt	0	G	ARDN	800	41,000
19.	493-0315 Decentralized Dev and Mgt	0	L	ARDN	-	41,000
20.	493-0312 N.E. Small Scale Irrigation	0	G	ARDN	-	41,000
21.	493-0312 N.E. Small Scale Irrigation	0	L	ARDN	-	41,000
22.	493-0304 Renewable Non-Con Energy	0	G	ARDN	-	41,000
23.	493-0324 Small Scale Hydro Power	0	G	ARDN	-	41,000
24.	493-0324 Small Scale Hydro Power	0	L	ARDN	-	41,000
25.	493-0291 Rural Primary Health Care	0	L	ARDN	-	41,000
26.	493-0295 Non-Formal Vocational Ed	0	G	EH	-	41,000
27.	493-0297 Hill Area Ed	0	G	EH	-	41,000

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1984 PROPOSED PROGRAM RANKING		Country/Office		Thailand		
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)	
					INCR	CUM
	<u>New and Continuing Projects</u>					
1.	493-0325 Population Planning	0	G	POP	2,900	2,900
2.	493-0325 Population Planning	0	L	POP	4,300	7,200
3.	493-0308 N.E. Rainfed Ag Dev	0	G	ARDN	-	7,200
4.	493-0328 Rainfed Ag Intensification	0	G	ARDN	500	7,700
5.	493-0328 Rainfed Ag Intensification	0	L	ARDN	16,700	24,400
6.	493-0326 Seed Development II	0	L	ARDN	-	24,400
7.	493-0289 Land Settlements	0	G	ARDN	-	24,400
8.	493-0289 Land Settlements	0	L	ARDN	-	24,400
9.	493-0327 Private Sector in Dev	0	G	ARDN	-	24,400
10.	493-0327 Private Sector in Dev	0	L	ARDN	-	24,400
11.	493- Thai Institute of Sci/Tech	N	G	SDA	2,000	26,400
12.	493-0296 PVO Co-Financing	0	G	ARDN	1,300	27,700
13.	493- Housing Invest Guarantee	0	L	HIG	[15,000	27,700
14.	493-0294 Mae Chaem Watershed Dev	0	G	ARDN	2,500	30,200
15.	493- ESF	0	G	ESF	10,000	40,200
16.	493-0309 Emerging Problems of Dev	0	G	SDA	-	40,200
17.	493-0317 Agricultural Planning	0	G	ARDN	-	40,200
18.	493-0315 Decentralized Dev and Mgt	0	G	ARDN	800	41,000
19.	493-0315 Decentralized Dev and Mgt	0	L	ARDN	-	41,000
20.	493-0312 N.E. Small Scale Irrigation	0	G	ARDN	-	41,000
21.	493-0312 N.E. Small Scale Irrigation	0	L	ARDN	-	41,000
22.	493-0304 Renewable Non-Con Energy	0	G	ARDN	-	41,000
23.	493-0324 Small Scale Hydro Power	0	G	ARDN	-	41,000
24.	493-0324 Small Scale Hydro Power	0	L	ARDN	-	41,000
25.	493-0291 Rural Primary Health Care	0	L	ARDN	-	41,000
26.	493-0295 Non-Formal Vocational Ed	0	G	EH	-	41,000
27.	493-0297 Hill Area Ed	0	G	EH	-	41,000

TABLE V

Supporting Narrative

A. Introduction

The priorities for FY 1984 funding are assigned on the basis of ranking of selected program areas. The rankings have been determined by taking into account: (a) the significance of a given program area to the accomplishment of goals set forth in the CDSS and its place in the RTG's hierarchy of development priorities, and (b) the extent to which the program areas address the administration's priority foreign assistance objectives. All new project starts in FY 84 or ongoing projects for which funding is sought in FY 84 have been screened to assess their responsiveness to AID policy concerns and, therefore, to assist in the ranking process. Factors considered include involvement of private sector in development, technological transfer, institution building, government policy reform, RTG commitment, contributions to increased productivity, economic return, equity, spread effect, and minimization of A.I.D. capital resource transfer. Additional factors taken into consideration in deciding program and, ultimately, project rankings include U.S. foreign policy objectives in Thailand, complementarities among program areas, and projected expenditure rates of incrementally financed ongoing projects.

USAID chose program ranking because it provides a rational basis for establishing project rankings. Other considerations being equal, such as project readiness, a project associated with high-ranked program area should take precedence over one placed lower in hierarchy.

B. Sector Ranking

1. Population Planning

We have assigned the highest priority to this program area in recognition of the fact that it has received a high level of RTG commitment on a continuing basis, has contributed significantly to the development of Thailand by reducing population growth from 3.0 percent to 2.0 percent within the past decade, is aimed at the RTG's foremost objective of poverty alleviation through further reducing population growth rate to 1.5 percent by 1986 (thereby reducing family size and increased average family income), and is comparatively the most cost effective program area in terms of USAID staff involvement and financial resources. The RTG places a high value on USAID assistance, and there is a close and exceptionally effective working relationship between USAID and concerned MOPH officials. Our usefulness to the RTG has been in direct proportion to our flexibility and responsiveness to changing needs and perceptions of those needs. In addition, AID is uniquely qualified,

in terms of available technical resources and experience, to respond to Thailand's future needs in population planning. Through prior AID-assisted population planning projects, innovations such as the use of paramedical personnel to deliver oral contraceptives, training of nurses to insert IUD's, and the training of traditional healers to motivate and provide family planning services were introduced. Under the Population Planning II Project, AID will support a major effort to expand and strengthen the availability of voluntary sterilization and IUD services at the district and sub-district level. For the first time, AID will incorporate two major Thai private voluntary agencies' activities into the bilateral project.

2. Rainfed Agricultural Development

This program area is at the core of USAID's strategy to accelerate economic development in Northeast Thailand the most demographically-important region in the country -- comprising one-third of the total population and 60% of Thailand's poorest districts. Low average rainfall, soil erosion, low level of technology, extremes of flooding and drought, and declining crop yields are the prime causal factors of the higher rate of absolute poverty incidence in the area.

The focus of AID's effort is to support activities which result in increased agricultural productivity and average income of farm families. The emphasis is on developing and introducing appropriate technology for rainfed agriculture and strengthening institutional capability of key departments within the Ministry of Agriculture and Cooperatives to more effectively deliver services to the dryland farmer.

This program area is also ranked high because it serves important Agency objectives such as stimulus of high productivity, attractive and direct economic return, institutional development, transfer of U.S. technologies or methodologies, redirection of Thai agricultural development policy emphasis, and equitable access to development resources throughout a broad segment of the population. It is ranked second to population planning only because of that sector's nationwide impact and because of the well-demonstrated cost efficiency of financial support to family planning.

3. Private Sector in Development

The program ranking reflects sharply-increased RTG and USG interest as well as the emergence of a clearer strategy to stimulate the U.S. and Thai private sector initiatives in support of economic development objectives.

The RTG perceives AID's private sector initiative as a direct U.S. response to Prime Minister Prem's visit to the U.S. in October, 1981. Moreover, this initiative will contribute to the technology generation and capital formation needed to fuel Thailand's economic

development over the foreseeable future without incurring major increases in debt burden.

The Government has already set up a joint private sector/public sector committee chaired by the Prime Minister to encourage greater private sector participation in meeting the country's development objectives and has established a subcommittee devoted exclusively to AID's initiative. This subcommittee is composed of some of Thailand's leading businessmen as well as representatives of key RTG agencies and is chaired by the Deputy Secretary General of the National Economic and Social Development Board. The several meetings of the subcommittee to date have resulted in a truly collaborative process for this initiative.

USAID has played a pivotal role in mobilizing USG/private sectors in support of the private sector initiative in Thailand. We have coordinated the efforts of virtually all the foreign affairs agencies in Thailand, established an ad hoc public/private sector committee in conjunction with the Embassy, Commercial Office, and Am Cham, and are the coordinators for the OPIC trade missions as well as TDP and PRE contributions to the program. AID is unquestionably seen by the RTG as the lead agency in this effort.

Our proposed means for carrying out this sectoral objective are four-pronged: i) promoting and facilitating direct domestic and foreign private investment in export, labor-intensive, and/or decentralized industries offering unique comparative advantages for U.S. and Thai businesses, ii) helping to establish the institution(s) to introduce updated scientific and technological knowledge/processes into Thai industry and commerce in order to make it more competitive in the world market, iii) utilizing the special talents of PVO's in focussed areas of rural development, and iv) providing financial and policy planning assistance to the Thai housing industry (through the HIG program).

The second component represents a blending of the science and technology development program area -- introduced in this year's CDSS update -- with the private sector emphasis, reflecting the fact that these interventions have the same target group, Thai-based industry and commerce.

The private sector development program is highly responsive to AID objectives to support greater LDC productivity, responsive and capable public/private institutions, technology transfer, and, of course, non-governmental alternatives to effecting economic development. Also, an invigorated role for the private sector in development offers substantial potential complementarity with USAID's program in rainfed development (for example, in the area of agri-business).

4. Institutionalization of RTG's Policy Formulation Capabilities

This year's CDSS introduced institutionalization of RTG policy formulation capabilities as a new component. Over the next few years, Thai decision makers will face difficult policy choices in carrying out the structural reforms necessary to improve economic performance. The World Bank and IMF facilities will provide the financial incentives to encourage positive albeit politically difficult actions. The Bank, for example, is proposing a series of Structural Adjustment Loans (SAL) of roughly \$150 million per year in return for progressive actions in a number of sectors where policy options are not clear and a broad political consensus is required. In agriculture, the SAL is directed towards a rational land use policy. In industry the SAL supports a reorientation of RTG incentive structure to promote labor-intensive, export oriented industries and deconcentration of investment away from Bangkok. In energy the SAL is concerned with appropriate pricing and taxation policies and further development of indigenous energy sources.

The problems have been defined, and the financial support mechanisms are available. A key gap which AID can effectively address with a modest investment is empirical research and analysis of these policy issues which will provide an apolitical basis for RTG review and action.

Thailand is well-endowed with the intellectual talent to undertake these studies but research is fragmented, unsustained, and not necessarily relevant to the major issues on the Thai development agenda. To overcome these deficiencies, the RTG is proposing to establish an independent Thai Development Institute with compensation levels high enough to attract quality staff and assume full-time dedication to major policy concerns. AID, drawing upon its highly successful experience with the Korean Development Institute, can play a critical role in helping the institute become an operational reality through the provision of technical assistance from a U.S. development planning institute and by financing some of the key studies directly relevant to AID's interests.

In furtherance of this objective, USAID will propose a new development planning project in FY 1985. In the meantime we plan to augment funding for the on-going Emerging Problem of Development project to assist in the planning and organizational phases of TDI.

5. Enhancement of Local Administrative Role and Capabilities in Rural Development

This is a continuing component of the FY 84 CDSS. The RTG has committed a significant level of resources to strengthen the capability of local entities to plan, develop and manage developmental programs. USAID's support to this program area is intended to support

RTG's policy to decentralize decision-making authority so as to promote local participation and leadership to organize and manage rural development programs.

The importance of this program area lies in the fact that it addresses three of AID's priority objectives of fostering government policy change, improved access of rural poor to development resources, and institutional development. This sub-sector has a high degree RTG commitment as reflected in resources it has channelled to this area. Its relatively ranking is merely an indicator of degree of emphasis placed on this area in the face of sharply-competing priorities.

6. Economic Support Fund

ESF resources offer a unique mechanism to signal U.S. concern for the political and economic stability of Thailand and the attendant economic and political burden associated with refugee flows from Laos, Kampuchea and Vietnam.

A total of \$10.0 million in FY 84 ESF funds are needed in order to further these fundamental USG objectives and to fund credible contributions to the two RTG development programs most closely associated with these objectives: a) the Affected Thai Program and b) the Rural Poverty Eradication Program. A \$10.0 million ESF contribution would continue the level of financial support programmed in FY 83, and strong commitment by the U.S. to mutual political and economic security objectives.

The Affected Thai Program (ATP) is coordinated by the Thai Supreme Command and administered in conjunction with the RTG Office of the Prime Minister and relevant line departments. At present (FY 82), the ATP operates in the Kampuchean border areas, focussing its activities on establishment or strengthening of villages' socio-economic infrastructure base to enable them to remain viable in the face of external threat, local instability, and/or the adverse impacts of refugee migrations into their areas. While the Affected Thai Program is at present limited to Kampuchean border areas, the RTG plans to expand coverage/targetting into selected Laotian border areas as well, approximately doubling the number of villages presently assisted. In this expansion, close coordination between the Rural Poverty Eradication Program and the Affected Thai Program is anticipated.

ESF would also be provided in general support to the RTG's National Rural Poverty Eradication Program (RPEP) operations in the eleven provinces bordering Laos and Kampuchea. The RPEP, funded in FY 1983 at a level of \$50 million, represents the RTG's major effort in rural development and poverty alleviation over the course of the Fifth Five Year Plan (1982-86), and corresponds closely the objectives of USAID's core CDSS strategy. Ninety-one border province districts/subdistricts of the RPEP will be specially targeted for ESF

assistance in recognition of the particular vulnerability of these areas to cross-border destabilizing factors as well as the localized adverse impact of providing first asylum to refugees from Laos and Kampuchea.

An important qualitative facet of ESF support to the Rural Poverty Eradication Program will be the fact that these additional resources will permit the RTG to accelerate new activities, try out new one on a pilot basis, and increase the development impact of some elements of the program. Furthermore, an ESF technical support fund will enhance the capacity of the RTG's National Rural Development Center to plan, administer and evaluate the overall RPEP and its individual components by financing technical assistance, training, and research. This technical support fund would permit the National Rural Development Center to a) improve the efficiency and relevance of program evaluation to assess both overall program performance and the cost-effectiveness of individual sub-projects, and b) overcome technical problems which limit the effectiveness of program components of specific interest to A.I.D.

C. Project Ranking

The project ranking in FY 1984 follows closely, with two exceptions, the sectoral ranking in the previous section. The need to continue to finance ongoing activities to meet cash flow requirements and U.S. foreign policy considerations are responsible for the two exceptions.

Population Planning II is ranked number one, as discussed earlier, because of its significance to the USAID/RTG strategy of poverty alleviation and its broad national impact on a cost effective basis.

Projects in the Rainfed Agricultural Development sector are ranked second only to population planning. Of the group, the Northeast Rainfed Agricultural Development Project is ranked highest on the basis of its ongoing (mid-implementation) status and the fact that it is the analytical and empirical underpinnings for our longer-range rainfed sector strategy. The Rainfed Agricultural Intensification Project is the accelerated geographic expansion mode of our rainfed strategy and will broadly support development of the institutional base upon which ultimate extension of NERAD's integrated farming systems approaches will rely. The Seed Development II Project, while not exclusively targetted at the development of Northeast Rainfed Agriculture, will produce or support a key input -- diversified, improved seed varieties adapted to local conditions -- to an effective rainfed agriculture modernization program. The Land Settlement Project focusses, inter alia, on the development of rainfed agriculture in selected settlement areas of the Northeast.

The Private Sector in Development (PSD), Thai Institute for Science and Technology (TIST), and PVO Co-Financing projects and Housing Investment Guarantees (HIG) are ranked in order of their relative significance to the main objectives of the private sector program area. The ongoing PSD initiative is the keystone of this sector concentration.

TIST, a new activity, is ranked next partly because of its interrelationship with PSD and partly because of its high responsiveness to the new AID policy interests. The PVO Co-Financing Project supports an array of Thai and U.S. private, non-governmental organizations who address "targets of opportunity" role through well-defined development activities to accomplish goals of the CDSS. The Housing Guarantee program is becoming an integral part of this sector as the result of increased emphasis on the utilization of the private sector to finance low-income shelter activities. This is to be largely accomplished by initiating discussions with RTG to shift financing activities from the National Housing Authority to the Government Housing Bank (GHB) and to strengthen GHB's capacity to draw and utilize funds from private capital markets.

Though they lie outside the core program areas of the USAID's development assistance strategy, the Mae Chaem Watershed Development Project and Economic Support Fund activities are incorporated at this point in the overall program ranking to signify their special contributions to U.S. foreign policy interests and because each activity has on-going incremental funding requirements (at indicated budget levels) which must be met to prevent disruption of implementation. The Mae Chaem Project provides a stabilized agricultural base to hilltribe farmers so that they can reach rice self-sufficiency thereby reducing their dependence on the growing or cultivation of opium as a means of economic livelihood. The ESF program is designed to buttress RTG support for the large refugee populations and contributes towards ensuring Thai territorial security.

The ranking of the next five projects is determined by their respective contributions to improved RTG capabilities in policy formulation -- an explicit CDSS objective. The Emerging Problems of Development Project (EPD) is ranked highest in this grouping to accommodate the planning phase of Thai Development Institute as a budget item in FY 83. (The TDI would become the subject of a new project in FY 85.) The TDI element particularly and the EPD Project in general address macro-and socio-economic policy issues in Thailand and provide an important part of the institutional (human resource) capability to plan RTG responses to policy problems. Similarly, the Agricultural Planning project is specifically designed to strengthen the policy planning capacity of the RTG in an important economic sector.

A single project -- Decentralized Development Management (DDMP) -- constitutes AID's continuing initiative in the fifth core strategy sector.

The remaining projects are fully funded and on-going. They represent the playing out of AID's involvement in sectors which no longer form the core of our program strategy. Three projects (Northeast Small Scale Irrigation, Renewable Nonconventional Energy Development, and Small Scale Hydroelectric) are designed to create a new knowledge base to facilitate RTG decisions related to the adoption of rational irrigation

and energy policies. The Rural Primary Health Care Project ranks somewhat higher than Hill Area Education and Non-Formal Vocational Education because of its complementarity with the Population Planning Project.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	MISSION FUNDS	AID/W FUNDED	UNITS	TOTAL	MISSION FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,856.2	439.2	1,417.0	25.8	1,763.8	372.7	1,391.1	24.5
P.N. DIRECT HIRE	793.8	793.8		67.1	848.4	848.4		63.4
CONTRACT PERSONNEL	133.2	133.2		XXXXX	238.2	238.2		XXXXX
HOUSING EXPENSES	433.9	433.9		23.0	406.0	406.0		23.5
OFFICE OPERATIONS	750.1	728.1	22.0	XXXXX	909.9	883.9	26.0	XXXXX
TOTAL	3,967.2	2,528.2	1,439.0	XXXXX	4,166.3	2,749.2	1,417.1	XXXXX
RECONCILIATION				XXXXX				XXXXX
MISSION ALLOWANCE				XXXXX				XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED				
	TOTAL	MISSION FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,657.3	414.5	1,242.8	22.6
F.N. DIRECT HIRE	822.6	822.6		55.5
CONTRACT PERSONNEL	269.4	269.4		XXXXX
HOUSING EXPENSES	434.7	434.7		
OFFICE OPERATIONS	934.9	906.3	28.6	XXXXX
TOTAL				XXXXX
RECONCILIATION		XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE		XXXXX	XXXXX	XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	MISSION FUNDS	AID/W FUNDED	UNITS	TOTAL	MISSION FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,575.0	387.3	1,188.7	21.6	1,576.0	387.3	1,188.7	21.6
F.N. DIRECT HIRE	807.6	807.6		55.5	822.6	822.6		55.5
CONTRACT PERSONNEL	123.9	123.9		XXXXX	269.4	269.4		XXXXX
HOUSING EXPENSES	364.9	364.9	28.6	23.0	418.1	418.1		24.0
OFFICE OPERATIONS	742.4	713.8		XXXXX	934.9	906.3	28.6	XXXXX
TOTAL	3,614.8	2,397.5	1,217.3	XXXXX	4,021.0	2,803.7	1,217.3	XXXXX
RECONCILIATION				XXXXX				XXXXX
MISSION ALLOWANCE				XXXXX				XXXXX

Operating Expense Narrative for FY 84 ABS

USAID/Thailand considers a change of 10% or more in any operating expense element as "significant". Therefore, the following table illustrates the trend of the Mission's operating expenses for the period FY 82 through FY 84. Footnotes explain the reason for the increase in costs of 10% or more in any operating expense element.

	<u>FY 1982</u>	<u>FY 1983</u>	<u>Diff</u>	<u>Per Cent</u>	<u>FY 1984</u>	<u>Diff</u>	<u>Per Cent</u>
U.S. Direct Hire	1,856.2	1,763.8	(92.4)	(5.0)	1,576.0	(187.8)	(10.7)****
F.N. Direct Hire	793.8	848.4	54.6	6.8	822.6	(25.8)	(3.0)
Contract Personnel	133.2	238.2	105.0	78.8 *	269.4	31.2	13.1 ***
Housing Expenses	433.9	406.0	(27.9)	(6.4)	418.1	12.1	2.9
Office Operations	750.1	909.9	159.8	21.3 **	934.9	25.0	2.8
<u>Total</u>	<u>3,967.2</u>	<u>4,166.3</u>	<u>199.1</u>	<u>5.0</u>	<u>4,021.0</u>	<u>(145.3)</u>	<u>3.5</u>

* Increase in cost due to the transfer from U.S. direct hire and foreign national direct hire employment status to personal service contracts.

** Increase due to (a) renegotiation of lease for USAID office (b) purchase of Mission vehicles (c) a 10% inflation factor for recurring expenses and travel costs plus an increase in persons under a non-personal service contract with the American Community Association.

*** Increase due to projected 12% pay raise for foreign national contractors with a corresponding increase in fringe benefit cost.

**** Decrease in cost due to the reduction in U.S. direct hire employees.

Table VIII(a)
ADP/WP NARRATIVE

Following the U.S. Government policy of increasing office productivity and efficiency through use of Automated Data Processing and Word Processing technology, USAID/Thailand has continued its office automation program. Based upon recommendations by A.I.D. and State Department computer analysts and Data Management Staff, the Mission procured a field up-grade package through the blanket procurement agreement between the U.S. State Department and Wang Laboratories, Inc.

The up-grade package effectively converts the Wang WP 25 Word Processing system which was installed in May 1981 into a Wang Office Information System 130 (OIS-130). The cost of this up-grade was \$23,987.

The up-grade of WP equipment to the OIS-130 system has several advantages:

A. The Missions WP memory storage capacity has been increased from 16K to 48K.

B. USAID is now in a position to utilize the Wang VS-2200 located at the U.S. Embassy (approx. 4 miles away) when adequate leased lines become available.

C. Application Improvement - After completion of the training phase and the initial 5 or 6 months of Office Information System, operations application improvements can be identified. Also, utilization of the advanced features of this system such as extensive use of glossary functions and office basic programming can be initiated. Some statistical analysis and most of Mission financial reporting requirements can also be accomplished with the OIS-130 system.

It is anticipated that USAID/Thailand will have trained 21 Thai WP/OIS operators, 6 American operators and 4 American Supervisors in various modes of WP/OIS functions by the end of July 1982. Total cost of training through the local Wang agent will be \$10,300.

During FY 83 and FY 84 USAID/Thailand plans to acquire several software packages from Wang and other missions with similar equipment in order to fully utilize the OIS-130A. The software would comprise minimum Basic Programming, Management Statistics and List Processing. Purchase and related training are budgeted at US \$7,000 in each fiscal year.

The Mission also plans to add one printer and two OIS-130A terminals in FY 1982 at a cost of approx. \$11,200.00 and two terminals plus a high speed printer in FY 83 at a cost of \$12,180.00.

USAID/T has also budgeted \$12,000.00 for possible dedicated line link-up with the U.S. Embassy owned Wang VS-2200. Although adequate

dedicated lines are not currently obtainable in Bangkok, such lines are expected to become available in the near future. Once the Mission has gained access to a computer we could immediately begin automation of the accounting operation if the pre-designed MACS system is ready for field application.