

PD-AAT-571
42450

**PROJECT PAPER
SUPPLEMENT**

AID/ASEAN REGIONAL OFFICE

**ASEAN HEALTH SCHOLARSHIPS
PROJECT**

498-0258.04

JUNE 1986

AID/ASEAN

UNCLASSIFIED

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

1

DOCUMENT CODE

3

2. COUNTRY/ENTITY

ASEAN

3. PROJECT NUMBER

498-0258.04

4. BUREAU/OFFICE

ASIA

5. PROJECT TITLE (maximum 40 characters)

ASEAN HEALTH SCHOLARSHIP PROJECT

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 08 31 86

7. ESTIMATED DATE OF OBLIGATION

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

A. Initial FY 81

B. Quarter 3

C. Final FY 86

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

A. FUNDING SOURCE	FIRST FY 1981			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	500	240	740	2500	1200	3700
(Grant)	(500)	(240)	()	(2500)	(1200)	(3700)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country						
Other Donor(s)						
TOTALS						

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) EHR	600	500		2,500		700		3,200	
(2)									
(3)									
(4)									
TOTALS				2,500		700		3,200	

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

540 560 700

11. SECONDARY PURPOSE CODE

520

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

A. Code

TECH

TECH W

BR

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To upgrade and expand the number of skilled health workers while further developing regional institutional network.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 0 4 8 5

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.)

Bridge funding is sought for TROPMED to avoid a disruption in ongoing training activity and to permit a smooth transition to the new institutional development planned for Phase 2 implementation.

17. APPROVED BY

Signature

Bruce Blackman

Title

AID/ASEAN Regional Development Officer

Date Signed

MM DD YY
 06 06 86

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

MM DD YY

ASEAN HEALTH SCHOLARSHIPS
PROJECT PAPER SUPPLEMENT

Table of Contents

- I. Summary and Rationale
- II. Background and Description
- III. Feasibility Assessment
 - A. Technical Analysis
 - B. Economic Analysis
 - C. Social Soundness Analysis
- IV. Financial Analysis and Plan
- V. Implementation Plan
 - A. Implementation Schedule
 - B. Monitoring and Evaluation

ANNEXES

- A. Summary of Mid-Project Evaluation
- B. PID Approval Cable (Phase 2)
- C. Project Authorization
- D. Statutory Checklist

I. Summary and Rationale

A. Costs

<u>AID</u>	<u>ASEAN Health Scholarships</u>	<u>Amendment for Bridge Funding</u>	<u>Total</u>
Grant	\$2,500,000	\$ 700,000	\$3,200,000
<u>ASEAN</u>			
Counterpart Support	<u>\$1,200,000</u>	<u>\$ 300,000</u>	<u>\$1,500,000</u>
Total Project Costs	<u>\$3,700,000</u>	<u>\$1,000,000</u>	<u>\$4,700,000</u>

B. Justification

ASEAN studies of health standards in the region conclude that high infant mortality rates, shortened life expectancy, and long-term debilitation are both costly in personal terms as well as a serious obstacle to further economic development.^{1/} ASEAN is committed to help its member countries improve the quality of life, recognizing health and nutrition as significant to quality of life.

In 1979, ASEAN requested US assistance with regional efforts to raise the quality and expand the number of health workers in the region. The TROPED project emerged to support regional health scholarships for courses at five active health training institutions in Indonesia, Malaysia, Thailand, Philippines and Singapore. Evaluated in mid-1985, the project is cost-effective, using the TROPED regional network to address national health priorities for manpower development.

The high demand for quality training within the region has forced TROPED to move ahead of schedule, expending project funds fully and stretching project dollars to support more scholarships. A Phase 2 effort is planned for FY 87 obligation as part of the ASEAN Human Resources Development umbrella project. (ANPAC PID Approval April 1986). Bridge funding is

^{1/} Examples include (i) Helen Hughes, Asian and Pacific Developing Economies: Performance and Issues, Asian Development Review - Vol. 3, No. 1 1985; (ii) extensive citations in Peter T. Knight, (ed.) Implementing Programs of Human Development, The World Bank, 1980; (iii) For analytic examination of collected statistics, see The World Bank Development Report 1984, reprinted as Population Change and Economic Development in 1985.

sought for TROPMED to avoid a disruption in the scholarship training activity and to permit a smooth transition to the new institutional development effort planned for Phase 2 implementation. Additional funding of \$700,000 and an extended 14 month period will allow 100 training scholarship slots to be allocated. As before, the training is of relatively short duration, with an emphasis on applied skills. TROPMED's proposal is for scholarships that can be implemented quickly since they reflect planned but unfunded priorities.

These aspects of priority and justification were recognized at the 1986 ASEAN-US Economic Dialogue Meetings in Singapore. Accordingly, the US identified and pledged \$700,000 in FY 86 Bridgefunding at the Dialogue.

Recent analyses, along with 1985 project evaluation findings, confirm the technical and socio-economic feasibility of implementing the project extension. No major obstacles are anticipated. Following approval of the additional \$700,000 and a PACD extension of 14 months, mechanisms are in place to begin implementation forthwith.

II. Background and Description

The ASEAN Committee on Social Development (COSD) is the forum where participating countries discuss alternative ways to work together to improve the health of their people. A regional framework for collaborative efforts in health and nutrition includes technical cooperation, joint policy objectives, and consideration of implementation strategies. Health manpower development is identified as a priority area. The statistics reveal an increasing diversity of health needs with both communicable and chronic diseases highly prevalent. Furthermore, the systems providing health care are becoming more complex, responding to consumer demand for higher quality care. The training of health personnel thus remains important to each of the ASEAN countries as a strategy to keep pace with new technologies and increase access to health services.

The corresponding, implicit challenge is to design and conduct training activities that are appropriate to the diverse needs within the ASEAN region. One approach is to select training in areas that have general applicability throughout ASEAN. Another approach is to work through and strengthen the capacities of existing regional education institutions. Both these approaches are part of the TROPMED project design. The TROPMED network draws and contributes to existing efforts in member countries. TROPMED sponsors faculty exchange to infuse ongoing courses with new expertise. Regional seminars, such as the recent Diarrheal Disease Workshop in Jakarta, offer a forum to bring new technologies into health practice. Furthermore, TROPMED uses a system of identifying specialized training activities at each institution that contribute to the prevention, control, and eradication of endemic diseases in the region. The aim is thus to improve the quality and increase the number of health workers in each country.

The project supports short-term technical and longer-term academic training for approximately 100 qualified individuals each year. Training courses range from 6 months to 24 months in length. The estimated cost per scholarship ranges from US \$4477 to \$5137 for diploma courses and from \$6385 to \$8379 for master degree courses.

The scholarships apply to the following regional courses:

1. University of the Philippines, Institute for Public Health, Manila
 - i. Master of Public Health - Rural Health
 - ii. Master of Science in Public Health - Health Services Research
 - iii. Master of Occupational Health
2. Mahidol University, Faculty of Tropical Medicine, Bangkok
 - i. Master of Science - Tropical Medicine and Hygiene
 - ii. Master of Science - Clinical Tropical Medicine
 - iii. Master of Public Health - Urban Health
 - iv. Diploma in Tropical Medicine and Hygiene
3. University of Indonesia, Faculty of Medicine, Jakarta
 - i. Master of Science - Applied Nutrition
 - ii. Diploma in Applied Nutrition
4. Institute of Medical Research, Kuala Lumpur
 - i. Master of Science - Medical Microbiology
 - ii. Diploma - Medical Microbiology
 - iii. Diploma - Applied Parasitology and Entomology
5. National University of Singapore
 - i. Master of Science - Occupational Medicine
 - ii. Master of Science - Public Health

These regional course offerings generally focus on basic, applied primary health care skills. Child survival technologies -- including immunizations, oral rehydration to reduce deaths due to diarrhea, and nutrition interventions - are routinely included in the core curricula. In addition, courses provide the more detailed, technical level of material required by students who are rural health worker trainers, laboratory technicians, and academic educators.

The project is administered by the Royal Thai Government (RTG) on behalf of ASEAN through Mahidol University, where the central TROPED office is located. Implementation is under the direction of a designated Governing Body of the ASEAN Scholarship Fund for Applied Tropical Medicine and Public Health. One representative from each of the participating institutions sits on the Governing Body. The functions include allocation of scholarships, guidance on the direction and nature of the courses, and resolution of related issues that arise.

The intention of a project extension is to continue the existing project with no major modifications through the 1986/7 Academic Year, while undertaking more detailed design work for a Phase 2 project to begin the 1987/8 courses.

Delays in bridge funding the project would result in considerable disruption to continuing degree students who would be caught without living allowance stipends or tuition funds. These individuals would be forced to leave their studies and return home without their degree. The magnitude of difficulty would increase at the institutional level, particularly in the Philippines where the economic crisis has forced stringent budget reductions throughout the UP system.

III. Feasibility Assessment

- A. Technical Analysis. A technical review of the scholarship activity reveals that the approach is sound, following a well-tested and straight-forward design plan. Prior experience with the Governing Body and the TROPMED network provides firm ground for endorsing the feasibility of a continuing project. The spirit of the May 1986 ASEAN-US Dialogue further assures a favorable climate for joint development cooperation.

The proposed project amendment is supported by a detailed proposal submitted to USAID. The training focus is consistent with and supports national health plan priorities. All scholarship recipients will have their government's endorsement for training. And upon their return, scholars will be using their skills for in-country service.

- B. Economic Analysis. This project is primarily concerned with human resource development in the health sector. As such, the project does not lend itself to a social profitability comparison analysis. Activities undertaken through the TROPMED regional network have been found to be cost-effective. The regional assistance approach is designed to collectively address basic health manpower gaps in the region. Furthermore, the intent is to develop solutions that are useful to each country. This approach should be less costly per beneficiary than a country by country approach.
- C. Social Soundness Analysis. Human resources development in general is one of ASEAN's most successful regional activities. Training program particularly are highly compatible with cultural values.

The primary beneficiaries of the project are the individuals who receive scholarship training. Secondary beneficiaries will be those individuals learning new skills from returning trainees. In the ASEAN region where women are well-represented in technical training programs, a large number of direct beneficiaries will be female.

IV. Financial Analysis and Plan

The additional \$700,000 will be used exclusively to fund ASEAN scholarships. Recurrent operating costs are not funded under the project. Covered costs include tuition, allowance, books, laboratory fees/supplies, health insurance, thesis support, and international travel. Projections of the existing rate of disbursements indicate that the additional funds will be fully expended before the October 1987 PACD.

Each of the TROPMED network's host country governments provides substantial support for operating, maintenance, and salary costs of the facility. Estimated marginal costs associated with the additional scholarships is \$300,000. Funds will flow through the existing system, with USAID releasing funds directly to TROPMED on a cost-reimbursement basis. The system has proven workable, providing adequate control and ease in administration.

Below is the Financial Plan and the schedule of Methods of Implementation and Financing for this project:

<u>ASEAN Health Scholarships Financial Plan (in U.S. \$000)</u>	
<u>Project Input(s)</u>	<u>Amount(s)</u>
<u>AID Grant:</u>	
Health Scholarships	\$3,197
Evaluation	<u>3</u>
Total AID Grant	<u>\$3,200</u>
<u>ASEAN Counterpart:</u>	
Support for salaries, operating, and maintenance costs of facilities	<u>\$1,500</u>
Total Project	<u>\$4,700</u>

ASEAN health Scholarship
Methods of Implementation and Financing

<u>METHOD OF IMPLEMENTATION</u>	<u>METHOD OF FINANCING</u>	<u>APPROXIMATE AMOUNT</u> (US \$000)
Health Scholarships/ Host Country Institution/ Contract	Direct Reimbursement to SEAMEO/TROPED	\$3,197
Evaluation/AID/Direct/ Contract	Direct Pay to Contractor	<u>3</u>
Total AID Grant		<u>\$3,200</u>

V. Implementation Plan

A. Implementation Schedule

The next round of scholarship selection will begin immediately in order to have the scholars in place for the June/July courses of the coming academic year.

B. Monitoring and Evaluation

The Governing Body, with a representative from each of the participating institutions, will continue to be responsible for the distribution of scholarships as well as the resolution of issues that arise during implementation.

Project management responsibility remains with the ASEAN Regional Office (ARO), based in Manila, with support from legal, controller, contracts, and procurement staff in the region. Technical assistance for project analyses and design purposes will be contracted by ARO.

Monitoring and evaluation will continue to be part of the implementation system. Primary sources of data will be follow up and tracer studies of scholarship recipients and TROPED reports.

SUMMARY OF MID-PROJECT EVALUATION

The ASEAN Health Scholarships project began in 1980 to support longer term academic training and applied technical training through the SEAMEO-TROPED consortium network of public health schools. A joint evaluation was conducted in April 1985. The more important findings and recommendations follow.

1. The ASEAN Governing Body efficiently carried out their responsibility to oversee the distribution of scholarships. Their commitment to sustain regional cooperation over more narrow national and institutional loyalties played a significant role in achieving project objectives.
2. Project staff similarly encouraged institutional linkages beyond those of the project scope as part of their commitment to the development of strong institutions in the region.
3. The ASEAN scholarships provide cost-effective training to the region's health workers. Comparative estimates for US training indicate that ASEAN training at least 60% less costly.
4. The SEAMEO-TROPED consortium continues to offer quality training that is relevant to the region's health research and health delivery systems.
5. The training is meeting a strong demand, with the applicant pool increasing. Course alumni are employed in their country of origin, generally in higher or more technical positions, serving as teachers and administrators.
6. Important elements are in place to support a Phase II of the ASEAN project. Improving health and nutrition status remains a high priority throughout the ASEAN region. The SEAMEO-TROPED Fourth Five Year Development plan identifies their priority needs in research and training. AID/ASEAN can further assist the National Centres to expand their capacities and accelerate technology transfer.
7. Consideration should be given to simplifying the nomination and approval process for the scholarships. The Ministries of Foreign Affairs in each country generally do not have systems in place to expedite review of the scholarship nominees. Some delays could be eliminated with an abbreviated approval process.

ACT: AID-6 INFO: AMB DCM AA ECON ADB CHRON/11/GG

VZCZCML0878
PP RUEHML
DE RUEHC #0663/01 1152249
ZNR UUUUU ZZH
P 252246Z APR 86
FM SECSTATE WASHDC
TO AMEMBASSY MANILA PRIORITY 3926

CHRON
LOC: 46-825
25 APR 86-2249
CN: 10033
CHRG: AID
DIST: AID

BT
UNCLAS SECTION 01 OF 02 STATE 130663-----3927-----

AIDAC RDO BLACKMAN

E.O. 12356: N/A

TAGS: N/A

UBJECT: ASEAN HUMAN RESOURCES DEVELOPMENT (HRD)
PROJECT (398-0287); PID APPROVAL CABLE

REFERENCE: PROJECT IDENTIFICATION DOCUMENT (PID)

1. THE ASIA AND NEAR EAST PROJECT ADVISORY COMMITTEE (ANPAC) REVIEWED THE PID FOR THE ASEAN HRD PROJECT ON APRIL 8, 1986. MR. J NORRIS, DAA/ANE, CHAIRED THE MEETING. DECISION WAS TO APPROVE THE PID AND HAVE MR. BLACKMAN, THE REGIONAL DEVELOPMENT OFFICER (RDO) FOR ASEAN, PREPARE AND SUBMIT FO AUTHORIZATION TO AID/W A PROJECT PAPER SUPPLEMENT FOR THE ASEAN HEALTH SCHOLARSHIPS (TROPMED) PROJECT SEPARATE FROM THE PROPOSED HRD PROJECT. DISCUSSION ON PREPARATION OF HRD PROJECT PAPER AND HEALTH SCHOLARSHIP SUPPLEMENT FOLLOWS.

2. PROGRAM MORTGAGE IN UMBRELLA PROJECT: THE ASEAN PROGRAM IS BUDGETED AT DOLLARS 3.3 MILLION IN FY-86 CONSIDERABLY BELOW THE FY-85 LEVEL OF DOLS 4.3 MILLION. LEVELS FOR FY-87 AND BEYOND ARE UNCLER DUE TO THE PROJECTED IMPACT OF GRAMM-RUDMAN ON THE BUDGET. TENTATIVELY, DOLS 3.8 MILLION IS BUDGETED FOR FY-87. DAA/ANE IS ASKING THAT RDO DETERMINE THE FINAL LIFE OF

PROJECT FUNDING LEVEL (INCLUDING THE CONTINUATION OF THE TROPMED HEALTH SCHOLARSHIPS) AFTER THE UPCOMING US/ASEAN DIALOGUE IN THE CONTEXT OF THESE REALISTIC BUDGET CONSIDERATIONS. ANPAC DID NOT SEE ANY PROBLEM IN PRINCIPLE WITH PROPOSED HRD PROJECT (I.E. UMBRELLA TRAINING CONCEPT), BUT GIVEN LEVEL OF OYB, PROJECT FUNDING LEVEL MUST BE VERY CAREFULLY ANALYZED, ESPECIALLY IN LIGHT OF US/ASEAN DIALOGUE LED BY SINGAPORE THIS YEAR AND THE POSSIBLE NEED TO CONSIDER FUNDING OF OTHER NEW PROJECTS WHICH MAY RESULT FROM THE DIALOGUE. RDO WILL HAVE TO CONSIDER THE TRADE-OFFS FOR PROPOSED PROJECT IF OTHER NEW ASEAN PROJECTS ARE TO BE SERIOUSLY CONSIDERED. NEW PROJECTS COULD MEAN STOPPING OR PARING DOWN THE HRD ACTIVITY.

3. OPERATING COSTS: THE PROJECT PROPOSES THAT AID FUNDS CONTINUE TO FINANCE RECURRING COSTS OF PLANTI AND

RECEIVED
MAR 20 7 21 AM '86

DIV	ACCT	INIT
OD		✓
Z		
FE		
RLA		
DO		
TD		
EO		
PER		
CSM		
LCM		
GSQ		
TRM		
CO		
DMD		
CCD		
ORAD		
OPHN		
DEPRWC		
RIG/A		
RIG/IT		✓
SR		✓
FINE DATE		
9-2/86 YW		

ADPC. CONSISTENT WITH AID POLICY, OPERATING COSTS SHOULD BE PHASED DOWN IN COMING YEARS. IF POSSIBLE, PLAN TO ADDRESS THIS ISSUE SHOULD BE INCLUDED IN THE PROJECT PAPER. HOWEVER, WE PLAN TO RAISE THIS ISSUE AT THE MAY 1986 DIALOGUE AND REQUEST THAT ASEAN PREPARE FOR PRESENTATION AT THE EIGHTH US/ASEAN DIALOGUE A PLAN FOR ADDRESSING RECURRING COSTS FOR PLANTI, ADPC AND OTHER INSTITUTIONS.

4. ASEAN HEALTH SCHOLARSHIPS (TROPMED) 498-0258.07: DAA/ANE ASKED THAT RDO FIRST DEVELOP PROJECT PAPER SUPPLEMENT FOR THIS ACTIVITY DURING PREPARATION OF UMBRELLA PROJECT. THE SUPPLEMENT WILL BE REVIEWED AND AUTHORIZED IN AID/W. DESIGN SHOULD PERMIT HEALTH SCHOLARSHIP ACTIVITY TO BE INSERTED INTO UMBRELLA PROJECT ONCE IT IS AUTHORIZED. DESIGN SHOULD ALSO TAKE INTO CONSIDERATION THE DISCUSSION CONTAINED IN THIS CABLE.

5. AID INITIATIVES: THE PID PROPOSES MORE OF THE TRADITIONAL ACTIVITIES (I.E. PARTICIPANT TRAINING, SCHOLARSHIPS AND RESEARCH IN THE AG. AND HEALTH FIELDS) AND DOES NOT ADDRESS, TO ANY SIGNIFICANT EXTENT, CURRENT AID POLICES OBJECTIVES.. ANPAC RECOMMENDS THAT PROJSC BE DIRECTED, AT LEAST IN PART, INTO AREAS SUCH AS HEALTH TRAINING AT MAHIDOL FOR CHILD SURVIVAL ACTIVITIES OR TRAINING PRIVATE ECTOR MANAGERS (E.G. SMALL SCALE BUSINESS TRAINING) AT PLACES LIKE AIM TO PROMOTE PRIVATE ENTERPRISE DEVELOPMENT AND HAVE PROJECT PAPER DISCUSS THE RELEVANCE OF WOMEN IN DEVELOPMENT TO THE PROJECT ACTIVITIES.

6. HOST COUNTRY TRAINING: AID HAS ALWAYS BEEN CONCERNED ABOUT THE HIGH RATIO OF ASEAN PARTICIPANTS RECEIVING AID FUNDS BEING TRAINED IN THEIR OWN COUNTRY. PROJECT PAPER SHOULD STRIKE AN EQUITABLE BALACE BETWEEN THE NUMBER OF TRAINEES FROM THE SPONSORING COUNTRY AND OTHER ASEAN COUNTRIES TAKING INTO CONSIDERATION THE ECONOMIES REALIZED BY THE NATURE OF HE TRAINING.

7. FUND ACCOUNTS: OBLIGATIONS ARE PROPOSED UNDER THE AGRICULTURE FOOD AND NUTRITION ACCOUNT, THE HEALTH ACCOUNT, AND THE SELECTED DEVELOPMENT ACTIVITIES ACCOUNT BUT NOT THE EDUCATION AND HUMAN RESOURCES ACCOUNT. DURING DESIGN, RDO SHOULD CONSIDER THE EXPECTED DECREASE OF AGRICULTURE FOOD AND NUTRITION FUNDS AND THE OBLIGATION OF APPROPRIATE EDUCATION AND HUMAN RESOURCES FUNDS DURING THE LIFE OF THE PROJECT.

8. RDO SHOULD PROCEED WITH THE SUPPLEMENT AND PROJECT PAPER PREPARATION FOR AID/W REVIEW AND AUTHORIZATION. OUR UNDERSTANDING IS THAT SUPPLEMENT WILL BE READY FOR

UNCLAS SECTION 02 OF 02 STAE 130663

FY-86 OBLIGATION AND THAT PP WILL BE READY FOR REVIEW
LATE IN THE FIRST QUARTER OF FY-87. TO DO FY-86
OBLIGATION, WE WILL NEED INFORMATION FOR CN ON ASEAN
HEALTH SCHOLARSHIPS AMENDMENT. ~~ARMACOST~~

BT
#0663

NNNN

UNCLASSIFIED

STAE 130663/02

Project Authorization

Name of Country: THAILAND
on behalf of the ASEAN
Association of South East Asian
Nations) Countries of Indonesia,
Philippines, Malaysia, Singapore
and Thailand

Name of Project:
ASEAN Health Scholarship Project
No. of Project: 498-0258

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Association of South East Asian Nations (ASEAN) Health Scholarship Project for Thailand on behalf of the ASEAN countries of Indonesia, Philippines, Malaysia, Singapore and Thailand, involving planned obligations of not to exceed \$2,500,000 in grant funds over a five-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project will provide health and nutrition training opportunities for qualified health personnel from the five ASEAN countries. Training will be in institutions located in four of the ASEAN countries (excludes Singapore). Thailand will act as the host country and the Dean of the Faculty of Tropical Medicine, Mahidol University, Bangkok, is the ASEAN Programme Coordinator for the first three years.

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

4. Source and Origin of Services:

Services financed by A.I.D. under the project shall have their source and origin in Thailand, Indonesia, the Philippines, Malaysia, Singapore or the United States, except as A.I.D. may otherwise agree in writing.

5. Waiver: A waiver to AID regulations is hereby approved to permit AID financing of international travel for participants.

Clearances

ASIA/PD, G. R. van Raalte
ASIA/TR, Thomas M. Arndt
ASIA/ISPA, William Ford
ASIA/PTB, Dennis Chandler
ASIA/DP, Robert Halligan
GC/ASIA, Herbert Morris

Date	Initials
6/19/81	[Signature]
6/18/81	T. A. [Signature]
6/16/81	W. F. [Signature]
6/17/81	DC [Signature]
[Signature]	[Signature]
11/17/81	[Signature]

Signature [Signature]
Acting Assistant Administrator
Bureau for Asia

Date 6/19/81

Scale of Project. The original ASEAN request was for a five-year activity estimated at \$2.5 million. The revised proposal to the APAC was for a two-year activity estimated at \$1.0 million. However, the APAC approved the original request, and the ASEAN Liaison Officer has confirmed with the ASEAN Program Coordinator that the project will accord with the original request.

Project Disbursements and Evaluation. The ASEAN Liaison Officer has confirmed disbursement and evaluation procedures with the ASEAN Program Coordinator. Mahidol University, ASEAN's Executive Agency, will employ its standard disbursement and evaluation procedures which have satisfied AID requirements in past projects. By approving the attached cable (TAB C), you will assure that the Grant Agreement contain a covenant stating that an evaluation take place approximately half way through the project's life.

AID Project Management. USAID/Bangkok has concurred with the ASEAN Liaison Officer that obligation and management of the project will be the responsibility of the ASEAN Liaison Officer. USAID/Bangkok will assist with any necessary back-up support but expects the ASEAN Liaison Officer to be the focus for all project-related actions. Your approval of the attached cable will formalize this arrangement. As the ASEAN Liaison Officer has not been redelegated authority to sign obligating agreements, we propose that the Ambassador or Mission Director in Bangkok be authorized to sign the obligating grant agreement.

Waiver to Finance International Travel. Under current HB 10 guidance (HB 10, 17.B), international travel is generally not eligible for AID financing unless suitable justification is presented for waiver by the AA/ASIA. The APAC reviewed the non-contributory principle for ASEAN projects, which is consistent with ASEAN's juridical status and legal inability to tax its members. Also, AID precedent exists where ASEAN participant training and support costs are 100 percent donor covered. The APAC recommendation was, therefore, to approve a waiver authorizing the AID financing of international travel. By signing the attached project authorization (TAB B), you will be confirming this APAC recommendation for waiver.

Amount of In-Country Training. Earlier guidance to the field proposed to limit financing of the in-country training (i.e., scholarships for individuals to study in their own countries) to 25% of the total scholarships made available. The APAC recommended that the 25% limit be kept to insure the "regional" nature of the activity. By approving the attached cable, you will be assuring that the grant agreement will contain a covenant on the APAC's recommendation. The final limits will be negotiated with the Grantee and made part of the Grant Agreement.

Justification to Congress. The FY 1981 revised CP for the ASEAN Regional Development activity (see Data Base, page 73), references the Health Scholarship Project. A CN, however, is required to obligate \$500,000 in FY 1981 from the Education and Human Resources Development Fund, increase the Regional Development activity's life-of-project funding and change the Activity Data Sheet to the new format. The CN is being processed.

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?

Yes

Yes

GENERAL CRITERIA FOR PROJECT

- | | |
|---|--------------------------------------|
| 1. <u>FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.</u> | 1. Congressional Presentation FY 86. |
| Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project. | |
| 2. <u>FAA Sec. 611(a)(1).</u> Prior to obligation in excess of \$500,000, 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? | 2. (a) Yes

(b) Yes |
| 3. <u>FAA Sec. 611(a)(2).</u> 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? | 3. N.A. |

4. FAA Sec. 611(b); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) 4. 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? 5. 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. 6. This is an ASEAN Project designed to promote regional cooperation and development.
7. 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. 7. (a) N.A.
(b) Yes
(c) N.A.
(d) N.A.
(e) Yes
(f) N.A.

8. 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).
8. N.A.
9. FAA Sec. 612(b), 636(h); FY 1986 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.
9. Local currency counterpart funds are used to fully support operating, maintenance and staffing salaries. These costs represent over 47% of project costs. Foreign currencies owned by the US are not available to this project.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
10. N.A.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
11. Yes
12. FY 1986 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?
12. N.A.

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests? 13. Yes
14. FAA 121(d). If a Sahel 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)? 14. N.A.
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? 15. No
16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? 16. Project intent is to use existing regional institutions and qualified individuals to the maximum extent feasible. For U.S. technical assistance or project related commodities, procurement by the implementing institutions will give special attention to the use of small and/or disadvantaged firms and institutions.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria

a. FAA Sec. 102(a), 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 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?

1.(a) Training in the use of appropriate biomedical technologies will contribute to the improvement of health conditions beyond the capital cities. Strengthening the training institutions will assure further sustainability of development progress.

(b) and (c) Both government and private sector organizations will be assisted in improving institutional capability to deliver quality services and related development functions.

(d) In the ASEAN region, where women are well-represented in technical training programs, a large number of training participants are expected to be women.

(e) Third country training and student exchange scholarship will facilitate mutually beneficial cooperation among ASEAN participants.

- b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? b. 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)? c. 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)? d. Yes
- e. 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? e. Yes

f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

f. Yes

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.

g. The project aims to build the stock of human resource capability in the sector and thus encourage institutional development. The focus on technical skills is consistent with both regional and national priorities taking into account unique capacities of each ASEAN country.

22

2. Development Assistance Project Criteria (Loans Only) 2. N.A.
- a. FAA Sec. 122(b). Information an conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.
- 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?
3. Economic Support Fund Project Criteria 3. N.A.
- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA?
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?
- c. ISDCA of 1985 Sec. 207. 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
- 24

that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

- 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?

- STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? 1. N.A.
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?? 2. N.A.
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? 3. Yes
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) 4. N.A.

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries? 5. N.A.
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? 6. N.A.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? 7. Yes.

- | | |
|--|--|
| <p>8. <u>International Air Transportation Fair Competitive Practices Act, 1974.</u> If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?</p> | <p>8. Waiver to finance International Travel was approved for project authorization. AID precedent exists where ASEAN participant training and support costs are 100 per cent donor covered.</p> |
| <p>9. <u>FY 1986 Continuing Resolution Sec. 504.</u> If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?</p> | <p>9. N.A.</p> |

B. Construction

- | | |
|---|----------------|
| <p>1. <u>FAA Sec. 601(d).</u> If capital (e.g., construction) project, will U.S. engineering and professional services be used?</p> | <p>1. N.A.</p> |
| <p>2. <u>FAA Sec. 611(c).</u> If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?</p> | <p>2. N.A.</p> |
| <p>3. <u>FAA Sec. 620(k).</u> If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?</p> | <p>3. N.A.</p> |

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? 1. N.A.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? 2. N.A.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? 3. Yes
4. Will arrangements preclude use of financing: 4. N.A.
 - a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo a. Yes.

sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

- b. FAA Sec. 483. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? b. Yes
- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? c. Yes
- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? d. Yes
- e. FAA Sec. 662. For CIA activities? e. Yes
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? f. Yes

- g. FY 1986 Continuing Resolution, Sec. 503. g. Yes
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel?
- h. FY 1986 Continuing Resolution, Sec. 505. h. Yes
To pay U.N. assessments, arrearages or dues?
- i. FY 1986 Continuing Resolution, Sec. 506. i. Yes
To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)?
- j. FY 1986 Continuing Resolution, Sec. 510. j. Yes
To finance the export of nuclear equipment, fuel, or technology?
- k. FY 1986 Continuing Resolution, Sec. 511. k. Yes
For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?
- l. FY 1986 Continuing Resolution, Sec. 516. l. Yes
To be used for publicity or propaganda purposes within U.S. not authorized by Congress?