

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1981

THAILAND

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

MAY, 1979



FY 1981 ANNUAL BUDGET SUBMISSION
FOR USAID/THAILAND

Table of Contents

	<u>Page</u>
1. Table I - Long Range Plan (Based on Thailand CDSS)	1
2. Table II - Long Range Plan (Based on AID/W, Asia Bureau Plans)	
3. Table III - Project Obligations	4
4. Table IV - Project Budget Data	8
5. Decision Package Narrative	
A. Decision Package Overview	10
B. Minimum/Current	10
C. AAPL	11
6. Table V - FY 1981 Proposed Program Ranking (AID/W Control Numbers)	14
7. Table V - FY 1981 Proposed Program Ranking (USAID High Option)	17
8. Workforce and Operating Expenses	
A. Table VI - Project Summary	20
B. Table VII - Operating Expense Funded Personnel in Positions	21
C. Operating Expense Narrative	22
D. Table VIII - Operating Expense Summary	25
E. Table IX - Personnel Position Requirements	30
F. Automatic Data Processing (ADP) Narrative	NA
G. Table VIIIA - ADP Systems Inventory	NA
9. Table X - Special Concerns	
10. FY 1981 Project Concept Papers	
A. Northeast Rainfed Agricultural Development (493-0308)	34
B. Provincial Planning and Development (493-0315)	44
C. Productive Use of Community Water Resources (493-0316)	54

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

Decision Unit: USAID/Thailand

Development Assistance	FY 1979		FY 1980		FY 1981 REQUEST		PLANNING PERIOD		
	Est.	Est.	MINIMUM/ CURRENT	AAPL	1982	1983	1984	1985	
Agriculture, Rural Dev. & Nutrition	5,000	10,542	14,500	23,500	27,000	55,000	67,000	102,000	
Grants	1,000	10,542	2,500	4,300	7,000	14,000	17,000	26,000	
Loans	4,000	-	12,000	19,200	20,000	41,000	50,000	76,000	
Population	2,700 ^{1/}	2,280 ^{2/}	1,862 ^{3/}	1,862 ^{3/}	3,000	-	3,000	3,000	
Grants	2,700	2,280	1,862	1,862	3,000	-	3,000	3,000	
Loans	-	-	-	-	-	-	-	-	
Health	4,500	-	-	-	7,000	-	15,000	-	
Grants	500	-	-	-	-	-	-	-	
Loans	4,000	-	-	-	7,000	-	15,000	-	
Education	-	1,558	542	542	-	-	-	-	
Grants	-	1,558	542	542	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
Selected Dev. Activities	-	1,120	146	4,096	3,000	5,000	-	5,000	
Grants	-	1,120	146	4,096	3,000	5,000	-	5,000	
Loans	-	-	-	-	-	-	-	-	
SUBTOTAL FUNC- TIONAL ACCOUNTS	12,200	15,500	17,050	30,000	40,000	60,000	85,000	110,000	
Grants	4,200	15,500	5,050	10,800	13,000	14,000	20,000	34,000	
Loans	8,000	-	12,000	19,200	27,000	46,000	65,000	76,000	
Other DA Accounts	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
TOTAL DA ACCOUNTS	12,200	15,500	17,050	30,000	40,000	60,000	85,000	110,000	
Grants	4,200	15,500	5,050	10,800	13,000	14,000	20,000	34,000	
Loans	8,000	-	12,000	19,200	27,000	46,000	65,000	76,000	
Sec. Support Asst.	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
TOTAL DA AND SSA	12,200	15,500	17,050	30,000	40,000	60,000	85,000	110,000	
PL 480 (non-add)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Title I (of which Title III)	-	-	-	-	-	-	-	-	
Title II	-	-	-	-	-	-	-	-	
Housing Guaranties (non-add)	(15,000)	(-)	(15,000)	(15,000)	(20,000)	(-)	(25,000)	(-)	

O/PPE 5/21/79 Notes: 1/ Includes \$522,000 for centrally funded contraceptives.
2/ Includes \$540,000 for centrally funded contraceptives.
3/ Includes \$722,000 for centrally funded contraceptives.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	FY 1981	
				MIN/CURRENT	AAPL
				DECISION UNIT USAID/Thailand	
AGRICULTURE, RURAL DEVELOPMENT & NUTRITION					
0274 Transfers of Technology & Management Skills	(G)	500	-	-	-
0289 Land Settlements (Evaluation Component)	(L)	4,000	-	-	-
0294 Highland Area Development	(G)	-	100	-	-
0303 Village Fish Ponds	(G)	-	5,000	-	-
0304 Renewable Nonconventional Energy Development	(G)	-	442	-	-
0306 Rural Off-Farm Employment Development	(G)	500	5,000	-	-
0308 NE Rainfed Agricultural Development	(G)	-	-	2,500	2,500
0312 NE Small-Scale Irrigation Development	(L)	-	-	7,000	7,000
0315 Provincial Planning and Development	(L)	-	-	5,000	5,000
	(G)	-	-	-	1,800
	(L)	-	-	-	7,200
POPULATION		<u>2,700</u>	<u>2,280</u>	<u>1,862</u>	<u>1,862</u>
0283 Population Planning	(G)	2,700 ^{1/}	2,280 ^{2/}	1,862 ^{3/}	1,862 ^{3/}
HEALTH					
0305 Malaria & Vector Control	(G)	<u>4,500</u>	-	-	-
	(G)	500	-	-	-
	(L)	4,000	-	-	-
EDUCATION		-	<u>1,558</u>	<u>542</u>	<u>542</u>
0295 Non-Formal Vocational Education	(G)	-	500	-	-
0297 Hill Area Education	(G)	-	1,058	542	542
NOTES					
1/ Includes \$522,000 for centrally funded contraceptives.					
2/ Includes \$540,000 for centrally funded contraceptives.					
3/ Includes \$722,000 for centrally funded contraceptives.					

AND 1330-12 (3-79)
 O/PPE 5/7/79
 3/ Includes \$722,000 for centrally funded contraceptives.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	I/G	FY 1979	FY 1980	DECISION UNIT	
				FY 1981 MIN/CURRENT	USAID/Thailand AAPL
SELECTED DEVELOPMENT ACTIVITIES					
0296 PVO/OPG Co-Finance Development	(G)	-	1,120	146	4,096
0309 Emerging Problems Development	(G)	-	820	146	1,200 2,896
SUBTOTAL FUNCTIONAL ACCOUNTING		12,200	15,500	292	30,000
OTHER PROGRAMS					
Grants		4,200	15,500	5,050	10,800
Loans		8,000	-	0	19,200
SECURITY SUPPORTING ACTIVITIES					
Grants		-	-	-	-
Loans		-	-	-	-
TOTAL DA AND SSA		12,200	15,500	17,050	30,000
Grants		4,200	15,500	5,050	10,800
Loans		8,000	-	12,000	19,200

AID 1330-12 (3-79)
 O/PPE 5/7/79

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION AGENCY
 FY 1979 - FY 1981

USAD/Thailand

EXPLANATORY ANNEX TO TABLE III

Project No.	Change (+ or -) (\$000)	Explanation of Change in FY 1980 Funding Level
<u>Agriculture Rural Development and Nutrition</u>		
0274	None	
0289	+100	Added evaluation grant component.
0294	None	
0303	-	1979 Shelf project - not shown in 1980 CP.
0304	-	Not shown in 1980 CP.
0306	-500	Shown as FY 80 project - but funded in FY 79.
0308	-	Not shown in 1980 CP.
0312	-	Not shown in 1980 CP.
0315	-	Not shown in 1980 CP.

Population

0283 None

Health

0305 None

Education

0295 +500

0297 -542

Shown as FY 79 project - but rescheduled for FY 80.
 Project incrementally funded to accommodate new priority projects.

Selected Development Activities

0296 None

0309 None

O/PPE 5/7/79

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TABLE IV PROJECT BUDGET DATA

ESTIMATE IN U.S. DOLLAR COST (\$000)

USAID/Thailand

DDIGION UNIT

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/78	FY 1979		FY 1980		FY 1981 APPL OBLIG.	FORWARD FUNDED TO (MO/YY)	FUTURE YEAR OBLIGATIONS	
			INITIAL	FINAL			OBLIG.	EXPEND.	CUM. PIPELINE	OBLIG.			EXPEND.	FY 1982
0274	AGRICULTURE, RURAL DEVELOPMENT & NUTRITION	(G)	FY 1976	FY 1979	-	2,705	5,000	2,269	10,542	2,952	13,026	23,500	-	-
0289	Transfers of Technology & Management Skills	(L)	FY 1979	FY 1980	1981	2,705	500	1,902	-	1,303	-	9/81	-	-
0294	Land Settlements	(G)	FY 1980	-	1982	-	4,000	200	-	505	3,295	9/83	-	-
0303	(Evaluation Component)	(G)	FY 1980	-	1981	-	-	-	100	100	-	9/83	-	-
0304	Highland Area Development	(G)	FY 1980	-	1981	-	-	-	5,000	313	4,687	1/83	-	-
0306	Village Fish Ponds	(G)	FY 1980	-	-	-	-	-	442	148	294	9/80	-	-
0308	Renewable Nonconventional Energy Development	(G)	FY 1980	-	-	-	-	-	5,000	250	4,750	9/84	-	-
0312	Rural Off-Farm Employment	(G)	FY 1979	-	1981	-	500	167	-	333	-	12/80	-	-
0315	NE Rainfed Agricultural Development	(L)	FY 1981	-	1983	-	-	-	-	-	-	1/84	-	-
0315	ment	(L)	FY 1981	-	-	-	-	-	-	-	-	1/84	-	-
0315	NE Small-Scale Irrigation Development	(L)	FY 1980	-	1982	-	-	-	-	-	-	1/83	-	-
0315	Provincial Planning & Development	(G)	FY 1981	-	-	-	-	-	-	-	-	10/84	-	-
0315	ment	(L)	FY 1981	-	-	-	-	-	-	-	-	10/84	-	-
0283	POPULATION	(G)	FY 1976	FY 1981	FY 1981	3,171	2,700	2,327	2,280	1,498	4,326	1,862	-	-
0283	Population Planning	(G)	FY 1976	FY 1981	FY 1981	3,171	2,700	2,327	2,280	1,498	4,326	1,862	9/83	-
0305	HEALTH	(G)	FY 1979	-	-	-	4,500	188	-	563	3,749	-	-	-
0305	Malaria & Vector Control	(L)	FY 1979	-	-	-	500	21	-	63	416	-	9/84	-
0295	EDUCATION	(G)	FY 1980	-	1982	-	4,000	167	-	500	3,333	-	9/84	-
0297	Non-Formal Vocational Education	(G)	FY 1980	-	1982	-	-	-	1,558	935	623	542	-	-
0297	Hill Area Education	(G)	FY 1980	-	1982	-	-	-	500	300	200	542	12/81	-
0297		(G)	FY 1980	-	1982	-	-	-	1,058	635	423	542	12/81	-

AID 1330-8 (S 75) Notes: 1/ Includes \$522,000 for centrally funded contraceptives.
 2/ Includes \$560,600 for centrally funded contraceptives.
 3/ Includes \$755,000 for centrally funded contraceptives.
 O/PPE. 5/21/79

TABLE IV. PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TYPE	OBLIGATION DATE	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/78	ESTIMATED U.S. DOLLAR COST (\$000)						FY 1981 AAPL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
					FY 1979		FY 1980		FY 1981				FY 1982	FY 1983 & BEYOND
					OBLIG.	EXPEND.	CUM. PIPELINE	OBLIG.	EXPEND.	CUM. PIPELINE				
	SELECTED DEVELOPMENT ACTIVITIES													
0296	IWO/OFG Co-financing	(G) FY 1980	FY 1984	-	-	-	1,120	294	826	4,096	12/83	1,484	2,300	
0309	Emerging Problems of Development	(G) FY 1980	FY 1982	-	-	-	300	19	281	1,200	9/81	1,200	2,300	
	SUBTOTAL FUNCTIONAL ACCOUNTS			5,876	4,784	13,292	15,500	6,242	22,550	30,000				
	Grants			5,876	4,417	5,659	15,500	5,237	15,922	10,800				
	Loans			-	367	7,633	-	1,005	6,628	19,200				
	OTHER PROGRAMS			-	-	-	-	-	-	-				
	Grants			-	-	-	-	-	-	-				
	Loans			-	-	-	-	-	-	-				
	TOTAL ALL DA APPROPRIATION ACCOUNTS			5,876	4,784	13,292	15,500	6,242	22,550	30,000		1,484	2,300	
	Grants			5,876	4,417	5,659	15,500	5,237	15,922	10,800		1,484	2,300	
	Loans			-	367	7,633	-	1,005	6,628	19,200		-	-	
	SECURITY SUPPORTING ASSISTANCE			-	-	-	-	-	-	-				
	Grants			-	-	-	-	-	-	-				
	Loans			-	-	-	-	-	-	-				
	TOTAL DA AND SSA			5,876	4,784	13,292	15,500	6,242	22,550	30,000		1,484	2,300	
	Grants			5,876	4,417	5,659	15,500	5,237	15,922	10,800		1,484	2,300	
	Loans			-	367	7,633	-	1,005	6,628	19,200		-	-	

AID 1330.8 (3-79)
O/PPE, 5/21/79

DECISION UNIT
USAID/Thailand

Decision Package Overview

In preparing the decision packages for the FY 1981 ABS, USAID frankly was frustrated by the arbitrary and unrealistic nature of the budget levels provided by AID/W. During the Thai CDSS review, AID/W explicitly recognized that, compared to all other AID-recipient countries in Asia, there is a greater gap between the development needs of Thailand and AID resources that have been provided thus far to address these needs. Yet the Minimum/Current and, we submit, even the AAPL figures continue to be linked to historically determined AID levels and implicitly assume that previous budget allocations were in line with the development needs of Thailand. Furthermore, because of budget cuts in FY 79 and FY 80, we enter into the FY 81 budget cycle with a substantial portion of the proposed funds (approximately half of the funds at the minimum level) "mortgaged" to past commitments which have yet to be fulfilled.

We are, nevertheless, hopeful that the Agency will be able to find additional resources in FYs 79 and 80 which will then free up the funds essential to the effective implementation of the CDSS strategy. Consequently, while we have adhered throughout the ABS to the control numbers provided by AID/W, we have prepared a separate Table V predicated upon informal encouragement we have received from the Asia Bureau that additional resources will be made available in FYs 79 and 80. If this assumption proves valid, we believe that an important contribution can be made to Thai development priorities and to AID development strategy.

Minimum/Current Decision Package

\$ 17.1 million

The major objectives of the Mission's strategy, as articulated in the CDSS, are (1) to support an increase in RTG development resources and services to economically depressed areas, particularly in the rainfed agricultural areas of the Northeast where 51 percent of Thailand's absolute poor reside; and (2) to enhance the active involvement of the rural population in decisions and actions affecting their lives.

In formulating a project portfolio to support these objectives, we are proposing to participate in an area development approach with several key line agencies of the RTG to increase agriculturally-based income opportunities in the Northeast while simultaneously strengthening the capabilities of provincial and local administrative mechanisms

to plan and implement rural development programs. These goals are complementary and, to an important extent, mutually interdependent. The success and growth of the area development concept requires increasing and more effective involvement of provincial and local authorities in coordinating programs of the national level agencies and relating these activities to identified needs and self-help efforts of the community.

Given this synergistic relationship, the pressing sense of urgency of the RTG to carry out these programs and the complexities associated with them, the cornerstone of the Mission's strategy is to begin a substantial effort in rainfed agricultural development and provincial planning by FY 81 at the latest. To defer these projects beyond that date would place into serious question AID's ability and commitment to respond to RTG's pressing development needs. The Minimum/Current Decision Package does not provide the resources to carry out these programs.

An alternative strategy would be to defer the small-scale irrigation development project until FY 82. This project, which was "approved in principle" in early 1978, was already deferred from FY 80 to FY 81 because of AID's inability to provide financial resources. A further delay would seriously undermine AID's credibility with the RTG and make it difficult to interact with the Ministry of Agriculture and Cooperatives in addressing problems of rainfed agriculture.

AAPL Decision Package

\$ 30.0 million

As stated above and in greater detail in the CDSS and in the enclosed concept papers, the AAPL, which will allow AID to participate in rainfed agricultural development and in provincial planning, should be considered an initial investment in a sustained effort over the next five years to assist the RTG address the two most strategic and complex Thai development issues of the Eighties.

Unless the AAPL is raised or additional funds become available in FYs '79 and/or '80, we will be unable to fund USAID's third priority program intervention - to assist the RTG in the more productive use of its community water resources. Although of secondary importance from a strategic perspective, this project will have an immediate beneficial impact on the income and nutritional needs of Thai villagers living in non-irrigable areas by optimizing the development and use of supplementary water resources at the community

level. It also responds to what is perceived and articulated by the Thai as the most important need of the rural population.

Staffing Implications

As stated in the CDSS, we believe it would be possible to formulate and manage the FY 81 project portfolio with a relatively modest increase in U.S. direct-hire staff resources and no further increases in foreign national personnel. The increase which we are seeking of up to four direct-hire personnel (2 in FY 80 and 2 in FY 81), are, with the exception of the Assistant Director Position, explicitly related to project management requirements for the expanded assistance program projected over those two years. Over the FYs 80-81 period, however, we are faced with an active portfolio of some 50 bilateral and centrally-funded activities in various stages of implementation and with designing nine other bilateral projects. Looking beyond FY 81, we anticipate that the necessity for further staff increases will be minimized by a sharp decline in the number of peripheral activities for which USAID will have management responsibilities and by a Mission strategy which will emphasize fewer projects with higher dollar values. For example, in FY 82 we anticipate that the number of AID activities (both bilateral and centrally-funded) will be cut in half. At the same time, we anticipate that the projects we will be undertaking will have a dollar value almost twice the size of those we will start this fiscal year.

We believe that we can achieve further economies of staff at little cost to AID by substantially increasing the use of other U.S. agencies in Thailand, particularly the Peace Corps, in the monitoring and implementation of these activities. USAID and Peace Corps are currently engaged in discussions which hopefully will lead to the assignment of some 22 Peace Corps volunteers to help in the Land Settlements Project. We anticipate that a similar cooperative relationship can also be arranged with respect to the community water resources project. Similarly, the Armed Forces Research Institute for Medical Science (AFRIMS) has agreed to give USAID technical advice and assistance in the implementation of its malaria and vector control program. We also hope to place increasing reliance on Thai private and academic institutions wherever possible and appropriate.

Further economies of staff are constrained by the institutional and administrative deficiencies within the Thai developmental bureaucracies. While we have sought

to adhere to the spirit of the collaborative style in our development assistance relationships, the nature of the Thai bureaucracy, the tremendous burden placed on it, and the complexities of AID project procedures demand a far more activist role on the part of the USAID Mission.

The Ambassador is reserving his consideration of any MODE increases for USAID until such time as there is a clearer indication of a substantial increase in the AID program.

NOTE: The above discussion does not include consideration of the establishment of a two-person regional housing office in Bangkok.

O/PPE, 5/22/79

Bureau Code: AID/FY CONTROL NUMBERS
 Division Code: Division Code

TABLE V - FY 1981 PROPOSED PROGRAM RANKING		USAID/Thailand						
RANK	DECISION PACKAGES/PROGRAM ACTIVITY	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	<u>DECISION PACKAGE MINIMUM/CURRENT</u>							
	<u>Terminated and Ongoing USAID Projects with Pipeline*</u>							
	493-0249 Program Development and Support	T	G	(ALL)	(14)	(14)		
	493-0251 Private Voluntary Organization	T	G	SD	(92)	(106)		
	493-0270 Seed Development	T	L	FN	(824)	(930)		
	493-0271 Sericulture Settlements	T	L	FN	(510)	(1,440)		
	493-0272 Lam Nam Oon On-Farm Development	T	L	FN	(1,370)	(2,810)		
	493-0275 Program Development & Support	O	G	(ALL)	(28)	(2,838)		
	493-0280 Agriculture Extension Outreach	T	L	FN	(1,944)	(4,782)		
	493-0283 Population Planning	O	G	FN	(4,326)	(9,108)		
	493-0289 Land Settlements	T	L	FN	(3,200)	(12,308)		
	(Evaluation Component)				(95)	(12,403)		
	493-0291 Rural Primary Health	T	L	HE	(2,055)	(14,458)		
	493-0294 Highland Area Development	T	G	FN	(4,687)	(19,145)		
	493-0295 Non-Formal Vocational Education	T	G	EH	(200)	(19,345)		
	493-0296 PVO-OPG Co-Financing	O	G	SD	(281)	(19,626)		
	493-0297 Hill Area Education	O	G	EH	(423)	(20,049)		
	493-0303 Village Fish Pond Development	T	G	FN	(294)	(20,313)		
	493-0304 Renewable Nonconventional Energy Development				(4,750)	(25,093)		
	493-0305 Malaria & Vector Control	T	G	HE	(416)	(25,509)		
	493-0309 Emerging Problems of Development	T	L	HE	(3,333)	(28,842)		
		O	G	SD	(545)	(29,387)		

*/ Unliquidated balance as of 9/30/80.

AJD 1330-9 (3-79)

O/PPE 5/18/79

DECISION UNIT

USAID/Thailand

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	<u>DECISION PACKAGE MINIMUM/CURRENT (CONT.)</u>							
	<u>Terminated Regional Economic Development USAID Projects with Pipeline/</u>							
	498-0198 Regional Education Development	T	G	EH	(82)	(29,469)		
	498-0246 Regional Scholarship Program	T	G	EH	(38)	(29,507)		
	<u>Basic Workforce for Terminating and Ongoing USAID and RED Projects</u>					(29,507)	27	71
	<u>New and Ongoing USAID Projects</u>							
1.	493-0283 Population Planning ^{2/}	O	G	PN	1,862 ³	1,862		
2.	493-0308 NE Rainfed Agricultural Development	N	G	FM	2,500	4,362		
3.	493-0312 NE Small Scale Irrigation Development	N	L	FM	7,000	11,362	1	28
4.	493-0309 Emerging Problems of Development	N	L	FM	5,000	16,362		
5.	493-0297 Hill Area Education	O	G	SD	146	16,508		
6.	493-0284 Housing Investment Guaranty	O	G	EH	542	17,050		
	<u>Basic Workforce for New and Ongoing Projects</u>				(15,000)	17,050	1	28
	<u>Total Workforce for Minimum/Current Decision Package</u>				17,050	(29,507)	28	71

NOTES

- 1/ Unliquidated balance as of 9/30/80.
- 2/ Approved PP as of 5/7/79.
- 3/ Includes \$722,000 for centrally funded contraceptives.

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	USAID/Thailand					
					PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)			
					INCF	CUM	INCR	CUM	INCR	CUM
	<u>DECISION PACKAGE AAPL</u>									
7.	493-0296 PVO Co-Financing Project	O	G	SD	1,200	18,250				
8.	493-0315 Provincial Planning and Development	N	G	FN	1,800	20,050	1	29		
	ment	N	L	FN	7,200	27,250				
9.	493-0309 Emerging Problems of Development (Additional Increment)	O	G	SD	2,750	30,000				
	<u>Total Workforce for AAPL DECISION PACKAGE</u>				<u>12,950</u>	<u>-</u>	<u>1</u>	<u>29</u>	<u>-</u>	<u>71</u>

USAID HIGH OPTION

Bureau Code: Division Code:

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONCL.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)			
					INR	CUM	INCR	CUM	INCR	CUM
<u>DECISION PACKAGE MINIMUM/CURRENT</u>										
<u>Terminated and Ongoing USAID Projects with Pipeline*</u>										
493-0249	Program Development and Support	T	G	(ALL)	(14)	(14)				
493-0251	Private Voluntary Organization	T	G	SD	(92)	(106)				
493-0270	Seed Development	T	L	FN	(824)	(930)				
493-0271	Sericulture Settlements	T	L	FN	(510)	(1,440)				
493-0272	Lam Nam Oon On-Farm Development	T	L	FN	(1,370)	(2,810)				
493-0275	Program Development & Support	O	G	(ALL)	(28)	(2,838)				
493-0280	Agriculture Extension Outreach	T	L	FN	(1,944)	(4,782)				
493-0283	Population Planning	O	G	PN	(4,326)	(9,108)				
493-0289	Land Settlements	T	L	FN	(3,200)	(12,308)				
	(Evaluation Component)	T	G	FN	(80)	(12,388)				
493-0291	Rural Primary Health	T	L	RE	(2,055)	(14,443)				
493-0294	Highland Area Development	T	G	FN	(4,687)	(19,130)				
493-0295	Non-Formal Vocational Education	T	G	HE	(200)	(19,330)				
493-0296	PVO-OPG Co-Financing Project	O	G	SD	(938)	(20,268)				
493-0297	Hill Area Education	O	G	EH	(700)	(20,968)				
493-0304	Renewable Nonconventional Energy Development									
493-0305	Malaria & Vector Control	T	G	FN	(4,167)	(25,135)				
493-0309	Emerging Problems of Development	T	G	HE	(416)	(25,551)				
493-0312	NE Small Scale Irrigation Development	T	L	HE	(3,333)	(28,884)				
493-0314	Remote Sensing for Development	O	G	SD	(1,747)	(30,631)				
493-0315	Provincial Planning & Development I	T	L	FN	(4,688)	(35,319)				
493-0317	Agricultural Planning	T	G	SD	(50)	(35,369)				
493-0318	Water Resource Studies	T	G	FN	(400)	(35,769)				
		T	G	FN	(1,200)	(36,969)				
		T	G	FN	(400)	(37,369)				

*/ Unliquidated balance as of 9/30/80.

USAID HIGH OPTION

Bureau Code: Decision Code:

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

DECISION UNIT

USAID/Thailand

RANK	DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)		
					INCR	CUM	INCR	USDH	INCR
	<u>DECISION PACKAGE AAPL</u>								
	493-0309 Emerging Problems of Development	0	G	SD	(-750)*	21,800			
	493-0316 Productive Uses of Community Water Resources	N	G	FN	2,000	23,800	1	29	-
		N	L	FN	6,000	29,800			
	493-0296 PVO-OPG Co-Financing Project	0	G	SD	200	30,000			
	<u>Total Workforce for AAPL Decision Package</u>				<u>7,450</u>	<u>-</u>	<u>1</u>	<u>29</u>	<u>71</u>

*/ Under this High Option AAPL Decision Package, USAID would reduce the funding of this project in order to fully fund the Productive Uses of Community Water Resources Project in FY 1981.

TABLE VI
PROJECT SUMMARY

Decision Unit: USAID/Thailand

NUMBER OF PROJECTS

	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM/ CURRENT	FY 81 AAPL
Implementation at Beginning of Year	11	12	8	12	17	18
Moving from Design to Implementation During Year	0	3	4	8	2	3
Design for Future Year Implementation	6	10	12	7	6	5
SUBTOTAL ▲	17	25	24	27	24	26
* Number of Non-Project Activities	13	22	36	27	19	19
TOTAL ▲	30	47	60	54	43	45

NUMBER OF PROJECTS MOVING FROM
DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM/ CURRENT	AAPL
Less than \$1 Million		2	2	3		
\$1 To \$5 Million			2	4	1	1
\$5 To \$15 Million		1		1	1	2
\$15 To \$25 Million						
More Than \$25 Million						

AID 1510-6 (3-79) * USAID has defined this as non-bilateral project activities. Included in the totals for each year are regionally and centrally funded projects which require a measurable amount of USAID staff monitoring time. The only exceptions to the above are the HIG for FY 80 and 81 and the Regional PVO activities for FY 77, 78 and 79; we have included these activities in the bilateral project tabulation because they involve as much staff time as bilateral projects. O/PPE, 5/17/79

TABLE VII OPERATING EXPENSE FUNDED PERSONNEL IN POSITIONS USAID/Thailand

FUNCTIONS	FY 77			FY 78			FY 79			FY 80		
	USDH	FNDH	US CONT	USDH	FNDH	US CONT	USDH	FNDH	US CONT	USDH	FNDH	US CONT
Executive Direction	2	-	-	2	-	-	2	-	-	3 ^{1/2}	-	-
Program Planning	4	5	-	3	3	-	4 ^{1/2}	3	-	4	3	-
Project Design	8	19	1	9	18	1	7	14	-	5	6	-
Project Implementation	2	16	-	2	15	-	2	15	-	9 ^{5/7}	17	-
Financial Management	2	32	-	1	29	-	2	29	-	2	14	-
Mission Support	-	-	-	-	-	-	2 ^{1/2}	2 ^{1/2}	-	2	2	-
Non-Mission Specific	-	-	-	-	-	-	2 ^{1/2}	2 ^{1/2}	-	2	2	-
TOTAL	18	72	1	19	69	1	25	71	-	27	71	2
PLUS: PASA's (O.E. & Program)	4	-	-	2	-	-	-	-	-	-	-	-
LESS: JAO Details	-	-	-	-	-	-	-	-	-	-	-	-
MODE Requested	19	65	-	25	71	69	25	71	23	27	71	2
									Approved MODE			

FUNCTIONS	FY 81 AAPL			FY 81 MINIMUM / CURRENT		
	USDH	FNDH	US CONT	USDH	FNDH	US CONT
Executive Direction	3	-	-	3	-	-
Program Planning	4	3	-	4	3	-
Project Design	4	3	-	4	3	-
Project Implementation	12 ^{7/7}	20	-	11 ^{6/7}	20	-
Financial Management	2	14	-	2	14	-
Mission Support	2	29	-	2	29	-
Non-Mission Specific	2	2	-	2	2	-
TOTAL	29	71	-	28	71	-
PLUS: PASA's (O.E. & Program)	-	-	-	-	-	-
LESS: JAO Details	-	-	-	-	-	-
MODE Requested	29	71	-	28	71	-

NOTES

- 1/ Includes 2 Regional Housing Advisors.
- 2/ Includes 1 Regional Housing Secretary, 1 FNDH USAID Liaison Officer in Singapore.
- 3/ Includes 1 additional Engineer.
- 4/ Includes 1 Assistant Director.
- 5/ Includes 1 additional Agricultural/Rural Development Officer.
- 6/ Includes 1 additional Agricultural/Rural Development Officer.
- 7/ Includes 1 additional Agricultural/Rural Development Officer.

FY 1981 ABS
OPERATING EXPENSE BUDGET

NARRATIVE SUMMARY

The following narrative summary is provided in response to, and conforms with, the format outlined in para. 6 of STATE 099264.

- A. The significant increases in the FY 1980 Operating Expense budget over the FY 1979 budget, and to a certain extent the FY 1981 budget over the FY 1980 budget, can be attributed to four principle factors:
- (1) Increase in the USDH staff. Although the staffing level is only increased by 2, projected work years are increased by almost 4.
 - (2) Thailand's current inflation rate of approximately 10 percent is a major factor in the FY 1980 increase. Further, the rate is expected to continue at the level for the foreseeable future. The modest increase reflected in the FY 1981 over the FY 1980 budget, aside from anticipated USDH salary increases projected at five percent over FY 1980, can be largely attributed to expected cost escalation due to inflation.
 - (3) The transfer the funding responsibility for all program related international travel to the USAIDs has a significant impact on our 1980 and 1981 budgets estimates. We estimate our FY 1980 budget requirement for travel of AID/W personnel at \$82,000.
 - (4) Insufficient FY 1979 funding for non-expendible property procurement. While we continue to expect some increase for this year, this presentation uses the current year's approved level which has practically forced elimination of our non-expendible property procurement plan. Unless a requested increase in FY 1979 is provided, all required non-expendible property procurement, worth approximately \$100,000, will be included in FY 1980 as reflected in this submission. Any increased amounts provided in FY 1979 will reduce the FY 1980 budget request.
- B. Impact of inflation (See A. above).
- C. Trust Funds. USAID Thailand has no Trust Funds available.

- D. USAID Thailand has felt no adverse effect, so far, concerning the PSC limitation, but its impact on USAID's flexibility should be obvious. The international travel limitations, however, are proving a burden. USAID has already had to curtail some international travel in connection with the implementation of its regional program responsibilities. Further, painful decisions have had to be made with regard to a major portion of training requests which require international travel.

The transfer of OE funding authority from AID/W to USAIDs for international travel of most Washington-based personnel to the field should provide USAIDs additional options in obtaining personnel needed to support their programs. It should also result in somewhat less travel worldwide. The detailed schedule of operational travel in the particular format requested in the supplemental guidance cable is, however, somewhat subjective. While we have provided the estimates in the format requested, we assume AID/W recognizes that the identification of specific travelers, and source and purpose of travel cannot be forecast with any degree of accuracy for requirements estimated 6 to 18 months in the future. Our estimates are based on USAID's experience over the past 12 months related to the FY 1979 and FY 1980 workload. Therefore, in terms of the number of trips and cost, the amount budgeted is considered reasonable. A factor which must be recognized in administering this process is that there are trade offs and alternate sources of funds, such as PDS, which can be used in obtaining personnel; this is particularly applicable for travel funds for purposes of project design and evaluation.

- E. This item is based on the assumption that "OES units" is an acronym for Operating Expense Service units. If this is the case, USAID Thailand can report excellent progress in this area. Numerous USAID sales were held during the past year which resulted in the disposal of large quantities of surplus non-expendible property left over from the Vietnam era, as well as obsolete supplies. The sales resulted in the disposal of over \$26,000 worth of non-expendible property and over \$14,000 worth of expendible property. In addition,

over 1,200 square meters of warehouse space and 18 square meters of office space were returned to USAID's landlord. New vehicles are in the pipeline to replace the major portion of an "over the hill" vehicle pool.

- F. USAID is in its final stages of completing the turn-around phase from the former "phase-out" mode of several years ago. It is moving with a newly articulated strategy into design and implementation of an expanding program. While in monetary terms, USAID's program level is still modest, the FY 1979 OYB, the FY 1980 CP and FY 1981 proposed budget levels all show a continued upward trend. The OE budgets needed to support this program have also increased modestly over the past two years but at a much lower percentage rate. Personnel levels have increased by 4 USDH positions (18 to 22) over the past two years. While the number of foreign national positions has not changed, there have been a few internal organizational shifts in the "mix" of these employees. Expected increases in program levels will result in additional projects which in turn will result in increases in the personnel levels and OE budget.
- G. See para A. above concerning the impact of budget restrictions on the NSP procurement plan.

NOTE: USAID was advised, after completion of this ABS, that the FY 1979 OE allotment had been increased by \$80,000 to cover procurement of residential furnishings. AID/W should revise its FY 1979 and FY 1980 budgets accordingly.

O/FIN 5/21/79

TABLE VIII. OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 77			FY 78			FY 79			FY 80		
	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST
US Direct Hire	1,126.3	22.8	49.4	826.4	16.6	49.8	1,049.7	21.5*	48.8	1,382.4	25.4*	54.4
FN Direct Hire	411.1	73.8	5.6	440.1	67.1	6.6	469.2	69.4*	6.8	565.7	71.0*	8.0
US Contract Personnel	2.3	0.1	23.0	27.5	.8	34.4						
FN Contract Personnel												
Housing	151.5	22.8	6.6	147.4	16.6	8.9	191.8	22.5*	8.5	337.8	26.4*	12.8
Office Operations	394.6	XXXX	XXX	342.6	XXXX	XXX	383.5	XXXX	XXX	523.8	XXXX	XXX
TOTAL REQUEST	2,085.8			1,784.0			2,100.0**			2,816.7		
Amount of Trust Fund Included in Total Requested	142.6											

NOTE: **Includes 2 non-mission specific personnel. **USAID advised after completion all schedules via STATE 125983 that FY 1979 OE allotment increased by \$80,000 to cover procurement of residential furnishing. AID/W should revise its FY 1979 and FY 1980 budgets accordingly.

COST SUMMARIES	FY 81 AAPL			FY 81 MINIMUM/CURRENT		
	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST
US Direct Hire	1,506.1	28.0*	53.8	1,506.1	28.0*	53.8
FN Direct Hire	620.7	71.0*	8.7	620.7	71.0*	8.7
US Contract Personnel						
FN Contract Personnel						
Housing	374.3	29.0*	12.9	374.3	29.0*	12.9
Office Operations	539.1	XXX	XXX	539.1	XXXX	XXX
TOTAL REQUEST	3,040.2			3,040.2		
Amount of Trust Fund Included in Total Requested						

FY 1981 ABS
International Travel Estimates
For FY 1980

S U M M A R Y

	<u>TDY Required (Weeks)</u>	<u>No. of Trip</u>	<u>Amount</u>
<u>USAID</u>			
To Washington	9	4	11,600
Consultation	8	3	9,100
Training	4	2	5,600
Design			
Sub-Total	<u>21</u>	<u>9</u>	<u>26,300</u>
<u>Regional</u>			
Conferences	10	8	10,300
Training	6	6	6,000
Residual RED	4	4	4,000
Sub-Total	<u>20</u>	<u>18</u>	<u>20,300</u>
<u>REGIONAL</u>			
RLA	10	10	10,000
RCO	8	10	10,000
RMA	2	2	1,400
From Jakarta			
From Manila			
From Colombo			
Sub-Total	<u>20</u>	<u>22</u>	<u>21,400</u>
<u>AID/W Staff</u>			
DSB	22	11	31,900
DSB/POP	6	3	9,000
ASTA/TR	3	1	3,300
ASIA/PD	28	13	38,600
Sub-Total	<u>59</u>	<u>28</u>	<u>82,800</u>
Total	<u>120</u>	<u>77</u>	<u>150,800</u>

O/FIN 5/21/79

FY 1981 ABS
International Travel Estimates
For FY 1980

USAlb/Thailand

	Total TDY Required (Weeks)	Design		Implementation		Evaluation		Other Project Related		Administrative		Total	
		No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount
<u>O/DIR</u>													
To Wash	4												
Reg. Mission Dir. Conf. 1													
<u>O/PPE-PDS</u>													
To Wash	2												
From Wash													
DSB	2			1	2,900								
ASIA/TR	3			1	3,300								
ASIA/PD	4	1	3,800										
Regional													
RLA	10	4	4,000	6	6,000								
RCO	8	2	2,000	8	8,000								
Trng/Conf.	2												
<u>O/FIN</u>													
Regional	2			2	2,000								
Residual RED	2												
Trng.													
<u>EXO</u>													
To Wash	4												
Trng.													
<u>O/RD</u>													
To Wash	7	2	5,600										
Trng.	4												
From Wash													
ASIA/PD	15	3	9,900			2	6,600						
DSB	20	6	17,400	2	5,800	2	5,800						
Regional													
Conf.	4			2	2,800								
Trng.	2												

O/FIN 5/21/79

FY 1981 ABS
International Travel Estimates
For FY 1980

USAID/Thailand

	Total TDY Required (Weeks)	Design		Implementation		Evaluation		Project Related		Administrative		Total	
		No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount	No. of Trip	Amount
<u>O/HPN</u>													
From Wash	9	4	10,800	3	7,500							7	18,300
ASIA/PD	6	1	3,000	1	3,000	1	3,000					3	9,000
DSR/POP	2			2	1,400							2	1,400
Regional RMA	3									3	3,000	3	3,000
Trng./Conf.													
<u>O/HRT</u>													
Regional	4			2	2,000					2	2,000	2	2,000
Trng.													
	<u>120</u>	<u>23</u>	<u>56,500</u>	<u>30</u>	<u>44,700</u>	<u>5</u>	<u>15,400</u>			<u>19</u>	<u>34,200</u>	<u>77</u>	<u>150,800</u>

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS													
	FY 1979		FY 1980		FY 1981		MINIMUM/CURRENT			AAPL				
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH				
<u>Executive Direction</u>														
Director	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Asst. Director	-	-	1	-	-	-	1	-	-	-	1	-	-	-
All other: (Non-Professional)	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Sub-Total	2	-	3	-	-	-	3	-	-	-	3	-	-	-
<u>Program Planning</u>														
Program Officer	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Asst. Program Officer	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Program Economist	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Behavioral Scientist	1	-	1	-	-	-	1	-	-	-	1	-	-	-
All other: (Non-Professional)	-	2	-	2	-	2	-	2	-	2	-	2	-	2
Sub- Total	4	3	4	3	3	4	4	3	3	4	4	3	4	3
<u>Project Design & Implementation</u>														
Office of Rural Development														
General Development Officer	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Asst. General Development Officer	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Asst. AG/Dvl. Off.	2	-	2	-	-	-	2	-	-	-	2	-	-	-
Area Dvl. Off.	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Agronomy Adv. (IDI for FY 79)	1	-	1	-	-	-	1	-	-	-	1	-	-	-
Agricultural/Rural Development Officer	-	-	1	-	-	-	1	-	-	-	1	-	-	-
Asst. Project Officer	-	5	-	5	-	5	-	5	-	5	-	5	-	5
All other: (Non-Professional)	-	4	-	4	-	4	-	4	-	4	-	4	-	4

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	FY 1979		FY 1980		FY 1981		MINIMUM/CURRENT		AAPL		
	NUMBER OF POSITIONS		NUMBER OF POSITIONS		NUMBER OF POSITIONS		NUMBER OF POSITIONS		NUMBER OF POSITIONS		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	
<u>Project Design & Implementation (Contd.)</u>											
<u>Office of Health/Population & Nutrition</u>											
Health & Family Dvl. Off. Population Adv. Public Health Advisor Asst. Project Officer All other: (Non-Professional)	1 1 1 - -	- - - 2 2	1 1 1 - -	- - 2 2	1 1 1 - -	- - - 2 2	1 1 1 - -	- - - 2 2	1 1 1 - -	1 1 1 - -	- - - 2 2
<u>Office of Human Resources & Training</u>											
Human Resources Development Officer Asst. Project Officer All other: (Non-Professional)	1 - -	- 2 3	1 - -	- 2 3	1 - -	- 2 3	1 - -	- 2 3	1 - -	1 - -	- 2 3
<u>Office of Project Development and Support</u>											
Capital Project Development Officer Asst. Project Officer All other: (Non-Professional)	2 - -	- 1 1	2 - -	- 1 1	2 - -	- 1 1	2 - -	- 1 1	2 - -	2 - -	- 1 1
<u>Office of Science & Technology</u>											
Engineer All other: (Non-Professional)	1 -	1 1	1 -	2 1	1 -	2 1	1 -	2 1	1 -	2 1	2 1
Sub-Total	13	22	14	23	15	23	16	23	16	23	23

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			AAPL		
	MINIMUM		CURRENT	MINIMUM		CURRENT	MINIMUM		CURRENT	MINIMUM		CURRENT
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Mission Support</u>												
Chauffeur	-	10	-	11	-	11	-	-	-	-	-	11
All other: (Non-Professional)	-	2	-	2	-	2	-	-	-	-	-	2
Sub-Total	2	29	2	29	2	29	2	29	2	29	2	29
<u>Non-Mission Specific</u>												
Regional Housing Advisor	2	-	2	-	2	-	2	-	2	-	2	-
Singapore: USAID Liaison Off.	-	1	-	1	-	1	-	-	-	-	-	1
All other: (Non-Professional)	-	1	-	1	-	1	-	-	-	-	-	1
Sub-Total	2	2	2	2	2	2	2	2	2	2	2	2
Grand Total	25	71	27	71	28	71	29	71	29	71	29	71

NORTHEAST RAINFED AGRICULTURAL DEVELOPMENT PROJECT*

(493-0308)

1. Purpose

To demonstrate a comprehensive replicable model for increasing agricultural productivity and farm incomes in areas of Northeast Thailand which have little irrigation potential.

2. Background

Approximately 75 percent of the rural population of Northeast Thailand are farmers, mostly in rainfed areas which constitute about 58.5 million rai (23.4 million acres). In general, Northeast farmers are among the lowest income groups in Thailand, with per capita incomes ranging from \$75 to \$130 per annum. All of the adverse manifestations of poverty are endemic in these areas, including malnutrition, migrancy, underemployment, despair, and sporadic insurgency.

Frequent droughts, erratic rainfall patterns, low innerent soil fertility, low soil moisture holding capacity, limited year-round availability of water for domestic use and farming are chronic problems in these rainfed areas of the Northeast. Together with low prices for farm outputs and lack of land titles for 40 percent of farms, these problems have interacted to create an unyielding, subsistence

*The title of the project has been changed from Northeast Integrated Rural Development, to be consistent with its strong orientation to agricultural production. A revised PID will be submitted following a project identification mission scheduled for June/July 1979.

agricultural situation which affects much of the Northeast farm population. Major development programs to date have emphasized irrigated agriculture. Yet only 3 percent of Northeast farmland is presently serviced by all types of irrigation works, and only 20% is ultimately irrigable under presently proven methods. The vast majority of Northeast Thailand farmers must continue to rely primarily on seasonal rainfall for crop water requirements, with the probability of drought conditions in two of every five years.

The Royal Thai Government (RTG) has increasingly focussed on the problems of farmers living in rainfed areas. An April 1978 meeting of the Development Assistance Group of Thailand concluded that rainfed agricultural development deserved top priority attention, and suggested use of an integrated development approach to address the interlocking constraints on an area-specific basis. In January 1979, the Ministry of Agriculture and Cooperatives (MOAC) co-sponsored a seminar on rainfed crops research that resulted in a strategy outline for crop development and a recommendation for multi-departmental action within the MOAC. Initiatives such as these have taken on a greater sense of urgency with Prime Minister Kriangsak's announcement that 1979 will be "the year of the farmer" with an all-out effort to serve farm households that have been largely overlooked by past development programs. In response to this top-level concern,

the MOAC is seeking long-term support from the World Bank in rainfed agricultural improvement, formulating a crop substitution program for cassava producers with financial assistance from the European Economic Community, and is jointly developing a demonstration project for rainfed agricultural development with USAID.

The project is the cornerstone of AID's rural development strategy proposed for Thailand during the period 1981-1985, as discussed under the CDSS heading, Development of Rainfed Agricultural Areas. This first initiative will demonstrate feasible technical, methodological, and administrative approaches to area development that are culturally acceptable both to the farmer and the bureaucracy, and which can be replicated with additional funding from AID and other donors.

Project Description

The critical problems impeding rainfed agricultural development are generic to Northeast Thailand: limitations imposed by soil moisture availability of six months or less, high risk of departing from traditional agricultural practices, and uncertainty regarding appropriate technology to increase yields and incomes. Research efforts have been fragmented and highly compartmentalized from the work of the extension services. Nevertheless there is considerable variation in farming conditions across the Northeast, and

the purpose of this project will be to develop replicable models of agricultural development for different rainfed farming situations.

These variations in farming conditions can be categorized in various ways. One basic distinction is between areas with minimal water availability and areas with opportunities for supplemental water resource development (ponds, wells, diversion weirs). In addition, Northeast Thailand is divided into five agro-economic zones on the basis of roughly similar agro-climatological characteristics (soil properties, rainfall patterns, etc.) within a zone. The project will promote rainfed agricultural development in two representative areas (minimal water - supplemental water) in up to five agro-economic zones. The actual number of zones addressed will depend upon financial and administrative considerations to be examined during a joint RTG/USAID project identification exercise.

Each of the project areas will be located within the boundary of a Tambon (township) and will consist of approximately ten villages. To the extent feasible, both representative areas within a given zone will be located in the same province, so that the AID-financed efforts can be concentrated in only one province per zone, up to a maximum of five provinces, and complementarities can be developed between this project and a separately financed provincial development project also proposed for FY 1981. Low average income will be a governing criterion in area selection.

The project will employ an area development methodology to maximize impact, promote the delivery of integrated agricultural services, and assure the appropriate matching of the service mix to the configuration of problems and

potentialities of the area. The project will assist the RTG to increase productivity and incomes through the following activities:

- emphasis on better use of available land and family labor;
- improvement of soils to increase fertility and moisture holding capacity;
- land development for more effective control of flash-flooding and erosion;
- improved on-farm management of limited available water and development of supplemental water resources (for home use and irrigation);
- improvement of farming systems to include proven agricultural practices, diversified cropping, horticulture, aquaculture, livestock, etc.;
- identification and expansion of market outlets and improvement of marketing systems for new and existing farm products, (involvement of private sector);
- more effective participation by the target group in planning and managing activities to address their needs.

The basic aim of the project is initially to stabilize production from subsistence agriculture, then progressively promote use of higher-yield technology and diversification of economic activity. This change process will depend on (1) reducing the farmers' vulnerability to year-to-year variations in output from traditional farming systems, and (2) minimizing the risk of adopting improved practices. The project will finance small-scale water resource development, land development to increase the fertility and moisture retention capability of the soil, and feeder roads as required to assure access to services and markets. A key project element will be to identify and assemble improved area-relevant technology that is currently available and package it in forms that can readily be conveyed to farmers by the extension service. In addition, the project will support continuing, site-specific agriculture research efforts and help strengthen coordination between research agencies, the extension system, and universities in addressing problems of rainfed agriculture on a continuing basis.

Extension efforts will be directed towards several related activities: use of improved technology to increase crop yields, optimal use of limited water resources for diversified agricultural production (crops, horticulture, livestock, aquaculture, etc.), and planning of farming

systems that will more productively employ land and labor resources available to the average farm household.

The project will be administered by the Ministry of Agriculture and Cooperatives (MOAC), which will organize a multi-departmental, interdisciplinary team representing competence in land tenure, land and water development, agricultural research, extension, marketing, etc. The Projects Division, MOAC, will serve as coordinating office.

The project will emphasize close cooperation between provincial/district administration and district-level offices of the MOAC in project planning and implementation. USAID is separately proposing a Provincial Development Project that would complement the Northeast Rainfed Agricultural Development Project (NERAD) by strengthening the planning and administrative capabilities of provinces in which area-based activities of NERAD are being carried out.

Principal issues to be addressed during project development are (1) the availability of improved technology that will promote better land use and higher productivity, and (2) the technical, financial, and administrative feasibility--on both the part of MOAC and USAID--to simultaneously undertake area development activities in up to ten tambon, dispersed across NE Thailand. Additional issues relate to the potential for small-scale water resource development, and means of assuring effective coordination among various departments of the MOAC and between MOAC departments and local administration in the selected area.

3. Beneficiaries

The target group will be low-income farm households, many of whom are below the "absolute poverty line" of \$90 per capita income, as defined by the 1978 World Bank Report on Thailand's economy. Over a six-year period, the project will raise all farm families above the poverty line and establish a permanent trend of rising incomes.

The target population is 20,000 farm families (130,000 persons), and AID's contribution per beneficiary is approximately \$73.

4. Current Year Program

Project design activities will be conducted by an RTG/USAID team during FY 1980.

5. Budget Year Program

Proposed AID loan financing will be obligated in the budget year probably FY 1981, and work will be initiated on planning and engineering for land improvement and development of small-scale water resources, packaging and on-farm demonstrations of improved technologies and farming systems, farm planning, and improvement of feeder roads. Baseline data will be collected and a monitoring and evaluation system will be planned.

6. Major Outputs at End of Project

- Community ponds, potable water, irrigation wells developed (number)	300
- Land shaping, improved soil and water conservation practices established (hectares)	75,000
- Feeder roads improved (kilometer)	300
- Farmer leaders and cooperative personnel trained (number)	2,000
- Farmer adoption of at least one set of recommended, improved agricultural practice (households)	20,000
- Average increase in farm productivity (percent)	50
- Estimated increase in farm net real income (percent)	75

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE	Northeast Rainfed Agricultural Development Project		DECISION UNIT	USAID/Thailand	DECISION PACKAGE	FY 81
	PROJECT NUMBER	495-300		INITIAL OBLIGATION	FY 81	FINAL OBLIGATION	TOTAL COST
	APPROPRIATION	FA		DATE PER/REVISION	6/80	DATE LAST PAR	9/81

ACTIVITY INPUTS	FY 19 79		CY: 19 80		FY: 19 81		PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	
TOTAL-							
Infrastructure						9,500	1,500
Water resource development						5,000	500
Land development costs						2,000	500
Feeder roads						1,000	200
TOTAL-						15,000	
AG AND OTHER DONOR							
Royal Thai Government							
Infrastructure (50% of total)							
Training							
Production credits							
Personnel/overhead costs							

FUNDING	PERSONNEL WORKYEARS (XK.X)					PERSONNEL INTENSITY			PARTICIPANT'S PROGRAMMED			FOOTNOTES
	FISCAL YEAR					TYPE			TYPE			
	19 79	19 80	19 81	19 82	19 83	A=NONCONTRACT	B=CONTRACT	A	B	LONG-TERM	SHORT-TERM	
PROGRAM ACCOUNT TOY (000-)	0.0	0.2	0.1	0.0	0.1							
OTHER EXPENSES	0.5	2.0	2.5	2.5	2.5							

PROVINCIAL PLANNING AND DEVELOPMENT

(493-0315)

1 Purpose

To channel services and benefits to the rural poor through a decentralized process of development planning and administration.

2. Background

The planning and implementation of development programs in Thailand have been the exclusive responsibility of line agencies of the Central Government. Provincial and local levels of government have been primarily concerned with security management, law enforcement, tax collection, registration of births and deaths, issuance of documents and licenses, maintenance of public works, etc. Several undesirable effects can be attributed at least in part to this high degree of centralization of development responsibility: significant lags between allocation and expenditure of development funds, lack of involvement by local populations in project selection, a corresponding tendency for projects to be more responsive to the administrative objectives/ requirements of central agencies than to felt needs of the rural population, and generally ineffective coordination of development efforts by different central agencies operating in the same areas.

Prime Minister Kriangsak, in a major policy address of late 1978, stated his concern that the traditional top-down development process had largely by-passed the poorest segments of the population, particularly low-income households in rural areas. He also announced his government's intention to channel resources and services more directly to the rural poor. A principal element in the RTG strategy will be to decentralize responsibility for development since the magnitude of rural problems and the diversity of rural felt needs far exceed the absorptive capacity of central line agencies. To that end, the RTG has initiated a provincial planning program which in FY 1979, allocated 1 per cent of the national budget (3 per cent of the development budget) to the provinces for developmental finance. The provincial planning program has been conceived as a vital instrument for responding to basic needs, providing adequate rural infrastructure and related productive inputs, and enhancing the capability of local self-governing bodies to become more responsible partners in rural development.

The organizational structure for provincial planning and development is already in place. In July 1977, the RTG promulgated a Provincial Planning Regulation (PPR), stipulating that every province, except Bangkok Metropolitan Authority,

must formulate a Five-Year Development Plan, to include careful analysis of existing socio-economic conditions and problems, assessment of basic felt needs, specific project and program proposals, and identification of financial requirements. In accordance with the PPR, the following administrative entities have been established:

- The Central Committee for Provincial Development (CCPD), chaired by Minister of Interior, is composed of some 16 members from the Under-Secretary of State level of key ministries. The secretariat function of the CCPD is the responsibility of the Director of Regional Planning Division, NESDB. The CCPD is principally responsible for formulation of policy and strategy for provincial development in harmony with regional and national development objectives, overall supervision and evaluation of provincial development programs, and allocation of financial resources for plan implementation.

- The Provincial Planning Committee (PPC), chaired by the provincial Governor is composed of some 20-25 members, including provincial representatives of several line-agencies and local self-governing bodies. The secretariat of the PPC is the responsibility of the Provincial Planning Unit

attached to the Office of the Governor. The PPC is vested with the planning function as stipulated in the PPR with technical support from the NESDB and the Office of Policy and Planning, Ministry of Interior.

Five-Year Provincial Plans, covering the period between 1977-81, have been completed for all 72 provinces, following a simplified model suggested by the NESDB which merely reflects development problems, potential, and a broad spectrum of basic felt needs. Greater sophistication was not possible or appropriate due to deficiencies in both qualified planning personnel and basic data on rural conditions. Additionally, bottom-up development proposals incorporated in provincial plans need to be coordinated with the plans of Central line agencies which still have preponderant control over development expenditures. Thus, harmonization of plans is a crucial element in establishing linkages, both vertical and horizontal, between different levels of planning and implementation.

It is expected that the proportion of the development budget that is programmed through provincial governments will be progressively increased as provinces demonstrate their ability to plan and utilize these resources effectively. AID proposes to support this initiative by helping to

strengthen planning and administrative capabilities at provincial levels and augmenting development finance in selected provinces of North and Northeast Thailand. This activity is highlighted in AID's strategy statement for Thailand under the heading, Development of Improved Provincial/Local Planning and Administration.

Project Description

Existing provincial plans are rudimentary efforts, closer to "shopping lists" than investment strategies based on a disciplined analysis of development problems and needs. Provincial planning to date has been hampered by various problems including: limited funding available to the provinces for development projects; limited qualified personnel in development planning and administration at regional, provincial, and district levels; lack of clear guidelines on plan preparation and project approval criteria; inadequate data on development needs and programs planned/being implemented by RTG agencies in the provinces; insufficient authority (or exercise of existing authority) of provincial administration over the development efforts of central agencies; and generally limited competence at local levels in project selection, design, and cost estimation.

The AID project would assist the RTG to address these problems in three principal ways: (1) Training and advisory

services would help strengthen the capabilities of the NEBDB's Regional Planning Division (RPD) to perform a crucial support role in provincial planning and development. The Regional Planning Division (RPD) serves as secretariat of the CCPD, and its Regional Planning Centers (RPC), located in four regions, provide technical assistance to Provincial Planning Committees in plan formulation and plan harmonization on a regional basis. Advisors attached to the RPD and RPC's would help upgrade planning capabilities and assist in the preparation of suitable planning models and associated manuals for provincial use. (It is expected that this technical assistance effort would be initiated on small-scale in a separately financed project in FY 80, and be incorporated and expanded in this larger project proposed for FY 81). (2) Working through the regional planning units, technical advisors would assist the provinces to establish appropriate data collection and management information systems, formulate annual and five-year plans in selected provinces, and develop effective monitoring and evaluation systems. (3) Project funds would also be made available to selected provinces to supplement resources allocated from the RTG's Provincial Planning Fund, to enhance the opportunity of provincial/district administrators to learn-by-doing, provide increased scope for experimental rural development

projects, and utilize the decentralized planning/administration process to provide services and benefits to the rural poor.

Responsibility for the project will be shared by the Regional Planning Division of the National Economic and Social Development Board (NESDB), which will elaborate planning models and guidelines, provide consulting assistance, and assure compatibility of provincial plans within the same region, the Central Committee for Provincial Development (CCPD), which approves provincial plans and sets allocations from the Provincial Planning Funds, and departments of the MOI responsible for local administration. The provincial governments themselves would, of course, be responsible for planning and managing AID-financed rural development projects in selected provinces.

Principal issues to be examined during project development include (1) the continuing commitment of the RTG to decentralized development, particularly as measured by trends in the amount of financing made available for provincial planning--both through transfers from the national budget and through resource generation at local levels; and (2) prospects that the provincial planning effort can achieve influence over the total development effort within the province, particularly with regard to the much greater volume of activity carried out by RTG agencies, and

(3) coordination of administrative responsibility between the MOI and the NESDB.

3. Beneficiaries

The principal beneficiaries of the project will be the rural poor. Provincial plans prepared in FY 1979 have emphasized small-scale rural works projects, particularly water resource development. The provinces/districts selected for concentrated development effort under the AID project will be chosen on the basis of income level and potential for supplementing other AID initiatives, e.g., the Northeast Rainfed Agricultural Development Project.

4. Current Year Program

Technical assistance to the Regional Planning Centers of the NESDB will be financed under a small, lead-in grant project to be authorized FY 1980. In addition, project design activities related to the larger, follow-on project will be carried out during FY 1980.

5. Budget Year Program

Proposed AID funds will be obligated in the budget year. During the budget year, the project team will complete planning manuals and annual plans for up to four selected provinces.

9. Major Outputs

- Planning manuals	2
- Improved data systems	x
- Selected provincial plans formulated and revised yearly	4
- Improved support capabilities of regional planning centers (No. of centers)	4
- Rural development sub-projects implemented (water resources, drainage, feeder roads, water supply, agricultural production, etc.) in selected provinces	100

TABLE IV A

PRODUCTIVE USE OF COMMUNITY WATER RESOURCES

(493 - 0316)

1. Purpose - To develop and exploit community water resources for maximum economic and nutritional benefit to low-income rural households.

2. Background

A recent study* by the Asian Institute of Technology (A.I.T) estimates that approximately 80% of the rural population in Northeast Thailand cannot be provided access to year-round irrigation, either through reservoir construction or pumping from river sources. Various surveys have documented, however, that of all possible development investments, water resource development is the overwhelming preference of Northeast Thai villagers living in these so-called rainfed agricultural areas. The AIT study recommends, among other things, that the RTG attempt to satisfy these felt needs by carrying out a province-by-province survey of village water requirements and potential water projects, promote village participation in selecting projects and willingness to cooperate in project execution and equitable end-use, and invest in a region-wide small-scale water resource program that meets minimal village water requirements for consumption and production purposes. This recommendation has been accepted

* Water for the Northeast: A Strategy for the Development of Small-Scale Water Resources

in principle by a national committee on Accelerated Water Resource Development chaired by the Prime Minister.

Various RTG agencies have already included small-scale water resource development as a high priority component of their overall service program. Examples include the Land Development Department (LDD) of the Ministry of Agriculture and Cooperatives (MOAC) whose principal interest in village ponds and small tanks is their potential for soil and water conservation, the Royal Irrigation Department (RID) of the MOAC whose smaller tank systems are intended for irrigation of food and cash crops, and the Department of Fisheries (DOF) also of the MOAC, which promotes aquaculture through small-scale water projects. Several agencies of the Ministry of Interior also invest in small-scale water projects.

To date, community water resources have not yielded their full potential in economic and nutritional benefits. According to a DOF assessment, attitudinal factors have an important bearing on the problem:

- (a) villagers have not participated in project planning nor developed patterns of cooperation in use and maintenance of the asset for maximum benefit,
- (b) projects have been presented and designed as single-purpose resources, and

(c) where multiple use prospects have been conveyed to villagers, no guidelines or assistance were provided for effective multiple-use management.

Other restraining factors include poor site selection, technical inadequacies in design and construction, and limited service/extension capabilities of government agencies such as the DOF.

Recent developments suggest a more effective approach to community water resource development in the future, and offer AID a meaningful opportunity to support such investments widely throughout Northeast Thailand. The AIT report was well-received by RTG policy makers and is likely to form the basis of a water resource development strategy for Northeast Thailand. In addition, the Community Fish Pond Development Project for which AID financing is proposed in FY 79, will include several model ponds to optimize community benefits through multiple-use approaches. Such small-scale efforts should be fully tested and ready for replication by FY 81.

This project is a key element in the AID strategy for Thailand, as discussed under the CDSS heading, Development of Rainfed Agricultural Areas.

Project Description

The project will place a balanced emphasis on (1) increasing/diversifying agricultural production up to the increased potential presented by the small water resource and (2) addressing nutritional deficiencies which are found throughout Northeast Thailand, especially among infants and small children. Provision of water is a facilitating factor, but a number of other problems must be resolved in order to promote effective use of the water. For example, fish yields from existing farm ponds and waterways in Northeast Thailand are extremely low compared to achievable yields through improved aquaculture techniques. However, the capacity of the DOF to provide extension services, supply fingerlings, promote induced spawning, etc. is already strained by existing programs. Similar supply/service limitations apply in other areas of potential productive water use: availability of seeds for vegetable gardens, inadequate village-level knowledge of simple food-processing techniques to improve nutrition, etc. The project will attempt to address these and similar problems in an integrated fashion.

The AID project will assist in replication of feasible concepts of integrated community water resource development and strengthening of the RTG institutional capability to provide promotional and technical services necessary for

effective use of the water for maximum benefit to incomes, nutrition, and the environment. Over a four year period, it is intended that the project will provide a community water resource to 500 villages serving approximately 150,000 persons.

The project will share in the following costs:

- surveys of village water requirements and site selection;
- design and construction of community ponds and small storage basins with holding capacity in the range of 20,000 - 100,000 m³;
- community development efforts to promote village-level participation and effective local organizations to manage water use;
- improved support capabilities by technical agencies and extension services to maximize the economic return from the water resource;
- equipment and materials to promote nutritional elements such as community vegetable gardens, simple food-processing, and local production of vitamins.

The project will also finance advisory services and in-country training in support of program activities.

The MOAC will be responsible for project implementation, either through an administrative unit attached to the Under-Secretary's Office or through one of the line departments, e.g.; DOF, DLD, etc., which will enlist the participation and technical contributions of other MOAC departments. The Community Development Department of the Ministry of Interior would be responsible for mobilizing community participation and carrying out the nutrition component of the project.

Principal issues to be addressed during project design include: (a) the most effective administrative arrangement to promote cooperation among participating agencies, (b) assurance of competent design and engineering on numerous small-scale projects, (c) means of fostering community cooperation in management, maintenance, and equitable distribution of benefits, and (d) how to promote improved hygiene and sanitation associated with use of the water resource for domestic purposes.

3. Beneficiaries

The beneficiaries will be low-income farm households in the rainfed agricultural areas of Northeast Thailand. This target group is among the poorest in Thailand and includes a large portion of the Thai population that is under the "absolute poverty" line. The AID project cost per beneficiary is estimated to be \$50.

4. Current Year Program

Only project design activity will be carried out during FY 79 and FY 80.

5. Budget Year Program

Project funds will be obligated in FY 81. Village-level surveys and promotional efforts will be carried out to identify 100 villages that will be served during the first year of implementation. Construction of 100 community water resource sub-projects will be initiated during FY 81.

6. Major Outputs

- Water resource sub-projects completed 500

- Multi-purpose agricultural production projects successfully managed at the community level 400

- Community nutrition projects underway (vegetable gardens, food-processing, vitamin production) 250

- Agricultural land irrigated during dry season 50,000 rai

- Increases in production of field crops, horticulture, aquaculture, livestock (to be estimated during project design)

- Extension workers trained (DOF, DLD, etc.) 100

- Expansion of DOF seed fish production facilities in Northeast Thailand (Enlargement, equipment) 14 Fishery Stations

- Development of village-level fingerling production (No. of villages) 300

