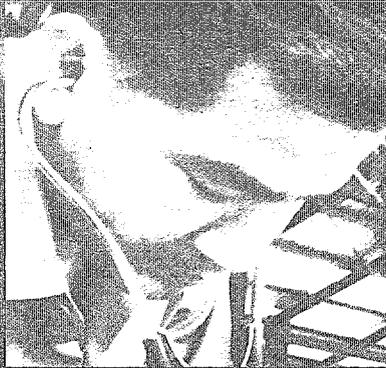


PN ABY-956 9/26/94



PARTNERSHIP



COOPERATION



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USAID/ THAILAND

AN OVERVIEW

D*ecades of Cooperation.* September 19, 1950, marked the start of a cooperative challenge for Thailand and the United States. With the signing of an Economic and Technical Cooperation Agreement, both countries aimed to transform an underdeveloped country into a modern state with increasing prosperity and opportunities for its citizens. USAID (the United States Agency for International Development) joined the Royal Thai Government as true partners in progress.

Today these objectives have, to a large extent, been met. Thailand is entering the ranks of "middle income" countries, and the country's economy is vastly more modern and dynamic.

Key to this development has been the financial and personal dedication of the Royal Thai Government and the people of Thailand. Added to this is the support of thousands of Americans, as well as direct U.S. aid of nearly \$1 billion, of which about 80 percent was in direct grants and 20 percent in concessional loans.

UNITED STATES ECONOMIC ASSISTANCE TO THAILAND
USAID and Predecessor Agencies
(U.S. Fiscal Years 1951 - 87 - Millions of Dollars)

	Loans	Grants	Total
Development Assistance	177.4	690.8	868.2
Economic Support Fund	—	37.0	37.0
Food for Peace	17.4	5.6	23.0
Grand Total	194.8	733.4	928.2

The Problems

In the early years of the relationship, Thailand faced a number of critical problems. There was little in the way of industry. Limited communications and road

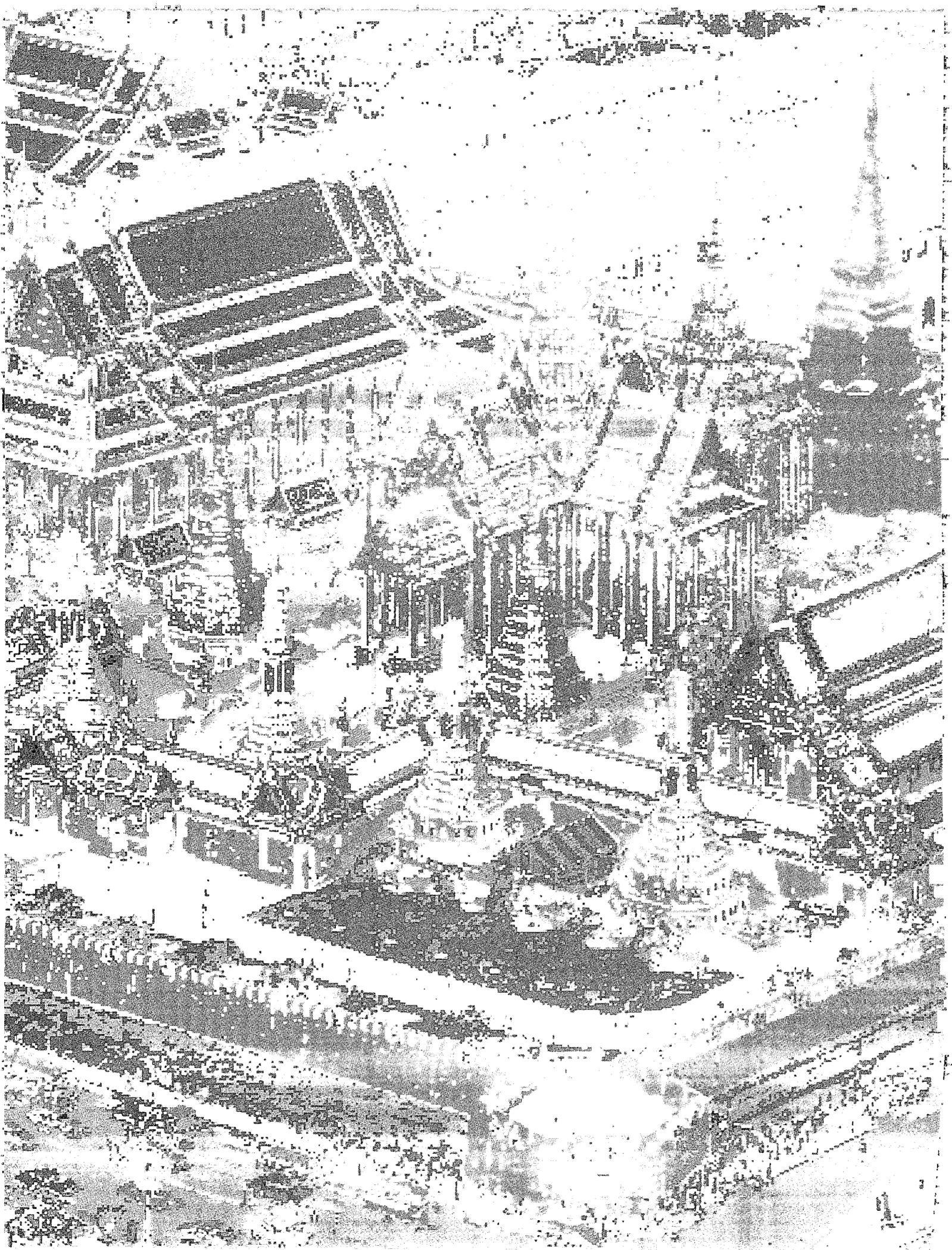
networks hindered the access of farmers to markets and to the political and economic mainstream of Thailand. The country had only a few hundred doctors in rural areas. Two-thirds of the provinces lacked hospitals. Malaria and other diseases exacted a heavy toll. Only one in three Thais could read and write.

During the 1960s and into the early 1970s, Thailand faced the problems of the Vietnam War and the threat of internal communist subversion. Today Thailand continues to face problems stemming from external conflicts on the Cambodian and Laotian borders.

Given these circumstances, Thailand and the U.S. faced two major challenges--the economic development of Thailand, and the maintenance of Thailand's position as a free, democratic country.

The Solutions

First on the agenda was to build an infrastructure which would support Thailand's economic development and security needs. While USAID was the primary contributor of funds and manpower to some of these early projects, others were achieved with close cooperation between USAID, the Royal Thai Government, the World Bank, and other contributors. The early years of the program saw the building of electrical power plants, irrigation and power dams, airports, highways, bridges, schools and hospitals. In later years funds for agricultural research, credit, irrigation and seed development were provided. Campaigns to provide rural primary health care and eliminate malaria were mounted. Family planning programs, now among the most successful in the world, were started. Some 11,000 Thais received overseas training and advanced education in the U.S., which enabled them to effectively work in key positions in government, education and industry.



NEW THEMES IN THAI - U.S. COOPERATION

A *New Relationship.* A basic objective of the current USAID program in Thailand is to maintain a mature, collaborative relationship between the U.S. and Thailand in the area of development cooperation. This is consistent with Thailand's status as an emerging middle income country.

Thailand's Economic Success

Of the 43 worldwide AID recipient countries with populations greater than one million, Thailand ranks high on most criteria for development.

Thailand has enjoyed unprecedented growth and development over the last three decades. Over that period the Thai economy grew at an average real rate of over 7% per annum, resulting in a Gross Domestic Product of some \$40 billion. Inflation and unemployment have been held to levels well below 5%. The number of people in the absolute poverty category has dropped by half in the last twenty years. Individual personal welfare and literacy rates have improved.

An exceptionally successful national family planning program caused the total fertility rate (i.e. the average number of children born to a woman during her lifetime) to drop from over six in the early 1960s to less than half that today.

Agriculture continues to be key to Thailand's economy. It is the source of some 60% of all export earnings. The growing, processing and marketing of agricultural products is the primary occupation of 70-75% of all Thai.

In the early days of the Thai-U.S. economic development relationship, basic infrastructure and essential health, security, agricultural development and family planning programs needed to be instituted. Today, these basics are in place, and Thailand and the U.S. face new economic development challenges.

The Sixth National Plan

Recent growth and development in Thailand has been rapid and has spawned problems which, if not dealt with in their early stages, could prove seriously detrimental to the nation's long-term potential. Some of these problems include the disparities between incomes in rural areas and Bangkok, natural resource depletion and degradation, unemployment and underemployment, lack of additional prime agricultural land, and the need to encourage commercialized development of science and technology.

In the Sixth National Plan (1987-1991), formulated by the National Economic and Social Development Board (NESDB), Thailand has identified these problems. From among the targeted areas of the Sixth National Plan, USAID/Thailand identified science and technology development, private and voluntary organization development, private sector development, policy planning, and natural resources management as five major thrusts for current and future USAID support. This support is both at the policy planning and the project implementation levels.

Thai Partnership

Today's program draws on full Thai participation in decision making and implementation. The existence of strong human resources and institutional strength in Thailand calls for a significant shift in emphasis from AID-managed to Thai-administered programs. The Ministry of Agriculture and Cooperatives, the Ministry of Science, Technology and Energy, and the Ministry of Public Health are among the key implementing agencies. The National Economic and Social Development Board, the Department of Technical and Economic Cooperation, and the Ministry of Finance also play important roles in economic development policy, administration, and financing.

CURRENT USAID PROGRAMS

Current USAID Programs Fall Into Three Loosely Defined Categories.

The first category highlights new programs which reflect forward-looking Thai national priorities. These programs include science and technology, private sector development, policy planning, and private and voluntary organization development. These will be active for the next several years. A major new program in natural resources and environmental management is now being formulated.

The second category includes programs which have traditionally been the focus of USAID's development work in Thailand. These areas include agriculture, rural development, population, and health and nutrition. Because of the substantial strides that Thailand has achieved in these sectors, partially as the result of U.S. Government contributions, large bilateral programs in these areas are now winding down. In the future these sectors will be supported by targeted, centrally-funded grants.

A third category includes other areas of interest. These are: housing and urban development; narcotics demand reduction; and the Affected Thai Village Program, a program of relief and assistance to Thai villagers living along Thailand's borders with Cambodia and Laos.

Participant training fellowships, which have educated some 11,000 Thais over the past three and a half decades, continue as a component of almost all USAID projects.

SCIENCE AND TECHNOLOGY

An *Immediate Need*. Scientific and technical advancement is now considered an immediate need to assist Thailand in her move into middle income ranks. The country currently possesses some of the basic elements of an indigenous S&T capacity. This ability to acquire, master, adapt and develop improved technology will increase productivity and help keep Thailand competitive in changing world markets. But there are problems. Overall policies for national science and technology development need clarification, and institutional responsibilities are uncoordinated. Scientific institutions and industry need strengthened linkages to ensure effective responses to the practical needs of Thai agriculture, private enterprise, and industry.

While Thailand has a growing community of well-trained scientists, the number of active science and technology personnel is an area of concern. The number of engineers and scientists in Thailand represents only 0.13% of the country's work force, compared with over 1% in Korea and Japan.

It is also important that means of coordinating scientific effort and exchanging information be developed. Quality control standards in agriculture and industry must be scientifically formulated so that Thai products continue to compete in the international marketplace.

"In recognition of the mature, collaborative relationship between our countries, our program is shifting from traditional development activities to those that can play a catalytic role in sustaining the growth that Thailand has achieved."

Dr. John Eriksson
Director
USAID/Thailand



In recognition of the need for scientific and technological modernization, the Foreign Minister of Thailand and the U.S. Secretary of State signed a bilateral agreement on April 13, 1984 to promote enhanced collaboration in science and technology between the two countries. This agreement provides the framework for the various USAID-sponsored S&T activities in Thailand today.

Major Bilateral Program

The purposes of the bilateral Science and Technology for Development project are to modernize Thailand's scientific and technological base, and to ensure that the enhanced capability is put to work in the service of Thailand's agricultural and industrial development. U.S. Government funds for this project amount to \$35 million for the period 1985-1992, including \$26.5 million in loans and \$8.5 million in grants.

Funds are provided to both public and private sector institutions to support research, design and engineering activities in the areas of bioscience and biotechnology, materials technology, and applied electronics.

The Thai agency which has prime responsibility for administering project activities is the Science and Technology Development Board (STDB), which was established under this bilateral program. It is anticipated that the U.S. National Academy of Sciences will provide technical backstopping to the STDB, and will serve as a link to U.S. technical resources.

Under the research and development component of the program, funds are being made available to support

scientific and technological research and development projects carried out by the nation's leading universities, government laboratories and private firms. Support is given to projects which show promise of producing results which could lead to enhanced profitability or productivity of Thai industrial and agricultural private enterprises. Some of the research and development efforts for which support is being provided involve:

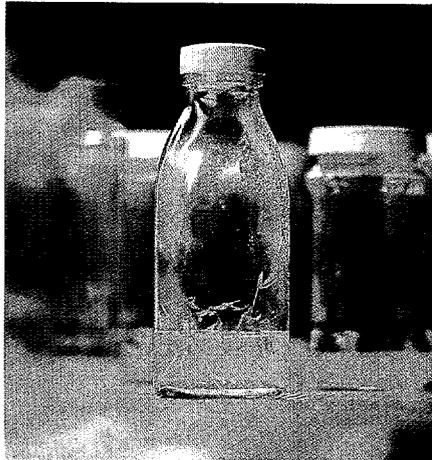
- development of virus resistant plants,
- modification of cassava starch for use in noodle production,
- production of ferrite devices from local minerals for incorporation into electronic appliances,
- local design and development of telephone branch exchanges, and
- development of ways of inducing reproduction in giant tiger prawns.

Another aspect of the Science and Technology for Development Project is the upgrading of Thai capability in industrial quality control, with the objective of increasing salability of Thai products by ensuring that they meet international standards.

Other project activities include making current information on worldwide scientific and technical developments available to Thailand's scientific and business communities, and assisting RTG decision-makers in reviewing laws and practices which affect the development of science and technology.

“The Science and Technology for Development Project is the first ever of its kind here. It has given rise to unprecedented interest and enthusiasm among scientists and researchers in Thailand. I am quite certain that the outcome of the project will mean a big step for Thailand towards successful national development programs.”

Dr. Bichit Rattakul
Deputy Minister of Science,
Technology and Energy



Another important objective is agricultural technology transfer. The Ministry of Agriculture and Cooperatives, as well as other ministries and universities are carrying out a variety of development projects under the \$8.2 million USAID Agricultural Technology Transfer project. The objective of this project is to accelerate the MOAC's capacity to identify, introduce and manage modern agricultural technology needed to increase yields, production and farm income. The principal thrust of this eight-year combined loan/grant program is to enhance the ability of the MOAC to carry out its mandated institutional role of technological modernization in Thai agriculture. The project will assist the public sector (i.e., the MOAC) in its commitment to work with the private sector towards agricultural modernization and managerial improvement through the provision of innovative agricultural machinery and the promotion of the Sub-Committee on Public/Private Sector Agricultural Development.

There are some 22 subprojects being implemented under the Agricultural Technology Transfer project. They include:

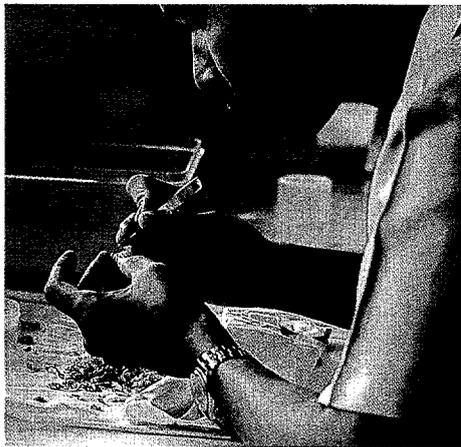
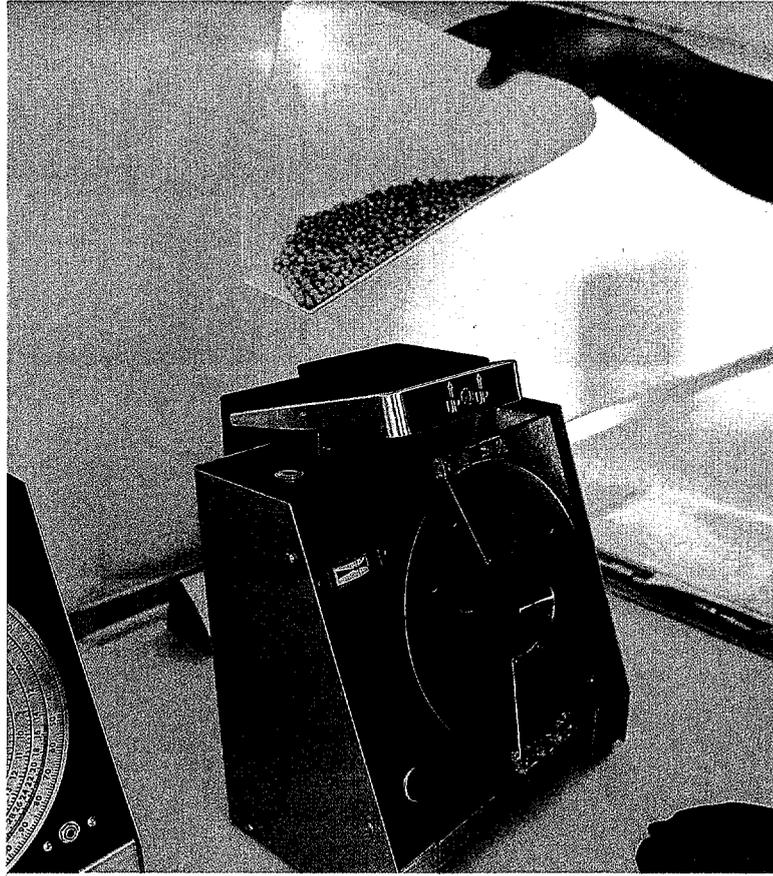
- development of a commercial seed-drying process to extend seed shelf-life,
- control of aflatoxin in corn and peanuts,
- control of fungi contamination of mungbeans,
- post-harvest quality improvement of fresh fruits and vegetables,
- development of fish products including "surimi" (imitation crab, etc.) and fast foods,

- control of fish diseases in farm ponds,
- macadamia nut production,
- seaweed farming,
- control of animal diseases,
- control of papaya ringspot virus,
- cockle spawning and production, and
- hybrid seed production and marketing.

Centrally-Funded Programs

U.S. support for enhanced science and technology capability in Thailand also comes from centrally-funded competitive science grants administered by the AID Office of the Science Advisor in Washington, D.C. With assistance from USAID/Thailand personnel, Thai scientists and institutions have been extraordinarily successful in competing for these grants. During the three-year period ending December 1987, Thai scientists and institutions won more than 60 grants with a total value of almost \$9 million. This constitutes about 20% of all grants available through the worldwide competition for these grants. These grants support research on crops, forestry, fisheries, major diseases and engineering.

One result of Thailand's success in attracting such substantial grants is increased awareness on the part of the country's decision-makers (in the public and private sectors) of the excellent resources available in universities. Increasingly, decision-makers are turning to universities for assistance in dealing with a wide range of problems.



PRIVATE SECTOR DEVELOPMENT

I*mportance of the Private Sector.* A vital component of Thailand's strategy to reach middle income status is increased reliance on the private sector as a contributor to sustained growth and development. USAID/Thailand aims to promote more direct involvement of private sector institutions in all aspects of Thailand's development.

Private Sector Employment Generation

Employment generation is a key issue. Even though the National Family Planning Program has achieved impressive success, the growth of new entrants into the labor force will remain close to 3% over the period 1980-1990. This record high growth of labor supply coincides with a period of reduced demand, especially in traditional sectors (agriculture and government), making employment a major political, social and economic issue. Considerable attention is being given to the improvement of agricultural productivity and the expansion of the nation's nascent agro-industrial base, with an emphasis on relatively small-scale, labor-intensive private enterprises.

Thailand's economy is undergoing rapid transition. Agriculture's share of GDP has been falling steadily since the mid-1970s. Between 1978 and 1986, agriculture's contribution to total GDP declined from 27.5% to 17%.

By contrast, the country's industrial development is progressing more rapidly. Off-farm employment will

continue to be the primary source of new income-producing jobs. A considerable portion of future production growth and rural income will depend on the availability of productive off-farm employment. It is expected that the development of the private sector will be central to providing employment opportunities for Thai men and women in the decades to come.

USAID/Thailand programs in a wide range of fields--agriculture, private sector development, private and voluntary organization development, science and technology, and natural resources management--aim to assist Thailand in employment generation.

Rural Industries and Employment

The USAID-assisted Rural Industries and Employment project works to expand small and medium-scale rural enterprises outside the Bangkok metropolitan area. This \$14.1 million project, which began in 1986, aims to:

- provide guarantees for commercial banks making term loans to small and medium-scale rural entrepreneurs in rural areas,
- finance technical assistance and training for rural businessmen and businesswomen,
- finance policy research on the development of rural industries, and
- provide support for the Joint Public-Private Sector Coordinating Committee, the Thai Chamber of Commerce, and the Association of Thai Industries in efforts to expand activities in rural Thailand.



Other Business Development Projects

A related Private Sector in Development project, which concluded in 1987, sponsored the following:

- four campaigns to the United States to promote investment in Thailand,
- public-private policy dialogue in rural areas,
- business policy studies, and
- the establishment of chambers of commerce in 59 of Thailand's 74 provinces.

To further support the growth of private enterprise in Thailand, AID has supported since 1982 a broad array of new programs through its Bureau for Private Enterprise. Funds for such programs total more than \$14 million. The programs include: (a) the establishment of the Institute for Management Education in Thailand Foundation (IMET) which is a private organization that provides management training to practicing business

people in rural areas; (b) financing for a large, modern meat-processing facility which will provide technical assistance to small livestock producers; (c) a loan program through a commercial bank to promote agro-industry; (d) a loan guarantee facility through a small commercial bank to expand its upcountry lending program for small businesses; (e) the establishment of Thailand's first venture capital company which will expand equity investment and provide technical assistance for new and expanded private Thai ventures; and (f) continued support for the International Executive Service Corps (IESC) which provides low-cost technical assistance to Thai businesses through volunteer American business executives.

Because the RTG's Sixth National Economic and Social Development Plan formally integrates "privatization" into national policy, USAID has actively promoted a National Privatization Strategy by working closely with the Public Enterprise Institute of Chulalongkorn University and the RTG's National Economic and Social Development Board (NESDB).

NATURAL RESOURCES AND ENVIRONMENT

An *Urgent Issue*. Thailand is facing a “quiet crisis” in its management of natural resources and the environment. Unless action is taken quickly to strengthen systematic planning and management, the country’s economic progress will be threatened by a dwindling resource base and prohibitive costs of environmental rehabilitation.

The resource-intensive pattern of Thailand’s growth in agriculture, fisheries, forestry and industry has resulted in resource depletion. Forests covered 60% of the country in 1960, but cover under 25% today. Soil erosion is a problem in 30% of the country. Streams carry heavy silt, and reservoirs are silting up rapidly. Traditionally abundant fish and aquatic life have been substantially reduced. Soil salinization from poorly drained soils under irrigation is also a growing problem. Air and water pollution in Bangkok constitute serious health problems.

Failure to correct these trends over the coming decade would seriously hinder national development.

USAID dialogue with the Royal Thai Government and the private sector on issues of natural resources and environment began in 1985. Initial environmental activities included:

- policy research which contributed to the Natural Resources and Environment chapter in the Sixth National Plan,
- a book-length profile of Thailand’s natural resources and environment issues,

- a national conference on financial, human, and natural resources management,
- USAID assistance in registration of and financial support for two Thai PVOs which deal with environment, and
- financial support for a coastal resources management project.

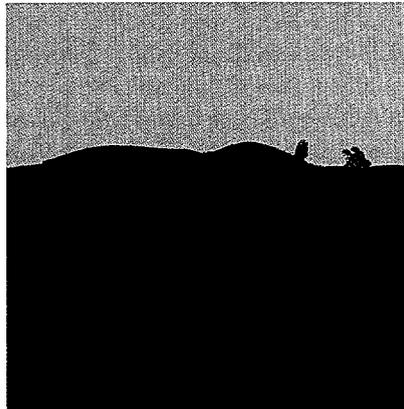
A Major Bilateral Program

Plans are now underway for a new \$44 million bilateral project known as “Management of Natural Resources and Environment for Sustainable Development.”

Thailand’s rapid economic growth over the past two decades has been characterized by serious overexploitation of the country’s natural resource base. The new project will be the first comprehensive undertaking in the kingdom to begin long-term natural resources planning and management of forests, fisheries, soils, water and biological resources.

The program will work with the Thai public and private sectors to:

- slow or reverse current trends in resource depletion and environmental degradation,
- strengthen institutions active in natural resources and environmental management,
- improve information available to public and private decision-makers for greater understanding of sound environmental and resource management, and
- expand capacity for policy research and formulation, program planning, and pre-project analysis.



EMERGING PROBLEMS OF DEVELOPMENT

New Policy Issues. Thailand is now entering a new era of economic development as it joins the ranks of middle income countries. Yet the country's success in achieving rapid economic growth has led to a new set of problems which are now beginning to slow the pace of development.

These problems include the lack of additional prime agricultural land, low agricultural productivity, degradation of natural resources, structural imbalances in the economy, policy and regulatory constraints to trade, and unemployment.

Through the Emerging Problems of Development II project (EPD II), USAID supports RTG development policy formulation and analysis, public and private sector dialogue on national development policy, program planning, and analysis of emerging key development problem areas.

U.S. funding under EPD II is \$18 million in grants planned for the period 1985-1990. Examples of EPD II-funded activities are:

TDRI

Four million dollars of EPD II funds are targeted for institutional support of the Thailand Development Research Institute (TDRI). TDRI was chartered in 1984 as a non-profit "think tank" to support policy research needs of the public and private sectors.

USAID funds to TDRI support:

- professional advisors and consultants through the Harvard Institute for International Development,

- policy research on macroeconomics, agricultural growth, natural resources management, and rural development policy, and
- micro-computers for research.

NESDB

Additional EPD II funds have supported the National Economic and Social Development Board, the government agency responsible for national planning, in policy analyses required to prepare the Sixth National Plan. Policy studies included urban transport and financial management, family planning, and natural resources management.

DTEC

EPD II funds for training have also assisted in upgrading the administrative capacity of DTEC, the RTG organization responsible for administering all grant-funded development assistance to the Kingdom of Thailand.

Other Programs

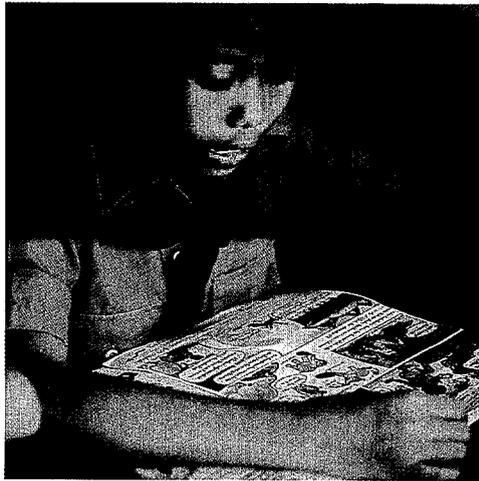
Other EPD II funds have supported, or are now supporting, policy and planning in the following areas:

- flood control (Bangkok Metropolitan Administration),
- house and land tax policy (Bangkok Metropolitan Administration),
- atmospheric research (Royal Rainmaking Research and Development Institute),
- petroleum (Petroleum Institute of Thailand),
- management (Khon Kaen University),
- health economics, financing, policy and planning (Ministry of Public Health),





- coastal resources management (National Environment Board),
- municipal performance evaluation (Department of Local Administration),
- fiscal policy (Ministry of Finance), and
- tax administration (Revenue Department).



- improved water resources for low income farm families,
- rural micro-enterprise promotion,
- programs on women and development,
- vocational training for ethnic minority children,
- health, environment and narcotics awareness,
- educational and vocational assistance

PRIVATE AND VOLUNTARY ORGANIZATIONS

USAID Assistance to PVOs. It is becoming increasingly clear that PVOs can play a vital part in Thailand's development. In 1976 USAID took the lead in encouraging and providing opportunities for U.S. and indigenous PVOs (IPVOs) to participate more actively in the development of the country. USAID has funded 43 sub-projects, run by 11 U.S. PVOs and eight Thai PVOs. Approaches have concentrated on self-help methodologies and have included leadership training; home technologies to prevent malnutrition; and training in technical topics such as agriculture, health, and income generation.

Grants to PVOs

Grants have been made for PVO projects in the areas of:

- improving the lives of hill tribe villagers,

- for the deaf and blind,
- strengthening legal and policy support of the specialized needs of disabled persons in Thailand, and
- assistance to Amerasian children.

FY 1987 funded grants cover the areas of:

- environment,
- narcotics awareness,
- transfer of appropriate health technologies to public and private institutions, and
- environmentally-sound development of landless people and small-holders.

PVO Program Directions

In past years, the majority of grants went to U.S. PVOs. Ongoing efforts to strengthen IPVOs have resulted in more grants to Thai PVOs, and cooperative partnership grants to Thai and American PVOs working on joint projects.

The PVO project is complemented by the U.S. Peace Corps' Small Project Assistance Program in Thailand which is also supported by AID. Funds are granted to local communities and organizations for self-help projects in agriculture, rural development, nutrition and health.

AGRICULTURE AND RURAL DEVELOPMENT

Areas of Traditional Support. Agriculture and rural development have traditionally been key components of USAID's programs in Thailand. Thailand has made enormous strides in these areas in recent decades. Because of Thailand's considerable progress and expertise in these sectors, USAID bilateral programs in agriculture and rural development are now winding down. However, it is expected that various centrally-funded projects which link U.S. and Thai organizations will continue to address specific problems which arise. Several important projects implemented in the 1980s are now in their final stages. These projects focussed on:

- watershed development,
- rainfed agriculture development,
- small-scale irrigation,
- rural development, and
- seed development.

Most of these projects are concentrated in the North and Northeast of Thailand, where poverty levels are highest. Among these projects are the following:

Mae Chaem Watershed Development

The slash and burn migratory farming methods and opium cultivation of Northern hilltribes pose serious social and economic problems. With rapid population growth, the problems of maintaining the fragile mountainous natural resources of the North have intensified. His Majesty King Bhumibol Adulyadej originally proposed the long-term solution of crop substitution and

improvement of the standard of living of the hilltribe people so as to pave the way for their integration into the social and economic mainstream of Thai society.

Under the Mae Chaem Watershed Development project in Chiang Mai Province, USAID has committed \$9.2 million in grants, combined with \$11.8 million from the Royal Thai Government.

The project has assisted villagers in developing the agricultural land throughout the watershed area, improving water resources and rehabilitating roads. For the first time ever hilltribe farmers were given land use certificates in prime areas, encouraging them to work and develop the land over a long period.

Addressing the opium problem, the certificates carry with them the proviso that the farmer will not grow any opium on the land. Further, a pilot narcotics detoxification and rehabilitation center was established in the area to assist hilltribe residents to free themselves from debilitating opium addiction.

Northeast Rainfed Agricultural Development

Under the Northeast Rainfed Agricultural Development project (NERAD), \$7.5 million in USAID funds were applied to the study and alleviation of the problems of farm families in the poorest rainfed areas of the Northeast. The Ministry of Agriculture and Cooperatives implemented this project.

One benefit of the project was the refinement of a new method of direct sowing of rice which offers farmers in



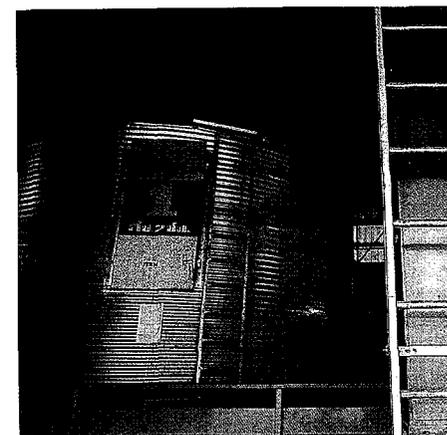
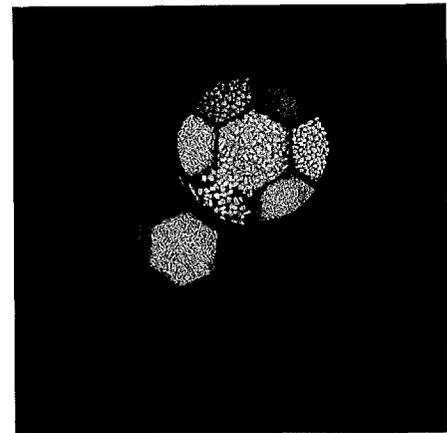
the driest areas of the Northeast the potential for growing a crop of rice every year rather than one in three as was previously the case.

A large agro-ecosystems analysis was carried out in the area to define the needs of local farmers and match these needs with available technologies. As a result of multi-disciplinary problem identification and project implementation, coordination between farmers and relevant government departments was strengthened, and numerous promising technologies were developed. For example, in a joint effort between the Department of Agriculture and the Department of Fisheries, a method of raising fish in rainfed rice paddy fields was developed. The Department of Agriculture and the Department of Agricultural Extension worked together to promote multi-locational trials after the on-farm trials. These trials involved many crops, including kenaf-rice, peanut-rice, and kenaf-mungbean.

Seed Development

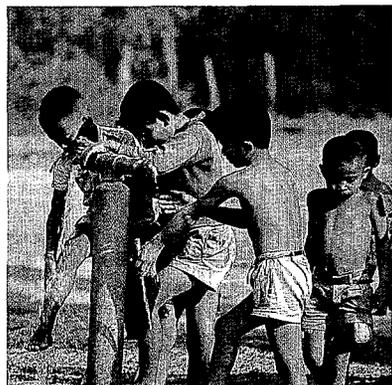
The Seed Development II project, funded at \$6.2 million, aimed to increase farmers' use of higher quality seed, especially for government programs, and to increase the role of the private sector in supplying this seed.

Under this project, a seed plant was established in Phitsanulok to supply soybean seed, at that time a new crop in Thailand. Technical assistance, commodities and construction were funded by USAID. Additional seed



centers were set up in Lampang, Korat, Chainat, Chiang Mai and Kalasin. USAID also helped establish three foundation seed facilities for the Department of Agriculture at Fang and Chiang Rai, and at Kasetsart University's Suwan Farm. Each center can handle 1,500 - 2,000 tons of seed per year. The Seed Division will eventually have the capability of producing 30,000 - 40,000 tons of seed annually.

Technical assistance to this project was by contract with Mississippi State University--an excellent example of U.S. university linkage with and support of Thai institutions.



Khon Kaen University Research Development

Under this \$2.1 million dollar USAID grant, Khon Kaen University received support to conduct

research appropriate to the development of Northeast Thailand.

With project funds the Research Development Institute of KCU was able to increase staff and carry out 38 rural development research projects and 51 farming system research projects during the first three years of this

six-year project. For example, innovative research work on natural immunity is designed to combat a devastating papaya virus now endemic in the Northeast. A well-water system study is aimed at determining the most cost-effective method of providing potable water to rural households in the Northeast. The screening and approval procedure for research proposals developed under the project is handled by various institutions in Thailand.

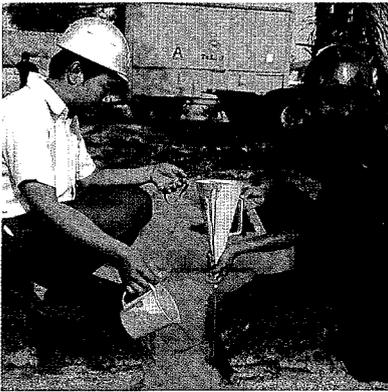
Northeast Small-Scale Irrigation

This project, supported by \$8.6 million in USAID funds, is establishing a replicable approach and the necessary institutional capabilities for increasing agricultural incomes for the rural farm population within the potential command areas of existing small reservoirs (tanks) in Thailand's most deprived region. Approximately 4,600 households within the irrigation areas of seven tanks will be served by this project, but the potential replication area encompasses more than 200 similar sites.

The project has included the improvement of deteriorated embankments; the rehabilitation, extension and improvement of main canal systems; improved access roads; the design and construction of effective on-farm distribution systems; a land development component; the provision of assistance to farmers in water management and agricultural practices; assistance for water user groups; marketing linkages; improved operation and maintenance programs; a marketing support component; operational research and demonstrations;

and the development of training programs for farmers and RTG personnel.

There is a heavy emphasis on farmer participation in all facets of the project which is supported by a sizeable input of technical assistance.



By the end of the project, it is expected that the irrigated area at project sites will have expanded by at least 100% and net farm income will have increased by a minimum of 40% on average. It is also expected that an organizational and training

system will have been institutionalized to extend the project approach throughout the Northeast.

As a result of the Lam Nam Oon Integrated Rural Development Project, (another irrigation project which USAID has supported since its inception with \$3.6 million in grants and loans), the Royal Irrigation Department is taking the initiative in inducing the cooperation of other agencies needed to insure that the infrastructure, once in place, is used productively. RID is establishing an internal unit to promote such cooperation and to manage four model irrigation projects to demonstrate the necessity of integrated or policy coordinated approaches to agricultural development.

Renewable Nonconventional Energy

A recently completed project which addressed Thailand's need to develop alternative energy sources was the Renewable Nonconventional Energy project. Its purpose was to reduce Thailand's dependence on imported petroleum through the development and pilot application of technologies employing Thailand's renewable energy resources. A recent impact evaluation of this \$5 million project showed a high degree of success in demonstrating the viability in Thai rural conditions of a number of nonconventional energy technologies.

Micro/Mini Hydroelectricity

The purpose of this \$8.1 million power project is to assist the National Energy Administration in improving site selection planning and analysis for small hydroelectric power plants, and to finance the construction of up to six of these plants.

This project is part of overall USAID support of Thailand's efforts to develop local energy sources in lieu of importing oil and fossil fuel. Thailand's dependence on imported oil requires a considerable outlay of foreign exchange, and it is to Thailand's benefit to develop cost-effective indigenous sources of energy. The development of mini hydro-electric power plants in the north, south and east of Thailand, contributes to this objective.

POPULATION, HEALTH AND NUTRITION

S*ignificant Successes.* Since beginning work in the health field in 1951, USAID has provided close to \$100 million (in grants and loans) in the fields of malaria control, rural health services, rural water supply, village sanitation, family planning, nutrition, diarrheal disease control and primary health care.

Population

Thailand has had considerable success in the field of family planning. The total fertility rate (the average number of children born to a woman in her lifetime) dropped from over six in the early 1960s to less than half that today. USAID is proud to have been a major participant in this work, which has been praised as one of the world's most successful family planning programs.

Today USAID continues to support Thailand's family planning efforts through the \$18.3 million Population Planning II project. This project is an example of cooperation between USAID, the Royal Thai Government and private and voluntary organizations in maintaining, extending and strengthening Thailand's family planning information and services nationwide.

In addition to this major bilateral project, AID supports several centrally-funded population projects. One such project addresses the issue of RTG budgetary allocations for family planning services. A study on price and income elasticities of demand for family planning services is part of the active policy dialogue process.

Another centrally-funded project collaborates with a local private organization--the Population and Community Development Association--to provide factory-based

family planning services and conduct market research for commercial sales programs.

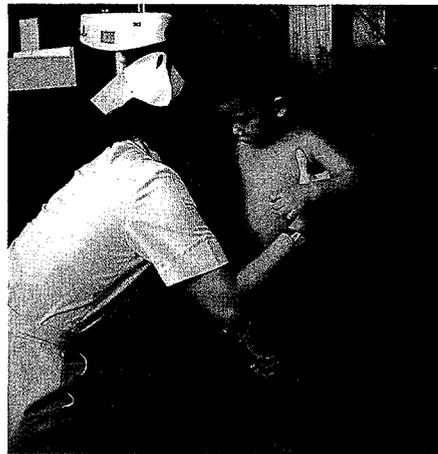
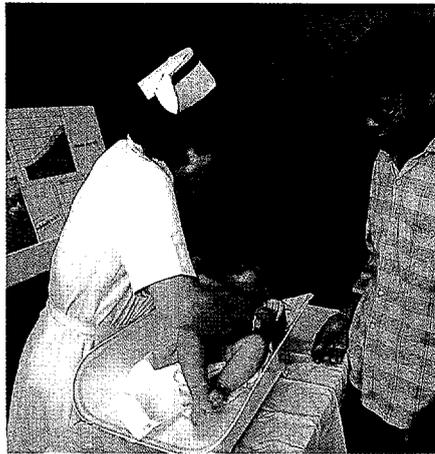
Other centrally-funded programs provide flexible and responsive assistance to RTG needs in such areas as training, commodity management, clinical research, survey design, curriculum development, operational research, product development, information systems and educational programs.

Health and Nutrition

Under the recently completed \$6.5 million Rural Primary Health Care Expansion project, USAID (in conjunction with the World Bank-financed population project) provided for training of rural health personnel, and health research in 20 provinces of Thailand. This bilateral project also supported community nutrition activities in 1,800 villages of 37 provinces, through food supplements developed from locally available foods, and through the institution of a child-weighting program. In addition the project supported diarrheal disease control, including sanitation and safe drinking water in 1,000 needy villages.

Other Bilateral Projects

Other USAID bilateral projects, while not health projects per se, contain significant health-related activities. For example, an EPD II subproject on Health Economics and Financing supports studies and in-country training in health economics and health care financing. Another subproject will establish a prototype computerized network for epidemiological surveillance to provide information necessary for decision-making on disease control in a timely manner. It will also support in-country training and seminars.



Centrally-Funded Health Projects

USAID/Thailand also helps design and coordinate a wide variety of health research and development activities in Thailand, most of which are financed through worldwide project grants from AID/Washington.

One such project is the Program for Appropriate Technology for Health (PATH). This program supports the Thai private sector with loan guarantees through Thai banks to invest in local production of medical supplies and equipment. PATH is currently involved in production of eyeglasses, x-ray equipment, dental equipment, and orthopedic plates.

Another program on infant nutrition and gastrointestinal diseases sponsors training in diarrheal disease for two physicians and one technician from Siriraj Medical School of Mahidol University at Children's Hospital in New York. On completion of their studies, they will begin training other physicians from other countries in the region.

Other major centrally-funded health projects are:

- primary health care operations research,
- vector biology and control,
- child survival grant,
- vitamin A grant,
- science advisor's program in science cooperation and technology,
- training for nurse instructors,
- family planning operations research,
- malaria immunity and vaccine research,
- technologies for child health, and
- AIDS technical support.

The total value to Thailand of centrally-funded health, population and nutrition support is about \$1 million per year. Science and technology grants for biomedical research managed by the mission's Division of Science and Technology total approximately \$1.7 million annually.

The Future

Between 1950 and the present, USAID Thailand has made major contributions to the eradication of malaria, the institution of family planning services, and the establishment of a rural health care system. Now that the rural health care infrastructure is largely in place, USAID is phasing down such large-scale bilateral assistance. New programs will feature carefully tailored support for key policy and operational research to improve the effectiveness of Thailand's health system. USAID will continue to support improvements in the primary health care and family planning system through centrally-funded projects and targeted bilateral assistance, such as through EPD II.

HOUSING AND URBAN DEVELOPMENT

U*rb*an Growth. One of the consequences of industrialization is the rapid growth of urban centers. AID's Regional Housing and Urban Development Office, located in Bangkok, has taken an active role in relieving the problems of the urban poor by assisting the Royal Thai Government in increasing the supply of affordable housing and by promoting policies which help municipal governments to better support the private sector.

AID involvement in housing began in the 1960s with loans to private developers which enabled them to increase construction and so relieve the housing shortage. The creation of Thailand's National Housing Authority (NHA) in 1973 helped to formalize the housing market and to increase the provision of housing affordable to the urban poor. AID has supported NHA with some \$10 million in housing guarantee loans to finance the building and maintenance of low-cost housing, and to upgrade slum areas through infrastructure improvements and social and economic activities.

The complexity of the economic and social environment of Bangkok requires a comprehensive approach to urban planning. Through technical assistance to the National Economic and Social Development Board (NESDB), and the Bangkok Metropolitan Authority, AID is helping the Royal Thai Government formulate policies that support increased private sector investment and promote local self-sufficiency.

AFFECTED THAI VILLAGE PROGRAM

Border Settlements. In an effort to stabilize border settlements along the Cambodian and Laotian borders, USAID provides Economic Support Funds to the Royal Thai Government's Affected Thai Village Program. Since 1980, \$37 million has been provided to assist 300,000 Thais in 412 border villages. These villagers' lives and livelihoods have been disrupted by border conflicts and the influx of refugees from Cambodia and Laos. An additional \$10 million is slated for the program during FY 1988 - 1989.

Under the Affected Thai Village Program a wide variety of development projects are implemented by various RTG ministries and departments. Project funds support:

- industrial promotion,
- rice paddy banks,
- fisheries,
- health services,
- farm and land development,
- livestock,
- education,
- water,
- road construction,
- reforestation, and
- village settlement.

NARCOTICS

Anti-narcotics Programs. Anti-narcotics activities are funded under several USAID/Thailand bilateral programs. Project funds support a district-level detoxification and rehabilitation program under the Mae Chaem Watershed Development project.

CARE/Thailand has been granted \$345,000 for a project under PVO Co-Financing II to supplement school children's reading materials, which includes information on narcotics awareness. USAID is providing a total of \$350,000 to the Population and Community Development Association and the Duang Prateep Foundation for rehabilitation and narcotics awareness projects.

USAID/Thailand is also participating in a regional narcotics awareness project.

CURRENT USAID/ THAILAND PROJECTS

SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

Amount of Funding: \$35 million
(\$26.5 million loan)
(\$8.5 million grant)
Duration: FY 1985-1992

Purpose: To enhance public and private sector application of science and technology to Thailand's development. These goals will be achieved through policy and institutional development, and through research in the areas of bioscience, biotechnology, materials technology and applied electronics technology.

AGRICULTURAL TECHNOLOGY TRANSFER

Amount of Funding: \$8.3 million
(\$6.5 million loan)
(\$1.8 million grant)
Duration: FY 1984-1992

Purpose: To accelerate the Ministry of Agriculture and Cooperatives' capacity to identify, introduce and manage modern agricultural technology needed to increase yields, production and farm income.

RURAL INDUSTRIES AND EMPLOYMENT

Amount of Funding: \$14.1 million (grant)
Duration: FY 1986-1996

Purpose: To sustain expansion of small and medium-scale rural enterprises and employment outside the Bangkok metropolitan area.

EMERGING PROBLEMS OF DEVELOPMENT II

Amount of Funding: \$18 million (grant)
Duration: FY 1985-1990

Purpose: To support Royal Thai Government policy formulation, program planning and pre-project analysis in key development problem areas.

PRIVATE AND VOLUNTARY ORGANIZATION CO-FINANCING II

Amount of Funding: \$5 million (grant)
Duration: FY 1985-1992

Purpose: To promote private and voluntary organization (PVO) activities, including those of Thai PVOs, that address the self-development needs of socially and economically disadvantaged groups.

DECENTRALIZED DEVELOPMENT MANAGEMENT

Amount of Funding: \$10.6 million
(\$7.5 million loan)
(\$3.1 million grant)
Duration: FY 1981-1988

Purpose: To provide the Royal Thai Government with appropriate models and approaches for strengthening capacities of tambon organizations, Royal Thai Government and private sector support systems at the provincial, district and village level.

RURAL DEVELOPMENT MONITORING AND EVALUATION

Amount of Funding: \$5 million (loan)
Duration: 1984-1988

Purpose: To assist the Royal Thai Government in developing information management and analysis capabilities for strengthening central and field level planning, monitoring and evaluation of rural development programs in poverty areas.

MAE CHAEM WATERSHED DEVELOPMENT

Amount of Funding: \$9.2 million (grant)
Duration: FY 1980-1989

Purpose: To establish a self-sustaining upward trend in real income and access to social services for rural families, with an emphasis on the rural poor, and to reverse deterioration in environmental quality within the watershed.

NORTHEAST RAINFED AGRICULTURAL DEVELOPMENT

Amount of Funding: \$7.47 million
(\$4.3 million loan)
(\$3.17 million grant)
Duration: FY 1981-1989

Purpose: To establish replicable agriculture development technologies and approaches for increasing farm productivity and farm incomes particularly among lower income farmers in rainfed agricultural zones.

SEED DEVELOPMENT II

Amount of Funding: \$6.2 million
(\$6.1 loan)
(\$0.1 grant)
Duration: FY 1982-1989

Purpose: To develop a comprehensive seed program that increases farmers' use of higher quality seed while steadily increasing the role of the private sector in supplying this seed.

NORTHEAST SMALL-SCALE IRRIGATION

Amount of Funding: \$8.6 million
(\$5.8 million loan)
(\$2.8 million grant)
Duration: FY 1980-1990

Purpose: To develop a replicable system of on-farm irrigation which includes assistance in water management, maintenance, improved agricultural practices, research and extension at up to 7 existing reservoirs in Northeast Thailand.

KHON KAEN UNIVERSITY RESEARCH DEVELOPMENT

Amount of Funding: \$2.1 million (grant)
Duration: FY 1983-1990

Purpose: To strengthen the institutional capacity of Khon Kaen University to conduct research appropriate to the development of Northeast rural communities.

MICRO/MINI HYDROELECTRIC

Amount of Funding: \$8.1 million
 (\$8 million loan)
 (\$0.1 million grant)

Duration: FY 1982-1989

Purpose: To assist the National Energy Administration in developing an analytical capacity to improve site selection planning and analysis, and to finance construction of up to six mini hydroelectric generating systems in various parts of Thailand.

AFFECTED THAI VILLAGE PROGRAM I

Amount of Funding: \$32 million (grant)

Duration: FY 1980-1988

Purpose: To assist disrupted rural Thai communities along Thailand's borders with Cambodia and Laos. This contribution from the Economic Support Fund is made to a special Royal Thai Government program which combines RTG and other donor contributions for economic rehabilitation and development activities.

POPULATION PLANNING II

Amount of Funding: \$18.3 million
 (\$9.9 million loan)
 (\$8.4 million grant)

Duration: FY 1985-1989

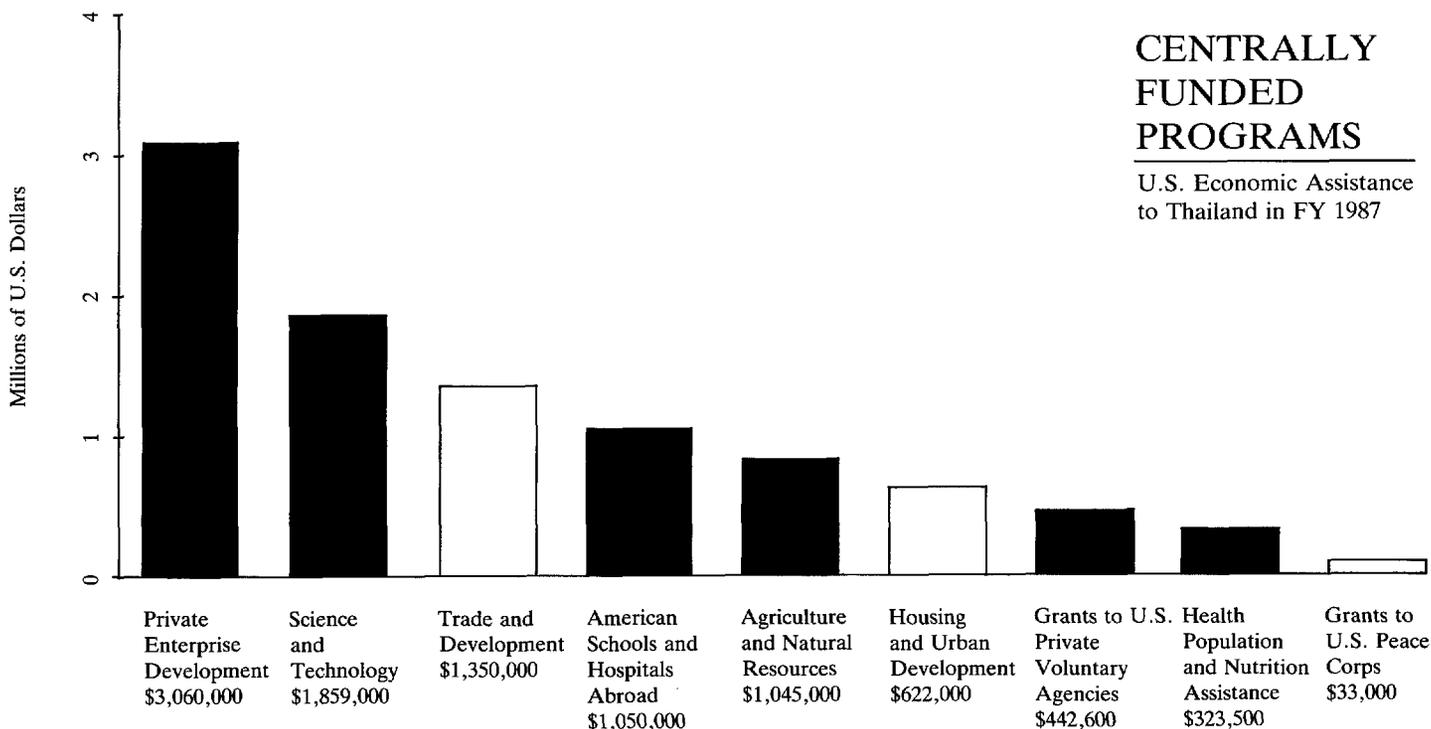
Purpose: To assist the Royal Thai Government in maintaining, extending and strengthening family planning information and services nationwide.

AFFECTED THAI VILLAGE PROGRAM II

Amount of Funding: \$15 million (grant)

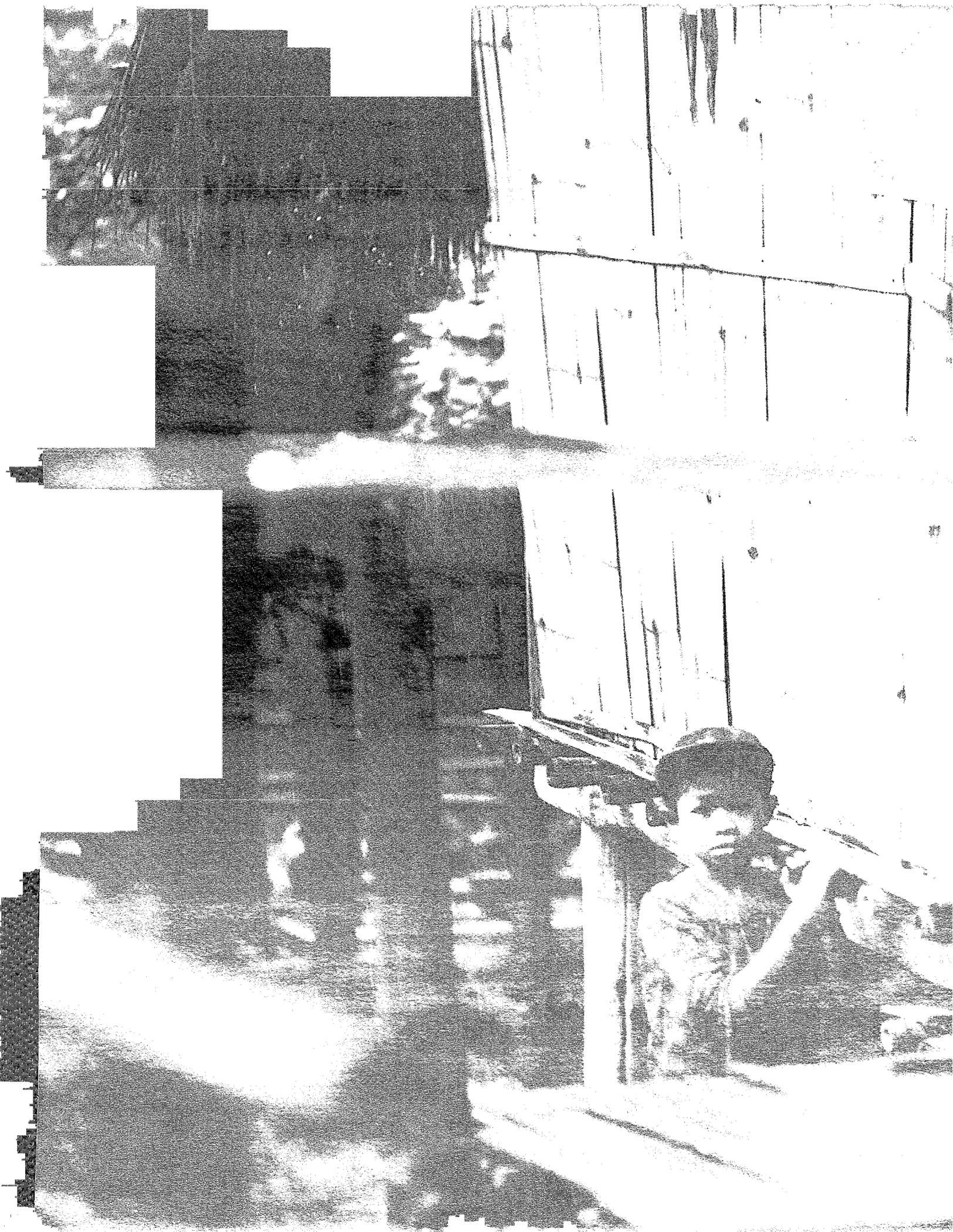
Duration: FY 1987-1990

Purpose: To continue economic assistance activities to disrupted Thai villages along the Cambodian and Laotian borders, and to provide funds for increased program planning, monitoring and evaluation.



CENTRALLY FUNDED PROGRAMS

U.S. Economic Assistance to Thailand in FY 1987



HISTORICAL VIEW OF USAID IN THAILAND

L*ooking Back.* Looking back at the relationship between USAID and Thailand from the signing of the Economic and Technical Cooperation agreement in 1950, to the present, one can track numerous successes. USAID and its predecessor organization USOM (United States Operations Mission) provided almost \$1 billion in AID support. This financial support and the dedication and determination of Thai and American men and women have led to major achievements in the overall objectives of security and development.

INFRASTRUCTURE DEVELOPMENT

U.S. funds supported the building or repair of highways, dams, airports, hospitals, schools, and railroads in order to link rural Thailand, particularly the traditionally poor Northeast, with the mainstream of Thai political, economic and social life.

A*Top Priority.* A top priority during the first decades of Thai-U.S. cooperation was

infrastructure development. Between 1950 and the beginning of the 1970s, the United States was the key supporter for Thailand's development projects. During this period some \$200 million in U.S. funds helped to build highways, dams, airports, hospitals and schools, and to repair railways.

Few Roads in 1950

In 1950 there was relatively little interchange between city and countryside. Traditional waterways and a war-damaged railroad system were links between regions, but there were only 456 kilometers of paved highway in the entire country. Much of that was not linked or was unusable due to disrepair of roads and unsafe wooden bridges. Chiang Mai and the southern border could not be reached by road.

Railways and Ports

World War II took a heavy toll on Thai railways, with 107 locomotives and more than 2,000 coaches and wagons damaged. Bangkok's port was in poor condition because of siltation, and electricity was in very short supply. In fact, Thailand was then one of the lowest power consumers in the world. Annual consumption per person stood at only five kilowatt hours in 1951.

A Big Boost to Transportation

From 1954 to 1960, the transportation sector received almost half of total U.S. economic assistance, with roads alone getting 33 percent and air transport, 10 percent.

USAID participated in almost all the major highway construction projects in the late 1950s. Two transportation milestones were reached when American contractors built two key highways: the Saraburi-Korat leg of the Friendship Highway, and the Phitsanulok-Lomsak leg of the East-West Highway. These projects cost \$28.2 million. When the Friendship Highway opened in 1958 it had a major impact on the Northeast, providing the first reliable road link to a formerly remote region where more than one-third of the Thai population now lives.

During this period a U.S.-assisted program replaced 1,013 bridges throughout the country, thereby opening existing highways to heavy commercial traffic.

On-the-job training was a major element in these highway and bridge-building projects. The number of competent bridge-building firms in Thailand rose from seven to 76 in the period 1955-1965.

While building highways, American

"The Friendship Highway is a major symbol of U.S.-Thai relations. The infrastructure built by the United States in the initial phase of our relationship was critical for expanding government services outside Bangkok and provided the foundation for further development."

Dr. Snoh Unakul, Secretary-General
National Economic and Social Development Board

SECURITY

USAID provided assistance to the Royal Thai Government's Accelerated Rural Development Program and Mobile Development Units, in addition to supporting the Thai police. This security support was particularly important during the Vietnam War and during the period of communist insurgency.

contractors trained thousands of Thais in engineering and construction.

Accelerated Rural Development

USAID was the principal international supporter of the Royal Thai Government initiative known as Accelerated Rural Development (ARD). Under ARD more than 3,000 kilometers of all-weather roads and 25,000 kilometers of auxiliary roads were constructed.

Railroads

The railway system was improved with some \$6 million of U.S. funds. American aid supported the 60 kilometer railroad extension from Udorn to Nong Khai, completed in 1957.

Ports

American military aid, which also began in 1950, assisted in infrastructure development. The multi-million dollar Sattahip naval installation, where containerized civilian freight is now handled, and the Sattahip-Korat highway, were two such contributions to building Thailand's transportation system.

Air Transport

Extensive improvements were made to seven airports, including those in Bangkok, Chiang Mai and Phuket. Funds were provided for

navigational aids, power supplies, approach and runway lighting, and civil aviation training.

Power and Telecommunications

Between 1950 and 1964 more than \$40 million in U.S. assistance went to the Bangkok area's power distribution system and generating capacity. These funds covered not only equipment, but also technical assistance and training for Thai technicians in the United States.

By 1963 a telecommunications system linking Bangkok and outlying regions had been completed with some \$4 million in American aid.

Benefits

Thais and Americans agree that the infrastructure development of the fifties and sixties was a wise investment in the economic development and security of Thailand. Improved communications reduced the isolation of the countryside and gave many more villagers access to water, teachers, health workers, policemen and the mainstream of Thai economic, political and social life. Farmers gained access to markets. Students gained access to schools. The sick gained access to health workers and doctors. Married couples gained access to family planning services.

Increased Security. During the early decades of USAID work in Thailand, police stations were established for the first time in many rural areas to provide the security necessary for development. From 1965 to 1970 the number of police stations at the tambon level rose from 150 to more than 1,000. U.S. funds helped finance a 50 percent increase in the number of policemen, as well as improvements in communications, education and training.

ARD Offices

Accelerated Rural Development offices were set up in all the provinces of the Northeast as well as in scattered provinces of the North and South. The ARD effort helped bring economic progress and increased security to the villages. The stepped-up capacity of government to deliver services gave rural Thais more confidence in the

ability of the government to protect them and provide for their welfare. This was an urgent consideration, given efforts by insurgents to undermine trust between government and people.

Mobile Development Units

Another U.S.-supported, security-related activity in the 1960s was the establishment of Mobile Development Units (MDUs). Teams of about 120 military and civilian officials were sent to the most remote areas of Thailand to bring a government presence and help with compelling economic needs.

Through MDU projects, many villagers began to see the Royal Thai Government as an entity which was ready to support them. Similarly, many government officials gained a greater appreciation of the real needs of rural people.

EDUCATION

A *Severe Shortage.*

In the early 1950s education in Thailand was hampered by a severe shortage of teaching materials and trained teachers. In 1951 only one teacher in 20 in rural elementary schools had a sixth grade education or more. Less than one in 100 had a college degree. Fewer than half the districts offered



schooling above the fourth grade. The World Bank estimated that in 1957 only two percent of all students since the war had finished the eleventh grade.

The United States has been a major supporter of Thailand's efforts to develop its human resources. Tens of millions of U.S. dollars were given to strengthen Thailand's educational system. USAID support has been key in the founding of some of Thailand's leading educational institutions, such as the Chiang Mai University Medical School and the National Institute of Development Administration (NIDA), as well as a leading regional institution, the Asian Institute of Technology (AIT).

Institution Building in Education

The United States has been a major supporter in Thailand's development of the nation's human resources, and has helped to found some of Thailand's institutions of higher learning.

In the 1950s and 1960s the U.S. contributed more than \$35 million to the development of Thailand's educational system. Some \$11 million went into vocational education. In addition, substantial aid was made available for general and medical education.

Some \$5.9 million was given to establish the Chiang Mai University Medical School. The Prasanmitr College of Education received nearly \$3 million to improve the quantity and quality of school teachers throughout the country.

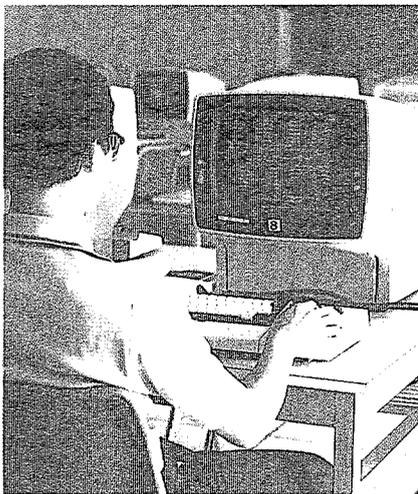
The Training Division of the Department of Local Administration received American help amounting to \$2.5 million by 1971. Another grant of \$800,000 helped establish Chulalongkorn University's Engineering Department. USAID also provided some \$3.7 million toward establishing the Northeast Regional Office of Agriculture and Cooperatives (NEROAC) in Khon Kaen Province, with the cooperation of the University of Kentucky. Technical assistance, MOAC scholarships, and extensive equipment and supplies were provided.

The National Institute of Development Administration (NIDA) was set up in 1966 as an offshoot of Thammasat University's Institute of Public Administration (IPA). NIDA was

founded with major financial support from USAID and the Ford Foundation, and with technical support from the Midwestern Universities Consortium for International Activity, composed of the University of Indiana, the University of Wisconsin, Michigan State University, and the University of Illinois. NIDA and IPA were established in order to upgrade and modernize the government's civil service. Today, NIDA plays a crucial role in training Thailand's future leaders in both the public and private sectors. Master's degrees are offered in public administration, business administration, economic development, and applied statistics. Many of the NIDA faculty received their higher education training in the United States under USAID programs. Although most of NIDA's original faculty members were educated abroad, subsequent leaders have been trained only at NIDA. This is a significant measure of Thailand's growing self-sufficiency in the field of education and training.

Other Institutions

Over the years, AID has supported the development of numerous other educational institutions. One recent grant was a \$5.5 million



grant to Payap University in Chiang Mai. Another was a \$1.6 million grant to Lampang College of Commerce and Technology. These grants have been provided under AID's American Schools and Hospitals Abroad (ASHA) program.

Asian Institute of Technology

Assistance from AID/Washington of some \$20 million has made the Asian Institute of Technology (AIT) a leading regional technological institute. Although AIT is located in Thailand, it is in fact an international, regional organization.

Between 1959 and 1973 the U.S. contributed more than 52 percent of all supporting funds received by the Institute. Since then AID/Washington has helped meet the construction costs of AIT's regional computer center and Asian Remote Sensing Training Center. To make AIT's facilities more accessible to students throughout the region, the U.S. under AID's regional ASEAN assistance program funded from Manila, agreed in 1979 to fund scholarships for 250 ASEAN nationals to study at AIT.

ASEAN-U.S. Development Cooperation Program

AID's support of the Asian Institute of Technology is just one example of AID's overall support of cooperative ASEAN programs. Since 1979, AID has committed some \$50 million in grant funding to ASEAN programs which focus on institutional development, technical exchange and enhancement of the private sector's role and contributions. Socio-economic sectors receiving support include agriculture, natural resources, energy, public health, education and small business.

TROPMED

One of these AID-sponsored ASEAN programs is the TROPMED Health Scholarship project which provides funding for ASEAN nationals to pursue health and nutrition studies within the region. The Mahidol University Faculty of Tropical Medicine acts as coordinator of this program.

ADPC

Another ASEAN program is the Agricultural Development Planning Center project (ADPC) which aims to strengthen ASEAN member countries' agricultural development planning capabilities. Since ADPC was first established in the late 1970s, some 250 agricultural planners and

technicians from member countries have been trained. Of these, 52 completed a master's degree program at Kasetsart University. The center, which is located at Kasetsart University, conducts agricultural research which is useful in agricultural planning for ASEAN member nations.

TRAINING

USAID has helped finance foreign education for some 11,000 Thais, many of whom are now in key public and private sector leadership positions and are making substantial contributions to the economic, social and political development of the country.

People: *The Main Ingredient.* Nothing is more important to a developing nation than a core of well-educated men and women. Recognizing this, USAID has helped finance overseas training and advanced education mainly in the U.S. for some 11,000 Thais.

Recipients of U.S.-sponsored education and training are now to be found in virtually every branch of the Royal Thai Government. Many are in important leadership positions in both the public and private sectors.

Many Fields of Expertise

Thai candidates for study in the United States are chosen jointly by USAID and the Royal Thai Government. Those who are selected are associated with specific USAID projects. Their programs vary from technical training and observation tours of several weeks to graduate degree programs. Fields of study cover a wide variety of subjects, from public administration, to agriculture, to specialized medical training.

Before 1973, USAID funded foreign training for 1,100 Thai police officers, 2,100 agriculture specialists, and 1,800 educators. Over the years, many of Thailand's foreign-trained doctors and other health professionals received U.S. financial help for their study abroad.

In recent years fewer Thais have been receiving U.S. funding for graduate degree study in the United States, although thousands of Thais are studying in the U.S. with personal or other sources of funding. The current trend is for USAID to sponsor on-the-job technical training, observation programs and study at Thai and regional institutions. One recent program offered first-hand experience for energy professionals.

One reason for the decline in U.S. graduate degree funding is the relative

high cost of such degrees compared to in-country and regional training. Another is the improvement in the institutions of higher learning or research stations in Thailand and the region, many of which have received AID support. Three such institutions are the Asian Institute of Technology (AIT), the National Institute of Development Administration (NIDA), and the International Rice Research Institute (IRRI) in the Philippines.

Public Administration

For more than three decades the U.S. has been assisting Royal Thai Government efforts to strengthen and modernize its civil service. U.S. support has funded American technicians in Thailand, and technical training courses and advanced studies in public administration for Thai civil servants in the U.S.

Among the government departments and agencies to have received such support are the:

- National Statistical Organization,
- Bureau of the Budget,
- Civil Service Commission,
- Customs Department,
- Department of Labor,
- Department of Local Administration,
- Community Development Department, and
- units under the Office of the Prime Minister, such as

"The impact of American aid in the area of training is not visible, but one can sense it. Most of the present Thai leadership in government and industry received education and training in the United States."

Khun Wanchai Sirirattna
Director-General
Department of Technical and
Economic Cooperation (DTEC)

the National Economic and Social Development Board (NESDB), and the Department of Technical and Economic Cooperation (DTEC).

With advances in economic planning, budgeting, accounting and other aspects of public administration, Thailand has developed the ability to skillfully manage its own development on both national and local levels.

AGRICULTURE AND RURAL DEVELOPMENT

Beginning in 1950, assistance to the Thai agriculture sector has been a major aspect of American aid to Thailand. USAID agricultural development programs have supported the improvement of crop yields through better seeds, better irrigation, improved crop management and infrastructure development.

The *Economic Backbone*. Agriculture is, and has been, the economic backbone of Thailand. More than 70% of the people earn their living in the growing, processing and marketing of rice, corn and other agricultural products. They have made the

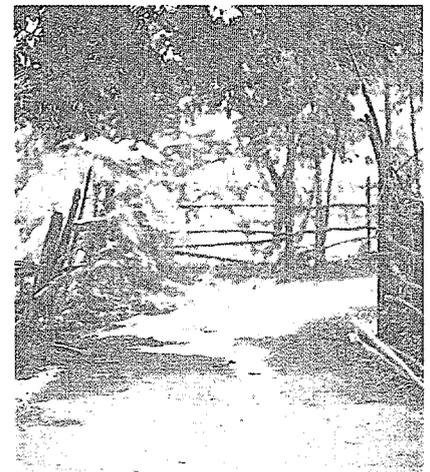
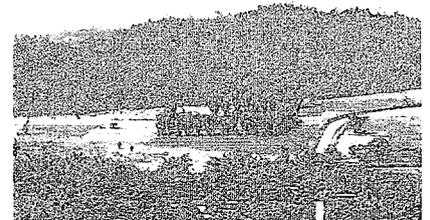
country a leading world producer of these important food crops. U.S. assistance in improving yields through better seeds, better irrigation, and a better infrastructure has contributed to the considerable growth of Thai agricultural products.

Agricultural Projects

Beginning in 1950, assistance to the Thai agriculture sector has been one of the most successful aspects of American aid to Thailand. Efforts to improve production practices for rice and other field crops, and the expansion of land under cultivation, have resulted in hundreds of millions of dollars in additional export income for Thailand.

Other agricultural projects sponsored by USAID include irrigation dams; soil and water management; crop development; and agricultural research, extension, credit and marketing. A project with the Office of Agricultural Economics (OAE) assisted the RTG to strengthen its abilities in agricultural planning and policy formulation.

Current projects such as the Northeast Rainfed Agricultural Development project, Northeast Small-Scale Irrigation project, the Mae Chaem Watershed project, the Khon Kaen University project, and the Agricultural Technology



Transfer project (described elsewhere in this booklet), add substantially to Thailand's agricultural expertise and productivity.

HEALTH, POPULATION AND NUTRITION

Since the beginning of the USAID program in Thailand, the U.S. has provided close to \$100 million to support rural health services, malaria and diarrhea control, nutrition, family planning, and related concerns. Historically, USAID has contributed over two-thirds of all external funding support to Thailand's family planning campaign, which has been called one of the world's most successful national population programs.

Better Health. For nearly 40 years USAID has been assisting the Royal Thai Government in programs designed to improve the health of Thais. Major support has been given to work in:

- malaria control,
- rural health services,
- rural water supply,
- village sanitation,



- family planning,
- nutrition,
- diarrheal disease control, and
- primary health care.

Since the beginning of the assistance program, USAID has provided close to \$100 million in these fields. Two-thirds of this amount has been in grants, the balance in concessionary loans.

Malaria

Starting in 1951, USAID began support of Thailand's anti-malaria campaign. Technical assistance, commodities and funds for overseas training were provided. Over 400 malaria clinics were established. Some 30,000 village malaria volunteers and program personnel were trained. A malaria training center and several other offices were built. This work contributed greatly to sharp reductions of malaria incidence and mortality. The malaria death rate decreased from 169 per 100,000 people in 1951 to 4.4 per 100,000 people in 1984.

Rural Health Services

During the 1960s and 1970s, USAID financed rural health services projects. These included the Village Health and Sanitation project, the Comprehensive Rural Health project and the Potable Water project. Under these programs health personnel received in-country and overseas training. Projects developed safe water in villages, sanitary latrines, health education, and basic health services. Training centers for sanitation workers were also supported.

Rural Primary Health Care

From 1979 to 1986 USAID financed the Ministry of Public Health's Rural Primary Health Care Expansion project as an adjunct to a larger World Bank-funded Population Project. USAID's \$6.5 million concessionary loan was aimed at making primary health care services more readily available to the rural population. It supported training of some 19,000 paramedical personnel and more than 160,000 village volunteers in some 10,000 villages in 42 provinces. The project focussed on promoting the concept of primary health care, child nutrition, diarrheal disease control, rural water supply, and sanitation.

Nutrition

A related key health factor is nutrition. Through its nutrition program, which involves research, monitoring, food supplements and education, USAID/Thailand has supported efforts to decrease the incidence of malnutrition in Thailand. The nutritional status of the under-five group of children has improved a great deal recently. According to MOPH statistics, the percentage of malnourished babies decreased from 51% in 1982 to 23% in 1986.



Family Planning

USAID is proud to have been a major collaborator in Thailand's family planning efforts, lauded as one of the world's most successful national population programs. Recognizing that rapid population growth undermines economic development, support of the Royal Thai Government's national family planning program has long been one of USAID's top priorities.

USAID has assisted the National Family Planning Program (NFPP) since its inception with nearly \$43 million in direct bilateral assistance. During the 1970s USAID grants accounted for a large portion of the total NFPP budget, and USAID has historically been the source of over two-thirds of all

external funding support for Thailand's population and family planning program. This support has contributed significantly to the remarkable success Thailand has had in family planning. By 1984 Thailand had achieved a contraceptive prevalence rate of 65 percent. The fertility rate decreased from over six in the early 1960s to less than half that today.

As the 1980s come to a close, USAID turns its attention to new areas of fruitful collaboration in the fields of private sector development, science and technology, and natural resources and environmental management. Support continues for development work among Thais living on the Cambodian and Laotian borders.

THE FUTURE

M *eeeting the
Challenge.* USAID
will continue to
support Thailand's

development into a middle income country through programs closely linked to Thailand's emerging needs. In the immediate years ahead these challenges call for sharing of American scientific, technical and entrepreneurial skills; encouraging investment by the private sector; building stronger institutions; and supporting natural resources and environmental management. These joint efforts are expected to broaden and deepen collaboration and to enhance the mature relationship which exists today.

