

UNITED STATES GOVERNMENT

Memorandum

4930283(6)
FD-AAF-266-A1
4930283004201

TO : Distribution

DATE: March 13, 1979

FROM : ASIA/PD/EA, Monica K. Sinding

36p

SUBJECT: THAILAND - Population Planning Project (493-0283)

Attached for your information and files are the following documents regarding subject project:

1. Memorandum for Deputy Administrator from AA/ASIA, Loan vs. Grant Funding dated 2/12/79.
2. Project Authorization and Request for Allotment of Funds Parts I and II, dated 2/19/79.
3. Action Memorandum for the Administrator - Amendment to Project Paper dated 1/3/79.
4. Project Paper Amendment

Attachments: a/s

Distribution:

AA/PPC:AShakow

AA/DS:SLevin

DS/PO:RSimpson

AA/ASIA:JSullivan, FSchieck

ASIA/PD:DJBrennan, GRVanRaalte, MMPehl

ASIA/TR:TMarndt, JRBrady, SWSinding

ASIA/DP:RHalligan

GC/ASIA:CStephenson

ASIA/PT:DSteinberg

DAA/DS/HRD:SJoseph

USAID/Thailand_ (2)

→ D.S. D.S.



FEB 12 1 41 PM '79

EXECUTIVE SECRETARIAT

FEB 12 1979

MEMORANDUM FOR THE DEPUTY ADMINISTRATOR

FROM: AA/ASIA, John H. Sullivan

SUBJECT: Loan Vs. Grant Funding for the Thailand Population Project

You have raised the question of a justification for the Asia Bureau's decision to grant rather than loan fund the subject project during FY 1979, 1980, and 1981 in view of former Deputy Administrator John Murphy's decision that the project should be loan funded after FY 1978.

During the transfer of project responsibility from DS/POP to ASIA/TR approximately a year ago several project files were misplaced, the Thailand project file among them. Therefore, it is difficult to determine the precise basis of Mr. Murphy's 1975 decision. Specifically, we are not certain whether the decision was part of the general decision to phase out of development assistance to Thailand or a specific position similar to his decisions to shift from grant to loan funding contraceptive commodities in the Philippines and Indonesia population projects.

We assumed the decision was part of the general phase-out and have prepared the current action memorandum accordingly. It is possible, however, the decision was similar to that taken in the Indonesia and Philippines cases.

The principal basis of the Murphy decision to shift the Indonesia and Philippines programs to loan funding was that the programs were sufficiently well established and the government commitments were strong enough that they could be expected to accept loan funding of contraceptive commodities. This made sense in those countries inasmuch as a very large proportion of the total assistance in population was for contraceptives. In the case of Thailand, however, only about 20 percent--\$1.58 million out of a total of \$7.038 million--in FY 79-81 is proposed for contraceptives. The balance is largely for sterilization services, i.e. paying for various elements of the new Thai government emphasis on permanent methods of contraception. This major new emphasis was not part of the planned program when Mr. Murphy made his decision in 1975.

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Feb 12 11 11 PM '79

SECRETARY GENERAL

FEB 12 1979

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During the transfer of project responsibility from DS/POP to ASIA/TR approximately a year ago several project files were misplaced, the Thailand project file among them. Therefore, it is difficult to determine the precise basis of Mr. Murphy's 1975 decision. Specifically, we are not certain whether the decision was part of the general decision to phase out of development assistance to Thailand or a specific position similar to his decisions to shift from grant to loan funding contraceptive commodities in the Philippines and Indonesia population projects.

We assumed the decision was part of the general phase-out and have prepared the current action memorandum accordingly. It is possible, however, the decision was similar to that taken in the Indonesia and Philippines cases.

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Beyond this I would add the following:

1. The program is currently grant funded. Approval of the PP revision would only continue something we have been doing for several years.
2. It is general A.I.D. policy to grant fund population activities with the exception of commodities in a few countries where the programs are exceptionally well established. It does not seem sensible to loan fund a mere \$1.58 million in contraceptive commodities over the three years of the Thailand population program.
3. Only the IBRD and Canada loan fund any population activities in Thailand. All other donors, including the largest, UNFPA, grant fund the program.
4. The Thai program is still sufficiently experimental that withdrawal of US grant financing might substantially dampen local support.

For the reasons cited above, I strongly urge you to support the Asia Bureau's decision to continue to grant fund this highly successful family planning program--one of the world's most successful--for the last three years of the current project.

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS PART I	1. TRANSACTION CODE <input type="checkbox"/> A - ADD <input checked="" type="checkbox"/> C - CHANGE <input type="checkbox"/> D - DELETE	PAF 2. DOCUMENT CODE 5
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3. COUNTRY ENTITY Thailand	4. DOCUMENT REVISION NUMBER <input type="text" value="2"/>
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5. PROJECT NUMBER (7 digits) <input type="text" value="493-0283"/>	6. BUREAU/OFFICE A. SYMBOL ASIA B. CODE <input type="text" value="04"/>	7. PROJECT TITLE (Maximum 40 characters) <input type="text" value="Population Planning"/>
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8. PROJECT APPROVAL DECISION <input type="checkbox"/> A - APPROVED <input type="checkbox"/> D - DISAPPROVED <input type="checkbox"/> DE - DEAUTHORIZED	9. EST. PERIOD OF IMPLEMENTATION YRS. <input type="text" value="07"/> QTRS. <input type="text" value="3"/>
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10. APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>76&TQ</u>		H. 2ND FY <u>77</u>		K. 3RD FY <u>78</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) PH	400	400		1594		2365		1710	
(2) PH	444	440		2986*		14*		900*	
(3)									
(4)									
TOTALS		4580				2379		2610	

A. APPROPRIATION	N. 4TH FY <u>79</u>		O. 5TH FY <u>80</u>		LIFE OF PROJECT		11. PROJECT FUNDING AUTHORIZED		A. GRANT	B. LOAN
	D. GRANT	F. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	ENTER APPROPRIATE CODE(S): 1 = LIFE OF PROJECT 2 = INCREMENTAL LIFE OF PROJECT		2	
(1) PH	2178		1740		11127					
(2) PH	522*		540*		5480*					
(3)										
(4)										
TOTALS		2700		2280		16607			C. PROJECT FUNDING AUTHORIZED THRU FY <input type="text" value="81"/>	

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000)	13. FUNDS RESERVED FOR ALLOTMENT
A. APPROPRIATION B. ALLOTMENT REQUEST NO. _____ C. GRANT D. LOAN	TYPED NAME (Chief, SER/FM/FSD) SIGNATURE DATE
(1)	
(2)	
(3)	
(4)	
TOTALS	

14. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 LOCAL OTHER _____

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED
 Increase in life-of-project funding from \$9,569,000 to \$16,607,000. Virtually all of the increase will be used to provide additional funding for voluntary surgical contraceptive (VSC) services.

*Project funding of \$16,607,000 of grant funds includes \$1,580,000 of bilaterally-funded contraceptives to be provided during FY 1979-81, as well as an estimated \$3,900,000 of centrally-funded contraceptives which were provided during FY 1976-78.

FOR PRC/PIAS	16. AUTHORIZING OFFICE SYMBOL	17. ACTION DATE MM DD YY	18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE MM DD YY
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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

AMENDMENT

THAILAND

Population Planning Project
Project No. 493-0283

Pursuant to Part I, Chapter 1, Section 104(b) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the amendment of the existing Grant to the Royal Thai Government under the Population Planning Project (A.I.D. Project No. 493-0283) for an increase in funds of not to exceed Two Million, Seven Hundred Thousand United States Dollars \$2,700,000, (the "Authorized Amount"), to help in financing foreign exchange and local currency costs of goods and services required for the Population Planning Project as described in the following paragraph.

The project (hereinafter referred to as the "Project"), consists of providing assistance for development and evaluation of new family planning activities, the expansion of current services, and the intensification of training in population and family planning services. The Project includes past and future deliveries of commodities. (In the past, commodities have been authorized and approved separately from bilateral assistance, but they are now authorized at the same time as other forms of bilateral population assistance.)

I approve an increase in the total level of A.I.D. appropriated funding planned for this Project so that the new total level planned is not to exceed \$16,607,000 including commodities and the \$2,700,000 authorized above, which will be entirely grant-funded, during the period FY 1976 through FY 1981.

I approve further increments during that period of grant funding up to the total level of \$16,607,000, subject to the availability of funds in accordance with A.I.D. allotment procedures. This

total figure of \$16,607,000 includes \$1,580,000 of bilaterally-funded commodities to be provided during FY 1979-1981 and an estimated \$3,900,000 of centrally-funded commodities which were provided during FY 1976 through FY 1978, as well as \$11,127,000 of other bilateral assistance over the life-of-project.

Except as hereby amended, the Project Grant Authorization, as previously amended, remains in effect.

	Date	Initial
Clearances:		
AA/ASIA, John H. Sullivan	<u>1/3/79</u>	<u>RS</u>
GC Markham Ball	<u>SMC</u>	<u>1/12/79</u>
AA/DS, Sander Levin	<u>1/26/79</u>	<u>SL</u>
AA/PPC, Alexander Shakow		
DA/AID, Robert H. Nooter		

Signature Robert H. Nooter
Robert H. Nooter
Deputy Administrator

1/13/79
Date

DRAFT

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET	TRANSACTION CODE <div style="border: 1px solid black; display: inline-block; padding: 2px;">C</div> A = ADD C = CHANGE D = DELETE	PP 2. DOCUMENT CODE 3
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3. COUNTRY/ENTITY <p align="center">Thailand</p>	4. DOCUMENT REVISION NUMBER <p align="center" style="border: 1px solid black; display: inline-block; padding: 2px;">2</p>
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5. PROJECT NUMBER (7 digits) <p align="center" style="border: 1px solid black; display: inline-block; padding: 2px;">493-0283</p>	6. BUREAU/OFFICE A. SYMBOL <p align="center">ASIA</p>	B. CODE <p align="center" style="border: 1px solid black; display: inline-block; padding: 2px;">04</p>	7. PROJECT TITLE (Maximum 40 characters) <p align="center" style="border: 1px solid black; display: inline-block; padding: 2px;">Population Planning</p>
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8. ESTIMATED FY OF PROJECT COMPLETION <p align="center">FY 82</p>	9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY 7 6 B. QUARTER 3 C. FINAL FY 8 1 (Enter 1, 2, 3, or 4)
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10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -						
A. FUNDING SOURCE	FIRST FY <u>76&TQ</u>			LIFE OF PROJECT		
	B. FY	C. L. C.	D. TOTAL	E. FY	F. L. C.	G. TOTAL
AID APPROPRIATED TOTAL	4580		4580	16607		16607
GRANT	4580		4580	16607		
LOAN						16607
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY	250	1250	1500		21047	21047
OTHER DONOR(S)	200	1960	2160		12002	12002
TOTALS	5030	3210	8240	16607	33049	49656

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>76&TQ</u>		H. 2ND FY <u>77</u>		K. 3RD FY <u>78</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) PH	400	400		1594		2365		1710	
(2) PH	444	440		2986*		14*		900*	
(3)									
(4)									
TOTALS				4580		2379		2610	

A. APPROPRIATION	N. 4TH FY <u>79</u>		O. 5TH FY <u>80</u>		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED				
	Q. GRANT	R. LOAN	S. GRANT	T. LOAN	U. GRANT	V. LOAN					
(1) PH	2178		1740		1127		<table border="1" style="margin: auto;"> <tr> <td>MM</td> <td>YY</td> </tr> <tr> <td align="center">09</td> <td align="center">79</td> </tr> </table>	MM	YY	09	79
MM	YY										
09	79										
(2) PH	522*		540*		5480*						
(3)											
(4)											
TOTALS	2700		2280		16607						

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

NA
 1 = NO
 2 = YES

14. ORIGINATING OFFICE CLEARANCE SIGNATURE <p align="center">Dennis J. Brennan</p> TITLE <p align="center">Director, Office of Project Development Bureau for Asia</p>	15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W OCCU- RENTS. DATE OF DISTRIBUTION DATE SIGNED <table border="1" style="margin: auto;"> <tr> <td>MM</td> <td>DD</td> <td>YY</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	MM	DD	YY			
MM	DD	YY					

AID 1320-4 (2-78) *Project funding of \$16,607,000 of grant funds includes \$1,580,000 of bilaterally funded contraceptives to be provided during FY 1979-81, as well as an estimated \$3,900,000 of centrally-funded

JAN 29 10 35 AM '79

OFFICE OF THE SECRETARY

JAN 3 1979

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: ES

THRU: AA/PPC, Alexander Shakow *AS*

FROM: *bc* AA/ASIA, John H. Sullivan *RH*

SUBJECT: Amendment to Project Paper - THAILAND
Population Planning Project (493-0283)

Problem: Attached is an amended Project Paper (TAB B) proposing an increase in life-of-project funding from \$9,569,000 to \$16,607,000 for the Population Planning Project in Thailand. In addition to increasing project funding, your approval will supersede a 1975 decision by John E. Murphy, Acting Administrator, to provide no grant assistance for this project beyond FY 1978, as well as close the last open recommendation made in a 1976 A.I.D. AG audit of the project.

Discussion: The attached Project Paper (PP) amendment proposes the obligation in FY 79 of \$2,700,000 of grant funds under the subject project and an increase in grant funding over the life-of-project from \$9,569,000 to a total of \$16,607,000. This \$7,038,000 increase includes \$1,580,000 for bilaterally-funded contraceptives to be provided during FY 79-81, and \$5,458,000 of other bilateral assistance, most of which is accounted for by partial A.I.D.-financing of the costs of voluntary surgical contraception (VSC) services. This proposed A.I.D. financing is the result of a 1976 A.I.D. decision to support a new initiative of the Royal Thai Government (RTG) to include VSC services in its National Family Planning Program (NFPP).

The original PP was approved in 1975 for life-of-project grant funding of \$8,340,000 subject to the condition that no grant assistance be provided the RTG under the project beyond FY 78. In 1978, an increase in life-of-project funding to \$9,569,000 was approved. This amount included an estimated \$3,900,000 of centrally-funded commodities provided during FY 76-78.

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A growing Thai commitment to the program includes RTG financing of nearly all commodities in later program years, and A.I.D. financing is projected to account for only about one-third of total financing in FY 79-81. The extent of Thai commitment to the NFPP is further demonstrated by the fact that the government has borrowed roughly \$33 million (\$28 million from the World Bank and \$5 million from the Canadian government) in support of its activities. The NFPP contributed to a decrease in the population growth rate in Thailand from over 3.0% in 1970 to 2.5% in 1976, and it has a target of a 2.0% population growth rate by 1981.

In 1976, the A.I.D. Auditor General recommended that the Office of Population amend the Project Paper to bring it in line with actual developments in project design and implementation. The amended PP now accurately reflects the project. Approval of this revision will close the last open recommendation made in the A.I.D. Auditor General's audit. This audit represents the only open issue or question concerning the subject project at this time; the project was reviewed by the Office of Inspector General of Foreign Assistance (IGA) and a report issued on May 10, 1977, contained five major recommendations. IGA advised A.I.D. on October 5, 1977, that the recommendations had all been closed as a result of actions taken by A.I.D. There have been a number of external evaluations, and in all cases project design and implementation were judged satisfactory. There are no Congressional issues or questions pending.

Since the proposed increase in life-of-project funding is covered in the FY 1979 Congressional Presentation (p. 565), no Advice of Change to Congress is required prior to obligating the grant funds to be authorized for FY 1979.

Recommendation: That you approve an increase in life-of-project grant funding up to \$16,607,000 through FY 81, as recommended in the PP, and that you authorize \$2,700,000 in grant funding in FY 79 with further increments subject to the availability of funds by signing the attached PAF Part II (TAB A).

Attachments:

- TAB A - PAF
- TAB B - Project Paper Amendment

Clearances:

GC:MBall	<u>MB MCF</u>	Date	<u>12-29-78</u>
AA/DS:SLevin	<u>12-29-78</u>	Date	<u>1-12-79</u>

^{YJKS.}
ASIA/PD:MSinding:eb:12/29/78:235-8964

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ANNEXES

Annex A	Original Project Paper
Annex B	Original Authorization (Action Memorandum to Administrator dated 12/23/75)
Annex C	Authorization Revision (Action Memorandum to Deputy Administrator dated 26 April 76)
Annex D	Draft PAF for Revision of Authorization
Annex E	Procurement Source Waiver (No. ASIA/78/22 Grant 493-0283 dated 5/19/78)

PURPOSE:

This paper amends the Project Paper (PP) for the Population Planning project in Thailand (Project No. 493-0283) which was approved by the Deputy A.I.D. Administrator on December 24, 1975. (A copy of the PP is attached as Annex A.) This amendment discusses only those aspects of the project involved in justifying the current recommendations; other aspects remain essentially the same as presented in the original PP.

B. RECOMMENDATIONS

The original PP covered a life-of-project funding level for A.I.D. funds of \$8.34 million over the six-year period FY '76 through FY '81. A 1978 amendment increased life-of-project funding to \$9.569 million. The major recommendation of this amendment is that the approved A.I.D. life-of-project funding be increased, over the same period, to \$16.607 million.

Virtually all of the proposed increase of \$7.038 million stems from a 1976 decision by A.I.D. to provide financial support to the voluntary sterilization activity of the Thai National Family Planning Program (NFFP). A.I.D.'s action was taken at the same time that the United Nations Fund for Population Activities (UNFPA) reordered its priorities and discontinued its support for the burgeoning Thai sterilization program. Approval is also recommended for some changes among project budget items from those approved in the original PP.

C. OVERALL PROJECT DESCRIPTION AND PERFORMANCE

CI. HISTORY

The Thai National Family Planning Program (NFFP), established in 1970, is considered to be one of the most effective in the less developed world. A recent World Bank report said that "the results achieved in Thailand have been among the most successful to be found anywhere in the world." The program's success can be attributed to a number of factors. There are no apparent cultural barriers to the acceptance of family planning in either the rural or urban areas. Secondly, women in Thailand play an active and independent role in all aspects of life and are partners with men in decisions about the family. Also of importance is the fact that the family planning program has been effectively run by both its private and governmental managers. Some of the recent program achievements are illustrated by the data on family planning users--contained in Table 1.

TABLE 1 - ACTIVE FAMILY PLANNING USERS, 1975 AND 1977
(NUMBERS AND AS % OF MARRIED COUPLES OF
REPRODUCTIVE AGE, 15-44)

Active Users By Method	CY 1975		CY 1977	
	Number	%MCRA	Number	% MCRA
Orals	476,400	8.7	685,200	12.5
Condoms	41,600	0.8	75,000	1.4
IUDs	349,800	6.4	272,400	5.0
Surgical Contraception				
Male	25,300	0.5	63,600	1.1
Female	346,300	6.3	543,400	9.9
Others (Primarily Injectables)	38,700	0.7	165,200	3.0
Total Active Users	1,278,000	23.3	1,804,300	32.9
Married Women of Reproductive Age	5,329,000		5,485,700	
Total Population	42,099,00		44,500,000	

As indicated in Table 1, active contraceptive users increased from 23% of eligible couples in 1975 to 33% in 1977. Among contraceptive methods, the most impressive increases were with "others" (primarily injectables) (329%) and surgical contraception-- (129% for males and 57% for females); condoms increased by 75% and oral contraceptives by 43%. On the other hand, IUD users dropped by 27%, as the relative popularity of this method declined in Thailand and other countries.

The latest A.I.D. evaluation, conducted in July 1977, and discussed in more detail below in Section E, confirms the effectiveness of the NFPP in general and the A.I.D.-supported activities in particular.

C2. PREVIOUS A.I.D. PROJECT

Shortly after the establishment of the Royal Thai Government's (RTG's) NFPP in 1970, A.I.D. began its first Population Planning Project (493-0266). This was a five-year project which ended in 1975. Its primary purpose was to support development of the basic services delivery system. These joint efforts helped to reduce the population growth rate from over 3.0 per cent in 1970 to 2.5 per cent by the end of 1976. This project was also successful in introducing innovations such as authorizing para-medical personnel to dispense oral contraceptives, training nurses to insert IUD's, and utilizing traditional healers to motivate and provide services. By 1975, there were 5,928 family planning clinics in operation under the Ministry of Public Health, 149 under other Ministries and 16 under private auspices for an overall total of 6093 clinics. Thailand exceeded its 1975 target for acceptors by 50% and by the end of that year, 23.3% of the married women of reproductive age were active users of family planning.

This first A.I.D.-financed five-year family planning project involved the expenditure of \$8.292 million in the following categories:

Oral Contraceptives	\$5.265 million
Participant Training	1.865
U.S. Technicians	.595
Contracts	.367
Medical kits	.204
Other Contraceptives	<u>.046</u>
Total	\$8.292 million

C3. CURRENT A.I.D. PROJECT

Progress made by the NFPP during the first five years of A.I.D.'s involvement led to the A.I.D. decision that support to the NFPP was warranted at least through the end of Thailand's Fourth Five-Year Plan (FFYP) in 1981. Accordingly, the PP for A.I.D.'s second and current Population Planning Project (493-0283) was prepared in 1975. The PP justified further A.I.D. support to the revised goals of the NFPP as outlined in the RTG FFYP. The objective of the NFPP revision was to extend the availability of family planning services to virtually all areas of rural Thailand by:

1. expanding the family planning activities of the rural primary health delivery system, including the training and retraining of health personnel in family planning;

2. expanding services (including sterilization) in remote areas through the use of mobile family planning units;
3. utilizing and/or creating additional channels for distribution of population information and services (including the expanded use of traditional healers);
4. increasing the available choices of family planning methods by introducing new contraceptive technologies (including injectables and minilaparotomy) and by increasing the availability of methods in existing facilities.

The 1975 PP called for a life-of-project funding level over six years of \$8.34 million. However, in 1975, A.I.D. decided to gradually decrease support to Thailand in general and grant funding in particular. Accordingly, one of the conditions of the Deputy Administrator's approval of the PP was that there be no grant funding of activities under the project after FY 1978. The USAID's earlier informal planning with the RTG called for all A.I.D. support under the project to be grant funded. Consequently, the Deputy Administrator's decision meant that planned grant expenditures of \$2.27 million for FY 1979-81 would not be possible. In April 1976, the Asia Bureau requested and obtained the Deputy Administrator's approval of a plan to "forward fund" some of the last three years' activities by increasing funding levels for the earlier years. Thus, funds totaling \$1.0 million were moved to FY '76 and \$1.27 million to FY '78.

During the summer of 1976, a further alteration of the project budget resulted from an RTG request to A.I.D. for assistance in financing its rapidly expanding program of voluntary sterilization. The RTG's financial situation was made somewhat critical at this time because of a decision by the United Nations Fund for Population Activities (UNFPA) to decrease its funding for Thailand, due to reportedly higher priority demands in other countries. A.I.D. thus felt that there was a critical need to help maintain and expand on the earlier successes of the voluntary sterilization effort, and A.I.D. allocated \$3.3 million for support of this activity. However, the PP was not amended to show this new development. In an Audit Report of October 1976, the A.I.D. Area Auditor General recommended that AID/W act to correct the documentation. Efforts to revise the PP to reflect this and other proposed changes were delayed by internal reviews related to overall assistance trends in Thailand and proposals by some elements to phase out the Thai Population Planning Project as a successfully concluded effort. Some observers

felt that the RTG's estimate of the population growth rate for 1976 should have been substantially lower than 2.5% and that decreased levels of support were called for. While these extended discussions in Washington were taking place, the Thai family planning program continued to move ahead. A.I.D. support for the sterilization effort continued to expand. An Advice of Program Change to the Congress covering these and related revisions was submitted on August 9, 1977, and the proposed changes were reflected in the FY 1978 Congressional Presentation which reflected a new total budget of \$12,215 (p. 173).

A 1977 evaluation of the A.I.D. project and the continued success of the sterilization program contributed to a decision by A.I.D. to continue its support for an expanded effort. The situational review showed that:

1. Voluntary sterilization continued to show strong acceptance by both Thai men and women. The number of cases had grown from 32,668 in 1972 to 103,600 in 1976 for a cumulative total of 355,625 cases for 1972-76.
2. Even better results were expected with the continued expansion of training for medical and para-medical personnel, provision of medical kits to the personnel trained, and procurement and delivery of special vehicles so that each of the 72 provinces would have a mobile unit by 1980.
3. Information, Education and Motivation (IEM) activities and personnel were strengthened so that these could precede visits of the mobile service units.
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It is anticipated that the project will achieve its demographic and other objectives if the present successful operational trends continue. Current informal estimates indicate that the present contraceptive prevalence rate in Thailand is about 35-40% and that the population

growth rate is 2.4% or less. As mentioned earlier, a new IBRD/RTG/AID project has been initiated in 1978 to further improve the delivery of health and family planning services. A.I.D. is contributing \$5.5 million to an overall budget of \$68.6 million equivalent for the new joint IBRD/RTG/USAID effort. AID's \$5.5 million contribution is being made through the new Rural Primary Health Care Expansion Project (493-0291) which was approved in April 1978. The success of the AID Population Planning Project was a key factor in attracting these additional resources to improve population and health services in rural Thailand.

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Commodities							
Oral Contraceptives	6,345	(1,620)*	4,725	78	4,803	677	5,480
Family Planning Kits	370	(50)	320	529	849	(283)	566
Mobile Units	63	-	63	89	152	13	165
Local Training	735	(300)	435	311	746	266	1,012
Research & Evaluation	450	(150)	300	-	300	26	326
IE&C Improvement <u>2/</u>	250	(150)	100	30	130	193	323
Participants	127	-	127	-	127	24	151
Other	-	-	-	10	10	41	51
TOTALS	8,340	(2,270)	6,070	5,567	11,637	4,970	16,607

*(1,620) = Reduction of \$1,620

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Components Financed by AID
and
Contributions by RTG, UNFPA and Intermediary AgenciesFY's 1976 through 1981
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	<u>FY 76</u>	<u>1Q</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>Totals</u>
<u>AID-Financed Components</u>								
VSC Services <u>1/</u>	729	-	1,604	1,500	1,800	1,500	1,400	8,533
Commodities								
*Oral Contraceptives	2,745	241	14	900	522	540	518	5,480
Family Planning Kits	238	71	157	50	-	50	-	566
Mobile Units	40	-	125	-	-	-	-	165
Local Training	154	-	300	160	148	150	100	1,012
Research & Evaluation	118	-	28	-	100	40	40	326
IE&C Improvement <u>2/</u>	143	-	50	-	130	-	-	323
Participants	51	41	59	-	-	-	-	151
Other	9	-	42	-	-	-	-	51
AID TOTALS	4,227	353	2,379	2,610	2,700	2,280	2,058	16,607
<u>All Financing by Source</u>								
**Royal Thai Government	1,500	-	2,587	3,800	4,300	4,200	4,660	21,047
UNFPA	1,359	-	2,500	1,200	2,500	unk	unk	7,559
Intermediary Agencies	801	-	1,066	1,226	1,350	unk	unk	4,443
AID	<u>4,227</u>	<u>353</u>	<u>2,379</u>	<u>2,610</u>	<u>2,700</u>	<u>2,280</u>	<u>2,058</u>	<u>16,607</u>
GRAND TOTALS	7,887	353	8,532	8,836	10,850	6,480	6,718	49,656

*AID oral contraceptives were centrally-funded and centrally-obligated, FY 1976-1978. Beginning in FY 1979, contraceptives are bilaterally-funded and obligated.

**Does not include in-kind contribution estimated at \$7,000,000 annually.

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Revised 11/24/78

Table No. 4

VOLUNTARY MALE-FEMALE STERILIZATIONS
THAILAND NATIONAL FAMILY PLANNING PROGRAM
(FY72--77 with FY78 estimates)

Fiscal Year	Male	Per Cent Increase	Female	Per Cent Increase	Total	Per Cent Increase
1972	1,282		31,386		32,668	
1973	2,802	118.6	46,804	49.1	49,606	51.8
1974	6,708	141.9	73,702	57.5	80,410	62.2
1975	7,453	9.9	81,888	11.1	89,341	11.0
1976	10,000	34.2	93,600	14.3	103,600	15.9
1977	19,100	91.0	106,800	14.1	125,900	21.5
1978(est)	48,000	151.3	112,000	4.8	160,000	27.1

JAN 29 10 38 AM '79

OFFICE OF THE ADMINISTRATOR

JAN 3 1979

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: ES
THRU: AA/PPC, Alexander Shakow *AS*
FROM: *for* AA/ASIA, John H. Sullivan *RH*
SUBJECT: Amendment to Project Paper - THAILAND
Population Planning Project (493-0283)

Problem: Attached is an amended Project Paper (TAB B) proposing an increase in life-of-project funding from \$9,569,000 to \$16,607,000 for the Population Planning Project in Thailand. In addition to increasing project funding, your approval will supersede a 1975 decision by John E. Murphy, Acting Administrator, to provide no grant assistance for this project beyond FY 1978, as well as close the last open recommendation made in a 1976 A.I.D. AG audit of the project.

Discussion: The attached Project Paper (PP) amendment proposes the obligation in FY 79 of \$2,700,000 of grant funds under the subject project and an increase in grant funding over the life-of-project from \$9,569,000 to a total of \$16,607,000. This \$7,038,000 increase includes \$1,580,000 for bilaterally-funded contraceptives to be provided during FY 79-81, and \$5,458,000 of other bilateral assistance, most of which is accounted for by partial A.I.D.-financing of the costs of voluntary surgical contraception (VSC) services. This proposed A.I.D. financing is the result of a 1976 A.I.D. decision to support a new initiative of the Royal Thai Government (RTG) to include VSC services in its National Family Planning Program (NFPP).

The original PP was approved in 1975 for life-of-project grant funding of \$8,340,000 subject to the condition that no grant assistance be provided the RTG under the project beyond FY 78. In 1978, an increase in life-of-project funding to \$9,569,000 was approved. This amount included an estimated \$3,900,000 of centrally-funded commodities provided during FY 76-78.

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A growing Thai commitment to the program includes RTG financing of nearly all commodities in later program years, and A.I.D. financing is projected to account for only about one-third of total financing in FY 79-81. The extent of Thai commitment to the NFPP is further demonstrated by the fact that the government has borrowed roughly \$33 million (\$28 million from the World Bank and \$5 million from the Canadian government) in support of its activities. The NFPP contributed to a decrease in the population growth rate in Thailand from over 3.0% in 1970 to 2.5% in 1976, and it has a target of a 2.0% population growth rate by 1981.

In 1976, the A.I.D. Auditor General recommended that the Office of Population amend the Project Paper to bring it in line with actual developments in project design and implementation. The amended PP now accurately reflects the project. Approval of this revision will close the last open recommendation made in the A.I.D. Auditor General's audit. This audit represents the only open issue or question concerning the subject project at this time; the project was reviewed by the Office of Inspector General of Foreign Assistance (IGA) and a report issued on May 10, 1977, contained five major recommendations. IGA advised A.I.D. on October 5, 1977, that the recommendations had all been closed as a result of actions taken by A.I.D. There have been a number of external evaluations, and in all cases project design and implementation were judged satisfactory. There are no Congressional issues or questions pending.

Since the proposed increase in life-of-project funding is covered in the FY 1979 Congressional Presentation (p. 565), no Advice of Change to Congress is required prior to obligating the grant funds to be authorized for FY 1979.

Recommendation: That you approve an increase in life-of-project grant funding up to \$16,607,000 through FY 81, as recommended in the PP, and that you authorize \$2,700,000 in grant funding in FY 79 with further increments subject to the availability of funds by signing the attached PAF Part I (TAB A).

Attachments:

TAB A - PAF

TAB B - Project Paper Amendment

Clearances:

GC:MBall MB by CF Date 12-29-78
AA/DS:SLevin 12-29-78 Date 1-12-79

YMS.
ASIA/PD:MSinding:eb:12/29/78:235-8964

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ANNEXES

Annex A	Original Project Paper
Annex B	Original Authorization (Action Memorandum to Administrator dated 12/23/75)
Annex C	Authorization Revision (Action Memorandum to Deputy Administrator dated 26 April 76)
Annex D	Draft PAF for Revision of Authorization
Annex E	Procurement Source Waiver (No. ASIA/78/22 Grant 493-0283 dated 5/19/78)

A. PURPOSE:

This paper amends the Project Paper (PP) for the Population Planning Project in Thailand (Project No. 493-0283) which was approved by the Deputy A.I.D. Administrator on December 24, 1975. (A copy of the PP is attached as Annex A.) This amendment discusses only those aspects of the project involved in justifying the current recommendations; other aspects remain essentially the same as presented in the original PP.

B. RECOMMENDATIONS

The original PP covered a life-of-project funding level for A.I.D. funds of \$8.34 million over the six-year period FY '76 through FY '81. A 1978 amendment increased life-of-project funding to \$9.569 million. The major recommendation of this amendment is that the approved A.I.D. life-of-project funding be increased, over the same period, to \$16.607 million.

Virtually all of the proposed increase of \$7.038 million stems from a 1976 decision by A.I.D. to provide financial support to the voluntary sterilization activity of the Thai National Family Planning Program (NFFP). A.I.D.'s action was taken at the same time that the United Nations Fund for Population Activities (UNFPA) reordered its priorities and discontinued its support for the burgeoning Thai sterilization program. Approval is also recommended for some changes among project budget items from those approved in the original PP.

C. OVERALL PROJECT DESCRIPTION AND PERFORMANCE

CI. HISTORY

The Thai National Family Planning Program (NFFP), established in 1970, is considered to be one of the most effective in the less developed world. A recent World Bank report said that "the results achieved in Thailand have been among the most successful to be found anywhere in the world." The program's success can be attributed to a number of factors. There are no apparent cultural barriers to the acceptance of family planning in either the rural or urban areas. Secondly, women in Thailand play an active and independent role in all aspects of life and are partners with men in decisions about the family. Also of importance is the fact that the family planning program has been effectively run by both its private and governmental managers. Some of the recent program achievements are illustrated by the data on family planning users--contained in Table 1.

TABLE 1 - ACTIVE FAMILY PLANNING USERS, 1975 AND 1977
(NUMBERS AND AS % OF MARRIED COUPLES OF
REPRODUCTIVE AGE, 15-44)

Active Users By Method	CY 1975		CY 1977	
	Number	%MCRA	Number	% MCRA
Orals	476,400	8.7	685,200	12.5
Condoms	41,600	0.8	75,000	1.4
IUDs	349,800	6.4	272,400	5.0
Surgical Contraception				
Male	25,300	0.5	63,600	1.1
Female	346,300	6.3	543,400	9.9
Others (Primarily Injectables)	38,700	0.7	165,200	3.0
Total Active Users	1,278,000	23.3	1,804,300	32.9
Married Women of Reproductive Age	5,329,000		5,485,700	
Total Population	42,099,00		44,500,000	

As indicated in Table 1, active contraceptive users increased from 23% of eligible couples in 1975 to 33% in 1977. Among contraceptive methods, the most impressive increases were with "others" (primarily injectables) (329%) and surgical contraception-- (129% for males and 57% for females); condoms increased by 75% and oral contraceptives by 43%. On the other hand, IUD users dropped by 27%, as the relative popularity of this method declined in Thailand and other countries.

The latest A.I.D. evaluation, conducted in July 1977, and discussed in more detail below in Section E, confirms the effectiveness of the NFPP in general and the A.I.D.-supported activities in particular.

C2. PREVIOUS A.I.D. PROJECT

Shortly after the establishment of the Royal Thai Government's (RTG's) NFPP in 1970, A.I.D. began its first Population Planning Project (493-0266). This was a five-year project which ended in 1975. Its primary purpose was to support development of the basic services delivery system. These joint efforts helped to reduce the population growth rate from over 3.0 per cent in 1970 to 2.5 per cent by the end of 1976. This project was also successful in introducing innovations such as authorizing para-medical personnel to dispense oral contraceptives, training nurses to insert IUD's, and utilizing traditional healers to motivate and provide services. By 1975, there were 5,928 family planning clinics in operation under the Ministry of Public Health, 149 under other Ministries and 16 under private auspices for an overall total of 6093 clinics. Thailand exceeded its 1975 target for acceptors by 50% and by the end of that year, 23.3% of the married women of reproductive age were active users of family planning.

This first A.I.D.-financed five-year family planning project involved the expenditure of \$8.292 million in the following categories:

Oral Contraceptives	\$5.265 million
Participant Training	1.865
U.S. Technicians	.595
Contracts	.367
Medical Kits	.204
Other Contraceptives	<u>.046</u>
Total	\$8.292 million

C3. CURRENT A.I.D. PROJECT

Progress made by the NFPP during the first five years of A.I.D.'s involvement led to the A.I.D. decision that support to the NFPP was warranted at least through the end of Thailand's Fourth Five-Year Plan (FFYP) in 1981. Accordingly, the PP for A.I.D.'s second and current Population Planning Project (493-0283) was prepared in 1975. The PP justified further A.I.D. support to the revised goals of the NFPP as outlined in the RTG FFYP. The objective of the NFPP revision was to extend the availability of family planning services to virtually all areas of rural Thailand by:

1. expanding the family planning activities of the rural primary health delivery system, including the training and retraining of health personnel in family planning;

2. expanding services (including sterilization) in remote areas through the use of mobile family planning units;
3. utilizing and/or creating additional channels for distribution of population information and services (including the expanded use of traditional healers);
4. increasing the available choices of family planning methods by introducing new contraceptive technologies (including injectables and minilaparotomy) and by increasing the availability of methods in existing facilities.

The 1975 PP called for a life-of-project funding level over six years of \$8.34 million. However, in 1975, A.I.D. decided to gradually decrease support to Thailand in general and grant funding in particular. Accordingly, one of the conditions of the Deputy Administrator's approval of the PP was that there be no grant funding of activities under the project after FY 1978. The USAID's earlier informal planning with the RTG called for all A.I.D. support under the project to be grant funded. Consequently, the Deputy Administrator's decision meant that planned grant expenditures of \$2.27 million for FY 1979-81 would not be possible. In April 1976, the Asia Bureau requested and obtained the Deputy Administrator's approval of a plan to "forward fund" some of the last three years' activities by increasing funding levels for the earlier years. Thus, funds totaling \$1.0 million were moved to FY '76 and \$1.27 million to FY '78.

During the summer of 1976, a further alteration of the project budget resulted from an RTG request to A.I.D. for assistance in financing its rapidly expanding program of voluntary sterilization. The RTG's financial situation was made somewhat critical at this time because of a decision by the United Nations Fund for Population Activities (UNFPA) to decrease its funding for Thailand, due to reportedly higher priority demands in other countries. A.I.D. thus felt that there was a critical need to help maintain and expand on the earlier successes of the voluntary sterilization effort, and A.I.D. allocated \$3.3 million for support of this activity. However, the PP was not amended to show this new development. In an Audit Report of October 1976, the A.I.D. Area Auditor General recommended that AID/W act to correct the documentation. Efforts to revise the PP to reflect this and other proposed changes were delayed by internal reviews related to overall assistance trends in Thailand and proposals by some elements to phase out the Thai Population Planning Project as a successfully concluded effort. Some observers

felt that the RTG's estimate of the population growth rate for 1976 should have been substantially lower than 2.5% and that decreased levels of support were called for. While these extended discussions in Washington were taking place, the Thai family planning program continued to move ahead. A.I.D. support for the sterilization effort continued to expand. An Advice of Program Change to the Congress covering these and related revisions was submitted on August 9, 1977, and the proposed changes were reflected in the FY 1978 Congressional Presentation which reflected a new total budget of \$12,215 (p. 173).

A 1977 evaluation of the A.I.D. project and the continued success of the sterilization program contributed to a decision by A.I.D. to continue its support for an expanded effort. The situational review showed that:

1. Voluntary sterilization continued to show strong acceptance by both Thai men and women. The number of cases had grown from 32,668 in 1972 to 103,600 in 1976 for a cumulative total of 355,625 cases for 1972-76.
2. Even better results were expected with the continued expansion of training for medical and para-medical personnel, provision of medical kits to the personnel trained, and procurement and delivery of special vehicles so that each of the 72 provinces would have a mobile unit by 1980.
3. Information, Education and Motivation (IEM) activities and personnel were strengthened so that these could precede visits of the mobile service units.
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Contributions by RTG, UNFPA and Intermediary AgenciesFY's 1976 through 1981
(\$ 000's)

	<u>FY 76</u>	<u>7Q</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>Totals</u>
<u>AID-Financed Components</u>								
VSC Services <u>1/</u>	729	-	1,604	1,500	1,800	1,500	1,400	8,533
Commodities								
*Oral Contraceptives	2,745	241	14	900	522	540	518	5,480
Family Planning Kits	238	71	157	50	-	50	-	566
Mobile Units	40	-	125	-	-	-	-	165
Local Training	154	-	300	160	148	150	100	1,012
Research & Evaluation	118	-	28	-	100	40	40	326
IE&C Improvement <u>2/</u>	143	-	50	-	130	-	-	323
Participants	51	41	59	-	-	-	-	151
Other	9	-	42	-	-	-	-	51
AID TOTALS	4,227	353	2,379	2,610	2,700	2,280	2,058	16,607
<u>All Financing by Source</u>								
**Royal Thai Government	1,500	-	2,587	3,800	4,300	4,200	4,660	21,047
UNFPA	1,359	-	2,500	1,200	2,500	unk	unk	7,559
Intermediary Agencies	801	-	1,066	1,226	1,350	unk	unk	4,443
AID	<u>4,227</u>	<u>353</u>	<u>2,379</u>	<u>2,610</u>	<u>2,700</u>	<u>2,280</u>	<u>2,058</u>	<u>16,607</u>
GRAND TOTALS	7,687	353	8,532	8,836	10,850	6,480	6,718	49,656

*AID oral contraceptives were centrally-funded and centrally-obligated, FY 1976-1978. Beginning in FY 1979, contraceptives are bilaterally-funded and obligated.

**Does not include in-kind contribution estimated at \$7,000,000 annually.

1/"VSC" = Voluntary Surgical Contraception

2/"IE&C" = Information, Education and Communication

Revised 11/24/78

Table No. 4

VOLUNTARY MALE-FEMALE STERILIZATIONS
THAILAND NATIONAL FAMILY PLANNING PROGRAM
(FY72-77 with FY78 estimates)

Fiscal Year	Male	Per Cent Increase	Female	Per Cent Increase	Total	Per Cent Increase
1972	1,282		31,386		32,668	
1973	2,802	118.6	46,804	49.1	49,606	51.8
1974	6,708	141.9	73,702	57.5	80,410	62.2
1975	7,453	9.9	81,888	11.1	89,341	11.0
1976	10,000	34.2	93,600	14.3	103,600	15.9
1977	19,100	91.0	106,800	14.1	125,900	21.5
1978(est)	28,000	151.3	112,000	4.8	160,000	27.1