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XD-ABH-476-A

FINAL REPORT

SECOND INTERIM EVALUATION REPORT

EMERGING PROBLEMS OF DEVELOPMENT — PHASE II (EPD-II)

493-0341

September 25, 1989

Prepared for and submitted to:

USAID/THAILAND

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072-V29/7th

A society that is true to its own culture will usually have a healthy economy. It will have found the right way to elicit its people's best efforts. The economic progress it makes will, in turn, allow many people to have more satisfying liv Economic growth, then, is valuable not only in its own rig but also because it indicates something about the soc which it occurs.

—James Fallows

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ACKNOWLEDGEMENTS

In carrying out this assignment, the Evaluation Team received generous support from many organizations and individuals. USAID/ Thailand provided valuable data, documents and other inputs. DTEC officers gave generously of their time and spoke candidly of their concerns. Senior officers of NESDB arranged several very informative briefings. We especially wish to thank Drs. John Eriksson and Peter Thormann of USAID, Drs. Phisit Pakkasem and Bunyaraks Ninsananda of NESDB and Mr. Krisda Piampongsant and his assistants at DTEC. We owe a special debt of gratitude to Mr. Craig Steffensen, Mr. Suranan Unakul and Ms. Thareena Laohaphat of USAID, who gave most generously of their time and counsel, supplied countless documents, and arranged dozens of appointments and other logistical details.

Needless to say, while the success of this endeavor owes much to the assistance of others, the errors are ours. As our very limited time ran out we became increasingly conscious of how much more there is to learn about this complex project and its many accomplishments.

ACRONYMS

ASEAN	Association of Southeast Asian Nations
BIDE	Boston Institute For Developing Economies
BOB	Bureau of the Budget (part of the RTG Cabinet Secretariat)
CSC	Civil Service Commission
DOLA	Department of Local Administration
DTEC	Department of Technical and Economic Cooperation
EPD-II	Emerging Problems of Development - Phase II
FPO	Fiscal Policy Office, Ministry of Finance
HIID	Harvard Institute of International Development
MANRES	Management of Natural Resources and Environment Project
MOPH	Ministry of Public Health
MSI	Management Systems International
MUA	Ministry of University Affairs
NESDB	National Economic and Social Development Board
OAG	Office of the Auditor General
PACD	Project Assistance Completion Date
PCC	Project Coordinating Committee (of EPD-II)
PPC	Project Policy Committee (of EPD-II)
RTG	Thai Royal Government
TDRI	Thailand Development Research Institute
TTMS	Transfer of Technology and Management Skills Project
USAID	United States Agency for International Development
WHO	World Health Organization

EXECUTIVE SUMMARY

1. This report (dated June 14, 1989) was prepared largely in Bangkok February 27 - April 8, 1989, in response to USAID/Thailand's call for an evaluation of the Emerging Problems of Development - Phase II (EPD-II) Project 493-0341. The title "Second Interim Evaluation Report" reflects the fact that an earlier evaluation was conducted in 1987, focusing on administrative concerns; a final evaluation is planned close to the revised PACD (January 31, 1992).

2. The overarching purpose of the USAID/Thailand program is to improve the Royal Thai Government's (RTG's) resource allocation and use. Toward that goal, the specific purpose of EPD-II is to support and improve RTG policy formulation, program planning and preproject analysis in selected development problem areas. This purpose is served by financing a broad range of activities which promote policy studies, facilitate policy dialogue, support development seminars, and meet technical assistance or training needs. In addition to outputs in the form of research reports, policy recommendations, workshops, program proposals and trained personnel, the Project aims to foster a system whereby the RTG and USAID can coordinate their analyses of and responses to emerging development problems, especially those which threaten to interrupt economic growth or endanger the environment.

3. This interim evaluation was scheduled after completion of the Project's first four years when more than two-thirds of the $18 million grant had been earmarked for specific subprojects. The evaluation is intended to provide a preliminary assessment of project impacts, to propose a less staff-intensive project management, to consider ways to improve collaboration between RTG and USAID in policy studies, and to review the Mission's tentative decision to prepare an EPD-successor project for implementation in the 1990s.

4. In conducting the evaluation, the Team relied mainly on extensive interviews with (i) officials, professors and consultants, (ii) persons who sponsored subprojects and others who participated in them, (iii) professionals trained with project funds, and (iv) a few individuals who had no personal association with EPD but are deeply interested in defining policies that ensure an equitable and sustainable pattern of growth in Thailand. In addition to these interviews the Evaluation Team read many reports prepared with project funds and explored widely in project files.

5. Principal findings can be summarized as follows:

   (a) EPD has been particularly successful in strengthening the major institutions concerned with policy formulation and program planning in Thailand: (i) the Thailand Development Research Institute (TDRI), an independent policy think-tank organized in 1984, to which EPD gave substantial support by commissioning major economic studies and by financing long-term advisors through the Harvard Institute for International Development (HIID), (ii) the

National Social and Economic Development Board (NESDB), the government's well-established but increasingly pressured planning agency, to which EPD gave substantial financing for graduate studies in the United States and for studies to develop details of some Sixth Plan programs, and (iii) the Department of Technical and Economic Cooperation (DTEC), the government office responsible for allocating and administering external assistance grants, which received support both for graduate training in the United States and for workshops it offered in Thailand to train Thai officials in project management, computer procurement and similar skills.

(b) Several _____ performed by TDRI with EPD-II support are of the highest quality. (The work of TDRI is examined in considerable detail in the report, especially pages 25-30 and G-5-14.)

(c) EPD is currently financing a number of important studies, which will be completed in the next year or two. These studies include (i) an analysis of long-range planning policies for higher education, (ii) pilot schemes for decentralization of environmental planning and epidemiological control to the district level of administration, and (iii) a procedure for establishing service standards to foster the efficient management of provincial cities.

(d) Several USAID centrally funded programs have provided valuable assistance in Thailand, partly because complementary financing was available from EPD, the most notable of these being support to the Coastal Resources Management project of the National Environmental Board and the Natural Resources Profile, prepared under TDRI supervision. EPD financing was also made available to complete work initiated by earlier USAID projects (e.g., to assist Khon Kaen University in its rural management training program) and to support other initiatives by USAID technical officers concerned with agriculture, health and housing.

(e) As intended, EPD has proved to be an efficient vehicle for supporting a wide variety of seminars, workshops, short study tours, training activities, and specialized technical assistance interventions (e.g., to assist the National Energy Policy Office in preparing new regulations to foster cogeneration projects in the private sector). In most cases, these high-leverage subprojects required only a few thousand dollars, and only a very few needed as much as $30,000.

6. Difficulties noted in this evaluation include:

(a) A relatively slow start and still uncertain outcome for policy studies in areas of special sensitivity or difficulty (e.g., consideration of property taxes as one way to increase revenues available to municipalities and other local governments, improving transport planning and traffic flows in Bangkok, and overcoming persistent budget deficits).

(b) Insufficient outreach to development ministries and agencies other than the major participants mentioned in paragraph 5(a) above.

(c) Disappointing progress in developing subproject activities for new areas of policy research beyond topics already identified in the Project Paper of January 1985. In other words, up to the time of this evaluation, EPD had been more successful in implementing the tasks foreseen when the Grant was approved than in creating a system for initiating studies and other policy formulation activities to meet new needs as they arise.

(d) The need to strengthen further and to broaden the process of peer review of all policy studies undertaken by TDRI and other research groups.

7. The first interim evaluation of 1987 focused on administrative matters. Major recommendations from that evaluation have been implemented, and the Project Management Unit proposes to conduct a systematic review of 1987 recommendations later in 1989 to ensure that all reasonable suggestions are being carried out. In recent months, the project has adopted simplified procedures for approval of small value subprojects -- originally activities requiring less than $25,000, now those under $120,000; this reform has made it possible to shorten EPD response time for several cases requiring quick action.

8. The major recommendations of the Evaluation Team are that:

(a) The Project Policy Committee, which has overall responsibility for the integrity of the project, review and realign on basic objectives as the first step in establishing priorities for allocating remaining EPD-II funds and in setting the direction of an EPD-successor project.

(b) An EPD-successor project be designed and approved as soon as possible, so that prompt assistance can be provided in response to what is expected to be an increasing number and variety of policy formulation and training requests.

(c) A major innovation for the new project would be the use of a contractor (i) to handle many administrative chores which now burden USAID/Thailand personnel and (ii) to provide expert professional coaching when important studies are proposed by agencies and/or researchers with limited experience in policy analysis.

(d) To review subproject proposals, especially larger proposals for policy studies, a Policy Research Council of seven to nine members is proposed; such a Council would encourage wider discussion of study proposals as they arise and also contribute to a wider awareness of results of ongoing research.

9. While EPD-II demonstrates the value of financing policy research, providing advanced and specialized training for policy analysts, and

strengthening permanent in-country institutions concerned with policy, it also teaches valuable lessons for the future. One is already implied by the preceding recommendation; it is difficult to stimulate lively give-and-take discussion of policy issues within a committee composed of only three people, each representing a different agency; to review policy proposals a larger technical group is desirable, probably involving three or four senior managers from Thailand's principal planning agency (NESDB) and four or five additional members representing a broad sampling of other development agencies, academia and the private sector. Just as a Steering Committee of a dozen or more members is useful to monitor the progress of major subprojects, a broadly representative council can be helpful in providing guidance to the project as a whole.

10. Another lesson suggested by this evaluation is that USAID need not eschew a proactive role where policy analysis is concerned; given the preoccupation of senior Thai officials with many other concerns, it will be useful -- and is entirely consistent with the now mature relationship between the two governments -- for USAID technical and economic staff to play an active (albeit not necessarily very time-consuming) role in developing particular policy-study ideas, preliminary brain-storming seminars, and specific research plans. It is likely to be necessary for Mission staff to turn at least some of these ideas over to a contractor like that suggested in paragraph 8(c) above, if more complex proposals are to be followed up vigorously and effectively.

1. INTRODUCTION

Early in 1985 The Royal Thai Government (RTG) and the United States Agency for International Development (USAID) agreed on a program of training, technical assistance and limited commodity support for the purpose of improving policy formulation, program planning and pre-project analysis in Thailand. USAID agreed to a grant of $18 million to finance roughly three-fourths of the total cost of the program. This second interim Evaluation Report is written at a time when most of the USAID grant has been allocated to specific activities (or "subprojects" as they generally are called in the pages that follow). Not all of those allocations have yet been converted into binding contracts, but the process is well under way. Managers of the Emerging Problems of Development Phase II Project (EPD-II, often shortened to "EPD" below) have commissioned this review of experience in the project's first four years (1985-88) to see what lessons may be learned, which could be used to good advantage during the less than three years that remain (1989-January 31, 1992). Thought is also being given to the advisability and appropriate scope of another EPD-type project, which, if approved, would finance allocation and disbursement requirements in a five-to-seven year period starting in 1991 or 1992.

Field-work for this evaluation began in Bangkok with initial briefings for its team leader, Gregory B. Votaw, Senior Associate of Management Systems International (MSI), on February 27, 1989. Dr. Sangkom Suwannarat, Director of Graduate Studies in Economics at Chiangmai University, joined the evaluation on March 6. Professor Gustav F. Papanek, former Chairman of the Department of Economics at Boston University, Director of that University's Asian Center, and President of the Boston Institute for Developing Economies, served as senior advisor to the Evaluation Team and joined its work in Bangkok March 26-31. Field work was conducted mainly in the Greater Bangkok Area but also included interviews in Chiang Mai and Pattaya. After preliminary presentations of findings and recommendations (incorporated in an early draft of this report), the team leader left Bangkok on April 8, 1989. The report text was finalized at MSI headquarters in Washington during May.

The Evaluation Team conducted many interviews with persons knowledgeable about economic conditions and trends in Thailand. A partial list of those consulted is attached as Appendix A; it includes officials, professors and consultants; persons who sponsored or requested subprojects and others who participated in them; authors and reviewers of reports as well as professionals trained with financial support from project funds; and a few individuals who had no close association with the project but are deeply committed to an equitable and sustainable program of economic growth and modernization in Thailand.

Although its principal method of study was this series of loosely structured interviews, designed to sample a wide variety of experiences with EPD-II, the Evaluation Team also read widely among reports prepared under subproject auspices and delved deeply into project files, mainly in the Bangkok office of USAID/Thailand but also in other offices which it visited for interviews. Although the files contain documents too numerous to record, a partial list of reports consulted is attached as Appendix B. The team's

analysis of information obtained during interviews and culled from the files is summarized in the pages which follow.

For its initial orientation for this assignment, the Evaluation Team was guided by a Work Statement, reproduced here as Appendix C. As work progressed, it became apparent that some tasks deserved more attention and others less than had been spelled out originally. Therefore, this report covers some ground more thoroughly than might be expected from a quick reading of the Work Statement. These adjustments in work program were made in consultation with Mr. Craig Steffensen, cognizant project officer for the evaluation contract at USAID/Thailand, and with his approval.

2. BACKGROUND

A Grant Agreement for the Emerging Problems of Development II (EPD-II) Project (AID Project No. 493-0341) was signed between the Kingdom of Thailand, acting through its Department of Technical and Economic Corporation (DTEC), and the United States Agency for International Development (USAID) on February 21, 1985. The purpose of the Grant is to provide timely funding to the Royal Thai Government (RTG) in order to assist it "to improve policy formulation, program planning and pre-project analysis in key development problem areas, by providing technical assistance, training and limited commodity support."

To assist this project USAID provided the equivalent of $18 million to finance procurement in the United States and Thailand (and in third countries in specific cases to be agreed in advance in writing); the RTG committed itself to provide the equivalent of $6.2 million, including "in kind" facilities and services as well as other payments towards local costs from normally budgeted funds of participating government departments and agencies. Ample "counterpart funds" are readily available to DTEC to arrange prompt payment for approved project purposes, and these accounts are replenished by USAID whenever DTEC submits evidence of payments it has made for EPD-II purposes -- a procedure said to be familiar to both parties, since it is used in a large number of projects in which DTEC and USAID collaborate. Disbursements were to be completed by January 31, 1990; however, at the end of 1988 it was agreed to postpone this completion date by two years to January 31, 1992. (Thus, a trainee starting a three-year Doctorate program overseas under EPD-II would have to begin that program no later than January 1989 and would be well advised to start earlier to allow for unforeseen contingencies and delays; clearly, such a scholar's matriculation process, supported by subproject approval under EPD-II, should have begun no later than January 1988, if at all possible. Similar calculations can be made for an 18-24 month Master's program or a research study plan of similar duration. Given the nature of these uses of EPD funds, the allocation or "new commitment" authority under the Grant could be largely exhausted two or more years before the date projected for the final disbursement.)

An Annex to the Grant Agreement provides an Amplified Project Description, which reads in part as follows:

"The goal of EPD-II is to assist the RTG in its efforts to improve the Government's resource allocation and use.

"The project's purpose is to support and improve the RTG's policy formulation, program planning, and pre-project analysis in key development problem areas. EPD-II will provide responsive, timely funding which will facilitate policy dialogue, promote policy studies, support development seminars and help meet technical assistance and training needs directed toward resolution of crucial development problems. The project, through both technical assistance and training, will help address the RTG's requirements for improved research and analysis to guide future decision-making. Whenever possible, both technical assistance and training will be 'packaged' together to maximize the impact of project resources.

"The EPD-II project addresses a need to translate macro-economic analysis programs and projects through its ability to provide quick, flexible resources to Thai researchers, planners and managers.[1] The assured access of Thai decision-makers to technical expertise from the United States and other sources under the project offers a means to deal with emergent development problems in a systematic manner."

The Annex of the Grant Agreement does not mention particular problems to be addressed, but the Project Paper offers some insight into thinking at the time. It observes that Thailand's "very success in achieving rapid economic growth has led to ..... (new) problems which are now beginning to constrain the pace of development." Examples cited are (i) the disappearance of the land frontier, (ii) a declining agricultural productivity, (iii) the degradation of natural resources, (iv) structural imbalances within the economy and (v) growing unemployment. Elsewhere there is reference to (vi) the mushrooming of foreign borrowing in a period of stagnating revenues and chronic budget deficits and (vii) the need "to begin initial planning for the continuation of strong political, economic, technical and other forms of cooperation" between the RTG and the United States after "traditional concessional assistance no longer has a role."

The Project Paper also discusses 10 areas of activity which were already identified in some detail (pages 12-31): (i) staff development at National Social and Economic Development Board (NESDB), (ii) research in selected economic sectors at Thailand Development Research Institute (TDRI), (iii) development of multi-disciplinary capability at Khon Kaen University to conduct research, training and consultations in rural management policy formulation and implementation, (iv) a program to improve the management of

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[1] There seems to be a phrase missing from this important sentence of the Grant Agreement. "Translate macro-economic analysis" into what? A similar sentence in the USAID Project Paper of January 1985 reads: "However, a critical gap exists in donor support to translate macro-economic analysis and research <u>into carefully crafted programs and projects</u>." (Emphasis added.)

natural resources and to reverse environmental stress, (v) support in Thailand for USAID/Washington's centrally funded activities, (vi) completion of analyses required to formulate the Sixth Five-Year Economic and Social Development Plan, (vii) health management, including studies and training in health economics, primary health care, community nutrition and other matters, (viii) the socio-economic development and management of secondary cities, (ix) training and other management support for DTEC, and (x) human resources development or training in areas not already catered for under (i)-(ix).

The Amplified Project Description notes:

> "Project outputs will consist of: (a) an effective system for determining priorities and planning activities; (b) an equally effective system for arranging required consultancies and training; (c) coordinated problem analysis, policy recommendations, program/project proposals, and pre-feasibility studies; and (d) trained personnel. Overall, the project will develop an improved institutional capacity within the RTG to identify priority areas for outside assistance and to secure, on an informed basis, the assistance required."

Implementation is to be managed by a troika at two levels:

(a) The Project Policy Committee (PPC, which has come to be known as the "Big P" among those familiar with EPD-II) consists ex officio of the Director General of DTEC, the Secretary General of NESDB, and the Director of USAID/Thailand; it is to "meet no less than bi-monthly" (i) to set policy directions, (ii) to approve program and implementation plans, and (iii) to select problem areas to be examined "utilizing agreed criteria."

(b) The Project Coordinating Committee (PCC, or the "Little P") consists of "senior level representatives" of DTEC, NESDB and USAID/Thailand; PCC is responsible for (i) developing details of technical assistance and/or training needs, (ii) reaching decisions on workshops and seminars, (iii) managing implementation activities, and (iv) conducting follow-up and evaluation activities. The PCC may also include representatives of the Bureau of the Budget (BOB), the Civil Service Commission (CSC) and cognizant line agencies of the RTG, whenever this is appropriate. Among the specific tasks assigned to PCC in the Grant Agreement the following are given special emphasis in addition to four items listed earlier in this paragraph: (v) working with RTG line ministries and departments to develop activities for EPD funding; (vi) preparing an Annual Program Plan, listing priority areas to be studied and tentative funding allocations, approved by PPC; (vii) evaluating each component of the Annual Plan against a set of mutually agreed criteria; and (viii) serving as the administrative secretariat of EPD-II.

The Project Paper notes that this management structure "will utilize an activity selection process designed to service the needs of the central planning authorities, individual line ministries and departments." The project will also examine linkages between the private sector and the individual activities or subprojects it supports. "The system established will utilize mutually agreed selection criteria to establish priority subjects for research, analysis and problem resolution. Success would be ascertained by measuring "improvements in policy direction, planning, design and implementation of RTG programs and projects." The Evaluation Team added underlining in this paragraph, which also repeats some points, mentioned earlier, because these expectations, developed during EPD-II preparation in 1984 and confirmed in the intergovernmental Grant Agreement of early 1985, represent standards against which the evaluation is to be conducted. Some of these points were outlined in the Logical Framework attached to the Project Paper as Annex B and reproduced as Appendix E of this Evaluation Report.

Readers coming to EPD-II without much prior knowledge of the project may be surprised, as the Evaluation Team itself was, to find so much detail in the Project Paper and Grant Agreement about project management and also regarding particular subproject prospects. In this regard it is useful to recall that EPD-II was preceded by roughly 10 years of prior experience with similar activities. The first generalized technical assistance and training project was initiated in Fiscal Year 1976 under the title of Transfer of Technology and Management Skills (TTMS), which addressed an "open-ended array of development problems" and witnessed the transfer of most participant training functions from the USAID Mission to DTEC. In Fiscal Year 1980 the first Emerging Problems of Development Project was agreed to in order to deal with "priority development areas for which a policy or program approach had not yet been defined clearly."

A preliminary evaluation of EPD-II was conducted in the April-September period of 1987 under the leadership of James E. Williams with a view to streamlining project management practices. Mr. Williams' two reports include a thorough discussion of concerns expressed by project participants and offer a number of suggestions for speeding up action on proposals submitted for EPD funding and for strengthening follow-up and monitoring procedures. Some of Williams' recommendations have been implemented but action on others is incomplete; several of the 1987 concerns he addressed were repeated to the present evaluation team nearly two years later. These continuing concerns can be summarized as follows:

(a) Project management receives too few proposals of good quality, particularly in the arena of policy studies.

(b) The priorities and criteria adopted by PPC are too broad to guide decisions effectively; therefore, there is much uncertainty in the minds of potential applicants and of personnel in the management unit.

(c) It takes too long to appraise many proposals and also to negotiate contract details.

(d) The Management Unit gives too little attention to follow-up during subproject implementation or to the ultimate economic impact of EPD-funded activities.

(e) A concise, practical management information system needs to be adopted (based on a simplification of the Coopers & Lybrand recommendations of January 1986) and then used as the basis of monthly reports to all members of PPC and PCC.

3. PRINCIPAL FINDINGS

The EPD-II project has provided financial support for a wide variety of activities. Table 3.1 summarizes USAID financing of EPD-II subprojects, which include policy studies, seminars, pilot projects, overseas and in-country training, technical assistance and advisory services.

An important consideration in many EPD-II activities has been the need to strengthen institutions concerned with policy analysis in Thailand. This intention to nurture and to encourage the permanence of institutions with a policy focus has been particularly apparent in (i) the underwriting of overseas Doctorate and Masters training for NESDB professionals, (ii) substantial research commissions in support of the first four years of work at TDRI, (iii) provision of senior advisors (both long- and short-term) to both NESDB and TDRI, (iv) research commissions to institutes associated with various universities, and (v) a large number of scholarships supporting other graduate studies (viz., various long-term fellowships for senior managers in DTEC and planning officers in the Ministry of Public Health, MOPH) and short-term study tours. Table 3.2 lists institutions receiving support for scholarships, study tours, seminars and other funding approved at least partly with a view to enhancing institutional capability and to expanding the institution's effectiveness in discussions of significant public policies.

The EPD-II grant has provided essential resources to a number of organizations in Thailand for use (i) in working out the details of relatively new policies endorsed by the RTG in its Sixth Plan or other official pronouncements and (ii) in taking the first steps toward implementing new programs. Two examples are the NESDB-sponsored pilot program for environmental planning at the provincial level and the MOPH program to decentralize epidemiological reporting and analysis.

The availability of financing under EPD-II has been an important resource for sector specialists within USAID/ Thailand, not only for commissioning research on topics which Mission management judged to be of critical importance to the future productivity of the Thai economy but also for launching urgent preliminary USAID program activities, pending the approval of major new projects. In the former category studies managed by Dr. Ammar Siamwalla at TDRI on the dynamics of agricultural growth and investment come readily to mind; in the latter group several EPD interventions are frequently cited as building blocks for (or at least

TABLE 3.1

SUMMARY OF PRINCIPAL POLICY STUDIES, TRAINING AND OTHER ACTIVITIES SUPPORTED BY THE EPD-II GRANT 1985-88 ($000)

Status a/	Agency and activity	Policy Studies b/	Training c/	Total
	TOTAL EARMARKINGS	9,555.7	3,118.85	12,674.5 d/
	TDRI, subtotal	3,246.2	-	
O	HIID services (4 yrs + Meechai)	1,328.1	-	
O	Macro-economic program (4 yrs)	1,048.2	-	
O	Privatization of Natural Res. (2 yrs)	349.6	-	
O	Dynamics of Ag Investment	154.4	-	
C	Dynamics of Ag Growth	106.1	-	
C	Natural Resources Profile (w/NEB)	80.4	-	
C	Three other items	169.4	-	
	NESDB, subtotal	2,038.1	1,188.9	3,227.0
O	Graduate studies abroad (14 cases)	1,169.7		
PR	Law reform (w/ Chulalongkorn U.)	527.2	-	
PC	Telecom (w/ CAT)	525.0	-	
C	Muscat services (3 yrs)	362.8	-	
O	Bangkok Transportation Model (w/ BMA)	296.8	-	
O	Resources Mgmt (3 Provinces Pilot)	260.0	-	
C	Five other items	66.3	19.2	
	Coastal Resources Mgmt (NEB)	1,393.0	-	1,393.0
	DTEC, subtotal	1,133.2	1,133.2	
C	In-country training (5 items)	490.5		
PC	In-country training (Proj Mgmt)	160.0		
O	Overseas training (11 items)	440.8		
O	Advisory services	-15.0		
C	Training support (7 items)	-26.9		
	Min. of Public Health, subtotal	492.8	370.5	863.3
O	Graduate studies abroad (7 items)	350.0		
O	Epidemiology Pilot Decentralization	292.8	-	
O	Health economics/financing	200.0	-	
C	Health care financing training	-12.2		
C	AIDS (attend 2 conferences)	- 8.3		
O	DOLA, Mgmt of Regional Cities	418.0	-	418.0
	FPO, subtotal e/	238.0	166.2	404.2
PC	Debt recording and management	188.0	5.2	
PC	Tax Policy/ Planning Training	50.0	135.2	
C	Loan Sources/Negotiating Techniques	-	13.1	
C	Loan Procurement/Exp. Credit Ins. (2)	-	12.7	

TABLE 3.1 (Cont'd)

SUMMARY OF PRINCIPAL POLICY STUDIES, TRAINING AND OTHER ACTIVITIES SUPPORTED BY THE EPD-II GRANT 1985-88
($000)

Status a/	Agency and activity	Policy Studies b/	Training c/	Total
C	Khon Kaen Univ. (Rural Mgmt)	395.0	-	395.0
	Ministry of University Affairs, subtotal	339.0	12.3	351.3
O	Long-range planning policy	339.0	-	
C	Manpower projects analysis	-12.3		
PC	Rural Devel:CDD/ARD Coordination	293.8	-	293.8
	BMA, subtotal	222.3	-	222.3
PC	House and Land Tax Study e/	204.0	-	
C	Drainage/Flood Protection	18.3	-	
	Marketing and Technology Access (USAID)	195.0	-	195.0
	Other activities, subtotal	284.5	247.7	532.2
C	BOB: Program Budgeting Study Tour	-	19.7	
PC	Chulalongkorn U: Privatization	49.0	-	
C	Environmental Study Tour	-	5.0	
C	MOE: Policy Analysis Workshop	-	5.6	
C	NEA: Masters (2) in Policy Planning	-	98.4	
C	NSO: Business Trade & Services Course	11.4	-	
C	OAG: Performance Audit	-	13.8	
C	Computer Auditing	-	7.7	
P	Int'l Auditor Fellowship	-	7.0	
O	PAT: Port Planning & Management	-	7.7	
C	PSU: PCAD Computer Training	-	3.7	
C	PTIT: Gas Utilization	24.0	-	
C	Attracting Upstream Investment	13.5	-	
C	Human Resources Development	-	13.0	
O	RD: Enhance Collections	64.3	-	
C	Tax Admin. Middle Management	-	15.5	
C	RFD: Fifth Int'l Seminar on Management	-	29.0	
C	International Seminar	-	9.4	
C	RRDI: Rainmaking Assessment	76.2	-	
C	TATCA: Sci/Tech Cooperation	-	0.8	
C	TISTR: Environmental Assessment	40.3	-	
C	Evaluation and Audit	17.2	-	

a/ C=completed, O=ongoing, P=planned, PC=pending contract (usually between DTEC and sponsoring agency), PR=pending review by Project Policy or Coordinating Committee. In the case of long-term technical assistance (e.g. the HIID contract with TDRI), some aspects of the work have been completed but the service is considered "ongoing" under a renewed contract. Similarly, in a large training program (for example, for DTEC or NESDB) some trainees have completed their studies and have returned to assignments in the agency; however, the subproject is marked "O" so long as some trainees are away at university or any other training location. Generally, a "P" means in some preliminary stage, prior to actual implementation.

b/ Includes long-term technical assistance (e.g., HIID at TDRI and Dr. Muscat at NESDB) although this TA and additional experts associated with particular studies are also providing training to their co-workers.

c/ Includes long- and short-term training, including study tours and attendance at workshops. Long-term can usually be distinguished from short-term on this list because of the larger amounts of money involved; one exception to this rule would be in-country training courses organized by DTEC for a few dozen people at a time, generally for no more than one month per training course.

d/ Some of this amount may not be used and will be "de-earmarked"; on the other hand the PCC on March 22 approved about $3 million to support additional subprojects for implementation as soon as detailed understandings and contracts can be negotiated.

e/ Although the DTEC report which is the source for Table 3.1 reports the House and Land Tax Study as sponsored by the Bangkok Metropolitan Administration (BMA), as does USAID's Financial Implementation Status Report (01/24/89, item 30), other information assigns responsibility to the Fiscal Policy Office (FPO).

Source: Evaluation Team calculations based on DTEC "Progress Report", dated January 1989. For Completed projects the amount actually spent is used to the extent it can be determined from the "Progress Report". For Ongoing projects the amount allocated is generally used, even when there already are indications that some of this may be de-earmarked and returned to the general pool for reallocation.

TABLE 3.2

AGENCIES AND INSTITUTIONS RECEIVING SUPPORT UNDER EPD-II GRANTS a/
(Listed Alphabetically)

Accelerated Rural Development (ARD)
Bureau of Labor Statistics
Bangkok Metropolitan Authority (BMA)
Bureau of The Budget (BOB)
Communications Authority of Thailand (CAT)

Community Development Department (CDD)
Chulalongkorn University: Private Enterprise Institute and Legal Development Research Center (CU)
Department of Local Administration (DOLA)
Department of Technical and Economic Cooperation (DTEC)
Fiscal Policy Office (FPO)

Khon Kaen University (KKU)
Ministry of Education (MOE)
Ministry of Public Health (MOPH)
Ministry of University Affairs (MUA)
National Energy Administration (NEA)

National Environmental Board (NEB)
National Energy Policy Office (NEPO)
National Economic and Social Development Board (NESDB)
National Statistical Office (NSO)
Office of The Auditor General (OAG)

Petroleum Authority of Thailand (PAT)
Petroleum Institute of Thailand (PTIT)
Prince Songkla University (PSO)
Revenue Department (RD)
Royal Forestry Department (RFD)

Royal Rainmaking Research Development Institute (RRDI)
Thai American Technical Assistance Association (TATCA)
Thailand Institute for Scientific and Technological Research (TISTR)
United States Agency for International Development (USAID)

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a/ Includes some agencies whose proposals are still pending and who have therefore not yet received significant funding. Many subprojects involved two or more agencies on this list; for instance, many subprojects originally sponsored by NESDB are currently being managed mainly by a more specialized technical agency.

Source: Evaluation Team from project documents.

stepping stones to) the $44 million Management of Natural Resources and Environment Project (MANRES), which was authorized in July 1988. EPD has also provided funds for Thailand to "buy into" some of USAID's centrally funded programs for private enterprise and trade development, science and technology, family health and planning, coastal resources management, urban housing and other activities.

Policy discussions take place mostly in connection with studies (rather than the other major program category, training). In the Higher Education Policy study, for example, the policy dialogue is a fairly continuous process, starting with design of the study and framing its Terms of Reference, continuing with preliminary instructions to the study team and review of their progress reports, and concluding with one or more seminars to critique (and revise) reports and an effort to reach consensus on final recommendations for implementation or for other follow-up action. Such committees are also understood to be a standard feature of most major TDRI studies and have been used to guide and supervise other EPD-funded research. The process is enriched when conducted by a "technical" advisory board or steering committee which meets periodically (monthly, bi-monthly, or at least quarterly) from the earliest stages of study conception until recommendations are shared with political leaders and the public at large (the TDRI study of Technological Capability in Industry can be cited as an outstanding example); and it is most successful when the "board" consists of eight to a dozen or even 15 persons representing different perspectives on the problem (i.e., academics as well as officials, buyers as well as sellers, private businessmen as well as technical specialists, and in appropriate cases a few expatriates as well as Thais). It is also desirable that these people meet often and consistently enough to develop some familiarity with and respect for each other's opinions. (This last condition is not difficult to meet in Thailand where many of the people concerned with any given major problem already know each other socially and professionally and where the ethos of the nation emphasizes respect for individual differences and points of view.)

The Evaluation Team is not clear how much policy discussion there is in formal PPC and PCC meetings. There seem to be several reasons why policy discussion is not a major feature of those meetings:

a) Individual members of PPC and PCC find it more effective to discuss their substantive concerns regarding particular subproject proposals one-on-one outside the "Big P" or "Little P" meeting rooms, and more often with their own staff and/or supervisors than with their troika colleagues. Thus, there is at least as much discussion within DTEC or NESDB or USAID about particular subprojects as among the three agencies concerned.

b) Both PPC and PCC meet under considerable time pressure, trying to decide the fate of several proposals at each occasion, generally on the basis of supporting documentation that is of uncertain quality in terms of completeness and/or accuracy.

c) PCC has had little time to monitor the substantive progress of subprojects once they are commissioned, has

only a smattering of information on implementation, does not routinely require its administrative personnel to report their progress in carrying out PPC or PCC "decisions", and has not taken time in meetings to review the substantive quality or policy impact of the research and/or training once subprojects are completed.

While the paucity of opportunities for troika meetings to wrestle with issues of policy substance must be frustrating to individual participants, it would not necessarily undermine the basic purposes of EPD-II if "policy dialogue" were a required feature of every (major) subproject. Unfortunately, applicants are not required to include in their proposals the arrangements they have in mind either to review work as it proceeds or to disseminate outputs once they are completed. Fortunately, most proposals requesting large grants have volunteered such information, and as noted above in paragraph 3.05, this has been a valuable feature of several major studies. It is also intrinsic to those few subprojects that take the form of stand-alone seminar. However, it should be kept in mind that DTEC's role as PCC Secretariat does not include major responsibility for the substantive aspects of subprojects under implementation; although there is often considerable communication regarding progress payments and other financial matters, DTEC has neither the staff resources nor the official mandate to talk with subproject managers regarding policy issues.

Administrative Considerations

There are many other sources of financing available in Thailand to support long- and short-term overseas training, seminars, study tours, technical assistance, pilot projects, economic research and policy analysis. However, the need exceeds the resources available in each of these activity areas. Choices regarding specific activities to be undertaken, therefore, reflect mainly decisions taken by RTG when particular departmental budgets are approved or by providers of external assistance. Some allocations appear subjective or even arbitrary, perhaps yielding to the persuasiveness of a particular sponsor rather than the empirical urgency of an issue. Especially where external assistance is involved, the apparent urgency of the need may have dissipated by the time the appraisal-negotiation-approval cycle is completed and assistance arrives.

EPD-II has been successful, especially in recent months, in arranging financing on short notice. Inevitably, this is easier for relatively small amounts than for larger grants. To expedite processing of requests for major funding of larger studies, the managers of EPD-II, aware that they operate in an environment where many sources compete to find suitable projects, have made repeated efforts to define priorities and to streamline administration. Most persons currently concerned with project management told the Evaluation Team that they believe that EPD-II still needs to define its priorities more clearly, especially now that guidance is needed in the allocation of the remaining $3-4 million in EPD funds. There is, however, no agreement on what specific priorities to emphasize, nor so far as the Evaluation Team is aware, is there any specific proposal pending regarding such priorities. Appendix F discusses lists of priority subject areas that were used in recent years.

EPD-II administration is the subject of almost universal frustration. Some experienced subproject managers, aware that implementation may bring difficulties, have taken heroic steps to mitigate delays and misunderstandings by complex negotiations before subprojects begin and in at least one case known to the Evaluation Team by hiring away from DTEC an experienced administrator who is expert on the Department's rules and procedures. These typical large-enterprise responses to badly managed administrative controls are not available to inexperienced subproject managers or to small users of EPD funds, whose economies of scale do not permit techniques available to large-grant recipients. Some users interviewed by the Evaluation Team stated that they would never again apply to an EPD-type project for financing although their work is of high priority in the development process and urgently requires the type of policy analysis EPD circulars promise to provide. Another example of delay occurred in connection with the evaluation of bids received February 14, 1989, to perform studies of Bangkok's urgent transport problems; these three proposals had not even been formerly "opened", let alone evaluated, when the Evaluation Team left Thailand on April 8. This delay, which was brought to the attention of project managers during March, is difficult to reconcile with the EPD promise of quick response. A quite detailed analysis of "processing" responses can be found in the Williams' reports of 1987, cited above at the end of Chapter 2. Apparently, slow processing is still not uncommon, and every person interviewed by the Evaluation Team (including, incidentally, officers of DTEC itself) described EPD-II as significantly more difficult and time-consuming to use than any other source of external assistance they were familiar with.

Although the record of delay and frustration is undisputed and even fairly well documented (for example, in the second, longer report by James E. Williams, completed in September 1987), the Evaluation Team was unable to discover many instances where these delays contributed constructively to the substantive quality or financial integrity of the process. On the contrary, there are several cases known to the mission in which delays were damaging to subproject performance and quality and may have increased costs unnecessarily.

Focus of Allocations

Examination of Table 3.1 reveals that just over half the money so far earmarked for specific purposes has gone to the two largest claimants, TDRI and NESDB. Two dozen smaller projects, involving various governmental departments and one university, account for just over 4.2 percent of the total earmarked so far. Another nearly 26 percent is accounted for by five relatively large AID-initiated activities (i.e. (i) Coastal Resources Management, (ii) studies and graduate training for the Ministry of Public Health (MOPH), (iii) a major study of municipal performance criteria for the Department of Local Administration (DOLA), (iv) completion of the rural management training program at Khon Kaen University, and (v) the Marketing and Technology Access Project).

The Table also indicates that "studies" (including Technical Assistance) account for about 75 percent of the total, whereas training (mostly long-term but also including more than a dozen relatively short-term courses and study tours) accounts for only 25 percent. Within the studies group NESDB and TDRI

together account for 55 percent of the total and the five AID-initiated studies another 30 percent. Only one ongoing study was initiated independently of NESDB/TDRI/AID -- namely, the long-range planning study of higher education, which is being managed by the Ministry of University Affairs (MUA). To launch that study, the Minister met personally with each member of the PPC before presenting the study formally for approval in 1987. Throughout the conception and implementation of this subproject, which is scheduled for completion in December 1989, the Ministry's Permanent Secretary has provided close personal supervision of all aspect of the research by means of lengthy weekly meetings with principal participants.[2] When the Evaluation Team started its field work (March 1989) there were three substantial research proposals outside the NESDB/TDRI/USAID "inner circle" which had been pending for some time; together the earmarkings for these proposals totalled about $700,000. During March and April, however, the PCC took action to move forward on these studies of tax policies (including feasible ways of introducing taxes on landholdings) and the management of public debt; needless to say, it is still too early to judge the probable impact of those subprojects. The following table summarizes these findings.

TABLE 3.3

AMOUNTS EARMARKED TO MAJOR SPONSORS FOR STUDIES a/
($000 and percentage distribution)

Sponsor	Amount ($000)	Percent
Studies, total	9,555.7	100.0
TDRI	3,246.2	34.0
NESDB	2,038.1	21.3
AID-initiated	2,893.8	30.3
Others	1,377.6	14.4
Seven completed	253.8	2.7
Five in preliminary stages	784.8	8.2
One ongoing at MUA	339.0	3.5

a/ For the purposes of this table "studies" include amounts for long-term advisory services.

Source: Evaluation Team calculations based on DTEC "Progress Report" dated January 19, 1989.

[2] After drafting this section The Evaluation Team was advised by a senior official of NESDB that the study in question was really an NESDB initiative through the National Education Commission. There is no question, however, that the Minister's endorsement moved it forward quickly and that the Permanent Secretary's keen and persistent interest has assured that its work is of high quality and practical relevance.

Allocations for training are similarly focused on the needs of three major users -- in this case, NESDB, DTEC and the Ministry of Public Health (MOPH). Together the first two account for nearly 75 percent of the total and MOPH for another 12 percent. These data reflect the fact that long-term (2-4 years) overseas training is relatively expensive and most such training financed by EPD-II is accounted for by those three organizations.

Training programs are found to have added to NESDB's substantial stock of professionals with graduate training (Doctorate or Masters) abroad. In this way EPD-II has kept U.S. university programs available to NESDB in competition with similar scholarships offered by Australia, Canada, Japan, and the United Kingdom, among others. This training has also been instrumental in allowing NESDB to expand its activities, even though a few veteran staff members have been drawn into (we might say "graduated to") other government and/or private sector assignments (a "turnover" phenomenon common to many planning agencies worldwide). Strict regulations ensure that officers who benefit from overseas training continue in government service after their return to Thailand, and trainees interviewed by the Evaluation Team confirmed that graduate studies had been very useful to them and that they were currently in assignments that made good use of that training.

By and large training programs under EPD-II seem to be administered efficiently by DTEC. There is a well-established procedure for long-term training, for which lead times are well defined and generally allow for timely completion of necessary paperwork and other arrangements both here and abroad if processes are started far enough in advance. Furthermore, relatively quick funding has been arranged for short-term training opportunities as they came along. A substantial portion of EPD funds used by DTEC was for in-country training of many dozens of government officers in project management, computer procurement and other senior and mid-level management skills, generally using expatriate facilitators from institutions such as the University of Connecticut.

Most of the seminars organized with EPD funding are in connection with policy studies. These "integrated activities" often include a combination of research, training, technical assistance and workshops. DTEC reports that its staff finds these combination proposals particularly difficult to appraise and to negotiate.

The Thailand Development Research Institute

Because of its importance to Thailand as a major policy studies institute, the Evaluation Team spent more time with TDRI than with any other EPD-participating organization.[3] As noted earlier, TDRI is far and away the largest single claimant of EPD funds; this important, even predominant, role was foreseen in the Project Paper of January 1985. Much could be said regarding TDRI, which lists support from 55 donors and sponsors in its latest annual report; but space limitations in this report require a summary:

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[3] A more detailed review and discussion of TDRI activities, prepared by the Evaluation Team's senior advisor, Professor Gustav Papanek, can be found in Appendix G, pp. 5-14.

TABLE 3.4

AMOUNTS EARMARKED TO MAJOR SPONSORS FOR TRAINING
($000 and percentage distribution)

Sponsor	Amount ($000)	Percent
Training, total	3,118.8	100.0
NESDB	1,188.9	38.1
DTEC	1,133.2	36.3
MOPH	370.5	11.9
Others	426.2	13.7
Completed a/	172.7	5.5
FPO b/	140.4	4.5
NEA	98.4	3.2
Two others ongoing	14.7	0.5

a/ Fifteen cases up to $30,000 each, most in much smaller amounts, involving various agencies.

b/ Pending for many months after approval in order to complete arrangements with the Commonwealth Secretariat (UK) through the International Development Research Centre (Canada).

Source: Evaluation Team calculations based on DTEC "Progress Report" dated January 19, 1989.

(a) TDRI was founded in 1984 in response to initiatives by NESDB and is Thailand's first private policy research institute. It is governed by a Council of Trustees of about 40 members, including Thai scholars, senior officials, private bankers and businessmen, and a few expatriates (e.g., the Ambassadors of Canada, Japan and the United States, whose governments have been among the major supporters of TDRI, and Drs. Dobell, Okita and Stifel who have been major participants in international development studies for many years). Dr. Snoh Unakul, until recently Secretary-General of NESDB, has served as Chairman of the Council and its 11-person Board of Directors, reflecting his personal commitment to TDRI and the close functional relationships between the Institute and NESDB. TDRI carries out and makes public independent analyses of policy issues related to national development, giving special emphasis to long-term prospects for sustained growth and equity; it aims to transform scholarly research into choices for action by public and private sectors.

(b) In its first four years of operation TDRI has made an admirably strong start. Particularly notable achievements are (i) careful definition of seven program areas, (ii) thoughtful selection of core staff, including program leaders, (iii) an energetic production performance in some programs, and (iv) an efficient infrastructure, including support staff, minimal computer capacity, report production capability, a modest library, and other essential facilities.

(c) The Institute has defined its personnel policies clearly, viz. to keep the core staff small, to hire most professionals on contract rather than as permanent staff, to make extensive use of university professors and other experts on part-time assignments, and to pay premium salaries compared to civil service and academic pay but not to try to compete fully with the private sector. This means interalia (i) that there are many linkages and collaborations with organizations outside TDRI and (ii) that there is likely to be a continuous turnover of staff as younger professionals come to TDRI for a few years of post-graduate practical experience and senior staff cycle in and out of major assignments in government.

(d) TDRI generally appoints a separate technical advisory council to monitor and guide each of its major research projects, selecting as members outside experts representing various points of view and potential users of results (e.g., policymakers). Thus, an active and fairly continuous dialogue is encouraged from the inception stage, as work progresses, and when recommendations for action are being formulated.

(e) The Institute has been successful in forming reasonably efficient working relationships with its major sponsors and DTEC. It enjoys excellent access to government officials and data. It has developed open, constructive and mutually rewarding relationships with expatriate advisors under an EPD-financed contract with the Harvard Institute of International Development (HIID).

(f) Plans for new office and conference space are well advanced at a central site made available by the Royal Properties Department in a building to be constructed near the soon-to-be-opened International Trade Mart.

(g) TDRI obtains frequent, generally friendly coverage in the press. The Institute is increasingly well known locally and internationally as an influential, promising and hopefully permanent center for politically independent, albeit generally conservative, economic policy research.

(h) Solid plans have been announced to raise an initial endowment of $10 million equivalent from a variety of Thai and international sources.

Taken together these are truly remarkable accomplishments for so short a period of time and do credit to the far-sighted and generous support provided by Canada (through CIDA's foundation grant) and the United States (not only through EPD but also by AID-financing of other commissioned research -- for example, under the Rural Industries and Employment project, the MANRES project which is just getting under way, and centrally funded human-resources-policy studies, managed by family Health International, the Universities Research Corporation and others). Special acknowledgement is due to (i) Dr. Snoh Unakul, whose vision gave birth to TDRI, (ii) Dr. Anat Arbhabhirama, the Institute's first President, and (iii) his successor, current President Dr. Phaichitr Uathavikul. All those who were engaged as pioneers in the TDRI venture can be justly proud of its initial accomplishments.

Inevitably, so young an Institute faces problems. Those which the TDRI management discussed with the Evaluation Team can be summarized as follows:

(a) There are gaps in program implementation when actual outputs are compared to detailed work plans that were developed in consultation with HIID in 1985. These gaps are particularly obvious in sectors where strong program directors could not be recruited as quickly as was planned or cannot yet devote full time to TDRI commitments.

(b) Continued vigilance is needed regarding quality standards with respect to both research and publications. Further strengthening of arrangements for peer review of major reports is planned.

(c) There is a need for more ample and more certain financing; the need is particularly acute for funds which are not too narrowly tied to predefined projects.

(d) A major new theme for much of the work to be undertaken in the Institute's second four years (1989-92) ought to be the long-term aspects of development. Thailand is well-known and much praised for astute and forceful "crisis management" and for establishing conditions in which an assertive private sector can seize opportunities as they arise. The Institute needs to play an active role in analyzing trends over the last 20-30 years and in conceiving alternative paths toward 2010 and beyond.

(e) Cross-sectoral research and discussion must be increased; a common theme (like the year 2010 perspective) and arrangements to share a common data base would represent important steps toward accomplishing such cross-fertilization.

(f) Managing TDRI, especially during its first decade, requires striking a series of very delicate balances. Those most commonly mentioned include (i) being too abstract or theoretical to suit the policy makers but too concerned about effectiveness and influence for academics and idealists, (ii) paying stipends high enough to enable staff committed to policy research to resist tempting offers from the private sector without paying so much that the envy of government officials and university professors turns into angry non-cooperation, and (iii) assembling a critical mass of talent to serve as a catalyst for an ever-widening network of policy research without so dominating the field that other voices feel unable to be heard, to attract financial support, or to remain competitively independent. It will be obvious to anyone who has tried to walk such a tightrope that TDRI is constantly under pressure to adjust the balance one way or another and will remain vulnerable to criticism no matter what adjustments it makes.

Comparison of Experience with Initial Allocations

To complete this summary of its principal findings the Evaluation Team has compared EPD-II allocations in its first four years (roughly 1985-88) with the distribution foreseen in the Project Paper. Details are recorded in Table 3.5. The following highlights are noted:

(a) The categories used in the Project Paper do not correspond precisely with those used for project management purposes. Moreover, as noted in Table 3.1 below, the Evaluation Team has had to develop its own summary of allocations, which has probably led to errors at the margin as far as numbers presented here are concerned.

(b) Even without allowing for additional subprojects listed under Category VI-Contingency, "Selected Development" exceeds initial forecasts, largely because of higher spending by NESDB (including "Sixth Plan Analysis") and DTEC. To date TDRI has been allocated less than was originally foreseen, but this will probably not be true by the time EPD-II is fully disbursed, especially now that the project completion date has been extended by two years.

(c) Spending on "Agriculture and Natural Resources" appears to be less than foreseen in the Project Paper. This is partly because (i) some EPD-financed agricultural policy research was taken up by TDRI and (ii) a major coastal zone management intervention is shown in Category I as centrally funded. The Evaluation Team understands that the apparent "shortfall" reflects a combination of factors, including a desire by both RTG and USAID to study various options for further environmental work, some resulting slow-down in activities of the National Environmental Board (NEB) and

TABLE 3.5

ALLOCATIONS FORESEEN IN THE EPD II PROJECT PAPER COMPARED WITH APPARENT EARMARKINGS 1985-88 ($000)

Activity and Sponsor	Project Paper (LOP) ($000)	Project Paper (LOP) Percent	Apparent Earmarkings (1985-88) ($000)	Apparent Earmarkings (1985-88) Percent
Grand total	18,000	100.0	18,000	100.0
I Selected Development, subtotal	8,503	47.2	9,495	52.7
NESDB staff development	1,250	6.9	1,552	8.6
Training	1,000	5.5	1,189	6.6
Special assistant	250	1.4	363	2.0
Sixth Plan analysis	400	2.2	1,119 a/	6.2
TDRI	4,000	22.2	3,166 b/	17.6
AID/Wash: Centrally funded	1,562	8.7	1,588 c/	8.8
DTEC management support	590	3.3	1,133	7.4
Commodities	59	0.3	d/	-
DTEC	40	0.2	n.a.	-
Other	19	0.1	n.a.	-
Municipal management	642	3.6	715 e/	4.0
II Agriculture and Natural Resources, subtotal	2,400	13.3	775	4.3
Natural res. mgmt	2,000 f/	11.1	380	2.1
Environmental profile	60 f/	0.3	80 b/	0.4
Coastal resources mgmt	12 f/	0.1	c/	c/
TISTR in-service Training	12 f/	0.1	40	0.2
Ag research and mgmt	100 f/	0.6	-	-
Consultancies and studies	170 f/	0.9	-	-
Three provinces pilot proj	-	-	290 g/	1.4
KKU Rural Mgmt	400	2.2	395	2.2

TABLE 3.5 (Cont'd)

ALLOCATIONS FORESEEN IN THE EPD II PROJECT PAPER
COMPARED WITH APPARENT EARMARKINGS 1985-88
($000)

Activity and Sponsor	Project Paper (LOP) ($000)	Project Paper (LOP) Percent	Apparent Earmarkings (1985-88) ($000)	Apparent Earmarkings (1985-88) Percent
III Health, Population and Nutrition, subtotal	2,137	11.9	863	4.8
Economic/financing policy	222	1.2	200	1.1
Primary care: mgmt trng	96	0.5	-	-
Community nutrition	24	0.2	-	-
Operations research	150	0.8	-	-
Air pollution	60	0.3	-	-
Population tech asst.	450	2.5	-	-
Training	1,135	1.2	370	2.1
Epidemiology	-	-	293	1.6
IV Human Resources Development (i.e., Training n. e. c.)	2,160	12.0	426	2.4
V Evaluation + Qudeting	100	0.6	100	0.6
VI Contingency (inc. escalation)	2,700	15.0	6,341 h/	35.2
Unforeseen studies, subtotal	-	-	1,332	7.4
MUA: Long range Plan	-	-	351	1.9
Rural Development: CDD/ARD	-	-	294	1.6
BMA: House/Land tax	-	-	204	1.1
BMA: Flood protection	-	-	18	0.1
FPO: Debt Records and Mgmt	-	-	118	1.0
FPO: Tax Policy Planning	-	-	50	0.3
CU: Privatization	-	-	49	0.3
PTIT: Two Seminars	-	-	38	0.2
RD: Collections	-	-	64	0.4
RRDI: Rainmaking	-	-	76	0.4
Still to be allocated	-	-	5,009	27.8

a/ Includes Law Reform (with CU), Telecomminications (with CAT) and five smaller items and thus differs slightly from Table 3.1

b/ The Natural Resources Profile is listed separately in the Project Paper; therefore, in this table it is deleted from TDRI and shown under Category II. Some financing also came from USAID/Washington's global program, i.e., "central" funding.

c/ Coastal Resources Management (with NEB) for $1,393,000 and Marketing and Technology Access for $195,000. It is understood that a few other subprojects also received some "central" funding.

d/ An analysis by USAID/Thailand staff shows $100,000 for commodities as of December 31, 1988; however, these purchases are not listed separately in Table 3.1 but are included with other expenditures in subprojects where they apply (e.g., DTEC, MOPH).

e/ Includes only Management of Regional Cities (with DOLA) and Bangkok Transport Model (with NESDB and BMA).

f/ The Project Paper provides only first-year guesstimates not a Life of Project (LOP) breakdown for this $2 million.

g/ Shown in Table 3.1 under NESDB, the sponsor and subproject manager.

h/ Calculated by deducting reported earmarkings from the $18 million total.

Source: Project Paper - Thailand: EPD II, Project No. 493-0341, USAID/Thailand, January 1985, pp 34-5. Earmarkings calculated by the Evaluation Team from Table 3.1.

the availability of other funding to assist the Mission in developing a more comprehensive project, which came to life in the summer of 1988 as the $44 million MANRES project.

(d) The "shortfall" in "Health, Population and Nutrition" may reflect the use of financing through centrally funded programs rather than through EPD, compounded by MOPH frustration over EPD procedures which the Ministry found more complex than administrative practices governing other assistance available to it from the World Health Organization (WHO) and USAID's centrally funded programs.

4. MAJOR CONCLUSIONS

A first conclusion follows directly from the comparison between project concept and performance with which the last chapter ended. There is considerable evidence that EPD-II, as presently structured, needs to renew its creative and innovative potential. Many of the specific ideas discussed in the Project Paper have been implemented. But the project was designed more than four years ago and despite its flexible intent few major newsubprojects have materialized since then. Moreover, while the principal players, NESDB, DTEC and USAID who comprise the management troika, have been successful in expanding training and other subprojects which are of particular relevance to their ongoing programs, they have not been anywhere near equally successful, either individually or collectively, in arranging subprojects in which other ministries and departments or private sector entities take the lead. Thus, the intended support for improving resource allocation and policy formulation has not had as broad an impact among many government agencies as was planned four years ago.

The problem appears most serious with respect to policy studies to which the Grant Agreement gives much prominence. While it is true that TDRI has grown to be a force in its own right and perhaps has done this more quickly than was foreseen when it was founded in 1984, the Evaluation Team believes that it is both unfair and unhealthy to expect TDRI to bear the whole responsibility for policy formulation and program planning under EPD, or even the major share. There are many important subjects which TDRI is not yet equipped to handle; and the Institute's own future depends to some extent on comparison with and even competition from policy studies done under other auspices. Yet, as reported in a section of Chapter 3 headed "Focus of Allocations", a relatively small percentage of the $9.6 million earmarked for "studies" (as of December 31, 1988) is available to or managed by entities other than TDRI and NESDB except for some AID-initiated programs.

One difficulty may lie within USAID itself. The record seems to indicate that early enthusiasm for EPD within the Mission faltered in more recent years as one technical officer after another found himself/herself frustrated by delays in the EPD approval and implementation processes. These delays have severely embarrassed USAID technical specialists in their relations with subject ministries and other agencies. Having shared an early enthusiasm for EPD possibilities with organizations to which they were assigned, field personnel found they could not deliver the "timely funding" which the Grant Agreement had promised.

The Evaluation Team concludes that project managers and overseers should focus their attention during the next few months on the way study proposals are generated, appraised, facilitated and followed up. (Further discussion of this recommendation is found in Chapter 5.)

Given special difficulties in the "policy studies" arena, the Evaluation Team was tempted to agree with a point of view often expressed to it -- namely, that while there is an urgent need for policy analysis in Thailand there is no real market for it, no effective demand. After much consideration we conclude that, while this point of view deserves respect, it cannot be accepted without a much more serious effort to produce relevant policy analysis and to present it effectively and imaginatively to decision-makers and opinion-molders. There is simply too much evidence that good staff work commands attention in Thailand, as elsewhere, to accept defeatist counsel without giving the original EPD intent a more serious try.

If "policy studies" require a new approach, it is not at all clear why the training opportunities of EPD have not been more widely used. By all accounts training arrangements are generally handled by DTEC with thoughtful efficiency. But again, they seem too narrowly focused. For instance, one finds a strong consensus that Thailand suffers a very severe shortage of engineers and that continued growth is threatened by infrastructure bottlenecks; but it is not at all clear why these particular needs have not become a special concern of EPD. They have not been addressed even preliminarily by providing overseas training and apprenticeships to promising professors nor are they the special focus of urgent policy analysis.

There were many times during March when the Evaluation team found itself stymied in its work by incomplete files, cluttered with duplicate copies of some documents but missing information about other crucial steps in the process, or by statistical records that were internally inconsistent and seemingly unrelated to larger project purposes. Such experiences are not uncommon for outside evaluators who lack the familiarity necessary to move with ease through a mass of new information. Reluctantly, however, we conclude that the situation in EPD is worse than the average and deserves timely remedial action.

On the one hand it is argued that the case load is overwhelming with about six dozen subprojects to keep track of. But more than 40 subprojects are completed and a few more were cancelled. Barely a dozen subprojects were listed by USAID as "ongoing" as of January 24, 1989, and several of these seem to look after themselves without much special attention (e.g., DTEC Management Support, NESDB Staff Development, HIID support for TDRI and some other TDRI grants). Another 10 could be described as "ongoing" only in the sense that final accounts have not been settled although the activity itself (e.g., consultancy, study tour, short course overseas) was completed earlier. Those which remain (e.g., at DOLA, MOPH, MUA or TDRI) would not present a crushing burden, even if they were monitored quite closely -- say, with monthly consultations on site. No doubt the more difficult problems are found among nearly 20 proposals receiving preliminary attention or in negotiation over specific contracts and/or memoranda of understanding. Moreover, it should be noted that subprojects closing out often require as much staff time and attention as those which are ongoing. Taking all this together, however, EPD-II does not seem to us to impose an unmanageable

burden if the officers concerned are offered strong leadership and support which encourages them to simplify procedures and constantly to improve efficiency.

One suspects that many of those concerned with EPD have had the same experience as the Evaluation Team -- an experience of being bogged down with details without getting information that is either solid or relevant. In such circumstances it is easy to lose sight of the project as a whole.

Even if procedures were streamlined the Team concludes that the very structure of the project is flawed. The troika, however lean and practical it looked in the planning stage, cannot work as was intended. What is missing is someone to speak for the project as a whole, to be custodian for its larger purposes, to do imaginative and creative work to overcome bottlenecks, and to seek out new areas that are ready for effective intervention. A committee cannot do this, no matter how wise or well intentioned its members may be. At best a committee can supervise a manager or a chief executive officer who is accountable for the project as a whole.

To some extent we have all misled ourselves by giving out names like Secretariat and Management Unit without providing the training, staffing, substantive expertise or authority that would give those names reality. As structured, EPD has no management -- only a Committee waiting for management to happen. Meanwhile, the DTEC Management Unit is supposed to provide administrative support to the activity but without the project itself having a management that would enable such administrative services to work with reasonable efficiency. We are definitely not saying that DTEC is inefficient or lacking management; rather the project as such is without management. By giving misleading names to DTEC functions but not the substance, professional seniority or management authority to go along with such labels, we have missed the [illegible]t that leadership and management themselves are missing.

Having written so critically about project structure, the Evaluation Team must also record its more important conclusions -- namely (i) that the original intent and purposes of the EPD grant are still sound and relevant and (ii) that those who have served on its Committees as well as in the administrative trenches deserve much praise for having stuck with the recalcitrant monster so long and having accomplished so much of real value. These accomplishments, however, seem to have occurred despite the system rather than being facilitated by it. With this as its "bottom line" conclusion the Evaluation Team turns its attention to recommending a course of action for the future.

5. RECOMMENDATIONS

The Evaluation Team concurs in the tentative decision of the Mission to prepare a new grant, which would serve purposes similar to those set out for EDP-II.

Chapter III records the substantial achievements of EPD-II. These accomplishments include significant institution-building support to three major development agencies:

(a) To TDRI, a new policy research institution, which is setting a standard for independent analysis leading to practical policy recommendations within the ASEAN, support has taken the form principally of long-term advisory services from HIID and several large research commissions. In its first four years, TDRI received one-third of its total financial support for study programs from USAID, much of it from EPD funding.

(b) To NESDB, the country's well-established and increasingly active planning agency, support has taken the form principally of financing for two- and four-year fellowships for graduate studies in the United States, long-term advisory services, and assistance in implementing studies essential for carrying out selected policies within the Sixth Plan framework.

(c) To DTEC, the government's principal administrator of externally financed training and technical assistance grants, support has taken the form principally of financing for specialized training workshops to improve the effectiveness of dozens of government officials in Thailand and for graduate studies in the United States for a few of DTEC's own most promising professionals.

In addition to assistance to these three principal participating institutions EPD has also given substantial support to many other agencies and organizations:

(a) The National Environmental Board (NEB) received financing for its Coastal Resources Management project, which is part of a multi-country program receiving complementary support from USAID/Washington.

(b) The Ministry of Public Health (MOPH) received financing for graduate studies overseas, for a pilot project to decentralize epidemiology services, and for pioneering studies of health economics and of alternative methods of financing health services.

(c) The Department of Local Administration (DOLA) received financing for a study by consultants to establish service standards for local governments and thereby to find more efficient ways of allocating central government funds to them.

(d) Khon Kaen University received financing for the completion of rural management training programs started partly as a result of an earlier USAID intervention.

(e) The Ministry of University Affairs received financing for the work of mostly local experts to recommend policies for long-term planning of higher education in Thailand.

(f) A Marketing and Technology Access Project was financed to supplement assistance from USAID/Washington.

(g) Approximately 20 other agencies received financing for a variety of studies (including several still in the process of contract negotiation before work can begin), seminars, brief overseas study tours, and short-term technical assistance.

Although this evaluation report gives special attention to project weaknesses and recommends ways to enhance further the positive impact of EPD, the Evaluation Team is convinced that this type of flexible, prompt assistance plays a most valuable role in many sectors of the Thai economy. Although the main responsibility of the evaluators is to explore weaknesses and to suggest improvements, this should not be misread in any way that denies the constructive results already accomplished or set in motion.

The need to improve policy formulation, program planning and pre-project analysis is continuous in any dynamic economy. That need clearly continues and intensifies as Thailand confronts the challenges of sustainability and equity. Rapid growth persists and with it structural changes accelerate, even while Thailand expands its role in an increasingly competitive and uncertain international trading system. Equally, the need for training becomes ever more urgent -- especially training which emphasizes practical apprenticeship in policy analysis and in other skills necessary to translate plans into action.

While addressing new problems arising from the country's recently attained "middle income" status, a new EPD-type project would also provide flexibility to respond constructively to requests for technical cooperation and training from private as well as an ever-widening circle of government agencies. Such a project could also continue to serve as a valuable tool within USAID, allowing the mission (i) to fill unforeseen gaps in other projects, (ii) to complete commitments implied by USAID's earlier interventions, (iii) to make more complete use of centrally funded programs (via "buy ins"), and (iv) to assist in preparation of large investment projects to be funded by RTG and other sources of financing, once the optimal technologies have been identified.

In Thailand, among officials, in universities and in many private organizations there is a deep and lively appreciation of training and technical services provided by the United States, especially in the nearly 40 years of operation of USAID (and its predecessor agencies). Another grant in the EPD series, which would provide funds to be employed flexibly but mainly for training, technical assistance and policy studies in which Thai nationals are the principal participants, will be appreciated both for the important "outputs" it makes possible but also as one additional and highly practical representation of an historic partnership that has been found to be deeply rewarding to both nations.

<u>Whether or not the decision to prepare an EPD-successor project can be reached quickly, the Evaluation Team recommends that the year April 1989 through March 1990 be considered a year of experimentation and reconstruction</u>.

There is much that is admirable in the record of EPD-II and many elements of the project run quite smoothly. Nevertheless and indeed inevitably in any enterprise which has continued over a number of years in very dynamic circumstances, there are areas of concern and downright frustration that need attention and correction. Much of the rest of this chapter is taken up with recommendations for experimentation and change -- sometimes quite radical change. The point to be made here is that the next 12 months have a very important and very special purpose. They provide the opportunity to build on what has worked well and to try out remedies for the few important elements that have not worked well. Performance during this year will not only determine the success of the final phase of EPD-II (under which perhaps 20-30 percent of funds remain to be allocated and over 50 percent to be spent); these next months are also critical in determining how any successor project might best be structured -- and indeed whether or not any successor grant can be justified on a scale that makes it mutually beneficial to the parties concerned.

If it is agreed to use the next 12 months for experimentation with and refinement of new ways to manage EPD, the first step (which the Team recommended be completed during April) will be the preparation of a simple one-year plan. This need not be a lengthy document; in fact it should be kept concise if it is to serve the intended purpose. Three-to- five pages should suffice. The plan would indicate at a minimum:

(a) What funds are available for commitment (i.e. from the original commitment authority a hard core that has not yet been earmarked for any particular subproject and a "softer" supplementary sum likely to be available from de-earmarkings and from subprojects approved earlier that are simply not being implemented in accordance with original expectations);

(b) Candidate uses for funds (i.e., ideas approved by the PPC, serious proposals of apparent high priority which might soon be ready for PCC consideration, an amount to be kept available for approval under the Small Valued Activities Procedure, obligations informally implied by previous EPD commitments -- for example, a fifth or even a sixth year of TDRI activities -- and so forth);

(c) Other priority concerns of PPC or PCC members which in the judgement of any of them deserve a proactive promotional initiative from EPD;

(d) An annotated list of "problem" subprojects, recording any activity approved by PPC or PCC on or before February 15, 1989, which is not yet under implementation, with a statement of how the Secretariat (DTEC) proposes to break the bottleneck; and

(e) A list of dates proposed for PPC and PCC meetings through March 1990 along with other critical benchmark dates (e.g., steps needed to initiate action in USAID

and/or RTG for the preparation of an EPD-successor project).

The Evaluation Team recommends (i) that USAID's project officer assigned responsibility for EPD-II be authorized to prepare the first draft of this plan, perhaps with assistance from Professor Sangkom Suwannarat who participated in this evaluation or DTEC consultant Dr. Wuttithep Indhapanya if that can be arranged, (ii) that the draft not be restricted by formal USAID rules and procedures governing the preparation of annual work and financial plans (using from those practices only what is especially useful for EPD at this time) and (iii) that the first draft be ready for review by the PCC at an informal working meeting to be scheduled for the week April 19-25. A revised document would be discussed at the PPC meeting in May/June.

It must be clearly understood that the proposed 12-month plan has a different purpose and must have a different spirit or "flavor" than normal project work plans. The plan recommended here would present a framework or a context within which PPC and PCC will make their decisions. Unlike an annual project work plan, it cannot and therefore does not forecast specific disbursement requirements from month to month or quarter to quarter. By contrast it lays out the broad contours of the terrain to be crossed, it identifies the major problems to be solved, and it focuses on new paths to be cleared. While it may contain some of the information appropriate to an annual project work plan, it serves an essentially different purpose and, to minimize confusion, might well be given a quite different name. The Evaluation Team has deliberately chosen an unusual time period, April 1989 through March 1990, which does not correspond to either RTG's or USAID's fiscal year, partly to distinguish what is recommended here from the more orthodox work plan with which it might be confused.

Essential elements in the EPD program are its flexibility and the quick response promised to deal with rapidly changing needs; planning needs to be consistent with that character. Whatever specific candidate uses of EPD funds the plan identifies it must be understood that these are not promises or allocations or commitments of any sort; nor do they preclude consideration of totally unforeseen uses as claims come forward in response to the exigencies of particular situations and the reclarification of needs during the 12-month period in question.

Before any particular work plan can be approved by PPC, let alone a successor project designed, the Evaluation Team believes that it will be necessary for all parties to reconsider, probably to rephrase and certainly to recommit to a fresh statement of goals and objectives.

The Evaluation Team found little current awareness of, let alone alignment on, the fundamental goals and purposes of the Grant. It is not at all clear to what extent the Logical Framework, included in the Project Paper of January 1985 and referenced in this Team's Work Statement, was discussed among the parties at interest five years ago. The wording was not changed from the original project concept paper of 1984 when the final Project Paper was presented in early 1985; this suggests that it was not subjected to very lively discussion even during project formulation. In 1989 the reading of it gives one a somewhat quaint and unreal feeling compared with the hard and often frustrating daily chores of project administration. While much of what

was intended (according to those early statements) has been accomplished, there are a number of important lacunae.

To be managed efficiently every project needs to return to its fundamental goals; these are the sources of a project's energy and the points of reference that can keep it on course. Especially where several partners collaborate, it is important to realign from time to time to ensure that all parties are pulling toward the same objectives. The process is also useful to flush out objectives that are important to one partner but not fully appreciated, let alone shared, by others.

To illustrate these rather general assertions it may be useful to raise some questions, following the outline in the Evaluation Work Statement (Appendix C).

a) In terms of overarching Goals: From the vantage point of 1989 do the parties to this Grant Agreement represented by PPC still believe the major goals to be (i) to contribute to improved RTG resource allocation and use and (ii) to foster a more mature partnership between RTG and the United States in planning and implementing development activities? If so, how has EPD contributed to improved resource allocation (including the planning of development assistance activities)? Are there more effective ways to contribute? How are RTG resources allocated now? Can EPD-financed activities mitigate any perceived weaknesses? Are these goals, however admirable, too general and abstract to generate meaningful decisions and actions under the Grant? Are the policy analyses and discussions in Thailand in recent years, some of which the project has financed, robust enough to assist in policy formulation? What is the proper role of U.S. experts and/or U.S. officials in such discussions?

b) In terms of Purposes: Policy formulation, program planning and preproject analysis are stressed; as noted earlier in this report, EPD-II seems to have served these purposes best indirectly, through many forms of training, and has not yet found a completely satisfactory way to plan or to facilitate policy analysis and studies. The Project Paper foresees service to (i) the central planning authorities, (ii) individual line ministries and departments, and (iii) private sector linkages; the record shows so much more activity under (i) than (ii) or (iii) that the Evaluation Team wonders whether the pluralistic approach clearly intended by USAID was realistic and/or fully shared by RTG partners to the Agreement. If the indicated purposes are equally dear to all parties, what steps are needed to ensure that they are more fully realized in future? Have activities been initiated quickly to address specific problems? Is follow-up work

given adequate attention? Should other purposes be given emphasis in any fresh statement to guide future work?

c) As far as Outputs are concerned: This Evaluation Team would argue that training has been arranged fairly expeditiously for many persons (although the specific target of 400 persons is not too meaningful, since it would give equal weights to the watermelon of a four-year Doctorate program and the peanut of a two-week orientation). The linkage between technical assistance and training in order to provide an adequately practical apprenticeship seems to have been weaker in practice than was intended four years ago. The system for identifying priority areas for US/Thai cooperation seems less developed than project advocates had hoped, and EPD-funded policy analysis has been scarce outside the long-established NESDB framework and the emerging think-tank at TDRI. If these perceptions of the Evaluation Team are accurate, is some mid-course adjustment in order? If so, will targets be adjusted to come closer to reality or should operating procedures be changed to facilitate the achievement of original targets, now reconfirmed?

These are all difficult questions and cannot be addressed on a daily basis. Nor are there any "correct" answers. But from time to time it is imperative that parties to an enterprise that is important to all of them meet to discuss candidly their common interests, to seek clarity from each other, and once again to define the aims they share and are willing to work to achieve within the framework of a specific project they have undertaken together.

The Evaluation Team is not in a position to recommend any particular process for the proposed reconsideration of project purposes. The appropriate process will emerge naturally from discussion of the issues. Certainly, it would be useful for each member of PPC to draft his own statement of goals, reflecting his vision of the project and its possibilities; such drafts are likely to be written in close consultation with agency staff active in EPD. These statements would then be compared, common points noted and differing points discussed before the statements are redrafted and, hopefully, harmonized. It is often useful to employ an experienced facilitator for such discussions. The minimum result would be a clarification of objectives. The agreement resulting from the process may merely reaffirm what was decided in 1984 but with new understanding of its implications and with new power to manage project activities in ways more appropriate to the booming optimism of 1989 than the anxious foreboding of five years ago. It is also possible that an agreement emerging from reconsideration of objectives will give a new "spin" to EPD and position it to be more responsive to the needs of the 1990's.

Once they have renewed their understanding on goals, purposes and outputs, project managers are urged to turn their attention to problems of administration and in particular to the selection and vetting of grants for policy studies. The Evaluation Team recommends that this be done initially

on a case-by-case basis, exploring ways to streamline existing procedures as they apply to each case and then instituting the necessary changes.

There are several grants for studies under review, in negotiation, or being implemented at this time. Each will have its own special requirements; but there are also several general points to keep in mind that seem to apply in all cases.

(a) The fundamental objective of project administration is to facilitate the production of the outputs which PPC/PCC have judged to be of high priority for the economic and social development of Thailand. All officials working on a particular project should be encouraged to facilitate its timely completion; officials' willingness to assist and support the subproject must be made apparent to subproject sponsors and participants. This may require a new, "user friendly" approach to administrative chores; but that itself must be understood simply as a reenforcement of the original concept of EPD, from which recent practices may occasionally have deviated.

(b) Similarly, every effort must be made to focus on the quality of outputs; the allocation of time should be shifted from a minute questioning of proposed inputs to a realistic concern for the cogency, relevance and clarity of results.

(c) Is every member of PCC accurately informed about the current status of each pending or active subproject? There does not appear to be a management information system in place which tells responsible officials what actions are required this week and this month if subprojects are to move forward expeditiously. Partly because such systems are weak, the Evaluation Team observed instances in which urgently required steps, some large (e.g., the opening and evaluation of bids for the Bangkok transportation modeling project), some trivial, were not receiving effective attention promptly. It is ironic (although again not unusual in development administration) that a project designed to formulate policies which will improve national resource allocation has itself not yet achieved the high productivity standards it is recommending to others.

(d) It is unwise to pile controls on controls on controls. This invites evasion while causing delay and frustration. If it is agreed to go ahead with a subproject at a certain budget level, it is probably not useful for EPD management to review each proposed shift within the general budget ceiling. If there are government rules requiring this, the rules can be changed and relaxed in their application to EPD activities in order to achieve greater efficiency. The

Evaluation Team notes that some subprojects run much more smoothly than others. It is the job of project administration to assist all subproject managers to find the simplest way for them to operate within the framework of rules that apply to everyone. The present technique seems to require the subproject manager to guess at what system will work best; an alternative is recommended whereby DTEC offers its experience as a guide to subproject managers, searching out arrangements which are simplest for the particular circumstances and staff of each individual subproject. EPD staff should avoid all "micro management" of subprojects once they are launched; such interventions compromise the accountability of subproject managers, even when DTEC's intention may be the opposite.

(e) TDRI has negotiated a frame agreement with DTEC governing rates for paying part-time consultant staff (e.g., university professors) at various levels of expertise, methods of reimbursement and many other details. The Evaluation Team recommends that these rules or any similar broad and equitable arrangement be applied universally to all EPD-financed policy studies. It is a waste of valuable resources all around to negotiate the same details with each new subproject sponsor; and it is unfair to have one arrangement with an expert working on a MUA-sponsored project when he/she would have a different, perhaps more favorable arrangement for working on a TDRI-sponsored case, also financed by EPD. It is recommended that a "most-favored subproject" principle be adopted for all EPD-assisted studies.

Unless substantial streamlining of applicable procedures is achieved by this case-by-case approach within the next 3-6 months the Evaluation Team recommends that the current system be abandoned and replaced by totally different, simpler rules before any new grant is negotiated.

Six months is a generous trial period for a system that has been studied and restudied as often as EPD and has led to so many questions and complaints from its participants. In this connection the Evaluation Team draws attention to recommendations elsewhere in this report to strengthen and to broaden the process of peer review of all EPD-financed policy analysis; it is important to recognize that a strong quality-control process would greatly reduce the need for administrative monitoring. Peer-review and similar quality controls establish the standards of performance where they are most important - namely, in terms of the quality of results; this in turn allows some relaxation of administrative interference with inputs and other procedural details which can be discouraging to professional morale and inevitably cause delay.

It is recommended that certain "good housekeeping" rules be adopted immediately and gradually expanded as experience teaches new ones of equal

value. It would not hurt for PCC or even PPC to acknowledge staff members for their "improvement of the month" suggestions.

Some of the requirements are so simple that one hesitates to mention them in this report, but a few illustrations will get the point across:

(a) No document should be distributed or put in files without a date. It may be necessary to use more than one date (i.e., date drafted or sent as well as date received, acted on or filed).

(b) If there is a standard proposal format, no proposal should be considered in PCC unless it follows that format. All policy analysis proposals should contain *interalia* (i) a concise review of previous work done in the subject area (i.e., an annotated bibliography of sources consulted in preparing the proposal to reflect an awareness of the history of the problem and previous attempts to solve it), (ii) a description of the technical advisory board proposed as part of the subproject supervision, peer review, and consultation plan, (iii) a plan for disseminating results, (iv) a brief description of the policy impact to be sought and suggested ways by which that impact might be measured, and (v) an executive summary or abstract.

(c) No decision should be taken by PPC or PCC without designating the person responsible for carrying out that result and the date by which he/she must report back.

(d) If PPC, PCC or any other EPD committee (including DTEC staff) cannot reach agreement on a particular subproject issue in the first meeting at which it is discussed, the subproject sponsor should be invited to attend the next meeting, preferably within two weeks, to participate in the give-and-take of discussions and to answer questions as they arise. One aspect of EPD/DTEC procedures that is unnecessarily irritating to subproject sponsors is the experience of being asked one set of questions by DTEC representatives after one PCC meeting, another set of questions after another meeting, and so on sometimes over a period of many months without ever being invited to attend a PCC meeting to speak for themselves. The Evaluation Team was unable to find any other group of officials in Thailand trying to run an important project in this manner and, by contrast, found many instances where sponsors or petitioners were "invited to the table" with very positive results -- including in some instances an agreement to disagree, but a timely agreement based on mutual respect which allowed all parties to pursue their other options without unnecessary delay.

The broad parameters of an EPD-successor project should be agreed as soon as possible. As noted earlier, the Evaluation Team believes that a substantial new grant is justified, if RTG and USAID can agree on streamlined administrative arrangements.

While it is beyond the scope of this evaluation to design an EPD-successor project, the Evaluation Team found that its thinking was focused by trying to define some of the elements it might contain.

(a) USAID is urged to spell out a timetable for project formulation and approval. This will in any case be necessary before PPC makes final allocations under EPD-II, since PCC will need to know when new commitment authority, if any, could come on stream.

(b) The Evaluation Team strongly recommends that the next EPD-type project be given a new name. This would signal the intention to make significant adjustments and improvements in program scope and methods of operation; and it would help the program escape from lingering misgivings about the way EPD has worked in recent years. A list of possible names is offered on the page that follows, more to stimulate discussion than to be taken too literally.

(c) A carefully designed research program, focused on a relatively small number of high priority issues, would be desirable. This can be finalized after a new grant is approved to serve needs perceived then rather than too many months or years before financing becomes available. Management should be permitted and indeed encouraged to consider sound subproject proposals outside the areas of primary focus, but at least half and perhaps two-thirds of the funding could be focused on two or three major areas of concern, where two-to-four years of coordinated research is necessary to make substantial headway.

(d) The new project should make a major effort to involve participation by institutions and organizations who, rightly or wrongly, perceive themselves outside the NESDB-TDRI circle.

(e) To reduce the administrative load within USAID under an EPD-successor project, it would seem advisable to hire a contractor to handle most of the chores -- and the most time-consuming chores -- now handled by Mission staff. The contractor would also provide services, mainly through full-time resident professional staff, to improve the number, quality and relevance of proposals for policy studies and thus contribute to speedier vetting of this important work. The contractor could

TABLE 5.1

POSSIBLE NAMES FOR AN EPD-SUCCESSOR PROJECT
(Listed in alphabetical order)

The following candidate titles for an EPD-successor project are listed more to stimulate thought than to be put to a vote or taken seriously in any other way.

Common Interests, Shared Goals (CISG)

Completing the Development Process (CDP)

Development Efficiency and Strengthening Justice (DESJ)

Growth, Sustainability, Poverty and Pluralism (GSPP)

Management and Accountability (MAA)

Managing Structural Change (MSC)

Participation, Partnership and Policy (PPP)

Partners against Poverty (PAP)

Policy Analysis and Implementation Studies (PAIS)

Policy Options and Implementation (POI)

Policy Priorities for the 21st Century (PPTFC)

Preparing for the Golden Anniversary (PGA)

Private Choices, Common Goals (PECG)

Strategies for Sustaining Growth and Ending Poverty (SSGEP)

Sustaining Growth, Deepening Equity (SGDE)

Source: Evaluation Team on the basis of interviews and reading.

also take on some of DTEC's administrative chores if RTG wishes it to do so; the contractor would probably have to serve as principal manager of funds for "studies," even if DTEC continues to handle the family of activities associated with training.

(f) Certainly for the review of studies (proposals, progress statements and final reports), a committee broader than the troika would be very desirable. Experience in other countries and circumstances has shown that having only three members, each representing a different agency, does not encourage the kind of substantive discussions which are necessary to put policy issues in proper focus; there is nothing in the EPD record to convince the Evaluation Team that Thailand represents an exception to this general observation. Therefore, a somewhat larger group is recommended -- at least five persons, preferably seven to nine. This group of senior professionals would need to meet frequently -- every two-to-three weeks -- and would serve as the technical conscience of the project. They could set standards for training and other project activities to reflect and re-enforce concerns arising from policy studies. They would report two-or-three times a year to a PPC like group, if its present membership thinks that would be useful. Appointing a larger "policy review committee" of senior professionals could be done in a way that signals to the community at large that the new project is intended to cater to a larger universe of needs than EPD-II has done. One specific suggestion was made to the Evaluation Team, which appears quite attractive and at least worthy of further study; under this suggestion the "policy review committee" would consist of nine members, including four NESDB Division Chiefs (one of whom would serve as Chairman) and members appointed from other major development ministries or departments. Another recommendation received by the Evaluation Team is that the review committee be constituted only of persons and agencies that are not themselves requesting grants; while strict application of such a rule appears impractical at this time, those charged with designing a new project will want to consider carefully how best to minimize conflicts of interest and the appearance of what Americans would call logrolling ("if you support my proposal, I will support yours"). The Evaluation Team believes that those closest to the development planning process in Thailand continue to need ready access to EPD-type financing, have handled the subproject review process responsibly in the past, and can be expected to continue to do so in future, provided they are guided by a clear statement of priorities and overall purposes.

While it is premature to be precise about the amounts of money involved, the Evaluation Team offers numbers on the table overleaf as a way of starting discussion. Although amounts shown are for the proposed USAID grant, we recommend that RTG matching be at the level of at least one "dollar equivalent" for every three dollars from AID and preferable one RTG "dollar equivalent" for every two dollars from the AID grant (i.e., 25-33 percent cost sharing, taking cash and in kind resources together). It is also assumed that the new grant will disburse over a six year period (say, July 1991-June 1997).

It cannot be said too often that the figures in a table such as this are in no sense final allocations or budgets for the agencies concerned. At this stage they are notional amounts in order to stimulate conversation. But even if numbers of this type are incorporated into an agreement, they will represent a very rough framework -- an indicative plan -- to be fleshed out, used only in response to carefully designed and well documented proposals, and revised in response to claims made under each subheading.

In addition to these major recommendations, the Evaluation Team suggests a number of other steps which refer mainly to particular agencies or activities. These more specific recommendations are summarized in the following paragraphs.

For consideration by DTEC:

(a) A more effective Management Information System (MIS) needed. It is not clear that the Coopers & Lybrand design of July 1985 has been implemented; in any case its long list of sub-sector subject areas and its many other complexities seem unlikely to serve the real day-in-day-out needs of management. It is important to develop a simple system for close follow-up of pending actions. Of primary importance is a regularly (weekly) updated list of items to be handled in the current week and month, whether these actions be the opening and evaluation of bids, completion of negotiations on a Memorandum of Understanding, or meeting with subproject sponsors to clarify a proposal or to review implementation. Without such a list there seems to be no way for the Management Unit to know what requires urgent action or even how long a particular issue has been unresolved.

(b) The spirit of EPD management must be transformed radically into one which is patently user friendly. One clue to achieving this would be to focus on subproject goals and outputs rather than administrative compliance. Those who submit proposals are more likely to need coaching than criticism, since they are almost certainly less familiar with rules to be applied than DTEC personnel. Another step to consider would be a system to advance payments at the beginning of major studies, so that EPD resources are as easy (and timely) to use as financing from other sources;

TABLE 5.2

NOTIONAL ALLOCATION OF A USAID GRANT FOR AN EPD-SUCCESSOR PROJECT ($ Million)

Use	Notional Allocation
Project total	30.0
1. Policy studies, subtotal	17.0
(a) Initiated by NESDB	5.0
(b) Initiated by USAID (inc. buy ins)	4.5
(c) Initiated by TDRI	4.0
(d) Initiated by others (i.e., universities, ministries, PVOs)	3.5
2. Training, subtotal	4.1
(a) For NESDB staff development (mostly LT)	1.2
(b) For DTEC mgmt support(in country & out)	0.6
(c) For other agencies	2.3
Overseas long-term	1.8
Misc. short-term and in-country	0.5
3. Pilot projects, feasibility studies, project development, subtotal	5.6
(a) Initiated by RTG	1.5
(b) Initiated by USAID	1.3
(c) Initiated by Thai PVOs	2.8
4. Miscellaneous, contingency etc.,	3.3

there are many such systems to emulate, and therefore it is not necessary for DTEC to invent one which facilitates research progress rather than delaying it.

(c) It would be useful to reconsider the proposal application form. For starters, is it a form (with blanks to fill in, however limiting that may be when long answers are required) or a format to be followed (which is far more appropriate to the age of word processors)? Would it not be more efficient to have one standard format whether the activity is "integrated" or "academic" or a "research study"? Many questions on the current forms are identical; to such a standard format could be added those few supplemental instructions appropriate to each individual type of activity. When reviewing the format a DTEC task force should seek to learn from experience by looking back over the last 100 or more applications to observe what worked as compared with what questions seldom were answered properly on the first attempt. In the opinion of the Evaluation Team the format should allow for (indeed, encourage) applicants who volunteer information they consider of special importance and thus supplement whatever the format requires in innovative ways consistent with overall EPD objectives and appropriate to the particular subproject they propose.

(d) Under the supervision of the PPC publicity on EPD should be prepared, reporting achievements over a period of 10 years of this and predecessor programs and stressing the intention that policy research grants be available to all universities, ministries and research organizations, so long as they are competent and deal with agreed subject areas.

In connection with Training:

(a) Selection for long-term training in the United States needs to begin even earlier than at present. Language screening 18 months in advance may be appropriate; and it is suggested that all other admission procedures be completed 12 months ahead of matriculation. These long initial lead times are recommended to allow sufficient flexibility to handle contingencies as they arise; in other words, if the intention is to pass language screening 18 months in advance, but the candidate fails his/her first try, there would still be several months for further language study and retesting without delaying the proposed period of study or wasting one-year's fellowship slot.

(b) Practical work apprenticeships should be arranged for at least six-months of every 18 months of graduate academic training.

(c) Provision should be made for some post-doctoral training focused specifically on policy-analysis apprenticeships, both in Thailand and abroad.

(d) Everyone returning from overseas training of one-year or more should be required to submit an essay describing his/her vision of Thailand in the year 2015, using National Defense College requirements as a model.

(e) Participant evaluation forms should be required after each period of training, even if only a one-day seminar is involved. These forms are the raw material for monitoring ongoing programs and for future evaluations. Such forms should be required once a year from those on long-term fellowships.

(f) The use of Thailand for training of other developing country personnel should be expanded, using EPD funds as a catalyst to mobilize other sources of financing.

The Evaluation Team recommends that NESDB:

(a) Take the lead in organizing the interagency Policy Research Committee (or Council) recommended elsewhere in this report, using perhaps four of its own Division Directors (or other senior professionals they designate) as the core of this policy conscious group and selecting four or five additional members to represent other ministries or agencies (including at least one from the private sector and the university community, if at all possible). This Council would meet every 2-3 weeks and could eventually also consider policy research being done under auspices other than EPD, reflecting priorities established for RTG as a whole. It would consider new proposals (approve, revise, or reject), review the program of work on major ongoing studies (and one of its representatives would attend or be represented on Steering Committees of those subprojects), and evaluate final reports and their dissemination plans. A principal function of this Council would be to wrestle with issues of substance, to determine what is already known, to define what needs to be known in a given policy arena and to consider alternative ways to advance constructive research action.

(b) Assume responsibility for technical and policy review (and revision) of all major research (and training) proposals either through the Policy Research Council or by using its own staff, pending formation of the Council.

To USAID the Evaluation Team recommends:

(a) The focus of EPD and similar activities should be on the quality of policy dialogue within Thailand, among Thai scholars and between the various points of view of

different agencies and organizations. If there is an active local dialogue, then there will be adequate opportunities for USAID or any other friend of Thailand to make a contribution. Without such domestic dialogue the context for discussion of policy issues between RTG and USAID is impoverished and unlikely to be fully productive.

(b) To encourage continued improvement in policy research and debate, it will be helpful to identify and collect a growing reference library of good models to use as standards for future studies. Special attention can be given to cases (i) which required original empirical research (e.g., to formulate policies in terms of what really happens in the field), (ii) which developed an explicit theory of the case or working hypotheses before spending much effort on research, (iii) which ended with a clear statement of alternative policy options (with arguments stated objectively both for and against each of those options), and (iv) which involved an effective dissemination plan (both to control the quality of final reports and also to begin to build a consensus for final recommendations). These models of effective policy analysis could be drawn from experience outside as well as inside Thailand, but should mainly concern issues of importance to Thailand (e.g., how to increase local government revenues, say, through some form of taxes on property).

(c) USAID should continue to set its own priorities for EPD focus within the PPC-agreed list of subject areas. Given the maturity of relations between RTG and USAID, a proactive stance in pursuing some of these priorities is easily justified. The Evaluation Team is particularly favorably impressed with the suggestion that some topics would benefit from an "initiation seminar" at which a general subject area would be addressed by invited Thai (and perhaps also expatriate) specialists and also by others who volunteer papers. The purpose of the "initiation seminar" would be to define more clearly what is known and what still needs to be known in a particularly policy arena; the seminar and/or follow-up proposals by attendees (and discussion by staff) would identify particular research plans that are most likely to lead to realistic policy proposals. When this experimental approach was first proposed in September 1988, the PPC decided to defer its decision for some months. The Evaluation Team recommends that USAID now prepare a more specific proposal, indicating the conference topic, format and intended outcome, so that PPC can consider the experiment more in terms of a practical proposal than as a theoretical proposition or just another "good idea".

(d) The Evaluation Team commends steps taken recently to streamline approval and other administrative procedures, of

which the accelerated Small Value Approval Process is a dramatic and useful example. The Evaluation strongly favors a similar recommendation (by the recent Management Assessment Program (MAP) Team, for example) that much authority currently reserved to the Mission Director be delegated to the Project Officer. Such delegation will clarify accountability and should expedite the approval and implementation of subprojects. As noted earlier, the Evaluation Team believes that many administrative tasks as well as responsibility for professional coaching in connection with policy studies would best be assigned to a contractor in the proposed EPD-successor project. Delegation of authority now will help prepare for the more radical shift to a contractor.

(e) Since policy studies often take a year or two to complete and result in impacts over a much longer period, it would be useful to consider their evaluation over a longer time-period than is possible in this interim evaluation. Since EPD-II is the third in a series of similar projects, a future evaluation could consider a previously selected batch of major projects financed by EPD and predecessor projects over the last 10-15 years. Similarly, the full impact of graduate studies is likely to appear only a few years after the student's return to Thailand. Thus, if impacts are to be assessed adequately, a longer time frame is needed as a complement to an evaluation, such as the current one, which deals largely with shorter-term issues of management performance.

Much was written earlier in this report about TDRI. Here the Team would add only three final recommendations:

(a) The idea of resident scholars seems eminently sensible as a way to strengthen peer review and other aspects of quality control. Scholars should agree to a three-year assignment, involving 2-3 months of their time each year for one or two 4-8 week sojourns in Thailand. They could pursue their own research while coaching TDRI study groups and reviewing papers drafted by TDRI's researchers. They would perform a valuable quality-enhancing service for TDRI and would also increase American scholars' understanding of the political economy of Thailand. We recommend that USAID financing be provided, through EPD or otherwise, to support the resident scholar program should TDRI decide to proceed with it.

(b) TDRI has established its position in Thailand in a most powerful way during its initial four years. Now that TDRI's basic role as an independent policy research institute is widely recognized, it is important that TDRI also be seen as reaching out to empower other centers of research. Its role as a catalyst should be stressed to counteract the fear that it will become a monopoly in the policy research arena.

(c) The annual budget of TDRI should include a small allocation from which bonuses or prizes could be paid to any staff member or researcher associated with TDRI whose work on Thai policy issues is accepted for publication in an internationally respected professional journal.

In conclusion, the Evaluation Team commends all those who have accomplished so much through EPD-II, and we urge that attention continue to be focused on (i) simplicity of design and administration, (ii) clarity regarding larger goals and objectives, and (iii) unambiguous assignment of accountability both among those who manage subprojects and within the management of EPD itself.

PARTIAL LIST OF PERSONS INTERVIEWED IN CONNECTION WITH THE INTERIM EVALUATION OF EPD-II, February - April, 1989.

Bangkok Bank
- Dr. Amnuay Viravan
- Dr. Sathit Uthaisri
- Pongsathorn Siriyodhin

Bunchikij Co., Ltd.
- Boonchu Rojanastien

Canadian Embassy
- Rosalind Coleman

Chulalongkorn University (CU)
- Dr. Amara
- Dr. Phiphat Thaiarry

The Collaborative for Development Action, Inc.
- Mary B. Anderson
- Catherine A. Overholt

Communications Authority of Thailand (CAT)
- Tarworn Yaowakun
- M. L. Pensaeng Ladawalya

Department of Local Administration (DOLA)
- Dr. Phiraphol

Department of Technical and Economic Cooperation (DTEC)
- Krisda Piampongsant
- Unchalee Chayasthit
- Apimuk Sukprasit

Harvard Institute of International Development (HIID)
- Dr. Charles Myers
- Dr. Theodore Panayotou
- Dr. Donald Snodgrass

Ministry of Commerce
- Dr. Subin Pinkayan

Ministry of Public Health (MOPH)
- Dr. Khanchit Limpakarnjanarat
- Nuntawun Yuntadidok

Ministry of Science, Technology and Energy
- Dr. Kasem Snidvongs
- Dr. Pakit Kiravanich

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PARTIAL LIST OF PERSONS INTERVIEWED IN CONNECTION WITH THE INTERIM EVALUATION OF EPD-II, February - April, 1989. (Cont'd)

Ministry of University Affairs (MUA)
- Dr. Sumate Yamnoon
- Suchart Muangkeow

National Institute of Development Administration (NIDA)
- Dr. Wuttithep Indhapanya

National Economic and Social Development Board (NESDB)
- Dr. Snoh Unakul
- Dr. Phisit Pakkasem
- Dr. Kosit Panpiemrat
- Dr. Bunyaraks Niinsananda
- Suranand Vejjejiva
- Dr. Robert Muscat

Petroleum Institute of Thailand (PTIT)
- Chalintorn N. Burian

Seatec International
- Dr. Harvey Ludwig
- Dr. Yothin Unkulvasapaul

Thailand Development Research Institute (TDRI)
- Dr. Phaichitr Uathavikul
- Dr. Narongchai Akrasanee
- Dr. Ammar Siamwalla
- Dr. Virabongsa Ramangkura
- Dr. Twatchai Yongkittikul
- Dr. Kopr Kritayakirana
- Dr. Dhira Phantumvanit
- Dr. Chalongphob Sussangkarn
- Dr. Tienchai Chongpeerapien

Thaioil
- Kasem Chatikavanij

Thammasat University
- Fabrizio Ossella

USAID/Thailand
- Dr. John R. Eriksson
- Steven P. Mintz
- Willy D. Baum
- Lawrence M. E. Brown
- Douglas J. Clark
- David A. Delgado

PARTIAL LIST OF PERSONS INTERVIEWED IN CONNECTION WITH THE INTERIM EVALUATION OF EPD-II, February - April, 1989. (Cont'd)

USAID/Thailand (Cont'd)
- Geraldine M. Donnelly
- Neil C. Edin
- Ronald R. Hammersley
- Gordon L. Hiebert
- Donald R. Hubbard
- William E. Knowland
- Elisabeth Kvitashvili (USAID/Washington)
- Thareena Laohaphat
- Edwin T. McKeithen
- Michael Q. Philley
- Craig M. Steffensen
- Gary Suwannarat
- Peter H. Thormann
- Narintr Tima
- Suranan Unakul

Winrock International (also Kasetsart University)
- Dr. John Cole Cool

World Bank (IBRD)
- Dr. Philippe Annez
- Dr. Suchat Thada-Thamrongvech

PARTIAL LIST OF DOCUMENTS CONSULTED IN CONNECTION WITH THE INTERIM EVALUATION OF EPD-II, February - April, 1989.

Many of the documents consulted by the Evaluation Team are in project files and are too numerous to list. Some of the more generally available reports consulted by the Team are listed in this Appendix, which is divided into four sections:

- Thailand Development Research Institute
- USAID
- World Bank
- Miscellaneous

THAILAND DEVELOPMENT RESEARCH INSTITUTE

Harvard Institute for International Development (HIID), and Thailand Development Research Institute Foundation (TDRI), "Five-Year Policy Research Plan in Science and Technology (1986-1991)"

Ministry of University Affairs, Action Plan for The formulation of Policies for The Long-Range Planning of Higher Education in Thailand, Working Document No. 2, October, 1987

Thailand Development Research Institute Foundation (TDRI), "Rural Industries and Employment, A Research Definition" (draft), July 1988

Thailand Development Research Institute Foundation (TDRI), "Thailand Natural Resources Profile", January 1987

The Office of National Environment Board, "State of the Environment Report for Thailand", (B.E. 2526-2527) (1983-1984)

Thailand Development Research Institute Foundation (TDRI), "Thailand Toward The Year 2010, The Dynamics of Thai Development and Strategies for The Future"

Dr. Larry E. Westphal, Project Consultant, The Development of Thailand's Technological Capability in Industry, "Final Report, Volume 2, Assessing Thailand's Technological Capabilities in Industry", March 1989

Thailand Development Research Institute Foundation (TDRI), The Human Resources and Social Development Program. "Population and Economic Development in Thailand: Some Critical Household Behavioral Relations", January 1989

Thailand Development Research Institute Foundation (TDRI), 1988 Year-end Conference, "An Economic Forecast for Thailand in 1988 and During the Sixth Plan Period"

Thailand Development Research Institute Foundation (TDRI), 1988 Year-end Conference, "Thailand's Income Distribution and Poverty Profile and Their Current Situations"

Thailand Development Research Institute Foundation (TDRI), 1988 Year-end Conference, "The Long-Term View on Growth and Income Distribution"

Thailand Development Research Institute Foundation (TDRI), 1988 Year-end Conference, "Monetary Policies and Income Distribution"

THAILAND DEVELOPMENT RESEARCH INSTITUTE (Cont'd)

Thailand Development Research Institute Foundation (TDRI), 1988 Year-end Conference, "The Tax Structure in Thailand and Its Distribution Implications"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "The Constructions of Quarterly National Accounts for Thailand: 1982-1984"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "Thailand's Leading Economic Indicators"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "An Econometric Model for Thailand Under the LINK System"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "Effective Rates of Protection When Domestic and Foreign Goods are Imperfect Substitutes: The Case of Thailand"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "A CGE Model with Real and Financial Sector Linkages"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "The Impact of Agricultural Product Price Changes on Labor Absorption in Thai Agriculture: A Non-Linear Programming Approach"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "Financial Picture of the Thai Public Sector"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "Revision and Development of Rules and Regulations Governing Commercial Banking Practices in Thailand"

Thailand Development Research Institute Foundation (TDRI), Macroeconomic Research Conference, 1987, "The Thai Labor Market, A Study of Seasonality and Segmentation"

USAID
(List incomplete; order chronological)

Country Development Strategy Statement: FY 1987 - Thailand (January 1985)

Partnership Cooperation: USAID in Thailand (printed, undated)

Action Plan: FY 1988-89 - USAID/Thailand (xerox, date uncertain)

WORLD BANK
(List incomplete; chronological)

Thailand: Toward a Development Strategy of Full Participation - A Basic Economic Report. IBRD No. 2059-TH, September 1, 1978. This report was later (1980) reproduced for more general distribution; it is of special historical interest since Chapter 4 coined the title "Emerging Problems of Development", later adopted for USAID's policy studies support project of 1980.

Thailand: Program and Policy Priorities for an Agricultural Economy in Transition (in four volumes). IBRD No. 3705-TH, December 3, 1982. A sector study including Chapter II entitled "Past Performance and Emerging Problems."

Thailand: Managing Public Resources for Structural Adjustment - A World Bank Country Study. Published for general distribution in June 1984

Thailand: An Assessment of Alternative Foreign Borrowing Strategies. Staff Working Paper No. 781, printed in November 1985.

Thailand: Growth with Stability - A Challenge for the Sixth Plan Period. A country economic report in three volumes, IBRD No. 6036-TH, June 5, 1986.

Thailand: Country Economic Memorandum: Building on the Recent Success - A Policy Framework (in three volumes). IBRD No. 7445-TH, February 21, 1989.

MISCELLANEOUS SOURCES

Bank of Thailand (Department of Economic Research), Thailand: Economic Conditions in 1988 and Outlook for 1989 (Special Supplement, date uncertain).

Coopers & Lybrand Associates, DTEC: Establishment of EPD II Management Unit Project - Inception Report, July 1985.

Krisda Piampongsant, Sumunta Siengthai and Sirirpat Taneerananon, A Study on the "Brain Drain" Phenomenon of the Australian - Supported Colombia Plan Programme, January 1985.

Lewis, Prof. John P. (with assistance of Devesh Kapur), The Thai Economy's Medium Term Prospects and Challenges (unpublished paper, 1988).

Muscat, Robert J., Thailand and the United States: Development, Security, and Foreign Aid, unpublished manuscript, November 1988 draft.

Office of the National Environment Board (with Seatec International), Eastern Seaboard Regional Environmental Management Plan, September 1986.

National Economic and Social Development Board, The Sixth National Economic and Social Development Plan (1987-1991), date uncertain.

Phisit Pakkasem, Leading Issues in Thailand's Development Transformation (Bangkok: March 1988).

Temple, Nelle W., Thoughts on the Future Role and Strategy of USAID in Thailand (June 1983, typed report).

Williams, James E., Management Review: Emerging Problems in Development II Project and Draft Report: Management Review of the Emerging Problems of Development II Project (typed reports for USAID/Thailand, May and September 1987).

EVALUATION WORK STATEMENT

The Work Statement, which comprises the 11 pages that follow, is incorporated in USAID Contract No. 493-0341-C-00-9031-00, dated February 26, 1989. The Work Statement is Section C (pages 4-14) of that contract. The text is the same as that distributed for information and comment to PPC and PCC in January 1989, except that a few typographical errors in the January edition were corrected before the contract was finalized. These corrections do not change the substantive content of the Statement.

The text is divided into six main parts:

Title	Page
I. Purpose of the Evaluation	C-2
II. Background	C-2
III. Statement of Work	C-3
A. Evaluating Goal-Level Achievement	C-4
B. Evaluating Purpose-Level Achievement	C-6
C. Evaluation of Output-Level Achievement	C-6
IV. Methods and Procedures	C-9
V. Composition of Evaluation Team	C-10
VI. Reporting Requirements	C-11

WORK STATEMENT

I. PURPOSE OF THE EVALUATION

The Emerging Problems of Development II (EPD II) evaluation plan calls for an initial evaluation at the end of the second year of the project (FY 1987) and a final evaluation at the end of year four (FY 1989). Because the PACD was recently extended to January 31, 1992, the Mission deems it necessary to conduct a second interim evaluation on program management, content and impact.

The evaluation called for here is necessary because of the importance the Mission has attached to developing a collaborative and mutually beneficial relationship with the Royal Thai Government (RTG) and the prominent role policy dialogue occupies in the Mission's strategy to attain this objective. The EPD II Project is the Mission's core policy project; USAID's ability to create a more effective relationship with the RTG is partly founded on EPD II's ability to provide rapid, flexible analytical support for Thai policymakers. Unfortunately, much of USAID's existing interaction and dialogue with Thai decisionmakers is centered on project implementation issues or problems. The lessons learned from this evaluation will thus be used to modify project management procedures and programming to improve policy dialogue, and will be considered as the Mission contemplates an extension or follow-on activity to EPD II.

II. BACKGROUND

The EPD II Project provides U.S. support for RTG policy development, program planning, and pre-project analysis in key development areas. EPD II is designed to facilitate policy dialogue, support policy studies and seminars, and help meet technical assistance and training needs directed toward resolution of critical development problems. The most important criteria for approval of activities under the project is policy relatedness; that is, proposals should be consistent with the RTG's Sixth Plan and USAID's CDSS. Project activities undertaken are thus primarily directed toward resolution of critical policy issues especially those which could have immediate beneficial development impact on the Thai economy.

A joint RTG-USAID Project Policy Committee (PPC) composed of the Director-General of the Department of Technical and Economic Cooperation (DTEC), the Secretary-General of the National Economic and Social Development Board (NESDB), and the Director of USAID/Thailand meets at least quarterly and provides policy direction to the project. The Project Coordinating Committee (PCC), composed of representatives from each of these organizations, meets more regularly to review specific subproject proposals. Project administration is coordinated by DTEC's EPD II Management Unit.

Since EPD II began in 1985, seventy-one subprojects totalling approximately $10.7 million have been approved for funding under the project. A budget breakdown by policy area will be provided for your reference.

The initial evaluation of EPD II, conducted during May-September 1987, was essentially a management review which focussed on the managerial and administrative aspects of project implementation. This management review included examinations of the following areas:

a) An overview of the project management structure, including the Project Policy Committee, the Project Coordinating Committee, and the EPD II Management Unit at DTEC.

b) dentification of subject areas, establishment of priorities and criteria.

c) An overview of current EPD II procedures and practices, including project identification and preparation of proposals, review of proposals, approval of proposals, and implementation of activities.

d) Management information system.

e) Monitoring and evaluation.

The results of this management review were supposed to make it possible to improve project management systems for the remaining four years of the project, the period when most of the assistance planned was to be carried out.

The interim evaluation now to be conducted will be a combined impact and management evaluation; that is, the evaluation team will analyze the project's success or lack of success in achieving its stated purpose, particularly with regard to the establishment of a more mature partnership with the RTG in planning and implementing development assistance activities. In addition, the evaluation team should examine EPD II management systems once again to identify and initiate changes and improvements in these systems. The findings, conclusions, and recommendations of the earlier management review should thus be summarized and discussed in the report and the evaluation team should attempt to judge the responsiveness of project personnel in acting on these recommendations.

III. STATEMENT OF WORK

The contractor shall prepare a report assessing the contribution of activities supported by EPD II to the policy formulation process in Thailand. To accomplish this assignment the contractor shall:

1) Review reports of activities funded under the project. Reports will be reviewed to ascertain the quality of analysis and the contribution of the findings, conclusions and recommendations to the store of knowledge on public policy issues.

2) Meet with a representative sample of researchers and policymakers to determine the extent of dissemination of research results and their utilization in the process of public policy formulation.

3) Assess the value of training funded under the project as a mechanism for improving the quality of public policy formulation by preparing and administering a questionnaire to persons who have completed training funded under the project.

4) Assess the contribution of seminars funded under EPD II by reviewing seminar agendas and proceedings and by meeting with a sample of seminar organizers and participants.

5) Assess the quality and usefulness of technical assistance provided under the project to date and comment on the appropriateness of this assistance insofar as RTG policy development and program planning are concerned.

The contractor shall make recommendations on how the project's contribution to public policy formulation could be improved.

The contractor shall also make recommendations on appropriate project management modes taking into account the high level of management intensity of this project.

The contractor shall append to the report detailed analyses of the three most successful activities supported by the project as well as the two or three least successful ones.

As far as the project's Logical Framework and this evaluation scope of work are concerned, the following questions should also be addressed by the evaluation team:

A. Evaluating Goal-Level Achievement:

The two goals of the EPD II Project are: (a) to contribute to improved RTG resource allocation and utilization; and (b) to foster the establishment of a more mature partnership with the RTG in planning and implementing development assistance activities.

The First Indicator of goal achievement is new or altered policies and programs which make more productive use of resources. The Project Paper highlights a need for the RTG to improve resource allocation and debt management to assure attainment of equitable, self-sustaining

economic growth. What has the project accomplished to this end? What policy, program, or other changes may be attributed to the project?

The Second Indicator of goal achievement is the establishment of formal and informal working groups operating at the policy level. EPD II was envisioned in the Project Paper as the precursor to a more mature and collaborative development assistance relationship with Thailand, leading perhaps to the establishment of a binational commission or foundation which would jointly administer U.S./Thai development efforts. What is the current status of these working groups and other proposals? How might the current USAID/RTG relationship best be characterized? Give specific examples. Has EPD II led to an improvement or deterioration in this relationship?

Means of verification include:

a) Evidence of initiation of policy and program planning.

b) Implementation of policy changes and programs.

c) National statistical indicators.

d) Project and subproject evaluations.

The Mission is in the midst of discussions now on how to reform project management procedures in an attempt to reduce overall management intensity of its project portfolio. The evaluation team should therefore endeavor to identify changes wherever possible in EPD II project management procedures which might lead to more manageable and better projects. (The importance of this particular exercise cannot be emphasized enough as there are now more than seventy subprojects funded under EPD II and project staff are already near the saturation point as far as their management responsibilities are concerned. Consequently, if EPD II is to take on additional activities without corresponding increases in project personnel, the project will likely become unmanageable later on. More efficient project management procedures are thus required).

The USAID evaluation officer and representatives from NESDB and DTEC will meet prior to arrival of the evaluation team and choose an appropriate number and sample of EPD II subprojects covering a range of project activities for review by the team. The evaluation should focus on research studies and technical assistance activities requiring more than one year to implement. Copies of research papers and studies funded under the project are available in the project files. Additional information on training, seminars, and observation tours may also be found there. Combined with interviews of project personnel and individuals whose interests were supported under the project, it should be possible to answer the questions raised above.

During the project years, there were many influences on resource allocation and utilization and on USAID's ability to establish a more effective relationship with the RTG. One of these - the RTG's willingness to effect difficult policy and program choices addressing emerging problems of development - was identified in the logical framework as an important assumption. Did this assumption hold during the project? How did variations in this willingness affect implementation of the project?

B. Evaluating Purpose-Level Achievement:

The Purpose Statement calls for the project to support RTG policy formulation, program planning, and pre-project analysis in key development areas. What is the status of achieving this purpose?

The Project Paper states that EPD II would utilize an activity selection process designed to service the needs of the central planning authorities, individual line ministries and departments, and that the project would examine private sector linkages to individual activities supported. The system established would utilize mutually agreeable selection criteria to establish priority subjects for research, analysis, and problem resolution. What is the status of these proposals?

Indications of success may be ascertained through measuring the extent to which technical assistance and training provided under the project led to improvements in policy direction, planning, design and implementation of RTG programs and projects. The evaluation team will examine project evaluations and conduct interviews with key policy and program decisionmakers and individuals trained under the project to determine whether the project was an important factor in achieving the project purpose.

There are three important assumptions listed in the Project Paper for purpose-level achievement. They are:

a) Programs initiated to address specific problems quickly available and relevant to priority needs.

b) Adequate resources are devoted to policy development and program planning in areas which the project supports.

c) Areas indicated for follow-up work are given adequate attention.

The evaluation team will assess the validity and judge the significance of these assumptions in their analysis.

C. Evaluation of Output-Level Achievement:

1. The First Output of the project calls for a system for coordinated RTG analysis and response to emerging development problems to be established and functioning. This system would determine appropriate

priorities and planning activities through extensive cooperation with DTEC and NESDB. In addition, the project was supposed to develop longer term institutional capacity to identify priority areas for U.S./Thai cooperation and to secure, on an informed basis, the assistance required. What is the status of this planned output as described above?

The indicator for this output is that a joint NESDB/DTEC/USAID planning group be established. The evaluation will assess performance for the indicator but will also go beyond this and look at the effectiveness of this group and its capabilities. The consultant team should address this issue by first examining the management review of EPD II prepared in 1987. In addition, the team should meet with all members of the PPC and solicit their views on the matter. The consultants should also prepare a detailed analysis of the factors inhibiting greater effectiveness of this group and suggest ways to resolve any difficulties regarding its operation and improve its performance.

It was assumed in the logical framework that concerned RTG ministries and agencies would accept the proposed coordinated problem-specific approach to address emerging development problems. What is the bearing of this assumption today on the attainment of this project output?

2. The Second Output consists of coordinated problem analysis, policy recommendations, program/project proposals, and professional studies. The indicator for this output was approximately 35-50 assistance packages would be completed that are relevant to priority development problems. What is the status of this output?

There are several aspects to this output which need to be addressed. Among the questions the team will ask are:

a) How has the project helped analyze problems areas and policy options and present recommendations to the RTG?

b) What evidence is there that project activities enabled the RTG to make more informed decisions? Did the project result in the resolution of important development issues? To what extent have the analyses contributed to specific government policy modifications? Describe any major changes in policy and regulations. How can activities funded under the project be made more responsive and useful for RTG policymakers for making informed decisions?

c) How effective and efficient was the procedure for identifying, selecting, approving and funding project activities? What were the constraints?

d) How many and what types of activities were proposed and produced? How were the topics selected and how long did it take to produce them? What can be done to improve the subproject appraisal, approval, implementation, monitoring and evaluation processes?

The consultants should review periodic project progress reports, financial reports from consultants, studies, research projects, and seminar/workshop results to verify achievement of the project output.

It was assumed that agreement could be reached among RTG ministries and agencies and USAID on topics to be addressed? Was this a realistic assumption? What kinds of problems were experienced because agreement could not be reached? What might be done to resolve this problem?

3. The Third Output involves training. Four hundred persons were to be trained and working in priority development areas owing to project support. What is the status of this expected output? The Project Paper envisioned large training programs in health, population, and nutrition. What is the status of this training program? The consultants should review participant training records to verify achievement of the output. Comment on the general nature and quality of training provided to date under the project.

The Project Paper states that a significantly greater level of direct involvement would be taken by the RTG in arranging training programs rather than rely solely or even primarily on USG agencies and intermediaries. Did the RTG assume greater such responsibility? If not, why not? It was assumed in the Project Paper that the RTG would provide adequate financial support. Was the RTG forthcoming with such support? What problems were experienced? What might be done to correct any problems in this regard?

Finally, it was suggested in the Project Paper that whenever possible, both technical assistance and training would be "packaged" together to maximize the impact of project resources. Has this earlier plan to "package" TA and training been adhered to during project implementation? The consultants should come up with a list of recommendations on how to best provide training and technical assistance at this stage of the project.

4. The Fourth Output calls for approximately 15 seminars and conferences to be completed. How many such meetings were arranged and funded under the project? Discuss the nature and quality of these meetings. The consultants should review the project files and meet with EPD II Management Unit personnel to obtain the requested information.

5. The Fifth Output states that a midterm and final project evaluation will be completed. What is the status of past and planned project evaluations? It is assumed in the logical framework that AID and RTG administrative delays will be minimized to permit the the evaluation schedule to proceed as planned. Was this a reasonable assumption?

IV. METHODS AND PROCEDURES:

The evaluation team should look for unanticipated external factors that have helped or hindered achievement, and for unanticipated effects of project implementation, both positive and negative.

a) Obtaining Information:

Given the very short time that the evaluation team will have to do field work, there will be a limit to how much data can be collected for evaluation purposes. Much of the work will therefore be qualitative in nature.

The team should use the questions and data elements in III above as a general guideline so that the evaluation will cover the major issues so far identified. For interviews, the team members should develop lists of operational questions for each major issue or major question. The questionnaires should be used as guidelines and records for interviews and not as fixed documents.

b) Time for Orientation:

The team should spend several days developing an operational framework. There should be time set aside to review project objectives so that all team members are operating from the same frame of reference. The team should become familiar with the Project Paper, the Project Agreement, the evaluation Scope of Work, progress reports, minutes of PPC and PCC meetings, and other key documents found in the project files. Particular attention must be paid to the Logical Framework and this Scope of Work.

c) Identifying Major Issues and Questions:

Identifying the major issues and questions is important for organization of the report. Using questions or issues to divide the report into discrete sections will make the findings, conclusions and recommendations easier to understand. Among the sections would be information on outputs, purpose and goal indicator, assumptions and unanticipated causal factors and effects.

V. COMPOSITION OF EVALUATION TEAM:

The team will have two full-time members and one part-time member. The team leader (full-time) will possess an advanced university degree and have extensive experience planning and supervising technical assistance and research projects in developing countries. The team leader should also have experience in researching and developing government policy. The second team member (also full-time) will be a Thai research specialist familiar with the RTG's policy formulation process and will be obtained by the contractor. The research specialist will assist the team leader on all aspects of the project's evaluation and may be called upon to provide summary translations of important project documents. Finally, an expert consultant will advise the consultant team for a period of one week towards the end of the evaluation to review the findings of the team and assist in the preparation of project recommendations and conclusions. USAID will provide assistance to the extent that a project officer is available to work with the team. The general criteria for the team members is that each should have considerable experience in the specific area of expertise needed. The team leader in particular should have considerable past experience leading evaluations. All the team members, to the extent possible, should have good English writing skills. Knowledge of the Thai language by the team leader is desirable but not required.

Of the three days in the U.S., the team leader should review background materials and meet to discuss the project and its evaluation needs with staff from ANE/PD/EA, ANE/EA, ANE/DP and ANE/DP/E. The team leader should also arrange to discuss the project with Dr. Robert Muscat of Columbia University (212) 316-2674. Dr. Muscat recently completed a long-term consulting assignment in Thailand under an EPD II-funded contract and is familiar with the objectives and general nature of the project.

The team will require six weeks of work in Thailand, the first week of which will be spent reading project materials, developing the detailed plan and questionnaires, and interviewing relevant USAID staff. The next two to three weeks will be devoted to meetings with DTEC and NESDB staff assigned to work on the project and meetings with other project participants. Field work required for the evaluation will also be completed during this period. While team members are in the field collecting information, they should be putting the findings in an organized fashion that will facilitate report preparation. The final two to three weeks will be spent writing a draft report and will include debriefings during the fifth week of work in Thailand. The draft report is not to be disseminated by the team.

The team will be expected to work a five-day week.

The team will be responsible for its own administrative and logistical support including securing clerical assistance for preparation of their report.

VI. REPORTING REQUIREMENTS:

A. FORMAT OF THE REPORT:

The contractors shall prepare a written report in conformance with ANE Bureau Evaluation guidance. USAID/Bangkok will provide the team with the necessary documentation. The report includes the following sections:

1. A.I.D. Evaluation Summary.

2. Basic Project Identification Data Sheet.

3. Executive Summary (not to exceed three pages).

4. Body of the Report (not to exceed forty pages) -- includes a brief description of the country context in which the project was developed and implemented. Each issue or element included should be divided into findings, conclusions and recommendations. It is helpful to present the conclusions and recommendations in one section and the findings in another. This way, a reader can learn a lot without having to read all the details. For those issues that are important to a reader, the findings are thus readily available. Since the conclusions and recommendations are not together with the findings, it is helpful to include a brief summary of important findings (about one paragraph to guide the reader). The report will also provide the information on which the conclusions and recommendations are based.

5. Appendices. These should include at a minimum:

   a) Evaluation Scope of Work;

   b) Logical Framework, together with a brief summary of the current status/attainment of original or modified inputs and outputs (if these are not already indicated in the body of the report);

   c) Description of the methodology used in the evaluation (e.g., the research approach or design, the types of indicators used to measure change, how external factors were treated in the analysis). Evaluators may offer methodological recommendations for the the final evaluation; and

   d) Bibliography of the documents consulted.

The evaluation team will also be responsible for drafting the A.I.D. evaluation abstract.

B. SUBMISSION OF THE REPORT:

The contractors shall prepare a draft final report and provide ten copies to USAID/Thailand for review by Mission staff at least two days prior to the debriefing with Mission staff and RTG officials to be invited by the Mission. The debriefing should occur in the middle of the week before the team's last week on assignment. For the debriefing, the Team Leader, and other members of the team as appropriate, will give a verbal presentation of the team's major findings, conclusions and recommendations.

The Team Leader will incorporate comments on the draft report as appropriate and finalize the evaluation report prior to departing Thailand. The Team Leader will submit thirty copies of the final report to USAID/Thailand's designated evaluation officer for distribution within the Mission, appropriate Thai officials, and AID/W.

NOTES ON METHODOLOGY

This Second Interim Evaluation of EPD-II is primarily an exercise in professional judgement. While USAID contracted for approximately 70 person-days of professional services (a relatively modest total for so complex a project), the Evaluation Team brought roughly 100 person-years of experience to the assignment. This experience includes original research and analysis, university teaching, research management, program appraisal, development administration and a variety of other practical assignments, frequently requiring policy analysis, in dozens of countries and concerning a wide spectrum of economic sectors.

The raw material with which the Team worked consisted mainly of interviews with EPD managers, beneficiaries (for example, those who received graduate training abroad or attended seminars), participants in EPD-financed policy studies, and readers of EPD-financed reports. Although evaluators followed a standard outline in each of these interviews, the procedure was kept informal and generally developed fully only those areas which were of particular relevance to the interviewee's experience with EPD or which had caused some unusual difficulty.

The other principal source of information of the Team was documentation from the files (principally, USAID/Bangkok files), including reports prepared with grants for policy studies, minutes of PPC meetings and subproject proposals (applications).

In short, the Evaluation Team has accomplished the five Tasks noted in the Statement of Work, which can be paraphrased as follows:

(a) The Team reviewed reports of activities funded by EPD-II, including a sample of administrative (e.g., progress and status) reports as well as major policy analyses.

(b) The Team met with a sample of researchers, policy-makers, planners, PVOs, USAID officials and others concerned with public policy formulation in Thailand.

(c) The Team assessed the value of long- and short-term training by interviewing participants.

(d) The Team evaluated the contribution of seminars by studying agendas and reports of proceedings as well as by meeting a few seminar organizers and participants.

(e) And, finally, the Team reviewed the quality and usefulness of long-term and ad hoc technical assistance financed by EPD-II.

The Statement of Work calls for "detailed analyses of the three most successful activities supported by the project as well as the two or three least successful ones" and notes that

"the USAID evaluation officer and representatives of NESDB and DTEC will meet prior to arrival of the evaluation team and choose an appropriate number and sample of EPD-II subprojects covering a range of project activities for review by the team. The evaluation should focus on research studies and technical assistance activities requiring more than one year to implement."

In the event it proved impossible to choose specific subprojects for review. No list was made available to the Team when it started field work February 27, nor did one materialize in the weeks that followed. There seem to be several reasons for this. The most important consideration, in the opinion of the Evaluation Team, is that there were in fact relatively few research studies already completed. Moreover, a few of the completed studies involved relatively modest efforts and were not truly typical of the EPD program; others of larger scope were best judged in an institutional contest (i.e., as part of USAID's support for initial work TDRI) or concerned centrally-funded buy-ins which have their own evaluation arrangements. The notion of selecting "most successful" and "least successful" subprojects may have proved too invidious to implement; in any case with the great benefit of hindsight that original plan now appears unrealistic to the Evaluation Team, since all subprojects have at least a few redeeming virtues and none are immune from problems.

To deal with the absence of lists, Mr. Steffensen suggested informally during the third or fourth week of the Team's field work that particular attention be given to (i) TDRI (including technical assistance from HIID), (ii) the MUA-managed study of long-range planning policies for higher education, and (iii) training fellowships for NESDB, DTEC and MOPH personnel. Case histories on these and four other activities are found in Appendix G.

Finally, the present Evaluation Team notes that at least as early as September 1988, DTEC proposed a formal review of the "91 activities (already) funded" by an internal EPD team, in which representatives of DTEC itself would be joined by personnel from NESDB and USAID/Thailand; this survey would record and assess subproject impacts on implementing agencies (including impacts of individual components of subprojects). The procedure and plan for this stepped up monitoring process are still be worked out.

The present Team agrees that such work, if undertaken later in 1989, would provide valuable information for use in the final (1992?) evaluation when project activities have been completed. We would also suggest that systems be initiated as part of the regular EPD management process whereby there is more intensive follow-up during subproject implementation, that these monitoring systems focus on outputs, and that interviews undertaken partly with a view to further facilitating participants' implementation of subprojects as they confront circumstances that were unforeseen at the time of subproject conception and approval. Impacts on the subject sector

and the Thai economy as a whole need to be reported, as well as impacts on the implementing agency.

We conclude with a note of caution. No automatic or routine monitoring and evaluation procedure is likely to work well in a project where flexibility is as critical an element as it is for EPD-II. Flexibility in evaluation will be required to accommodate the wide variety of cases financed. No sample is likely to be fully representative of so varied a universe. But one great value of any evaluation process will be its ability to remind managers of the most fundamental goals which the project was intended to serve - namely, (i) to improve the allocation and utilization of Thailand's resources, and (ii) to strengthen an active and effective partnership between RTG and USAID in planning and implementing development assistance activities.

LOGICAL FRAMEWORK FOR EPD-II PROJECT

1. The Logframe for the Emerging Problems of Development-Phase II project is reproduced overleaf. The Logframe appeared as Annex B (page 55) of the Project Paper of January 1985.

2. A Logframe with identical wording was submitted as part of the Project Identification Document (PID) of April 16, 1984, except for slightly different numbers at the bottom of columns 1 and 2. The PID shows $18 million and $7 million from USAID and RTG respectively at the bottom of column 1; at the bottom of column 2 it targets uses for the USAID grant as follows:

Use	$ million
Technical assistance	11.0
Training	3.3
Seminars and workshops	0.4
Evaluation	0.2
Other	3.1

3. Most copies of the Logframe presented to the Evaluation Team did not include the contingency allowance (item 6) in column 1 or the last two lines of column 4, apparent due to hasty xeroxing. The "date prepared" (upper righthand corner) is not revised although the numbers finally adopted at the bottom of columns 1 and 2 are clearly different from the March/April 1984 edition, as noted above.

PRELIMINARY LOGICAL FRAMEWORK

Project Title & Number: Emerging Problems of Development II (493-0341)

From: FY85 TO FY 90
Total U.S. Funding: $18 million
Date Prepared: March 1984

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: 1. Improved RTG resource allocation and utilization. 2. Establishment of mature partnership with RTG in planning and implementing development assistance activities.	***Measures of Goal Achievement:*** 1. New or altered policies and programs which make more productive use of resources. 2. Formal/informal working groups operating at policy level.	1. Initiation of policy and program planning. 2. Implementation of policy changes and programs. 3. National statistical indicators. 4. Project and subproject evaluations.	***Assumptions for Achieving Goal Targets:*** RTG willingness to effect difficult policy and program choices addressing emerging problems of development.
Project Purpose: To support and improve RTG policy formulation, program planning, and pre-project analysis in key development problem areas.	Conditions that will indicate purpose has been achieved: End of project status. Technical assistance, trained personnel and results of research and workshops are incorporated into RTG policy development and program planning process in key problem areas.	1. Project evaluations. 2. Interviews with policy and program decision-makers, and individuals trained.	***Assumptions for achieving purpose:*** 1. Programs initiated to address specific problems quickly available and relevant to priority needs. 2. Adequate resources are devoted to policy development and program planning in areas which the project supports. 3. Areas indicated for follow-up work are given adequate attention.
Outputs: 1. System for coordinated RTG analysis and response to emerging development problems established and functioning. 2. Problem analysis, policy recommendations, program proposals, and pre-feasibility studies in key problem areas. 3. Trained personnel. 4. Completed seminars and conferences. 5. Evaluations.	***Magnitude of Outputs:*** 1. NESDB/DTEC/USAID planning group established. 2. Approximately 35-50 assistance packages completed that are relevant to priority development problems. 3. 400 persons trained and working in priority development areas. 4. Approximately 15 seminars and conferences completed. 5. Mid-term and final project evaluation completed.	1. Project evaluations. 2. Periodic project monitoring. 3. Financial reports from consultants, studies, research projects, and seminars/workshops results. 4. Participant training records. 5. Meetings of NESDB/DTEC/USAID planning group.	***Assumptions for Achieving Outputs:*** 1. Concerned RTG ministries and agencies will accept the proposed coordinated problem-specific approach to address emerging development problems. 2. Agreement can be reached among RTG ministries and agencies and USAID on topics to be addressed. 3. Adequate RTG financial support will be provided. 4. A.I.D. and RTG administrative delays are minimized.
Inputs: A.I.D. — $18 million grant RTG — $6.2 million in budgetary and in-kind support — Total $24.2 million: 1. Selected Div. $10.4 2. Agri. & Nat. Res. 3.2 3. Health, Pop. & Nutri. 3.2 4. Human Res. Div. 4.0 5. Evaluation .1 6. Contingency 3.3		1. A.I.D. and RTG records. 2. Project monitoring and evaluation.	***Assumptions for Providing Inputs:*** 1. Suitable technical advisors can be recruited. 2. Suitable RTG candidates are identified and released for training. 3. Research proposals, seminars, workshops and local group training sessions are well planned.

Source: Project Paper, January 1985, Annex B, p. 55.

070-V29/6th

PRIORITY SUBJECT AREAS FOR EPD-II FINANCING

1. A primary purpose of the EPD-II Grant is to finance policy formulation, program planning and pre-project analysis in key development problem areas. Timely funding is to be provided toward resolution of crucial development problems. One important output intended from the project is "an effective system for determining priorities and planning activities". Overall, the project is to develop "an improved institutional capacity within the RTG to identify priority areas for outside assistance . . . ." (Underlining added for emphasis by the Evaluation Team; more extensive quotations from project documents are in Chapter 2 of the main text.)

2. With so much initial emphasis on establishing priorities it is not surprising that PCC has turned its attention several times to listing the subject areas it would consider most in need of attention under EPD-II. The basic list, reproduced overleaf as, Table F-1, was reviewed by PPC members as early as December 1987 and was officially approved at the PPC meeting of May 6, 1988. Records of that meeting indicate that out of all the entries on the list NESDB identified the three following items as of most urgent priority:

   (a) Development of infrastructure;
   (b) Improvement of laws and regulations affecting economic and social development; and
   (c) Public finance management.

3. The difficulties with this list are obvious. It is far too long to be an effective screening tool, let along a means establishing meaningful priorities. Moreover, the categories are so general that many economic development topics could be coded under one or another of its headings. Nevertheless, it represents a considerable narrowing of EPD focus when compared with the previous list of subject areas, which served the project prior to May 1988. Much of the wording of individual items is carried forward with no change from the earlier list, a few new items are added as noted. Table F-2 lists subject areas approved in 1986 but dropped from the 1988 list.

4. Given these very general lists, there has been ample opportunity for EPD participants to establish their own priorities. For instance, within USAID/Thailand five policy concerns were identified for focus in the FY 87-89 period:

TABLE F-1

SUBJECT AREAS FOR THE EDP-II PROJECT

Macro Economic
- Public Finance Management a/

Development of Production and Marketing System
- Export promotion
  - Export facilities
  - Incentives for priority industries
  - Improvement of procedures
  - Tariff reform
- Productivity and efficiency on production sectors
  - Development and application of science and technology for agricultural and industrial development
  - Agro-industry development
- Development and improvement of agricultural marketing

Rural Development
- Rural industrialization/commercialization
  - Stimulation policies
  - Transport and other facilities

Development of Natural Resources and Environment
- Natural resource and environmental planning and management
- Improvement of natural resource efficiency and quality
- Improvement of small and medium scale irrigation utilization b/

Municipal and Special Economic Zone Development
- Improvement of municipal management

Human, Social and Employment Development c/
- Higher education policy b/
- Development of skills through vocational training in accordance with market demand b/

Management of Economic and Social Development
- Administrative reform to minimize functional duplications of various government agencies.
- Restructuring the organizations responsible for planning to improve the process of planning, plan coordination, and the effectiveness of plan execution.
- Decentralization with a view to strengthening the role of local government in economic and social development.
- Improvement of laws and regulations affecting economic and social development. a/

Development of Infrastructure a/

State Enterprise Development b/
- Privatization of public enterprises c/

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TABLE F-1 (Cont'd)

SUBJECT AREAS FOR THE EDP-II PROJECT

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a/ Highlighted by NESDB as urgent priorities.

b/ New item on 1988 list compared with previous guidelines.

c/ Substantially revised compared with previous guidelines.

Source: EPD-II Project files, especially documents relating to PPC Meeting of May 6, 1988.

TABLE F-2

SUBJECT AREAS PREVIOUSLY INCLUDED FOR FUNDING UNDER EDP-II BUT DELETED IN 1988 a/

1.2 Macro-economic Policy
1.3 National economic development planning

3.1 Industry, trade, services and international economic relation
3.2 Industrial/agricultural productivity improvement
3.3 Private sector investment
3.4 National borrowing management
3.5 Trade and industry program formulation and coordination

6.1 Area development
- 6.1.2 Socio-economic development in regional cities
  - Urban poor planning
  - Urban public finance and management

6.2 Special economic zone development
6.3 Urban development policies
- 6.3.1 Improvement and development of the Bangkok Metropolis and its vicinity towns

6.4 Regional growth centers development
6.5 Urban poor development
- 6.5.1 Policy guidelines for self-sufficiency of urban poor development

7.1 Energy planning and management
7.2 Transport and communication
- 7.2.1 Pricing policy
- 7.2.2 Management and administration improvement
- 7.2.3 Transport planning and management
- 7.2.4 Traffic management

7.3 Improvement of management and administration of government agencies and parastatals
7.5 Investment criteria

8.1 Health
- 8.1.1 Health economics and finance
- 8.1.2 Health service improvement

8.2 Nutrition
- 8.2.1 Community nutrition policy
- 8.2.2 Nutrition and productivity

8.3 Development and social consequences of the demographic transition
8.4 Employment patterns and employment promotion
8.5 Education and skill acquisition
- 8.5.1 Education attainment, quality, pricing, finance and privatization
- 8.5.2 Employer training and labor mobility
- 8.5.3 Productivity and income consequences

TABLE F-2 (Cont'd)

SUBJECT AREAS PREVIOUSLY INCLUDED FOR FUNDING UNDER EDP-II BUT DELETED IN 1988. a/

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a/ Subject areas were numbered in some earlier lists. These numbers are copied here for reference and to indicate where the previous sequence of topics was interrupted when the list was revised.

Source: Project files. This copy was dated May 3, 1986; nearly identical lists are found with other dates.

(a) Privatization (especially divestiture).

(b) Expansion of private sector participation in development (including (i) the promotion of rural enterprises with credit facilities and other assistance, (ii) expanding and upgrading science and technology services, (iii) a study to find the optimum mix between government and private management of natural resources, (iv) maximizing private investment in housing for low-income groups, and (v) the private commercial marketing of health services and technologies).

(c) Cost recovery (for example, encouraging RTG to reduce subsidies for family planning services and to re-allocate individual and public health expenditures toward greater cost-effectiveness).

(d) Selected macro-economic policy issues (namely, (i) a tighter management of external debt, (ii) policies to broaden the tax base and to reduce government deficits, and (iii) assistance in implementing the value added tax).

(e) Stimulation and support for independent policy research (i.e., at TDRI, in universities, and by commissioning other studies).

While these program themes influenced a wide range of mission decisions, they were considered particularly cogent in targeting uses for EPD funds.

5. The PPC might find it useful to adopt the list of critical problems summarized by Dr. Snoh Unakul in a speech to the trustees of the Ford Foundation (reported in The Nation, pages 13 and 24, on March 7, 1989). These problems, paraphrased by the Evaluation Team, are: (i) the shortage of infrastructure (reflected in delays at ports, road transport bottlenecks, long waiting times for telecommunications connections, etc.), (ii) the shortage of properly trained labor, especially for jobs requiring technical and literacy skills, (iii) the excessive concentration of resources in and around Bangkok, (iv) growing inequalities of income, (v) poverty affecting a high percentage of households in most regions, (vi) environmental degradation and (vii) international trade restrictions and uncertainties.

6. In the same presentation, Dr. Snoh outlined seven strategies; he notes that the first three concepts on his list have been adopted officially only recently, while the other four are more traditional. They are the strategies of (i) growth with innovation to go beyond the "cheap labor" model, (ii) growth with distribution to reverse recent trends toward greater inequality, (iii) growth with improvements in the quality of life and environment, (iv) growth with

economic stability (e.g., limiting inflation), (v) diversification out of traditional agriculture toward industry, services and new products, (vi) cooperation between the public and the private sectors, and (vii) decentralization of services and authority. Full implementation of any of these strategies may well require support from the EPD grant to finance detailed policy analyses, training and/or technical assistance.

7. As already noted in Chapter 2 of the main text of this report, the Project Paper prepared by USAID personnel in 1984 listed seven problems "beginning to constrain the pace of development" as follows:

   (a) The disappearance of the land frontier,

   (b) A declining agricultural productivity,

   (c) The degradation of natural resources,

   (d) Structural imbalances within the economy,

   (e) Growing unemployment,

   (f) The mushrooming of foreign borrowing in a period of stagnating revenues and chronic budget deficits, and

   (g) The need "to begin initial planning for the continuation of strong political, economic, technical and other forms of cooperation" between the RTG and the United States after "traditional concessional assistance no longer has a role."

   The list remains relevant today and provides candidates for special attention and support from the EPD project.

8. It will be clear that all these lists have a number of characteristics in common:

   (a) Most are too long to provide more than preliminary guidance to project administrators.

   (b) Even the shorter lists leave open the question of what particular studies are needed within topics listed.

   (c) All lists need to be updated from time to time.

   (d) Whatever list is adopted, project managers will have to allow exceptions to accommodate particularly good proposals on urgent questions that were unforeseen when lists were prepared and approved.

9. For historical reference Table F-3 reproduces the list of key problem areas proposed to USAID by DTEC in June, 1981. Many items on that eight-year-old list still require attention. Again, it is a fairly long list, and provides a large menu from which PPC would have to

TABLE F-3

KEY PROBLEM AREAS TO BE ADDRESSED UNDER THE FIRST EPD PROJECT

Funds under the EPD Project will be utilized to address the following problems:

1. Growth in population and labor force.
2. Population distribution and human settlement, especially imbalances in the pattern of human settlement and migration.
3. Development of equality of human resources.
4. Distribution of social services through formal & non-formal education.
5. Development of administration and management.
6. Formulation of land use plan.
7. Activities dealing with deforestation and conservation.
8. Formulation of water resources plan and policy, and water resource survey.
9. Dealing with water pollution.
10. Water resources utilization in villages and on farms.
11. Energy resource planning and fuel utilization.
12. Consumption and pricing of petroleum products.
13. Alternative energy sources.
14. Mineral resources conversation.
15. Dealing with environmental deterioration; and improving national resources management.
16. Decentralization of urbanization patterns of urban system growth, the need to formulate an urban development policy, budget and plan).
17. Decentralization of social services:

    17.1 Education Development (i.e., primary, secondary, vocational, teacher training, higher and out-of-school).

TABLE F-3 (Cont'd)

KEY PROBLEM AREAS TO BE ADDRESSED UNDER THE FIRST EPD PROJECT

17.2 Public Health Development (i.e., the shortage of medical services in rural areas, quality of medical service, shortage and maldistribution of public health personnel, environmental health and integration o various public health services).

17.3 Food and nutrition (e.g., malnutrition among infants and children).

17.4 Social welfare.

17.5 Labour welfare (i.e., work conditions and security, unemployment compensation funds, and job placement services).

18. Social development (e.g., drug addiction, the role of woman in development).

19. Increasing Agricultural productivity and diversification of crops.

20. Industrial management.

21. Rural poverty eradication program.

21.1 Village level activities.

21.2 Improvement in local factors of production (including soils, upland agriculture, rainfed rice, forestry etc.).

22. Eastern seaboard development.

Remark: The list of Key Problem Areas is subject to review and revision after the promulgation of Fifth National Economic of Social Development Plan.

Source: Slightly edited by the Evaluation Team from an attachment to a letter the Director General of DTEC sent to the Acting Director of USAID/Thailand on June 22, 1981.

chose a few items to be given focused attention in any particular time period. Many problems listed still require attention and are likely to be topics for study and for policy intervention through the final decade of this century.

10. Although this Appendix is concerned only with efforts to list "priority areas" for EPD financing, it should be noted that proposals within these broad categories are appraised and ranked in terms of a number of other criteria. The list of the criteria approved by PPC at its May 6, 1988 meeting reads as follows: a/

"(a) Policy oriented projects according to EPD II criteria;

(b) A project which would have impact in solving emerging problems and reducing developmental bottlenecks;

(c) There is an absorptive capacity to implement such a project;

(d) A project that is at a state of readiness to implement;

(e) Budget allocation in accordance with the rules and regulations of DTEC and USAID;

(f) The proposal contains a clearly stated policy objective;

(g) The proposal deals with a specific, high priority policy issue (or issues, including implementation policy) and EDP II is the only available source of funding;

(h) The activity is implementable within the timeframe and funds remaining in the EPD II project."

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a/ The evaluation has changed numbers from 1, 2, 3 ... to a, b, c ... for consistency with other paragraphs in this report; the wording is as approved by PPC.

CASE HISTORIES

The Evaluation Team studied a number of cases in detail, tracing the processes whereby they were initiated, appraised, approved and implemented. Whenever possible, the Team also endeavored to evaluate the impacts of EPD support on the activity, the institution and the society at large. Observations from these cases provided the bulk of the raw material for this Report. Limitations of space and time preclude reporting on more than a few of these cases; seven reports are reproduced here.

		Page
1.	A Study to Formulate Policies for Long-Range Planning of Higher Education (MUA)	G-2
2.	The Role of TDRI (along with Notes on other Aspects of EPD-II).	G-5
3.	Strengthening Epidemiology for Public Health (MOPH).	G-15
4.	Training Components of EPD-II.	G-18
5.	Seminar on Human Resources Planning (PTIT).	G-23
6.	Public Enterprise Institute at Chulalongkorn University (PEI/CU).	G-26
7.	Pilot Provincial Natural Resources and Environmental Management (NESDB).	G-29

CASE STUDY 1

A STUDY TO FORMULATE POLICIES FOR LONG-RANGE PLANNING OF HIGHER EDUCATION (MUA)

1. NESDB, working with the National Education Commission, has been concerned to develop a long-range perspective on Thailand's higher education requirements. This need became particularly apparent during preparations for the country's Sixth Development Plan (1987-91). Senior officials of the Ministry shared the conviction that a thorough planning study was needed and in 1987 won the enthusiastic and active support of their Minister, Dr. Subin Pinkayan.

2. Before the study was proposed formally for EPD funding Dr. Subin visited each member of the PPC to present his ideas, to listen to their suggestions and to line up their support. Formal PPC approval was recorded at the meeting of October 21, 1987.

3. The study, which continues as this note is being written and is due for completion in December 1989, concerns an important and long-troubling set of issues in Thailand. Higher education does not yet have sufficient resources to turn out the numbers of professionals and other technically trained personnel Thailand needs, public institutions are heavily subsidized although many of the students they serve could afford to pay, and graduates lack opportunities for practical apprenticeships to complement academic training.

4. Perhaps the most notable asset of the study is the set of features that characterizes its organization and management. The study has been divided into 23 interrelated sub-topics, each having carefully drawn terms of reference and a research action plan based largely on "environmental scanning studies" undertaken in 1988. Each subtopic is assigned to an individual researcher or a small team, sometimes within the MUA but more generally in one of several participating universities or research institutes. In this way, widespread participation is assured and many points of view are considered.

5. To coordinate the effort and eventually to seek an effective consensus around action proposals, a number of meetings and workshops are held. To launch the project a consultative meeting in February 1988 considered a series of background papers and reviewed the higher education experience of other countries such as Japan, Korea and the United States. Another workshop in November 1988 reviewed the detailed study plan, considered the current educational environment, and asked what higher education should look like in Thailand 20 years hence. In the summer of 1989, another seminar is planned to present preliminary results of the study to a cross-section of politicians, journalists, educators, community leaders and military officers; the purposes of that seminar are (i) to inform a wider public of the elements of the plan and the rationale behind its recommendations and (ii) to begin the process of building the national consensus that will ensure effective implementation of the plan. A final seminar

may be held in December 1989 to present the final report and to demonstrate widespread support among planning, budgeting and other agencies of RTG as well as among universities and other educators.

6. To ensure prompt and substantively satisfactory completion of subtopic research, principal members of the study team meet as a Steering Committee every Wednesday afternoon at 3:30 for at least an hour and some weeks for many hours. These meetings consider reports on subtopics and thus enhance the quality of each piece of research, ensure that various pieces fit together and deal with any bottlenecks as soon as they emerge. It is not unusual for technical subcommittees to propose a modification in the scope of work or in the survey procedures for a particular subtopic; similarly, overall project management is in a position to assign additional work to individual researchers or teams as soon as gaps in overall research results become apparent. The MUA has also appointed an Advisory Board of outside experts to review the reports of its subproject technical teams.

7. Even though the study is not due to be completed until late this year, it has already influenced action in important ways, based on preliminary findings. A few examples are cited:

   (a) To increase the number of university graduates in engineering, Chulalongkorn University has accepted one recommendation of the study and is now offering a two-year course, leading to an engineering degree, for students who already have degrees in the sciences.

   (b) Again in response to recommendations of the engineering subtopic report, Chiang Mai University will offer evening classes in engineering beginning in June 1989.

   (c) Also, starting in June 1989, the Rangsit College will become the first private university permitted to run a medical school, following another policy recommendation of this study.

   (d) In accordance with yet another study proposal, tuition and fees are being increased at the government's "closed" universities (i.e., those which require entrance exams and have a limited enrollment).

8. The MUA is <u>not</u> directly responsible for financial management of individual subtopic studies. DTEC has a separate contract with each expert or institute that MUA commissions to research a topic. MUA closely monitors the substantive progress of work and determines whether the research will provide the information needed. Payments are to be made when the research team's initial action plan (20 percent), its interim report (another 20 percent), its mid-term report (20 percent) and its final report (40 percent) are accepted by MUA. While the Ministry is happy to be relieved of financial

paperwork, it reports that some research has been delayed by slow payment by DTEC. Researchers expect to be paid within 30 days of submitting satisfactory reports but find delays of 90 days and longer not uncommon. When the total subtopic study plan requires only seven months, there have been cases where research was interrupted after acceptance of the mid-term report, because researchers could not continue without the 40-60 percent payments already due to them.

9. Initial major funding by EPD was clearly necessary to launching this important study. Once launched, the long-range policy study attracted complementary financing from other sources (e.g., the World Bank, which enabled education planners from U.K. and the Philippines to visit Thailand for discussions and workshops with the MUA Steering Committee and individual researchers and to prepare valuable recommendations on general policy issues for MUA).

10. Although the project has not yet been completed, it can be regarded as successful. It is clearly leading to policy formulation and has very high potential for subsequent implementation of important new education policies. It is an outstanding example of a project which was largely initiated by and is now very actively and efficiently managed by a ministry other than the troika of EPD prime movers. Work is done primarily in country by Thai researchers, whose work is reviewed by both Thai and expatriate experts. The Evaluation Team was told repeatedly that despite the high priority the RTG has given to the formulation of more cost effective policies for higher education, this study simply could not have been accomplished without the EPD grant, which provided funds in the amount and with the flexibility required for its implementation. Work is consistent with USAID objectives not only because it will lead to an improvement in human resources capability to manage Thailand's rapid economic growth but also because it is providing the background research necessary to increase private sector participation in meeting market needs and the use of market mechanisms to allocate scarce university resources and to limit deficit-spawning pressures on the national budget.

CASE STUDY 2

THE ROLE OF TDRI ALONG WITH NOTES ON OTHER ASPECTS OF EPD-II a/

A crucial issue for the future effectiveness of EPD-II is the extent and nature of its support to the Thailand Development Research Institute, the largest recipient of EPD research funds in the last few years. Since my work on the Evaluation Mission was limited to 5 days there is obvious need for me to concentrate my efforts on some aspect of the EPD project. The role of TDRI was a natural one and is the focus of this report. Other issues are treated more briefly.

A CAVEAT. A week is a terribly short period to gain any understanding of a complex project like EPD, especially if one does not have a strong background on the country. Although I had done some preparatory reading, the analysis and recommendations which follow need to be read while keeping in mind that they have a sketchy factual basis, and could well be wrong in some cases. They are presented unequivocally, but should be read as though every other sentence started with the recognition that I am not confident about what follows.

This is especially unfortunate because lack of time also means that what follows is unduly blunt; it takes more time and preparation to be diplomatic and yet understood. So what follows is sometimes undiplomatic and possibly wrong, not an ideal combination. My only excuse is that I had only 5 days for this work and that it may be more helpful to be frank than obscurely diplomatic. I hope that I was correctly informed that Thais are forgiving.

A. TDRI

THE STRENGTHS AND POTENTIAL OF TDRI IN MEETING THE OBJECTIVES OF EPD.

Establishment and development of TDRI in the last 4 years represents an impressive achievement and provides a solid base for the kind of policy oriented and relevant research that EPD is designed to support. That base includes:

1. Most important, TDRI has on its staff half a dozen senior, respected and highly competent researchers and research managers, able to design and carry out sophisticated research. All have some knowledge of how governments function and the kind of analysis they need for good policy design, and some have considerable knowledge of that kind acquired by service in the Thai government, the World Bank or as consultants to various institutions.

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a/ This case study of TDRI was prepared by Professor Gustav F. Papanek, President of the Boston Institute for Developing Economies, during his brief visit to Bangkok, March 27-31, 1989.

TDRI also seems to have a number of very competent younger people, but I cannot comment from first-hand experience on this.

2. The beginning of an appropriate and good relationship with NESDB, and Government more generally. There is inevitable and healthy tension between any government planning and central policy agency like NESDB, and a government supported, but independent research organization like TDRI, about: the extent of independence of the latter; the nature, harshness and extent of any criticism of government policies; how "academic" and longer-run its work is to be, as distinct from addressing immediate and short-term policy issues; and confidentiality and publication policies. In other countries it has taken years to establish a reasonable cooperative relationship in which these tensions are handled well and the research institute is effectively used. (In a few countries they are never resolved, and the research institute either evolves into a quasi-academic institution, of no particular use to government, or into a quasi-branch of the central policy staff, unable to provide either an independent perspective or a longer term view.)

TDRI and NESDB seem to have developed a healthy respect for each other with TDRI performing the useful function of providing a somewhat different, but not hostile, perspective on policy and doing longer term analysis which NESDB, under daily pressure to deal with current issues, can do only with difficulty.

3. Closely related is the fact that the Government and NESDB have accepted an appropriate degree of openness for TDRI. This involves a publication and dissemination policy for TDRI which enables it: (i) to attract and keep first rate staff, (ii) to stimulate and provide the basis for vigorous discussion on economic issues and policies among a wide group of professionals in and out of Government; and, above all (iii) to provide a solid basis for cumulative work on various issues. Future research will have access to TDRI work and will be able to build on it, rather than being forced to repeat it, which would not be possible if all TDRI research was considered confidential. This openness is also essential for the kind of debate, criticism and peer review which good analytical work requires.

4. At the same time TDRI seems to have good access to Government officials and data, essential for worthwhile policy work.

5. A good relationship has been developed with the principal outside institution providing professional support to TDRI, the HIID, supported by EPD. HIID has made available some first-rate professional talent, a few with substantial experience in Thailand. Thai and foreign professionals seem to work well together and to complement each other. HIID has organized an anonymous reviewing process for potential publications of TDRI, prior to submission to publishers, a useful element in the emerging peer review and quality control process.

ASPECTS NEEDING STRENGTHENING

Not surprisingly for a relatively new organization there are also some important areas where improvements can be made:

1. There is not enough interaction with first-rate professional colleagues and not enough of a strong peer review, and quality control, process. For a research organization to maintain and improve the quality of its products its work must be under continuous review and criticism by colleagues of at least equal professional ability and standing. Good US institutions usually have several economists in each subfield, who comment on each other's work. As a group they are under constant scrutiny by competing research organizations, often with a different outlook. Moreover, their staffs are under unremitting pressure to publish in journals and with presses that have a brutally critical, although often erratic, refereeing process.

The senior people in TDRI are often the authority in their sub-speciality, not only in TDRI but perhaps in the country. Even if there are other senior specialists, there is no strong tradition of continuous mutual criticism and no widespread anonymous refereeing process. In some fields HIID helps a little to make up for this lack (e.g., in human and natural resources), but in most fields there is not the continuous and active interaction which is needed. Moreover, HIID staff are in a somewhat delicate position: they cannot be expected to be too critical of colleagues with whom, and for whom, they are working.

One consequence is that some of the papers produced by TDRI are not of the highest quality (although others are). More important, TDRI staff will not improve as much or as rapidly as it would if subject to continuous peer pressure for high quality work.

2. The TDRI output is not always in a form readily usable by policy makers. Amazingly, papers lack Executive Summaries, essential if busy people are to read them. Some are academic in the true sense of the word, analyzing an issue with little concern for what, if anything, should be done about it by government. In a few cases papers have sweeping obiter dicta about policy, that are not adequately justified and may not be based on a very good understanding of the constraints under which governments operate.

Much of this is not surprising, since only a few staff members have actively worked in or with governments. Only a very few are therefore thoroughly familiar with the policy process and with the substantial differences between academic and policy-oriented research.

3. There appear to be serious holes in the research program, important issues that have been relatively neglected in the past 4 years, including: (i) exchange rate policy and especially its impact on the growth in exports; (ii) controls, especially over imports, and their effect on efficiency; (iii) the consequences of technological change and of policy changes in labor abundant countries for Thailand's competitive position;

(iv) the role of foreign investment and its likely evolution; and (v) wage determination, labor policy and employment generation.

On the other hand, a great deal of work has been done on other issues, some of which may not be of the same importance.

In part this imbalance has been driven by the uncoordinated preferences of funding agencies, in part by the preferences of senior researchers (including HIID staff), both factors which cannot be ignored. Nevertheless, the absence if a well-articulated sense of research priorities is an important weakness.

4. HIID staff have worked with Thai colleagues on a consistent and longer-term basis in only two instances. In most cases they have come for short periods of time. That makes for high overhead costs, not just in financial terms but in time lost as visitors catch up with what has happened and get back into the swing of the research (as well as recovering from jet lag). It can also lead to analysis and field work not being closely integrated (see the Westphal report on the technology project) and to less than fully effective interactions between Thai and HIID researchers.

5. Strengthening TDRIs role as a catalyst for policy analysis and debate. The staff of TDRI needs to interact extensively with the staff of NESDB. They have much to learn from each other. But in present-day Thailand, with many more centers of influence, TDRI could also act as a catalyst for professional discussion of economic policy issues with members of Parliament, political parties, business and union groups, PVOs, the media and the academic community. A large group of players now needs to begin to understand the costs and benefits of various policies.

THE POTENTIAL AND ROLE FOR USAID.

a. The unique potential role of TDRI. USAID has an unusual opportunity to advance its program by support of TDRI. It will take a far higher degree of professional sophistication to analyze the more complex, and quite different, problems which Thailand faces now that it is shifting to export-led growth, and especially to rapid growth of manufactured exports. There are long-term structural problems internally, relating to the human and natural resource base as well as the management of monetary, fiscal and exchange rate policy; and there is also the difficult problem of understanding future trends in the world market. (The future of the garment industry in Thailand, for instance, will be heavily influenced by the extent to which consolidation in the US garment industry creates pools of capital able to finance a technological transformation, and the extent to which industry and unions are successful in their joint effort to develop cost-effective automation techniques. Similarly, the future of the electronics industry depends heavily on the extent to which India deregulates its economy and takes advantage of low-cost engineering talent.)

The necessary research can effectively be carried out only in an organization like TDRI. It requires a critical mass of cooperating specialists in trade policy, industrial economics, agricultural economics and human resources, for instance, so it cannot be done efficiently by scattered individual researchers. It requires the ability to devote 6-18 months, or even longer, to a particular research effort, so a government body like NESDB will find it difficult to do. In concept and execution TDRI is potentially a key element in better policy formulation in the current situation.

b. The critical role of AID. But TDRI can play its potential role fully only if it is strengthened and if some of the problems identified above are dealt with. A US agency is particularly well placed to help. The US clearly has comparative advantage in economics and the other policy social sciences. We may no longer be preeminent in making cars, but we certainly are competitive in economics and in higher education more generally. These are also among our big foreign exchange earners. Nearly all senior TDRI staff are US trained. Thus, this is an arena in which the US is especially well qualified to help.

Now that the USAID program in Thailand is very selective it will have an impact only if funds are spent on activities where small amounts of money go a long way. That is the characteristic of projects that are heavy on people and light on equipment. Moreover, working on economic policy issues is clearly working at a strategic level, where one change can have far-reaching effects throughout the economy - witness the two devaluations which were so important in the recent export boom.

A PROPOSED PROGRAM FOR TDRI

If USAID were to commit a substantial further sum under EPD specifically to the TDRI program, it could, in turn, expect that the funds would be used to tackle the problems that now hamper TDRI effectiveness. There could be a notional multi-year allocation, but with a specific review each year, and reallocation to other EPD purposes if the funds cannot be used effectively by TDRI. But the structural reforms needed are most likely to be carried out if the funds are made available for programmatic purposes and not exclusively for specific research projects. Of course, they could notionally be assigned to specific activities and projects, if that is desirable from USAID's point of view, as long as it is clear that the amount, and timing, is mainly for specific programmatic goals and to support specified steps to strengthen TDRI as a whole.

The specific problems to be addressed are those outlined above. The following steps could be included in a program:

(a) Peer interaction and quality improvement could be helped by: (i) Funds to allow TDRI staff to present papers at professional conferences, preferably and primarily those that exercise some quality control; (ii) HIID, or whoever is chosen to work with TDRI in the future, should continue to see interaction with TDRI staff as at least as important as turning out papers; (iii) TDRI management could be asked to consider

using as a criterion of promotion and salary increase the publication of papers in refereed journals or books, as is done by similar research organizations in other countries; and (iv) A more costly step would be to finance a Board of International Advisers, two or three foreign economists who would be retained for something like 30-60 days a year to review and comment on papers produced by TDRI staff (and possibly also proposals submitted by other organizations - see below). They would be committed to doing this for at least 3 years, preferably longer, so they build up expertise on Thailand and become known to TDRI staff. At least once a year, preferably twice, they should come to Thailand for 4-5 weeks to interact actively with TDRI staff and to work on other EPD issues. (AID could contract out this activity, if it did not want to manage it itself.)

It would be desirable for this to be a joint Thai-foreign Board, but it is not clear whether this is feasible. The number of good, senior Thai economists is sufficiently small so it may be difficult to find several who do not have some connection with EPD, TDRI or NESDB and who could avoid conflict of interest problems. The Board should be separate and separately managed from the long-term advisory function being performed by HIID.

(b) Increasing policy relevance. The most useful step would be, if possible, some exchange of personnel between TDRI and NESDB. USAID/Washington has a program to bring academics into the Agency for a year or two, and so does the Council of Economic Advisers, to the benefit of all participating institutions. If a few highly qualified NESDB staff could be given a year or two at TDRI after 5-10 years of work at NESDB, and vice versa for some TDRI staff, then the TDRI work would be far better informed by policy concerns and procedure. At the same time NESDB staff would better understand and be able to use TDRI work.

Other steps would include: (i) requiring an Executive Summary designed for policy staff with each paper; (ii) arranging regular seminars whenever research is completed, at which TDRI researchers discuss their findings and policy implications with relevant Government officials (not just from NESDB, but also appropriate ministries), aid donors and others.

(c) Developing a priority research program. USAID funding could be made available to support a priority research program worked out in advance, and reviewed and revised at least once a year. Priority would go to issues of importance to Thai policy formulation, not to issues of particular interest to particular donors or researchers. Of course, as supplemental funds become available from particular aid projects or programs, some research would be carried out that is not given high priority in the core program. That would include research financed by USAID-Washington and by specific USAID projects. And researchers can continue to seek funds for work of special interest to them. But core funding would assure that really high priority issues receive due attention.

Almost inevitably carrying out such a program will require cooperation among different parts of TDRI and will help end the unfortunate tendency for programs to work in relative isolation (e.g.,

exchange rate management would involve at least macro, industry and trade, and agriculture programs).

(d) More consistent support from outside consultants. As contract extension is negotiated with HIID, or an alternative supplier, provision could be made for longer-term periods for foreign expert visits to Thailand. For instance, a useful rule of thumb is that full air fare should be paid only for those coming for at least four weeks. Two months is the preferred minimum time for a visit.

(e) TDRI as a catalyst for policy analysis. As part of the new programmatic support, provision could be made for seminars and other steps to make TDRI work even more accessible, and to stimulate wider discussion of economic policy issues, including parliamentarians and their staffs, journalists, academics and others. The important step, however, would be a decision by TDRI management and senior staff, that this is an important TDRI function under current circumstances.

With these or similar steps TDRI could become an even more powerful force in the formulation of policy and a major influence on policy dialogue with all donors.

B. NON-TDRI RESEARCH: ENCOURAGING ALTERNATIVE CENTERS OF POLICY RESEARCH

Significant research is already going on outside TDRI, and it is certainly desirable that such efforts be strengthened: a monopoly is rarely an efficient solution. But it appears that EPD has supported little research of reasonable size in the recent past. The best way of assuring that alternative centers of ideas be fostered is to set aside another specified part of EPD funds for bids by others. The availability of these funds needs to be widely publicized. Proposals could be entertained from individuals, groups and organizations, such as university research institutes and joint Thai-US researchers.

Some provision for such joint research would have double benefits: (i) It would, help researchers who are inexperienced in framing and carrying out proposals, and therefore help develop capacity at institutions that have not been heavily involved in international activities, and (ii) it would maintain and enlarge the group of US academics knowledgeable on Thai economic problems. Just as a monopoly is undesirable in Thailand, so it is equally undesirable in the US. It will be good Thailand, for the US and for evolving Thai-US relations if there is a small handful of professionals at various universities with an interest in and a current knowledge of the Thai economy.

The only requirement for the research should be that it address, directly or indirectly, a practical policy issue that is currently relevant to the Thai economy. Purely theoretical and methodological research would not be supported.

TDRI or its staff should not be eligible to apply for these funds, since they would be covered by a separate provision. Nor would NESDB and DTEC staff be eligible, since these agencies too already have their own notional allocations under EPD.

A simple outline of the points to be covered by a proposal could be widely distributed. It might be desirable to place an upper limit on the amount to be allocated to any project (somewhere between $100,00 and $150,000, depending on total funds), to specify that projects have to be completed in 12-18 months and that the budget make provision for workshops or seminar(s) to discuss the findings at both the home base and in Bangkok. TDRI or NESDB could provide the Bangkok venue and organization.

C. ORGANIZATION AND PROCEDURES

We were told that present procedures were cumbersome and discouraged application and did not lend themselves to careful review of the professional merits of different proposals. This is not an area have studied, but a few suggestions may be worth making:

(a) If possible, a single agreement between the two governments would obligate the funds, and decisions on specific projects to be supported would be left to an interagency research advisory committee of their professionals, which would have final say.

(b) The committee would use a refereeing process, employing qualified professionals who would devote the necessary time to review proposals, to send back comments and to suggest improvements. Project would assemble referee appraisals and summarize them in a full report with recommendations to the research advisory committee.

If arrangements are made for a Board of Foreign Advisors to TDRI, as suggested above, the same people could be used, under the same retainer, to serve as referees, at least for the first year or two. They could not be expected to be equally knowledgeable in all fields and may have to ask colleagues to help them in some cases, but that should be left to them to arrange.

(c) The research advisory committee, charged with deciding on particular proposals, should be broader than the present PCC and should be a largely professional body. It might be chaired by a senior economist from NESDB, include one or two other NESDB members, an economist from DTEC, a senior economist from TDRI, economists from one or more other government agencies (Central Bank, Ministries of Finance, Trade, Industry, or Agriculture) and three or four from universities, banks or other private firms with economic research staff. I do not know enough about the Thai system to know whether such an arrangement is feasible, but it would have obvious strengths in bringing to bear wide knowledge and interest.

(d) The same process and committee structure could be used to review TDRI progress and to recommend whether second and third year allocations to TDRI and other purposes under EPD should be of the magnitude originally foreseen and, if not, to recommend particular reallocations.

(e) One advantage of such a broad structure would be that it would also serve to inform a wide group of research results. Some of the most interesting results could be presented to this committee by the researchers concerned at each of its sessions, before it reviews more briefly other research and the referees' reports on both completed research and new proposals.

(f) If necessary this committee could be advisory; with ultimate decisions in the hands of the top officials of NESDB, DTEC and USAID, as now, but the presumption would be that these officials would generally follow the recommendation of the research advisory committee on all substantive issues.

Bangkok, March 31, 1989.

1405.007

TDRI: SOURCES OF PROGRAM REVENUES, FISCAL YEARS (ENDING MARCH 31) 1985-88

	(Baht million)				
Program Sponsor	1985	1986	1987	1988	TOTAL
USAID, subtotal a/	4.28	12.90	8.65	16.98	42.81
EPD-II	1.69	10.21	7.49	10.21	29.60
Others	2.59	2.69	1.16	6.77	13.21
CIDA b/	1.61	0.27	5.37	9.31	16.56
World Bank c/	7.91	4.31	0.57	-	12.79
UNDP	3.45	4.76	2.61	4.69	15.51
ADB	0.15	5.35	1.86	3.21	10.57
Others (inc. RTG)	3.65	8.04	7.96	12.55	32.20
TOTAL	21.05	35.63	27.02	46.74	130.44

a/ Represents 20% of total in 1985, 36%, 32% and 36% in the years 1986-88 respectively and 33% of the four-year total.

b/ Understates CIDA contribution, which is largely in the form of a foundation grant rather than program sponsorship.

c/ Includes RTG loan.

Source: TDRI, private correspondence.

CASE STUDY 3

STRENGTHENING OF EPIDEMIOLOGY FOR PUBLIC HEALTH (MOPH)

1. The Ministry of Public Health (MOPH) was foreseen as a major beneficiary of EPD-II, partly to ensure effective follow-up of the health sector assessment carried out by a team of Thai and U.S. experts in October, 1983. A total of $2.1 million was "budgeted" in the Project Paper, covering nine specific subprojects (including $450,000 for short-term family planning advisors); additional allocations from the contingency allowance would be possible, of course, if initial subprojects advanced smoothly or new needs were identified.

2. A proposal to decentralize epidemiology services was formulated in 1985, and in February 1986 after much discussion and several revisions a formal proposal was submitted. This proposal is one of the most thorough the Evaluation Team came across during its admittedly hasty review of extensive EPD files. The proposal states objectives clearly, calls for an Advisory Board to monitor progress and to review final recommendations, foresees a four-year program (1986-89), and includes a detailed budget. This well-written document is said to have gone through many drafts, clearly involved close collaboration between MOPH officials and USAID health specialists, and laid out the proposed work program in considerable detail. Total expenditures of nearly $300,000 were forecast in order to test a decentralized program of epidemiology, which would start as a test program in two provinces during the first year and be operating in 16 provinces by the end of the fourth year. The work was planned in close cooperation with the Center for Disease Control (CDC) in Atlanta, which has similar projects in at least six other countries and had agreed to assist Thailand with implementation and training throughout the four-year program.

3. For reasons that are not entirely clear to the Evaluation Team discussions between MOPH and DTEC continued for several months, and it was not until July 22, 1986, that PCC formally approved the subproject (or at least $249,780 of it); further approval for a computer system ($30,880) and six person-months of training ($12,294) was given on March 3, 1987. By the time PCC approval was granted, it was recognized that the project would have to be cut to a three-year time period (1987-89) and some minor changes in the proposal of February 1986 were typed in to accommodate some references to that change (which, however, was not carried through the entire text that is in the files as "approved").

4. Even after PCC approval, negotiations between MOPH and DTEC continued over the Memorandum of Understanding. USAID's Implementation Status Report records the subproject start date as August 15, 1987, but MOPH officials describe it as actually starting on April 18, 1988.

Ministry personnel also report spending a great deal of time in 1987 trying to arrange funding from the EEC and other sources to cover training courses and a conference that had already been announced and other "bare bones" activities on the basis of PCC approval in August 1986.

5. A project that bares some resemblance to the original proposal is now being implemented but in a much reduced form and without any of the original enthusiasm. There has been no attempt to revise the project implementation plan formally to take into account the new circumstances or to establish new targets and action plans systematically. USAID sector staff is clearly so fed up with the whole experience that it would not even agree to the suggestion of the Evaluation Team that it assist MOPH officials by providing them with a duplicate copy of the formal Memorandum of Understanding, even though USAID has duplicate copies and MOPH cannot find its own. The MOPH had not convened any meetings of the Advisory Board at the time the Evaluation reviewed the subproject in March, but we were told that an Executive Order had been signed indicating dates of meetings to be held in 1989.

6. It would take far more time than is provided in this EPD interim evaluation contract to discover precisely what went wrong with this sub-project, but the Evaluation Team did uncover some clues.

   (a) Much delay occurred originally, because a small number of modest-sized computers (PCs) were required to implement the decentralization program. Computer procurement often leads to special difficulties for both donor and recipient agencies; in the case of Thailand we are told that by the time approvals are obtained which reconcile central RTG specifications, MOPH requirements and USAID rules there is likely to have been a technological change which requires starting all over again. In this particular subproject the PCs were finally separated from all other elements (e.g., field work and training) to obtain the initial PCC approval of July 1986 and they were also kept separate from the MOU of August 1987.

   (b) MOPH officials report that they had great difficulty arranging a meeting with the PCC. Instead of such a meeting they were asked several sets of questions by DTEC staff; after they answered one set and DTEC reported to PCC, a new batch of questions would arrive. Not unreasonably, MOPH officials (and several other respondents whom the Evaluation Team interviewed) thought it would be much more efficient to invite subproject sponsors to meet PCC in all cases where the original proposal left important questions unanswered or an initial attempt to negotiate a Memorandum of Understanding was unsuccessful.

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(c) The Evaluation Team found no evidence that senior officers of MOPH, DTEC, NESDB or USAID ever took a personal interest in this case or made a personal effort to resolve problems that threatened and ultimately destroyed the original time schedule and implementation plan. Given the effort USAID and MOPH personnel put into the original proposal and the quality of the product that resulted, this failure of communication is particularly hard to explain. While the Evaluation Team is of the opinion that EPD would operate more effectively if subprojects did not require such high level intervention, experience to date indicates that every major study requires a powerful godfather to help it through the approval/negotiation process; therefore, until PPC establishes a system which does not depend on the midwifery of godfathers (sic) any manager who allows agency staff to spend valuable time preparing a proposal must arrange to take a personal interest in pushing such proposals through the various procedures precedent to implementation. By contrast, so far as the Evaluation Team is aware, there is no standard reporting mechanism in place at the moment which alerts a PPC member to the fact that a proposal is being studied, revised or negotiated to death or otherwise delayed in implementation.

(d) Some of the qualities of the MOPH proposal which appeal to these reviewers may have been too innovative to pass screening at the Project Management Unit. One notes, for instance, that the "goal level" statement of objectives, which is probably fairly standard in CDC-assisted projects of this type, was deleted from the final edition of the proposal. Useful though we judge that statement to be, it was <u>volunteered</u> by MOPH rather than <u>required</u> by EPD; so it was eliminated. Such rigidity appears counter-productive, lowers the quality of the final proposal, and probably required considerable discussion which was itself costly in terms of delay.

(e) MOPH has received assistance from sources other than EPD-II, including USAID "centrally funded" programs and the World Health Organization (WHO). Because MOPH has experience with these lump-sum grants, usually including a partial advance before initial expenses and subsequent replenishments as needed, officials had difficulty adjusting to the considerably more formidable procedures of EPD-II involving detailed budgets, rigidly interpreted, and reimbursement of previous approved expenditures, often after several weeks or even months of delay. Some simplification of EPD-II procedures based on satisfactory experience with WHO and centrally-funded projects would seem to be worth serious consideration and could result in substantially more cost-effective administration for both DTEC and agencies receiving grants.

CASE STUDY 4

TRAINING COMPONENTS OF EPD-II a/

1. The 1985 Project Paper focused on two factors which limit RTG's ability to sustain rapid economic and social modernization. These limitations are (i) inadequate financing for studies of development policy issues and (ii) underdeveloped capacity for conducting policy research and analysis. To overcome these limitations USAID/Thailand proposed (i) to provide more funds for research and technical assistance and also (ii) to arrange additional technical and other specialized professional studies to supplement the general training in social sciences of key development agency personnel. Therefore, the provision of advanced training is one of the major activities proposed for EPD-II funding. The Project Paper estimated the cost for all types of training at approximately $5 million (from the EPD-II total of $18 million). Table 1 (overleaf) summarizes these estimates.

2. Under EPD-II training is defined to include many different activities ranging from long-term (2-4 year) graduate programs in the United States (aiming at Doctorate and Masters degrees) to one or two-day workshops in Thailand. Training activities can be grouped as follows:

(a) Graduate study programs in the United States
(b) Short-term study tours abroad, and
(c) Workshops and seminars in Thailand.

Each of these types of training is reviewed in the paragraphs that follow.

Graduate Study Programs

3. Studies leading to Masters or Doctors degrees were foreseen for staff of NESDB, DTEC and MOPH. From the total $5 million, $1 million was budgeted for ten NESDB Doctorate candidates, $320,000 for eight DTEC M.S. candidates, and another $225,000 for nine one-year fellowships for specialized overseas training of senior MOPH professionals. During the EPD-II project implementation stage, the cost of graduate studies for all three agencies was adjusted to be earmarked at $25,000 per person per year; it has become customary to allow two years for a Masters degree and four years for a Doctorate.

4. At present, personnel from four RTG agencies are receiving long-term training scholarships from EPD-II. Their status is as follows:

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a/ This review of training elements was prepared by Prof. Sangkom Suwannarat of Chiang Mai University.

(a)	NESDB staff development, subtotal	14
	▪ Completed M.S. degrees	2
	▪ In-training for Ph.D (including 2 extended from EPD-I)	9
	▪ Placement for Ph.D. in process	3

The Masters degrees are from Williams College with specialization in Economic Development. The Ph.D. programs are as follows: (i) Transport Planning and Management (Polytechnic University), (ii) Econometrics (Boston University), (iii) Human Resources Planning (Harvard University), (iv) Urban and Regional Science (University of Pittsburgh), (v) Urban and Regional Science (University of Pennsylvania), (vi) Industrial Finance (Indiana University), (vii) International Trade (University of Hawaii), (viii) Planning and Management of Science and Technology (University of Pennsylvania), and (ix) Sociology (American University).

(b)	DTEC management support, subtotal	10
	▪ Completed	4
	▪ In-training	2
	▪ Placement in process	4

Scholarships are all for M.S. degree programs. Two professionals from DTEC have earned their Masters degrees in Public Policy and Administration (University of Wisconsin), one in Development Management (American University) and the fourth in Development Economics (Vanderbilt University). Two DTEC staff members currently in training are studying Public and International Affairs (University of Pittsburgh) and Community Development (University of Missouri).

(c)	MOPH professionals, subtotal	7
	▪ In-training	3
	▪ Placement in process	4

All MOPH students are also in Masters programs. One is concentrating on Health Economics (University of Hawaii) and two are in Public Health programs (University of Texas and Loma Linda University).

(d) The National Energy Administration (NEA) has also been provided with two scholarships. One NEA professional has completed his M.S. in Policy and Planning at the University of Pittsburgh, and a second staff member is currently in the same graduate training program.

5. Readers will note that the number of scholarships being used by various agencies has been adjusted somewhat compared to the Project Paper and further adjustments are possible before all funds are allocated.

6. Some delay in placement occurs for every participating agency. Four NESDB participants, for instance, are now scheduled to receive their Ph.D.s in August 1992, seven months after the postponed PACD, and they have agreed to cover their final months' costs from their own resources. NESDB proposes to use three additional Doctorate scholarships, and these participants will also have to cover part of their costs from non-EPD sources unless it is decided to switch the awards to Masters candidates (an alternative still under discussion). Similarly delayed placement has occurred with the DTEC and MOPH graduate training programs.

7. Delays can be avoided in future by better planning. One common problem has been that some candidates selected on the basis of professional performance and future leadership potential were unable to pass competency in English tests (TOEFL and/or GRE). It would seem advisable to screen candidates for English competency well in advance, and certainly before scholarships for a particular year are earmarked to individual candidates. Furthermore, it is recommended that all other requirements for graduate school application be fulfilled at least 12 months before the study program is due to start. This means that particular schools and courses of study will have to be identified even earlier, but this should cause no great difficulty, given the experience these agencies already have with a wide range of graduate studies programs in America and the ready availability of current reference materials.

8. Both DTEC and USAID have many years of experience with fellowships for graduate studies in the United States. Therefore, there is no major problem in administering fellowships once candidates have started their studies. It would be advisable, however, to strengthen follow-up activities. At present, there is no record of what work assignments graduates are handling now that they have returned from abroad. All EPD fellowships have been awarded to government officials, who are under a standard RTG contract to return to government work for a number of years after completing their studies overseas, and attrition is not a problem.

In interviews the Evaluation Team found that all graduates came back to their former departments and all but a few returned to the division they had left. What is missing is some central record of where these alumni are working, something kept up-to-date for several years, so that an evaluation in 1992 could find a 1987 graduate and review how the training which ended five-years earlier had supported his/her work in the interim.

9. It would also be useful to ask all scholarship recipients to submit a formal evaluation of their training shortly after their return -- and perhaps a second time one or two years later. According to the files for 1985, USAID personnel drafted questionnaires for that purpose, and we would recommend that these questionnaires be reviewed, revised as necessary, and administered at least to all long-term trainees under EPD-II (and perhaps similar graduates from EPD-I). Taking a leaf from the National Defense College training program for senior government personnel and other leaders and opinion-makers in Thailand, we would also recommend

that returning graduates be asked to submit an essay on their vision for Thailand over the next 10-20 years.

10. During their years of study in the United States participants have opportunities to attend conferences and seminars away from the university to which they are assigned. It would be desirable to encourage such attendance in appropriate cases, especially where students have the opportunity to present information on Thailand and its development aspirations to fellow conferees. Of even greater importance is the need to complement academic courses with practical work experience and apprenticeships. The Evaluation Team would urge that special efforts be made by USAID and DTEC to arrange relevant on-the-job training for at least six months of each two year fellowship. Such practical work could be arranged either during or following the period of study, and preference in selecting universities should be given to institutions that are prepared to facilitate that process. Practical work experience is certain to make graduates more effective in their assignments after they return to Thailand.

Short-term Study Tours Overseas

11. EPD-II also provides funds for short-term study tours. These generally modest grants allow Thai officials from various ministries and agencies to participate in conferences, seminars, work-shops, observation tours and on-the-job training programs. Such travel has been financed to the U.S. and to third countries, like Singapore, Korea and Indonesia. Funds spent for these purposes are much less than those earmarked for long-term academic studies and in-country training. The specific cases studied by the Evaluation Team served to have high leverage, resulting in a very constructive impact in Thailand. Administration of these grants by DTEC is generally prompt, reflecting the flexibility intended by project designers. Some respondents suggest that there be a specific amount set aside for these purposes both to facilitate flexible administration within this budget and to preclude that such uses take too high a percentage of EPD funds. The Evaluation Team concurs in this proposal but sees no urgent problem in this area.

Training in Thailand

12. EPD-II also provided funds for seminars, workshops and other training programs in Thailand. A major proportion of such funds has been used by DTEC for a series of training workshops on Project Management (for both Executive-level and mid-level officials), Computer Procurement, and similar practical topics.

13. The Project Management Training workshops were facilitated by the Institute for Public Service International (IPS) of the University of Connecticut, and are in English. For the sixth training (aimed at mid-level officials), it is reported that some participants lacked sufficient

language skills and required after-hours coaching from more fluent colleagues. Better screening and/or preworkshop language training may be desirable.

14. The training appears to be successful, and participants report that it has proved useful to them after they return to regular assignments. Now that several trainings have been offered with assistance from IPS, it is recommended that consideration be given to using Thai trainers in future. This would reduce the cost of training and thus improve its sustainability after EPD funding ends; it is also likely to make the training even more relevant to Thai circumstances and thus of equal or greater practical impact.

CASE STUDY 5

SEMINAR ON HUMAN RESOURCES PLANNING AND DEVELOPMENT FOR INDUSTRIALIZATION (PTIT)

1. The Petroleum Institute of Thailand (PTIT) was established on September 26, 1985, to assist "in the development and strengthening of organizations, personnel and facilities throughout the Kingdom, to meet the needs of the petroleum industry with respect to human resource, information and technical services, and research and development ...." PTIT is an independent, neutral, not-for-profit body, working under a Council of Trustees representing government, private banking and industry (including multinational oil companies active in Thailand) and academia.

2. PTIT has sponsored three seminars with EPD-II funding. In 1986, a symposium on "upstream" business opportunities brought together private sector personnel and government officials, reached conclusions that led to legislation which substantially improved incentives for investors in upstream services, and cost a mere $11,987. In 1987 another seminar explored the alternative policies for gas utilization by bringing industry personnel together with government officials and academics to ensure that these three legs of the policy tripod talked the same language and formed an effective network for facilitating growth and diversification in the petroleum sector. (Cost $21,091.)

3. In 1988 PTIT proposed a third seminar to consider "Human Resources Planning and Development for Industrialization" ($13,000 approved, $11,090 spent). In this instance, the PTIT seminar-organizer, herself an experienced human resources development planner, knew the expert she wanted to bring to Thailand to offer his insight on how to develop schools and universities to meet the generally recognized needs of particular industries. In other words, the problem to be discussed was, "How does Thailand move from the general assessment of needs for various skills and professions to a practical action plan for training such personnel?"

4. By all accounts these seminars have been well-run and effective in facilitating important improvements in the petroleum industry and the policy environment for its efficient operation and timely expansion. Attendance has been representative of different points of view, moderators have been effective in keeping discussions moving well and in bringing out all important issues, published summaries of the proceedings are found to be valuable educational and reference tools, and useful practical steps have been taken by government and industry in the wake of these discussions and probably partly because of them.

5. On the surface, PTIT seminars appear to illustrate EPD's ability to decide quickly on proposals which are sensible but brought to them with little lead time.

Topic	Date of PCC Approval	Date of Seminar
Upstream opportunities	11/05/86	11/21-02/86
Gas uses	08/26/87	10/08-10/87
Human resources development	10/27/88	12/01-02/88

Unfortunately, the Evaluation Team does not have dates of PTIT original applications to EPD, so the quick-response noted above may be as much a tribute to PTIT's skill in contingency planning, assuming eventual support from EPD, as it is a tribute to EPD's prompt responsiveness. Evaluators were told that "there was much talk" before a Memorandum of Understanding could be agreed that was "broad enough to permit everything but very specific on things it would cover."

6. In reviewing the most recent seminar experience, the Evaluation Team was informed of several administrative snags.

   (a) PTIT was told that EPD could finance the proposed seminar insofar as it raised policy issues but that EPD could <u>not</u> provide (i) "technology transfer" or even a few extra days of expert time for training in human resources planning skills, (ii) dissemination of seminar the conclusions of recommendations of seminars, or (iii) an evaluation of participants' experience in this or other seminars. Whoever left PTIT with these interpretations of EPD purposes is, in the opinion of the Evaluation Team, not adequately briefed on those purposes. Perhaps, this is a case where administrative personnel deal easily with a single purpose subproject but have difficulty where activities are "integrated" (i.e., training mixed with policy analysis mixed with technical assistance).

   (b) Although Prof. Nadler is an acknowledged expert in human resources planning and accepted as the right person to lead the proposed seminar, USAID is reported to have had considerable difficulty in agreeing to his normal fee. This seems to be a case where undue focus on a high daily rate may have obscured at least temporarily the overall cost-effectiveness of the proposal.

(c) Relatively minor problems require several visits to junior personnel and much pleading to resolve. Frequently, a senior official (in at least one case someone at the level of Permanent Secretary) had to decide a small point. PTIT personnel feel that there needs to be more of a "service" attitude in the lower echelons of DTEC and more delegation of authority. (Readers should keep in mind that this observation comes from an organization which is proud to have the Director General of DTEC on its Advisory Board!)

7. In addition to administrative frictions, PTIT shares a view which the Evaluation Team heard frequently, i.e., that EPD managers do not give sufficient attention to outputs. PTIT has taken responsibility for disseminating findings and recommendations of its seminars. In the process it says it has been concerned to find that there seems to be no other channel for distributing results. In one particular instance, senior officers of the Ministry of Industry were surprised to learn of industrial training recommendations and disappointed not to have heard about them through official channels before PTIT delivered them.

CASE STUDY 6

PUBLIC ENTERPRISE INSTITUTE AT CHULALONGKRON UNIVERSITY (PEI/CU)

1. In 1986, there is correspondence in USAID mission files about various ways to support RTG's policy favoring privatization of state-owned enterprises. Budget constraints are mentioned, requiring use of EPD-II funds instead of PDS for PEI. (One way to interpret this is that since EPD-II is available, part of the reduction in the PSC allocation to Thailand could be accommodated by funding "PEI seminars" out of EPD-II, i.e., without dropping this important element in the originally conceived overall program. Implied, but not stated, is that other important elements would not fit so easily into the EPD-II account.)

2. There is correspondence about a representative of the International Law Development Institute (IDLI) visiting Bangkok from Rome, partly to "facilitate" a Roundtable discussion on privatization but funding cannot be arranged. It is understood that Dr. Phiphat of PEI/CU will attend the IDLI Conference in Rome January 26-February 7, 1987.

3. An undated proposal is received from PEI/CU apparently in December 1986, requesting $54,012.00 for activities (research and seminars) over an 11-month period in 1987. Memoranda to files indicate that USAID would like to see the PEI/CU proposal approved quickly at the PCC meeting December 29, 1986, since funding for late January travel to the Rome Conference represents Phase I of the four phase project.

4. Minutes of the PCC meeting of July 16, 1987 (more than six months later!) record approval of $49,000. The PCC dropped $5,012 from the original request, because IDLI found money to cover Dr. Phiphat's participation in the Jan./Feb. conference, even though PEI/CU had submitted a note amending its original proposal and suggesting that at least $4,700.00 of the unused travel budget be reallocated to cover studies of the important personnel management issue, which PEI/CU had neglected to include in the original submission. (Internal memoranda suggest that USAID personnel strongly endorsed the change, confirming the importance of "personnel management" questions, i.e., the need to find an acceptable way to cut back on redundant staff as part of the privatization process.)

5. The files contain brief references to the possibility of a $2-5 million privatization project being developed during 1987 -- more a reflection of RTG/AID recognition of the urgency and complexity of the issue than any tangible project preparation or definition activities.

6. The files also contain pencilled and typed notes from various points in time regarding project ideas for EPD-II consideration which have nothing to do with the privatization issue and/or the PEI/CU

proposal. Perhaps these same notes are repeated in the several other files to which they refer; the Evaluation Team has not taken time to check. But it does appear that there is need to arrange a filing and reference system which takes into account the fact that PCC meetings and preparations for them often cover several (or even dozens) of subproject possibilities.

7. The USAID "Black Book" for December 31, 1988, lists this subproject (item 341.44) under "Contract Actions Underway". The reports of quarterly developments cover a page and a half. As of 3/31/88 (15 months after the proposed start of this very high priority activity and four months after its initially targeted conclusion), the hold up is attributed to failure by the Ministry of University Affairs to provide a routine letter of approval (although MUA is itself the recipient/user of a very much larger grant, personally initiated by the Minister and forcefully pursued by the Permanent Secretary). The entry for 6/30/88 deserves to be quoted in full:

> "Professor Amara (Director, Social Science Research Institute of Chulalongkorn University) agreed during a meeting with USAID Project Officer and Prof. Phiphat on 6/6/88 to handle the administrative details of this project. By volunteering to handle the tedious and complex administrative arrangements relating to use of EPD II Project funds, PEI faculty will thus be able to allocate more of their time to actual research. The meeting concluded with a renewed expression of interest by PEI faculty in carrying out their proposed research project under EPD II. They indicated that they will notify the MUA of this intention and request MUA approval of PEI's planned use of donor funds during 7/88."

If the administrative arrangements for a simple $49,000 grant are so "tedious and complex", the concerned governments would appear to be on very questionable ground when agreeing to a multimillion dollar program.

8. The DTEC status report of January 19, 1989 says simply "approved" and "additional information required".

9. The Evaluation Team met Dr. Amara on March 28 and Dr. Phiphat on March 30. A week or so prior to those meetings Dr. Phiphat informed Craig Steffensen that the PEI/CU project had not been delayed entirely by DTEC insistence on a long-delayed endorsement from MUA; in fact, Dr. Phiphat reported, he had never written MUA to request such endorsement. In other words, the delay originated with him and not in some impenetrable paper-pushing procedure of government.

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10. In their meetings with the Evaluation Team, Drs. Amara and Phiphat verified the main points of the account in the preceding paragraphs (although we did not ask them to review the specific text). Dr. Phiphat added two further details:

(a) It is now his intention to proceed with the work originally proposed for 1987; given his other commitments, he expects that, by the end of 1989 or early in 1990, he will be able to deliver an analysis of one or more enterprises, building on the basic laws and regulations under which it/they were established, surveying the attitudes of management, workers, customers and the general public, and then recommending ways to privatize, i.e., to attract private investors, so that the public at large can have a say in enterprise policies and management.

(b) He requested the $54,000.00 grant originally in response to a request from USAID staff associated with EPD. Dr. Phiphat had made a presentation on "Appropriate Models of Privatization for the Sixth National and Economic and Social Development Plan" at a conference in early August, 1986. A World Bank representative heard the presentation, asked for a more detailed study, and sent Dr. Phiphat to USAID for EPD funding. Since USAID had paid Dr. Phiphat a lump sum for his conference presentation, he had assumed similar arrangements would apply for this additional work. He was given no warning of or briefing about the more complex procedures governing EPD. Once he started down that track, he discovered that DTEC had no precedent and therefore no rules for what Dr. Phiphat described as a "non-NESDB" project in which the University is a direct contractor. Eventually, his bafflement turned to frustration, and he was too busy with other assignments to finalize arrangements with EPD until Mr. Steffensen and Dr. Amara came to the rescue with proposals to handle the paperwork through the Social Research Institute.

CASE STUDY #7

PILOT PROVINCIAL NATURAL RESOURCES AND ENVIRONMENTAL MANAGEMENT: NESDB

1. This project is funded under EPD's proposed activity in the arena of Agricultural and Natural Resources Management. The project was initiated by the NESDB as a pilot scheme to test ways of incorporating natural resources and environmental management considerations into annual provincial development plans. Each of three selected pilot provinces was directed to look into five topics: mixed farming, field crops and livestock, agroforestry, local community organizations, and public education. The pilot provinces are Ubon in the Northeast, and Nan and Lampang in the North.

2. The NESDB approached university professors to carry out research on each of the five topics. However, these researchers were contracted too late to allow them to work closely with the Provincial Planning Committee established by the governor of each province at the start of the project. This delay appears to reflect inadequate administrative support for the project in NESDB.

3. One research topic is reported here briefly to illustrate how study results can influence policy implementation. The research concerned local community organizations. This particular study focused on the natural resources and environmental problems in Nan and Lampang provinces, surveyed the attitude and the readiness of governmental and people's organizations to participate in environmental programs, and recommended a structure of organization for natural resources management. The researchers found that government officials and local community leaders are well aware of environmental problems and ready to participate in steps to improve natural resources management. The researchers recommended sub-committees be appointed to work at the national, provincial, district and sub-district level; this recommendation made use of the existing structure of the National Rural Development Administration.

4. A major innovation, however, is the addition of a community organizations at the sub-district level. It was found that in a sub-district of Nan province, a people's organization had been formed in 1979, on the initiative of the sub-district officer, in order to prohibit shifting cultivation. In 1985 this community group set up village committees to patrol the forest and to report to the village headman, who has the authority to impose fines on violators. The research team recommended that the government give formal acknowledgement to the people's role and include similar people's organizations as an important part of future natural resources management programs. The national Cabinet accepted and approved this recommendation in February 1989. At present, training of officers at the district level is under way in Lampang province to help set up new community organizations.

5. A major criticism of this subproject is that neither provincial nor district/sub-district committees and officers have access to the kind of experienced practical environmental expertise which would ensure that regulations they establish will be truly effective in dealing with the environmental problems that concern them. So far as the Evaluation Team can tell, no steps have yet been taken to fill this technical gap, which will be all the more serious when efforts are made to replicate nationally those elements of the pilot projects that appear to be successful. It is understood that Thai consulting firms have the necessary expertise, and it is recommended that one of these be put on retainer to provide technical review and quality control along with whatever specialized coaching may be necessary to deal with local problems as they occur.

DATES OF PPC AND PCC MEETINGS

Between August 1985 and March 1989 the PPC held 10 meetings (on average, one each 4-1/2 months) and the PCC met 41 times (on average, close to once each month). The formative years, 1986 and 1987 witnessed more frequent meetings than 1985, i.e., three per year for PPC and 13-15 per year for PCC.

The specific dates of these meetings are noted in the following two tables.

TABLE H-1

DATES OF 10 PPC MEETINGS, AUGUST 1985 - MARCH 1989

1985	
	August 20
1986	
	February 14
	May 1
	August 7
1987	
	February 6
	August 5
	December 2
1988	
	May 6
	August 24
1989	
	February 23

Source: USAID files.

TABLE H-2

DATES OF 41 PCC MEETINGS
August 1985 - March 1989

1985 (2)
August 20 and 30

1986 (13)
January 21
February 25
April 1 and 23
May 27
July 27
August 4 and 14
September 9 and 22
October 12
November 5
December 29

1987 (14)
February 23
March 2, 16 and 25
April 28
May 7
June 3
July 16, 27 and 29
August 26
September 14 and 23
October 21
November 23

1988 (7)
May 13
June 10
July 14 and 21
August 24
September 30
October 27

1989 (5)
January 4, 10 and 23
February 17
March 22

Source: USAID files.