

PART I - Summary and Recommendation

A. Face Sheet Data

4930274(2)

4930274

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE		1. TRANSACTION CODE (X) ORIGINAL <input type="checkbox"/> CHANGE <input type="checkbox"/> ADD <input type="checkbox"/> DELETE	PP DOCUMENT CODE 3 107
2. COUNTRY/REGIONAL ENTITY/GRAantee Thailand		3. DOCUMENT REVISION NUMBER 2 PD-ADD-720-81	
4. PROJECT NUMBER 493 0274	5. BUREAU A. SYMBOL B. CODE EA 02	6. ESTIMATED FY OF PROJECT COMPLETION FY 17 9	
7. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS) [] TTMS []		8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION MO. YR. A. INITIAL 7 6 B. FINAL FY 7 7	

9. SECONDARY TECHNICAL CODES (MAXIMUM SIX CODES OF THREE POSITIONS EACH)

A. PROGRAM FINANCING	FIRST YEAR			ALL YEARS		
	B. FY	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	932		932	4,000		4,000
(GRANT)	(932)	()	(932)	(4,000)	()	(4,000)
(LOAN)	()	()	()	()	()	()
OTHER 1.						
U.S. 2.						
HOST GOVERNMENT		300	300		1,500	1,500
OTHER DONOR(S)						
TOTALS	932	300	1,232	4,000	1,500	5,500

A. AID APPROPRIATION (ALPHA CODE)	B. PRIMARY TECH. CODE	FY -76-		FY -77-		FY -78		ALL YEARS	
		D. GRANT	E. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN	J. GRANT	K. LOAN
FN	197	050	457		1,490				1,947
PH	397	400	175		587				762
EH	559	710	300		991				1,291
TOTALS		932			3,068				4,000

12. ESTIMATED EXPENDITURES 296 1,046 1,500

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS) CHECK IF DIFFERENT FROM PID/PRP

[]

To improve RTG capabilities in development policy and problem analysis, program planning, implementation and evaluation.

[]

14. WERE CHANGES MADE IN THE PID/PRP FACESHEET DATA NOT INCLUDED ABOVE? IF YES, ATTACH CHANGED PID AND/OR PRP FACESHEET.

Yes No

15. ORIGINATING OFFICE CLEARANCE SIGNATURE: <i>James E. Williams</i> TITLE: Acting Director, USOM	16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION DATE SIGNED: MO. DAY YR. 18 17 75 MO. DAY YR.
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493-274

THAILAND

TRANSFER OF TECHNOLOGY

AND

MANAGEMENT SKILLS

Mr. Murphy's ~~contract~~ copy
with annotations questions etc.

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- F. A.I.D. Geographic Code 941

B. Recommendations

It is recommended that this project be approved and that funds be approved for the Thailand Transfer of Technology and Management Skills Project as follows:

Grant	\$4,000,000
FY 76	\$ 932,000
FY 77 (& IQ)	\$3,068,000

C. Description of the Project

The purpose of this project is to improve Royal Thai Government (RTG) capabilities in development policy and problem analysis, program planning, implementation and evaluation. However, one of the principal objectives of this project is to respond in a way which differs from the AID modalities of the past. The Transfer of Technology and Management Skills (TTMS) forms a transitional instrument which will strengthen the RTG's self-help capabilities by transferring to Thai officials a major portion of the planning, management and evaluation of the services provided under this project. This project is a vehicle to provide to DTEC and other operating agencies of the RTG the experience necessary to effectively manage the planning, selection, monitoring and review of consultants and training programs in a way that had been previously done by the donor agencies so that a Thai understanding of Thai problems is paramount in the decision making process.

The training and consultant services provided under this project will be aimed specifically at improving the standard of living of the rural and urban poor. This focus is established and will be maintained throughout the life of the project as each request to DTEC for services is considered against the criteria agreed upon in this project paper which delineates the problems areas eligible for assistance under TTMS.

Particular attention is directed to relationships which stress the maintenance of linkages built up during the more than two decades of traditional assistance activities and which lead to non-concessional programs for particularly high priority problems in the future. Once the transition period is completed the RTG should have both the capacity and administrative structures fully in place to carry on the work of essential assistance programs.

Advisory assistance of up to 360 work months and training of approximately 2,000 months are aimed at producing the short and long range skills needed to solve problems facing Thailand's democratic government as it seeks to accelerate social and economic growth particularly for the rural and urban poor.

The Department of Technical and Economic Cooperation (DTEC), with more than two decades of experience in coordinating U.S. assistance, will administer the project. It will work with RTG units responsible for designing, installing and implementing social and economic development programs. Thai talents and resources will be combined with limited donor resources and shaped to impact on development problems. At the end of the project, the RTG will have an improved capability for analysis and the necessary administrative structures required to take action on key developmental problems.

A framework for assistance will be established to facilitate the purchase of assistance by the RTG after the biennium financed by this project. Thailand's increased self-reliance will parallel a phased reduction in U.S. bilateral concessionary assistance and a continuing availability of non-concessional opportunities. In this setting, the U.S. will have manifested a continuing interest in Thailand's development and will have provided through the grant agreement the resources and means for an orderly transfer of appropriate administrative responsibilities to Thai hands.

D. Summary Findings

The grant agreement and each stage of the development of the PP were carefully discussed with the Royal Thai Government (RTG) over a period of several months. All appropriate analyses are complete and the project is ready for implementation.

a. Technical Analysis

The Project is basically designed to establish a transition instrument or mechanism to strengthen RTG self-help capabilities in technical assistance project planning, implementation and evaluation.

The technology utilized for accomplishment of the project objective is essentially a distillation of the best information available and an adaptation to Thai

circumstances of the best practices evolved from AID experience in providing technical assistance. Some direct practices are almost completely replicable as, for example, the selection, processing and placement of participants. The RTG has been informed of recent Congressional Mandates and of modifications in certain past practices of the Agency for International Development (AID). New administrative structures and practices appropriate to a maturing relationship such as that of Thailand and U.S. have been examined. With the growing evidence of Thailand's success in achieving a viable development effort, the project is structured to build on previously assisted institutions and programs and to transfer progressively to host country institutions major responsibility for planning, implementation and evaluation. The assumption of responsibility for managing the project activity is now underway as the local training staffs of USOM and DTEC merge to administer the participant program physically located in the offices of DTEC.

The project was analyzed on the basis of compatibility with other donor assistance. The RTG administrative structure and the grant agreement are not narrowly restrictive but are designed to encourage a multi-dimensional approach to the pursuit of development objectives. It permits and encourages Thailand to continue to receive assistance in addressing development problems from both national and international organizations. U.S. centrally-funded technical assistance and research activities on a limited basis are also available outside country specific bilateral assistance.

b. Social Analysis

Thailand has a largely traditional society but it is modifying its governmental structures and processes to meet development problems. Recent elections have brought to office a freely elected parliament. Policy articulations and early actions of this new government highlight the need for broad-based development approaches which combine economic growth with social justice and broader participation of the populace outside the greater Bangkok area.

The new policies stress combatting poverty, inflation and unemployment. Initial steps include decentralization of some portions of the central bureaucracy to the provincial level and decentralize planning and implementation to the tambon level; a new Administration Improvement Center to

decentralize the administration of local development projects; and new efforts to improve education, electricity, water resources and other areas of importance in rural areas.

The current socio-economic milieu not only lends it-self to developmental gains consistent with RTG developmental goals and the Congressional Mandates but it will also generate substantial requirements for managerial and technical skills. The timely improvement of management and technical skills should have "a spread effect" with a significant impact within the agencies responsible for the RTG priority social and economic programs and reach the rural regions for which many of the programs are designed.

Significant assistance toward meeting these requirements can be secured through the advisory services and training made available by this project. Although these managerial and technical skills will emerge from traditional groups seeking to maximize existing knowledge and from patterns of leadership such as central agencies and local (Tampon) councils, it will also blend new organizations (Administrative Improvement Center) as required with the traditional ones. This appears to be an appropriate organizational mix to achieve a social spread effect within a reasonable time frame.

c. Economic and Financial Analysis

The impact of this project is directed toward several RTG agencies. Although DTEC is the primary controlling agency, there are multiple budgets, sources of revenue and financial control arrangements which will contribute to RTG development efforts. Based upon past experiences, the respective budgets of the agencies involved, will be sufficient to support the project.

Precise quantification of the diverse outputs resulting from advisory assistance and training is not achieved because the social and economic benefits accrue to the advisee or trainee and to his associates; they accrue continuously and cumulatively over an indefinite period of time; some are direct and others are circumstantial, incidental or are just not readily perceived.

d. Statutory Criteria

The project meets all applicable statutory criteria. See Statutory Checklist, Annex D.

E. Project Issues

The following is a summary of issues raised and resolved in the design and preparation of the project. Reference to specific sections of the PP are provided when appropriate.

a. Institutional Capability

DTEC and other key RTG agencies concerned with social and economic development are playing a steadily increasing role in the design, implementation and evaluation of projects. Although DTEC has successfully coordinated USOM activities for the past two decades, new initiatives and responsiveness to development needs are possible through this project. Consequently, provisions are made in the project to supplement the administrative mechanisms of DTEC and other RTG cooperating agencies if required or if deemed appropriate. This assistance may take the form of advisory services under this project to develop information as to where advisory services can be secured, the mechanisms by which they can be secured, and the transition to the purchase of advisory services directly by the RTG on a reimbursable basis. The project also contains provisions to secure the services of an intermediary contractor, for example, who would perform certain prescribed recruitment of advisors.

DTEC, in preparation for an expanded role in project design and implementation, has given marked attention to identifying and assembling the best technical and managerial skills available. DTEC has also provided essential leadership and initiative in organizing and conducting the first of several in-service training seminars on management skills in cooperation with U.S. advisory personnel. Additional seminars will be held to further strengthen and develop a training capability within DTEC and key cooperating RTG agencies to create a long-range mechanism which will facilitate the updating of personnel on a continuous basis in various management skills.

b. Beneficiaries

Specific provisions are designed into the project to impact on the poorest majority in response to the interest of the RTG in the welfare of the more than 80 per cent of the people who live outside the greater Bangkok area and in response to the Congressional Mandates.

Project criteria were prepared to be used as an overall guide when advisory services are being considered or training programs are contemplated. They were jointly

devised and adopted as a means of ensuring that project inputs contribute either directly or indirectly to rural development. A careful and consistent utilization of this criteria will enable the RTG to reach the rural poor through the network of central, regional and local agencies which serve the people.

c. Women in Development

Women are not yet considered to be full partners in social and economic development. However, the utilization of the capabilities of women has been substantial in recent years and continuation of this desirable trend is a project objective. Thai women have always contributed to social and economic development through their home activities, their participation in the agrarian labor force, their production of goods in factories and cottage industry and their selling of farm produce in the village markets. In this setting, there is considerable scope for improvement of family incomes by the provision of new skills to women as well as improvement of traditional tasks. This is particularly true if the increasing output is obtained mainly by the more intensive use of already cultivated land.

The full integration of women in development is related both to the stage of development reached by Thailand and to the special cultural, social and economic factors existing here. Although it is well understood that the full productive use of human resources, male and female, has not been realized; yet considerable educational opportunity has been available. In turn, this has created a substantial human force ready for additional opportunities. For example, in USOM training programs 15.9 per cent of the trainees have been women compared with AID's world-wide average of 8.5 per cent (FY 1963-73). Training programs under this project are expected to continue this favorable trend and support efforts to further the role of Thai women in development.

Decentralization

Thailand's history of government is characterized by a high degree of centralization which reserves essentially all decisions to the central government. The present democratic government, however, is making a serious effort to reduce this centralization by shifting major responsibilities to the locally elected Tambol (district) councils and providing them with the funds to carry out their decisions. This is a new and imaginative alternative to the predominant RTG method of supplying services to the provinces through the field offices of the central government ministries.

The TTMS project actively supports this decentralization and democratization by making its services available to these locally elected governments as eligibility under this project is not restricted to the central government ministries. Requests for consultant services and training could come directly from the local governments and be met by this project if these requests conform to the rural and urban poor focus agreed upon in this project paper.

Utilization of AID Employees to Fill Requirements for the Services of Individuals

TTMS seeks orderly transfer of responsibility for recruitment of advisory services to RTG. Although the Thai will have the full range of potential sources of these services - direct hire, PASA, PSC and intermediary contractor - an essential element of building RTG capabilities to secure advisory services requires freedom of judgement to secure services from the most appropriate source in terms of Thai needs.

USOM seeks further discussion of this requirement for Thai flexibility in tapping all advisory resources with the AID requirement for utilization of direct-hire personnel on a first-priority basis.

PART II - Project Background and Detailed Description

A. Background

As measured by macro-economic indicators, Thailand's economic growth has been creditable. During 1960-1973, Thailand's GNP grew at the rate of 7.46 per cent in real terms. Significant diversification of economic activity also occurred during this period. The industrial sector expanded rapidly due to substantial investments in textiles, cement, glass and sugar. Agriculture however, still comprises the largest share of Thailand's gross domestic product. This performance has been based on the use of sound monetary and fiscal policies and provision of public sector services and investment to support the development of the economy. These government policies have continued to provide the dynamic private sector with the incentive to expand. (For a more comprehensive description of the country situation see Development Assistance Program Submission for Thailand - 1976-81).

In spite of Thailand's satisfactory economic performance, the Royal Thai Government (RTG) has encountered problems both in administering the public sector and in formulating and implementing economic policies and programs with broad development implications. Although the government has taken steps to strengthen the institutions involved in economic management, long term institutional problems remain which will require continued attention if lasting improvements are to be made in development planning, public finance and economic management. This problem is exacerbated by the high priority the newly elected government is placing on areas relatively new to Thai economic planners and managers: price supports, land reform, land conservation, income disparities, employment and environment.

In an effort to achieve a more equitable distribution of the benefits to be shared, the present government is particularly focusing on income distribution, expanding social services, raising agricultural productivity and decentralization in some aspects of public sector administration. There is an increasing awareness that it is not so much the pace of growth as the manner and consequences of its occurrence that should claim the attention of planners and policymakers. Whereas previous developmental planning focused primarily on Bangkok and the central plains, special

efforts are now being made to develop the outlying regions and to narrow the income disparity which exists essentially between the rural and urban areas.

There are however, future challenges which the initial TTMS inputs can address. Changes taking place in the international economic environment and the Thai economy will require more active economic management than in the past. The sharp swing from surplus to shortages in world agricultural markets and accompanying price changes, the energy crisis, the acceleration in international inflation, and exchange rate fluctuations have added a destabilizing element to the open Thai economy and require faster and more active policy responses. As the country industrializes, agricultural production is intensified, and employment and population problems become intensified, more dynamic development policy measures will be required to maintain economic growth and stability.

Stronger articulation, or in some instances demands for additional government services from students, farmers, and laborers have accompanied Thailand's change to a democratic form of government. The claimants for government services and their increasing expectations require an interaction between the decision makers and the functional ministries which will enable the decision makers to formulate policies ensuring an equitable allocation, distribution and utilization of RTG resources. Strengthening of the planning and budgeting units within the functional ministries is also a necessary step in improving overall planning and project preparation since it is these agencies that must formulate sectoral projects and programs in detail and oversee their implementation.

1. Application for Assistance

The grantee's application for assistance and the proposal as presented in the Project Paper are basically focused upon the same objectives. This project is designed to improve the capability of the RTG in development planning and implementation, public finance and economic management. The type of assistance provided is not new, but the modality of assistance is a transitional instrument which puts into place a mechanism for continued developmental relationships and is responsive to Thai priorities. This assistance is the most important element of our transitional assistance strategy in Thailand (See DAP, pp. 19-27) and provides the mechanism by which Thailand will gain access to U.S. technical expertise under Section 607 of the FAA.

The project inputs will be directed to addressing key developmental problems as defined by the RTG, and to overcoming the less than helpful institutional rigidities as well as the current policy goals of the RTG. It will also provide the RTG with a capability to anticipate future potential problems. This approach will permit a degree of pre-emptive action as opposed to limiting the RTG to reaction after problems have emerged.

B. Detailed Description

For the reader's convenience two sections of this paper provide a detailed description of the project. The Project Logical Framework Matrix (Annex A) provides a brief description of the essential elements of the project. In addition, the Project Description, part 2 of this section, describes the two key activities of advisory services and training in more detail than the Logical Framework relating the activities to the critical areas which concern the Thais as expressed by the Thai government and RTG five-year plans.

1. The Logical Framework Matrix

The project design Logical Framework Matrix, Annex A, provides a brief description of the essential elements of the project. It includes a number of critical assumptions which will be followed closely throughout project implementation. The problems encountered will be addressed promptly by the joint RTG/USOM Project Implementation Working Group. Further, the evaluation team will examine the assumptions and seek evidence of progress. It is fully recognized by the project designers that many of the assumptions are as critical to project success as achievement of outputs.

The project goal directed to RTG allocation and utilization of resources in priority areas identified by the Fourth Five-Year Plan (FFYP) ties this project into major RTG reform efforts. It is recognized that other RTG projects directed toward other sectors such as agriculture by the U.S. and other donors will also make a significant contribution toward achievement of the goal.

The project purpose of causing improved RTG capabilities in development policy formulation, problem analysis, program planning, implementation and evaluation is aimed at critical elements in increasing the productivity of Thai resources. Project implementation will mobilize specialized advisory services and training designed to eliminate the obstacles and constraints in reaching the

above capabilities through a grant agreement described in detail in another section of this Project Paper (See Annex C).

The project outputs of improving Thai analytical problem solving and management capabilities in priority areas identifies technical skills essential to successful social and economic development. The project will concentrate on the target areas identified in the project description.

The inputs identified in the Logical Framework are basically advisory services and training. The areas of emphasis, the modality of providing inputs, funding and other requirements can be found as referenced in other parts of the project paper but particularly in the grant agreement (See Annex C). Emphasis is being given to relatively short term training programs and advisory services to shorten the "pay back" period for the anticipated outcomes (improved government services for development) as a result of the investment in the provision of skills.

Periodic evaluations will determine the extent to which time phasing of inputs - outputs - purpose and goal expectations can be provided. Development planning and management is an ongoing responsibility, but we expect to identify discernable trends in specific ministries, agencies (programs) within 10 months after the provision of discrete training or advisory services.

2. The Project Description

U.S. assistance to Thailand in terms of strategic precepts is in a transitional period. TTMS reflects a new project design which recognizes the antiquity of most traditional methods of assistance and reflects a partnership with Thailand which is appropriate for a newly formed democratic government completing the final year of the Third Five-Year Plan period. These changes have a significant impact on the program goal of this project because the quantitative and qualitative allocation and utilization of resources depends upon the identification of priority areas. These priority areas were expressed in the development objectives of the Third Five-Year Plan as follows:

- a. Sustain a GNP growth of 7% per year while maintaining monetary and financial stability.

- b. Promote economic growth in the rural areas and reduce income disparities.
- c. Promote social justice.
- d. Develop manpower resources and create employment.
- e. Promote the role of the private sector in economic development.
- f. Maintain economic stability.

The new Thai government is modifying the Third Plan through the creation of new programs as it simultaneously becomes involved in the development of the Fourth Five-Year Plan. Plans were announced to address the income disparity problem principally through welfare measures such as subsidized medical care, standardized compulsory education for all children through grade 4, free busing for the urban poor and through guaranteed prices to the farmer for certain agricultural commodities. These priority goals involve changes in the style of government toward goals and practices which more closely reflect the demands of the people and changes in the institutions and structures of the nation. The planning process has been to plan from the top down. Now, the current government is attempting to modify the process by introducing planning from the bottom up through the tambon councils which is illustrative of a readiness to consider new approaches. The RTG has not used the planning and budgeting process with sufficient effectiveness to clearly determine and enforce program and project priorities. There is also both a need and an interest on the part of the RTG to expand the ability of the municipalities to finance improved services through locally generated revenue.

Within this dynamic setting, project criteria for training and advisory services were established. In the process of arriving at a mutually agreed upon criteria for project implementation, it was decided that the project focus would be expressed by both priority problem areas and by more traditional RTG sectors. The joint RTG/USOM Project Design Committee identified the following priority problem areas applicable for TTMS inputs which are in accordance with current RTG plans, the DA's strategy and U.S. Congressional Mandates and which are summarized as follows:

- a. Coordination and organization of the planning and budgetary process.

- b. Improved terms of internal and external trade for agricultural commodities.
- c. Alleviation of rural unemployment and underemployment.
- d. Expansion of rural social services, especially health and education.
- e. Reduction in the population growth rate.
- f. Establishment of policies and practices to conserve Thailand's land resources.
- g. Reduction of urban/rural and regional income disparities.

The Foreign Assistance Act (FAA) requires that AID concentrate its assistance in programs designed to increase the welfare of the rural poor. These concerns are consistent with RTG policy statements, the critical problems identified, and present planning for the Fourth Five-Year Plan. In establishing a criteria for this Thai target group the qualifying conditions enumerated were:

- a. Per capita income below $\text{฿}3,000$ per year.
- b. Daily diet of less than 2,160-2,670 calories.
- c. Infant mortality over 33 per thousand.
- d. Birthrate over 25 per thousand.
- e. Life expectancy of under 55 years. ^{1/}

Application of this standard to the 72 provinces of Thailand establishes the eligibility of the Thai people and the agencies which serve them in virtually all provinces outside the greater Bangkok area as potential beneficiaries of assistance through TTMS resources. As the administrative agency of the proposed grant, DTEC will review applications for training and advisory positions for the respective RTG organizations on a case by case basis to select those requests which fulfill the priority area and target group requirements.

^{1/}Senior Operations Task Force for the Rural Poor.

The purpose of the project is to provide advisory and training services to improve RTG capabilities in development policy and problem analysis, program planning, implementation and evaluation. The end of project status will not only be improved analysis and action by the RTG on some of its critical development problems as identified in this paper, but also a demonstration of the continuing interest of the U.S. in Thailand's development problems in a new kind of partnership. Through the provisions of the grant agreement in Annex C there will be an orderly transfer of appropriate implementation and administrative responsibility. For example, DTEC will work with units within the RTG who are responsible for the designing and installing of social and economic programs and help them identify and secure advisory services and training programs either directly or through an intermediary. In this modality of operation, Thai talents and resources are utilized to increase the productivity of the RTG through greater initiative and responsibility for mobilizing outside technical assistance and through a greater opportunity to directly shape the blending of Thai and donor resources.

Project Linkages

Sound project design results in linkages which clearly indicate that inputs will lead to outputs and outputs to purpose. These project linkages take on meaning and clarity when more is known about the unique role of this project in the social and economic development milieu in Thailand.

The key output of this project has been identified as an improved Thai analytical problem solving and management capabilities in priority areas defined in the Fourth Five-Year Plan. An analysis of the priority problem areas as revealed by the current government underscores the compelling need for a rural development strategy which encompasses activities across the full spectrum of the major sector agencies and from the top of central government to the smallest village in rural Thailand. As the national plan and program for rural development emerges and is placed into action, the advisory services and training opportunities provided through TTMS project will contribute initially to the development of a strong organizational effort at the national level within and through central government sectoral agencies. These services will also be brought into play to deepen the local capability to implement the plan. Inputs will be available to contribute to Thai technical and administrative efforts in the areas marked for major concentration. They may also be applied to phasing and sequencing

activities. Inputs targeted for the National Economic and Social Development Board (NESDB) planning functions will also contribute to a clear definition of the overall problem and thereby reduce fragmentation and dispersed efforts in the various RTG sectors.

It is important to balance overall central control with decentralized regional and local project planning. Effective rural development activities frequently involve local officials and the rural poor in both planning and implementation. Although this project will respond to local advisory and training requirements, its primary impact will be through the central coordinating, planning and implementing functions of the major sector agencies. It is intended as a significant effort focused primarily on the RTG center agencies and sectors which will enhance the development impact of other RTG local and regional projects directed at the rural poor and supported by a mutuality of resources from the RTG, U.S. and other donors.

As more sectors and various levels of the RTG become deeply engaged in designing and implementing national, regional and local rural project activities, requirements for skilled planners, managers and various types of RTG staff and agents will increase markedly. Technological and organizational demands will tend to multiply and combine with procedural and manpower difficulties to limit the effective utilization of RTG resources. A major input to meet these chronic problems is provided by a training program managed by Thais with a unique knowledge of Thai needs and a familiarity with both Thai and U.S. training resources. Much of the training would be of the on-the-job type and sometimes supplemented by both long and short-term formal training.

Full opportunities would be provided for both men and women. It is noted that women are well integrated into the economic fabric of Thailand and play important roles at the middle level of the Thai government. However, some legal and cultural restrictions still prevail which place them at certain disadvantages in the areas of employment and property ownership. Nevertheless, this project will stress the allocation of resources in such a manner that both the primary beneficiaries (e.g., the individuals selected for training) as well as the ultimate beneficiaries (e.g., the rural women who will benefit from research in family planning, adult education, improved agriculture, etc.) will share in the benefits of this project.

In this connection, a high percentage of the participants sent for training in the past 25 years have been women. Out of the nearly 10,000 participants trained to date, over 1,500 (nearly 16%) have been women and the percentage for the past three years has risen from 16% to 22%. Continuation of this desirable trend is a fundamental project objective.

PART III - Project Analyses

A. Environmental Assessment

It is not possible to prepare a detailed analysis of the environmental impact of this project. In general, the RTG has shown an increased awareness of the importance of environmental planning and policy as an essential consideration in national planning. In the past year, a new Environment Board has been created at the cabinet level to administer environmental matters. In addition, a new environmental section within the National Economic and Social Development Board was also created. Plan preparations and recently launched research point to a new environmental dimension to be included in the Fourth Five-Year Plan.

It is clear from these concrete actions that the RTG has initiated plans and created agencies to insure that project analysis and design reflect consideration of environmental factors. At this time, no negative impact on the environment is foreseen as a result of this project.

B. Financial Analysis and Plan

Because there are no cash flows, the structure of the project is such that rates of return cannot be formulated. However, the following represents the estimates prepared and used by DTEC/USOM in order to determine the appropriate number of months available for advisory services and training programs.

Estimated Dollar Costs for Advisory Services

It is anticipated that advisory services will be acquired by DTEC in a variety of ways: individual contracts, institutional contracts, AID direct-hire, and PASA. Services will also be acquired for varying periods with emphasis on short-term assignments. Given the variety of cost factors involved in the anticipated mix of services, it is difficult to calculate precisely an average monthly cost per advisor. For planning purposes, however, an average cost of \$5,500 per month has been used. Based on this average cost, it is estimated that approximately 360 months of advisory services will be provided under this project.

The estimates for training costs are as follows:

I. Dollar Funded Costs:

A. U.S. Training costs including books, training materials, per diem, complimentary programs, health insurance premiums and internal travel

<u>PROGRAM</u>	<u>LOCATION</u>	<u>COST PER MONTH</u>	<u>MONTHS REQUIRED</u>	<u>EST. COST</u>
Ph.D.	U.S.	\$ 650	42	\$ 27,300
MA/MS	"	\$ 650	24	\$ 15,600
OBS/OJT	"	\$1,750	4 Mo.Avg.	\$ 7,000

B. Third country training costs including books, training materials, per diem and internal travel -

<u>PROGRAM</u>	<u>LOCATION</u>	<u>COST PER MONTH</u>	<u>MONTHS REQUIRED</u>	<u>EST. COST</u>
Ph.D.	AIM and SEARCA in the Phil.	\$ 200	42	\$ 8,400
MA/MS	"	\$ 200	24	\$ 4,800
OBS/OJT	Phil.	\$1,000	2 Mo.Avg.	\$ 2,000

<u>PROGRAM</u>	<u>LOCATION</u>	<u>COST PER MONTH</u>	<u>MONTHS REQUIRED</u>	<u>EST. COST</u>
OBS/OJT	Korea	\$ 1,200	2 Mo. Avg.	\$ 2,400
OBS/OJT	Malaysia	\$ 1,000	½ "	\$ 500
OBS/OJT	Hong Kong	\$ 1,000	½ "	\$ 600
OBS/OJT	Singapore	\$ 1,200	½ "	\$ 600

C. Training in Thailand including books, training materials and stipend -

<u>PROGRAM</u>	<u>LOCATION</u>	<u>COST PER MONTH</u>	<u>MONTHS REQUIRED</u>	<u>EST. COST</u>
Ph.D.	AIT	\$ 375	42 Avg.	\$ 15,750
.MS	AIT	\$ 375	24 Avg.	\$ 9,000

II. Baht Funded Costs: (In dollar equivalents)

A. English language training costs:		
Avg. per trainee		\$ 250
B. Continuation of salary		
Avg. per month		\$ 100
C. International travel:		
1. U.S. Training		
Avg. per trainee		\$1,824
2. T.C. Training		
Avg. per trainee		677

As with the advisory positions, specialized short term programs are being emphasized. Current plans call for approximately 65% of the training funds to be used for short term programs, and the remaining 35% for long term programs. Under this arrangement, the following is projected:

	<u>No. of Months</u>	<u>Cost</u>	<u>No. of Months</u>	<u>Cost</u>
1. Short Term				
a. Asia (\$1,000)	600	\$600,000		
b. U.S. (\$1,750)	400	\$700,000		
2. Long Term				
a. Asia (\$200)	1,200	\$240,000		
b. U.S. (\$650)	708	\$460,000		
Totals:	a) Months	2,908	b) Cost	\$2,000,000

The total number of months of training is higher than 2,000. It is recognized that the training locations may vary or alternatively that the costs of training may increase. Nevertheless, estimated funds are sufficient to provide approximately 2,000 months of training.

Recurrent Budget Analysis of Implementing Agency

Under the terms of the proposed grant agreement, the recipient RTG ministries and agencies will provide some of the local currency requirements of the contract advisors as well as the costs of transportation or travel. Based on past experience, the respective budgets of the agencies involved will be sufficient to enable the RTG to operate and maintain the project.

In addition, the RTG may also provide local currency from its own revenues to finance other activities not included in regular RTG ministerial budgets. These extra-budgetary "Project Account Funds" (PA) are used by the RTG to enable the various ministries to start development activities without having to await formal budgetary approval and incorporation into the Thai budget. For example, the RTG could use these funds to pay for additional staff costs, commodities, research or travel needed to support activities encountered in implementing activities under this project.

Financial Plan/Budget Tables

See attached, page 22a.

C. Social Analysis

In common with other countries of Asia, Thailand has a largely traditional society but it is modifying its governmental structures and processes to be more responsive to development problems. Policy articulations and early actions of the Royal Thai Government highlight the need for broad-based development approaches which combine economic growth with Thailand's social setting for increased participation of the populace outside the greater Bangkok area in the development process.

1. Socio-Cultural Feasibility

Recent RTG policy objectives stress combatting poverty, inflation and unemployment. Initial steps have been taken to decentralize some portions of the central bureaucracy to the provincial level and decentralize planning

SUMMARY COST ESTIMATE AND FINANCIAL PLAN

(US\$ 000)

PROJECT PAPER

S O U R C E	AID**		Host Country		Other(s)		TOTAL
	FX	LC	FX	LC	FX	LC	
Contract Advisory Services (Estimated work months 360 including services of intermediary contractor)	2,000			1,000			3,000
Training - Academic and non-academic (estimated number of months 2000)	2,000			500			2,500
T O T A L	4,000			1,500			5,500

and implementation to the tambon level. A new Administration Improvement Center of the Office of the Prime Minister has been established to decentralize the administration of local development projects including such areas as health, education, electricity and water resources. In essence, the RTG is making efforts to bridge the gap between the Center and the local institution and systems by building linkages between national, regional and local levels.

The current socio-economic milieu not only lends itself to developmental gains consistent with RTG developmental goals and the Congressional Mandates but it will also generate substantial requirements for managerial and technical skills. Although the major social and economic benefits of this project have not been quantified in the PP and the full benefit cannot be estimated or fully documented at this time, nevertheless the timely improvement of management and technical skills should have "a spread effect" with a significant impact within the agencies responsible for the RTG priority programs and reach the rural regions for which many of the programs are designed. Considerable assistance toward meeting these requirements can be secured through the advisory services and training made available by this project.

Although these managerial and technical skills will emerge from traditional groups seeking to maximize existing knowledge and from patterns of leadership such as central agencies and local (Tambon) councils, it will also blend new organizations (Administrative Improvement Center) as required with the traditional ones. This appears to be an appropriate organizational mix to achieve a spread effect within a reasonable time frame. For example, an immediate impact is to be achieved by the allocation of special budget to Tambon Councils through the Ministry of Finance. This illustrates the use of a traditional local institution in cooperation with a central Ministry to stimulate the economy. Further, it illustrates the enhancement of the role of local institutions through greater leadership opportunities to work with the mass of people in the provinces. The new organizational efforts and changes described here would qualify for advisory services or training programs under the project criteria. If either input were utilized, the social and economic benefits would be very difficult to quantify until the precise quantity of services were identified and sufficient time had elapsed to permit a reasonable application of the assistance. Therefore, the major social and economic benefits have not been quantified in the PP but rather this section will illustrate the spread effect of social gains by citing several examples of assistance.

a. Advisory Services and Training in Nonformal Education

The only way the mass of rural people can be involved quickly in a nationwide knowledge system is through non-formal training programs. These training programs begin at the present knowledge level of the villagers and may include literacy, hand skills, sanitation, agriculture, etc. to help people become more productive in the present circumstance. In Thailand, these programs are initiated and organized primarily by the RTG. This rapidly expanding system which would qualify as an important component of a rural development effort may be organized more rapidly and effectively with the provision of training programs and advisory services targeted to produce RTG leadership for the provinces of Thailand.

b. Farmer Cooperatives

The cooperative technique of organizing people can be used to give small farmers institutional access to the means of production, the financial system, the market and agricultural information. The cooperative is one way of providing a succession of small improvements which can be more easily adjusted to and maintained as steps toward achieving higher levels of productivity. The RTG's role is to help small farmers have access to the modern agriculture system and protect them from exploitation. Responsive cooperatives permit local officials to work more directly with farm members and their effectiveness is increased when operating under enlightened central government support. This is another potential area for assistance in advisory services and training which could make a significant impact on rural development.

c. Regional Planning

Improving rural opportunities for social and economic growth involves not only an urban center but an infrastructure to link farmers to the urban center. Regional planning strategies usually emphasize regional centers to provide market, service facilities and light labor-intensive industries processing local materials. Both the center, the region and the local level are needed to bring these activities into being for rural people.

In modernizing Thai agriculture increased access to transportation storage and electricity is required to realize maximum benefits for the farmer. From this setting,

a network of agro-urban communities will emerge if there is an adequate commitment of resources and planning. The growth of this network provides numerous intervention points for the prudent application of advisory services and special training at both national and regional levels through both donor and RTG sources which has high potential for genuine social and economic growth.

An immediate concern when dealing with the social feasibility of TTMS is not only the population at large, but the bureaucracy of the RTG. It is recognized that the folkways of the RTG bureaucracy will have a decided impact on the success or failure of discrete project inputs. This is not to overemphasize the personalization of some government operations. It is a recognition that a "social system" or standard of behavior exists in the RTG bureaucracy, and that this system will have an important role in the implementation of TTMS.

Any negative effects of the "social" system such as inadequate utilization of advisory services or a tendency by some agencies to place too high a value on formal degree training are much less likely to occur because the joint establishment of realistic criteria and administrative arrangements in advance of the initiation of specific inputs has been incorporated in the planning process and the agreements reached in the development of the project paper.

D. Economic Considerations

Due to the nature of TTMS an economic analysis could not be performed yielding results which would be indicative of realistic expectations in quantifiable terms. As a case in point, assume that the tax structure is revised resulting in an aggregate increase in annual per capita income of one half per cent. With a population of 41 million and a per capita income of \$230 we have the following: $41,000,000 (.005 \times 230) = 47,150,000$, which represents an aggregate average annual increase in income of \$6,150,000. A simple benefit cost analysis would be as follows:

B_t	=	total benefits in year _t
C_t	=	total costs in year _t
N	=	number of years of the analysis
i	=	Social discount rate
r	=	Rate of return

Therefore: $B_t = \$417,150,000$
 $C_t = \$4,000,000$ (TTMS grant)
 $n = 5$
 $i = 10\%$ (which is high)
 $r =$ To be derived

Benefit cost ratio:

$$\frac{\sum_{t=1}^5 \frac{B_t}{(1+i)^t}}{\sum_{t=1}^5 \frac{C_t}{(1+i)^t}}$$

or

$$\frac{\sum_{t=1}^5 \frac{6,150,000}{(1+.10)^t}}{\sum_{t=1}^5 \frac{4,000,000}{(1+.10)^t}}$$

Which is:

$$\frac{\frac{30,750,000}{16}}{4,000,000} = \frac{1,921,875}{250,000} = 7.6 \quad \text{or} \quad r = 760\%$$

It is recognized that in the real world such as analysis would not be as simple, but with a very small percentage change in income, and a high social discount rate, the rate of return implies two things: (1) the potential beneficial aspects of one advisor or trainee (2) the folly of attempting to perform an economic analysis.

The design of TTMS is such that there is more than a reasonable degree of certainty that benefits will accrue to Thailand's poorest majority. However, reliable measurement in terms of numbers of people effected, time frame, and the returns on discrete portions of TTMS "investments" can best be derived from the ex-post analyses.

Measurement of benefits could be estimated for those trainees in academic programs using expected increases in lifetime earnings as a result of the training. While economically sound, this approach would be in terms of the Congressional Mandates, myopic and misleading. TTMS is not designed only to benefit the trainees. The trainees are the "instruments" who will work in capacities which will benefit the poorer majority in Thailand. An economic analysis encompassing all of the TTMS inputs, the expected time period when there are yields on an investment, must take into account the decision function which cannot be estimated.

PART IV - Implementation Planning

A. Administrative Arrangements

1. Recipient

The Department of Technical and Economic Cooperation (DTEC), with various RTG agencies which impact on social and economic development, will be directly responsible for the implementation of the project. With more than two decades of experience with technical assistance, DTEC possesses considerable management capacity to carry out its assigned role. However, as new mechanisms or procedures are introduced, special technical assistance may be required and can be obtained either through the project or through central funds to assist DTEC or the cooperating government agencies. For example, should the RTG wish to explore innovative approaches to mobilizing technical resources, the services of an intermediary can be funded through project funds or assistance can be secured through central sources such as Sections 607 or 661 of the FAA.

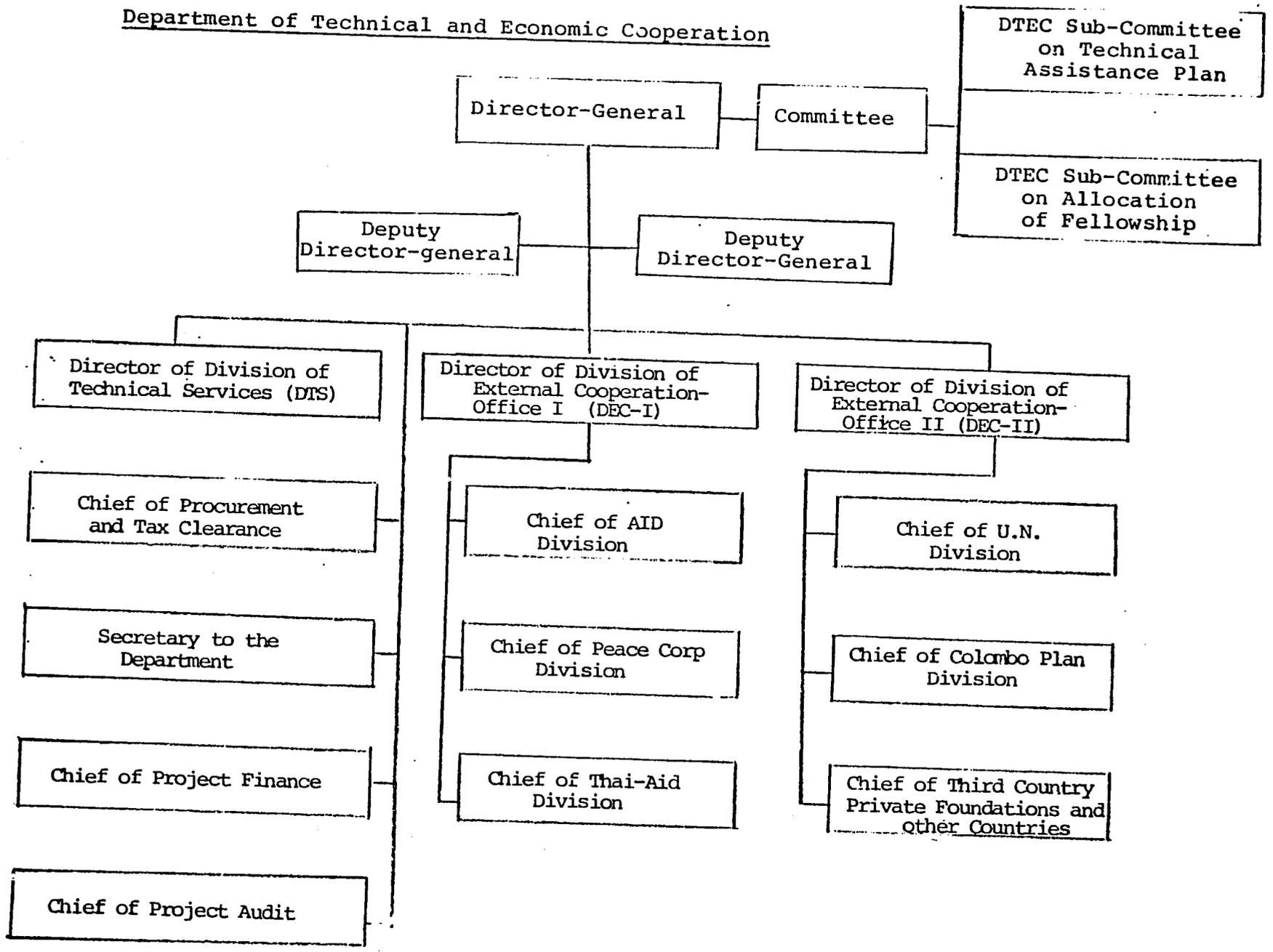
DTEC which carries the RTG responsibility for administering foreign assistance programs is organized as shown on the attached chart (page 29). Although the major responsibility for AID projects is vested within the AID Division of DTEC, considerable responsibility for coordination and implementation will be shared by this Division through a Project Implementation Working Group. In USOM terminology the DTEC project implementation working group consists of a Project Officer; a contract officer; and a training officer. The Project Officer will be responsible for the general administration of TTMS with staff support from the contract and training officers.

Another RTG agency that will be involved with this project is the National Economic and Social Development Board (NESDB). This organization is responsible for development planning.

NESDB has prepared three five-year plan and is currently engaged in preparing the fourth plan in cooperation with various ministries and organization of the Royal Thai Government. During the next two years, it will also be preparing annual plans to cover both implementing policies and projects which are more detailed than the overall plans and are adjusted as required in accordance with resource availability.

ORGANIZATION CHART

Department of Technical and Economic Cooperation



As the economy has become more complex and the pace of significant events in Southeast Asia more rapid, the consequences of development projects have generally had wider ramifications making allocation decisions more complex and more difficult. The need for development alternatives, appropriate recommendations and careful analysis, underscores the need to build a strong RTG planning and implementation network and to effectively support the implied and actual interdependence among such agencies as DTEC, NESDB and particularly the policy and planning sections of key RTG ministries. DTEC and NESDB have established and are strengthening good working relationships that can be expected to be maintained during and after the completion of this project. Other mutually agreed upon administrative arrangements between the RTG and the U.S. government are incorporated in the agreement (Annex C).

2. A.I.D.

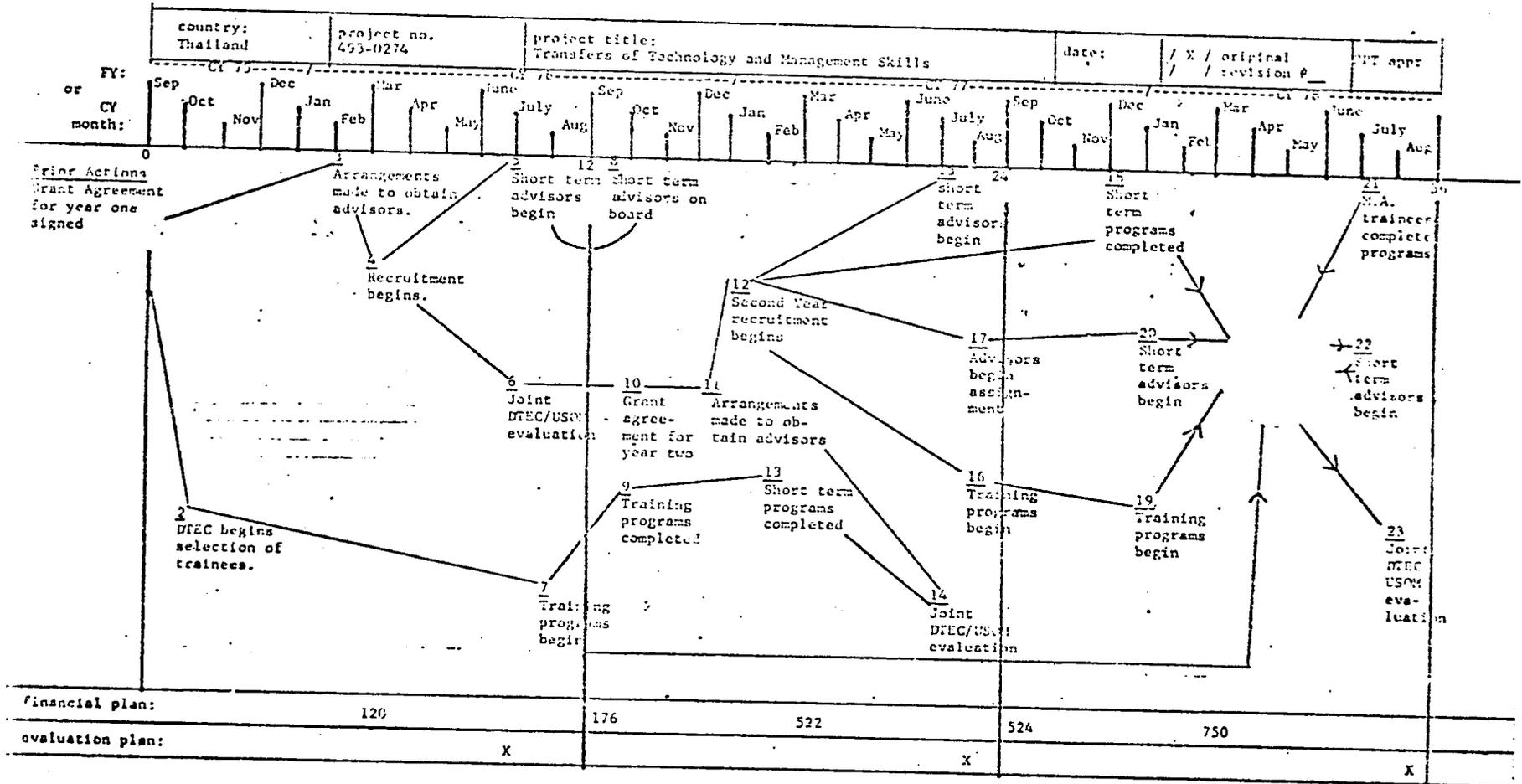
The TTMS project has been assigned to one of the Mission's six new project management teams. The team consists of one U.S. direct-hire Project Officer, a USOM local hire Assistant Project Officer and a Secretary/Administrative Assistant. This team will be responsible for monitoring project progress and will work with the DTEC Project Manager and the Project Implementation Working Group to assist with project implementation and evaluation.

DTEC and the Project Implementation Working Group will be assisted during the transition year by the USOM Participant Training Division staff. The Training Division will move to DTEC in August to assist with the initial implementation of the training element of this project. The USOM training staff will work directly with DTEC counterparts in the AID Division shown in the organization chart on page 29.

Initial implementation of the advisory services portion of the project will be guided by the Project Implementation Working Group. It is anticipated that the staff of the Training Division and the U.S. Training Officer will have integrated their functions with their DTEC counterparts during the initial months of this activity. Implementation will proceed as shown in the Implementation Plan presented in Part IV. B.

B. Implementation Plan

See attached, pages 31 and 32.



PROJECT PERFORMANCE NETWORK

country: Thailand	project no: 493-0274	project title: Transfers of Technology and Management Skills	date: / / original / / revision #	apprvd:
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CPI NARRATIVE

2. 11/75 DTEC begins selection process of trainees for short and long term programs.
3. 2/76 Formal arrangements are made to obtain advisory positions. Options: a) AID Direct Hire, b) PASA, c) Contract Intermediary.
4. 3/76 Recruitment for advisory positions begin.
5. 7/76 Four short term advisors begin work in respective RTG ministries/agencies.
6. 7/76 Joint DTEC/USOM evaluation focussing primarily on the administration of grant.
7. 8/76 Training programs begin:
 - a) 15 short term
 - b) 30 long term
8. 9/76 Eight short term advisors and 2 long term advisors on board.
9. 10/76 Twenty two short term programs are completed. Trainees return to respective ministries/agencies.
10. 10/76 Grant agreement for second year of funding is signed.
11. Same as event No. 3
12. 1/76 Recruitment for advisory positions and trainee programs begin. Three long term training programs begin.
13. 1/77 43 short term programs are completed. (training)
14. 7/77 Joint DTEC/USOM evaluation. Administration of grant and impact of training and advisory services on development analyses/programs.
15. 7/77 Thirteen short term advisors begin assignments in respective ministries/agencies.
16. 8/77 Training programs begin:
 - Long term 24
17. 8/77 Advisors begin assignments. Six long term.
18. 12/77 Seventy short term programs completed. Trainees return to respective ministries/agencies.
19. 1/78 Nine long term programs begin.
20. 1/78 Twelve short term advisors begin assignments.
21. 7/78 Twenty long term programs are completed. Trainees return to respective ministries/agencies.
22. 7/78 Ten short term advisors begin assignments.
23. 8/78 Joint evaluation.

C. Evaluation Plan

Annual evaluations will be conducted approximately on the anniversary dates of the project by a combined RTG/USOM evaluation team. The final evaluation criteria to determine the effectiveness of the project in addressing the priority problems will be established by DTEC and USOM and will consider the objectives set out in this project paper. The fundamental questions to be considered by the joint evaluation teams are as follows:

1. Are the consultant services and training effecting a change in the conditions of an identified target group of rural and urban poor?
2. Is the organizational and management structure of TTMS an efficient method of carrying out the project?
3. Are the advisory services and training programs used to bring about administrative improvements in the respective agencies/ministries?
4. Does the actual administration of TTMS support the transition strategy?

The joint evaluation team will consider among other issues the relevance of the consultants and training to the rural and urban poor, the adherence of the consultant services and training to the specific objective of the original request for the services, timing, effective utilization, and follow up. It will also consider such issues as the effort, length of time and costs of recruiting consultants and selecting training courses, relative to project provided service, quality of the services, opportunities provided to women and the management and institutional problems in administering TTMS. (See Annex E for first draft of TTMS Checklist prepared as initial step toward developing evaluation instruments.)

D. Conditions, Covenants and Negotiating Status

The substantive conditions and covenants identified are included in the agreement, Annex C. It is anticipated that they will be satisfied prior to execution of the agreement. The conditions and covenants have been discussed with the RTG as has the assistance to be provided. There are no substantive areas of disagreement between the Mission and the RTG regarding the project. Documentation for RTG approval and request for grant assistance has been jointly developed with the Project Paper.

PROJECT REVIEW SHEET (PRS)

Thailand - Transfers of Technology and Management Skills Project

1. General Project Data

- 1. Title - Transfers of Technology and Management Skills
- 2. Project No. 493-11-755-274
- 3. Appropriation Category: Human Resources
- 4. Date of Submission to Bureau: January, 1975
- 5. Project Development Team

Granville S. Parsons, Assistant Director for Human Resources
 Herbert Roberts, Training Officer
 Edgar C. Harrell, Assistant Director for Program
 Robert M. Ellison, Assistant Program Officer

6. Priority and Relevance

Among the strategic precepts for U.S. assistance to Thailand is the awareness that 1975-1981 is a transitional period. Traditional methods of providing bilateral assistance are no longer appropriate to Thai-U.S. development relationships and different means of conveying assistance need to be designed which in part reflect USG-USOM partnership in design; rely upon and encourage Thai, not USOM, managerial capabilities; respond to Thai priorities. 1/

The basic inputs (training and advisory services) of this project are not "new." However, the modality of assistance is a transitional instrument which puts into place a mechanism for continued developmental relationships, and is responsive to Thai priorities.

Grant agreements which are under preparation will serve as the funding mechanism for this project. The agreements will provide for an orderly transfer of implementation and administrative responsibilities from U.S. to Thai hands.

1/ DAP Section I, pp. 19-27.

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and be generally valid for assistance purchased under Section 607 after the biennium financed with grant funds.

The RTG is placing the highest priority on agricultural production and increasing rural income; a priority which is reflected in the Third Five-Year Plan, the DAP and USOM's program goals.^{2/} Yet, a recurring observation in the DAP is the divergence between plans and implementation of programs within the RTG.^{3/} The causes of program bottlenecks are varied, but principal reasons are inadequate training and experience of RTG officials in priority problem areas and administrative rigidities that constrain the allocation and utilization of existing trained personnel to address these problems.

The purpose of this project is to improve RTG capabilities in development policy and problem analysis, program planning, implementation and evaluation, while technical level and specialized services and training may also be programmed with the proposed grant.

II. Borrower/Grantee/Administering Agency

Royal Thai Government: Department of Technical and Economic Cooperation.

III. Description of Project

A. Scope. The scope will be agreed between USOM and the RTG as part of the preparation of the FF-grant agreement. The purpose of the project is to provide advisory and training services for:

1. Development, installation and evaluation of policy, programs, projects which increase social justice and economic opportunity and generate income and employment for the rural poor.

2. Identification, analysis and design of activities which increase the productivity of Thai resources aimed at critical problems and goals of the Fourth Five-Year Plan and beyond, particularly in respect to the poorer majority.

^{2/} DAP Section 1, p. 6, pp. 10-22.

^{3/} DAP Annex A, pp. 4-7.

Advisory services of up to 400 months and training of up to 2,000 months will be aimed at priority areas such as economic planning related to structural, endemic and key problems, agricultural production policy and resource utilization, expansion of family planning facilities, design, installation and financing of rural health services and other selected key areas currently or prospectively impeding upon the goals of Thailand's democratic government for increased social justice and economic welfare and opportunity for all Thai.

In regard to advisory services these will be aimed to enrich Thai experience and experience where such is either insufficient or not available adequately to address priority problems on a timely basis. Training may be academic in nature, although emphasis will be given to practical, short-term, on-the-job and observation training in the selected sectors, sub-sectors and problem complexes as illustrated above.

Both advisory services and training may be used to supplement, expand or build in resources already in place as a result of AID or other donor assistance efforts, as well as penetrating new areas of Thai concern. Examples of the latter may include the design of policies and programs to ameliorate the effect of increasing urbanization and the development of a strategy to bring into being new growth areas outside of Bangkok which combine agricultural-processing and industrial-commercial service industries.

The project will provide the RTC with a longer range capability to anticipate future potential problems. U.S. technology and approaches useful to the RTC in developing its own solutions, plans and options for the problems of the 1980s will be made available through this project. The approach will permit a degree of preventative action as opposed to limiting the RTC to reaction after problems have emerged.

B. Mechanics. The general parameters for the use of the grant funds for both advisory enrichment services and training will be agreed initially and from time to time. They will provide maximal flexibility to the RTC within agreed procedural guidelines. It is expected that basic programming of the grant will be done by the RTC both in respect to advisory services and training. USOM will provide on request consultative and facilitative services and take action responsibility at least in respect

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to the recruitment of advisory personnel who are employees of the U.S. Government and for training to be conducted by U.S. Government institutions or personnel.

Beyond the resources of the U.S. Government, however, the project envisages importantly tapping the U.S. private sector--academic, commercial, non-profit, not for profit, and profit-making alike--in both the advisory and training functions of the project. In these non-governmental applications the RTC will have choices as to the instrumentality to be selected for implementation. It may elect to be the implementing agent itself in some cases doing its own recruitment and contracting. More generally, we expect the RTC will want to employ the services of an intermediary or general contractor. In some sectors and sub-sectors this may suitably devolve into tapping the open bid contract arrangements which AID has already put in place. These options will be further studied during the next stage and mutually agreeable conclusions reflected in the grant agreement and its implementation plan.

C. Outcome. The outcome of the project will be not only improved analysis and action by the RTC on some of its key developmental problems, but also the manifestation of continuing U.S. interest in Thailand's development on a continuing basis. In this connection the grant agreements which are under preparation will provide for an orderly transfer of appropriate implementation and administrative responsibilities to Thai hands and be generally valid as frameworks for assistance which might be purchased by the RTC under Section 607 after the biennium financed with the funds to be approved for this project.

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IV. Beneficiary

The beneficiary will be those individuals and units within the RTC who are both responsible for and seized with the task of designing and installing social and economic development programs. The activation of Thai resources and talent will permit the very skilled administrative structure to increase its productivity to accentuate the human orientation of Thai policy and thus assist in a fairly direct way in undergirding Thailand's efforts to maintain a functioning democratic system of government.

V. Assumptions

See Logical Framework.

VI. AID Experience

In the 28 years of assistance concluded last September almost 10,000 participants have been trained in the U.S. and other countries and over five thousand man years of advisory time has been provided. It is not the place of this project review paper to assess or even document the myriad findings of these twin efforts over the years. The men and women who have been trained, however, now lead the technocracy in almost every sector - agriculture, communications, construction, education, health and technology. The programs which American advisory groups helped design and implement have had major effect in the sectors in which they have operated, particularly at the project level. The experience has been a good one for both Americans and Thai and the continued interest of the AID in assuring access to U.S. technology and management skills is a clear evidence of an evaluation and perception of the benefits of the past. Thailand's level of sophistication, the maturity of approach, demand that AID shift its gears to reflect in a real way the concept of "give us the tools; we will do the job" as applicable to the current situation.

VII. Other Donor Coordination

Training and advisory services are provided to the RTG by other donors. The coordination of specific training and advisory requirements will, under the grant agreement, be accomplished by DTCC.

VIII. Financial Plan

	U. S.		RTC	
	FY 76	FY 77	FY 76	FY 77
	(Millions)			
Training	\$1.0	\$1.0	\$.3	\$.3
Advisory Services	\$1.0	\$1.0	\$.25	\$.25
TOTAL	\$2.0	\$2.0	\$.55	\$.55

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IX. Project Development Schedule

A. AID/W approval of Plan

February 28, 1975

- B. Develop and negotiate scope of Agreement and implementation procedures with STC. March 1975
- C. Submit Grant Agreement to AID/W. May 1975
- D. AID/W Approval. June 1975
- E. Execution of Agreement. July 1975

X. Analysis
/
Data.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 493-11-795-77A

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p>	<p>Measures of Goal Achievement: (A-2)</p>	<p>(A-3)</p>	<p>Assumptions for achieving goal targets: (A-4)</p>
<p>RIG allocation and utilization of resources in priority areas identified by the Fourth Five Year Plan (TFYP).</p>	<ol style="list-style-type: none"> 1. More clearly defined strategies and programs to address problems in priority areas in the TFYP. 2. Improved implementation of strategies identified in the TFYP. 	<ol style="list-style-type: none"> 1. Fourth Five Year Plan. 2. Policies, budgets, allocation of skilled personnel (RIG budget). 	<ol style="list-style-type: none"> 1. There will be no significant shift in priorities due to economic and political changes. 2. The National Economic and Social Development Board will continue to play a leadership role in the development and implementation of the TFYP.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 403-11-755-274

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <p>To improve REC capabilities in development policy and problem analysis, program planning implementation and evaluation.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status. (B-2)</p> <ol style="list-style-type: none"> 1. Analyses performed in priority areas. 2. Better defined, more specific plans of action. 3. Accelerated implementation of projects. 4. Greater number of, and improved evaluations of projects/programs. 	<p>(B-3)</p> <ol style="list-style-type: none"> 1. Analytical studies and/or papers. 2. RECDG evaluations of programs and projects. 3. Other donee analyses of projects and programs. 4. Number of evaluations. 	<p>Assumptions for achieving purpose: (B-4)</p> <ol style="list-style-type: none"> 1. REC will continue to place a high priority on making decisions based upon careful analysis. 2. Administrative regulations within REC will not increase.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 495-11-755-374

NARRATIVE SUMMARY	OBJECTIVELY MEASURABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs: (C-1)</p> <p>Improved Total analytical problem solving and management capabilities in priority areas defined in the FYYP.</p>	<p>Magnitude of Outputs: (C-2)</p> <ol style="list-style-type: none"> 1. Greater number of skilled professional staff in RDC. 2. Fewer expatriate advisors in FYYP priority areas. 	<p>(C-3)</p> <p>Numbers of expatriate advisors on payroll.</p>	<p>Assumptions for achieving outputs: (C-4)</p> <p>There will be qualified staff to be trained by the expatriate advisors.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 493-11-755-274

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Inputs: (D-1)	Implementation Target (Type and Quantity) (N-2)	(D-3)	Assumptions for providing inputs: (D-4)
<p>1. <u>Training</u></p> <p>U.S. contribution: \$2 million.</p> <p>RTG contribution: \$600,000 (salaries travel and language training).</p>	<p>1. 2,000 months for the job, observation and academic training in Thailand, Third Countries and the U.S.</p> <p>2. 360 months of short and long term contract services.</p>	<p>RTG/USMC records, documentation.</p>	<p>1. Qualified people are available: (training and advisory services).</p> <p>2. RTG procedures provide for the identification, selection and approval of the best qualified staff for training.</p>
<p>2. <u>Advisory Services</u></p> <p>U.S. contribution: \$2 million.</p> <p>RTG contribution: \$500,000.</p>			

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PROJECT REVIEW PAPER (PRP)

Thailand - Transfers of Technology and Management Skills ProjectI. General Project Data

1. Title - Transfers of Technology and Management Skills
2. Project No. 493-11-755-274
3. Appropriation Category: Human Resources
4. Date of Submission to Bureau: January 1975
5. Project Development Team

Granville S. Hammond, Assistant Director for
Human Resources
Herbert Roberts, Training Officer
Edgar C. Hamell, Assistant Director for
Program
Robert M. Ellison, Assistant Program Officer

6. Priority and Relevance

Among the strategic precepts for U.S. assistance to Thailand is the awareness that 1976-1981 is a transitional period. Traditional methods of providing bilateral assistance are no longer appropriate to Thai-U.S. development relationships and different means of conveying assistance need to be designed which in part reflect RFG-USOM partnership in design, rely upon and encourage Thai, not USOM, managerial capabilities; respond to Thai priorities.^{1/}

The basic inputs (training and advisory services) of this project are not "new." However, the modality of assistance is a transitional instrument which puts into place a mechanism for continued developmental relationships, and is responsive to Thai priorities.

Grant agreements which are under preparation will serve as the funding mechanism for this project. The agreements will provide for an orderly transfer of implementation and administrative responsibilities from U.S. to Thai hands,

^{1/}DAP Section I, pp. 19-27.

and be generally valid for assistance purchased under Section 607 after the biennium financed with grant funds.

The RTG is putting the highest priority on agricultural production and increasing rural income; a priority which is reflected in the Third Five-Year Plan, the DAP and USOM's program goal.^{2/} Yet, a recurring observation in the DAP is the divergence between plans and implementation of programs within the RTG.^{3/} The causes of program bottlenecks are varied, but principal reasons are inadequate training and experience of RTG officials in priority problem areas and administrative rigidities that constrain the allocation and utilization of existing trained personnel to address these problems.

The purpose of this project is to improve RTG capabilities in development policy and problem analysis, program planning, implementation and evaluation, while technical level and specialized services and training may also be programmed with the proposed grant.

II. Borrower/Grantee/Administering Agency

Royal Thai Government: Department of Technical and Economic Cooperation.

III. Description of Project

A. Scope. The scope will be agreed between USOM and the RTG as part of the preparation of the PP-grant agreement. The purpose of the project is to provide advisory and training services for:

1. Development, installation and evaluation of policy, programs, projects which increase social justice and economic opportunity and generate income and employment for the rural poor.

2. Identification, analysis and design of activities which increase the productivity of Thai resources aimed at critical problems and goals of the Fourth Five-Year Plan and beyond, particularly in respect to the poorer mobility.

^{2/} DAP Section I, p. 6, pp. 20-22.

^{3/} DAP Annex A, pp. 4-7.

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Advisory services of up to 400 months and training of up to 2,000 months will be aimed at priority areas such as economic planning related to structural, endemic and key problems, agricultural production policy and resources utilization, expansion of family planning facilities, design, installation and financing of rural health services and other selected key areas currently or prospectively impinging upon the goals of Thailand's democratic government for increased social justice and economic welfare and opportunity for all Thai.

In regard to advisory services these will be aimed to enrich Thai expertise and experience where such is either insufficient or not available adequately to address priority problems on a timely basis. Training may be academic in nature, although emphasis will be given to practical, short-term, on-the-job and observation training in the selected sectors, sub-sectors and problem complexes as illustrated above.

Both advisory services and training may be used to supplement, expand or build up resources already in place as a result of AID or other donor assistance efforts, as well as penetrating new areas of Thai concern. Examples of the latter may include the design of policies and programs to ameliorate the effect of increasing urbanization and the development of a strategy to bring into being new growth areas outside of Bangkok which combine agricultural-processing and industrial-commercial service industries.

The project will provide the RTC with a longer range capability to anticipate future potential problems. U.S. technology and approaches useful to the RTC in developing its own solutions, plans and options for the problems of the 1980s will be made available through this project. The approach will permit a degree of pre-emptive action as opposed to limiting the RTC to reaction after problems have emerged.

B. Mechanics. The general parameters for the use of the grant funds for both advisory enrichment services and training will be agreed initially and from time to time. They will provide maximal flexibility to the RTC within agreed procedural guidelines. It is expected that basic programming of the grant will be done by the RTC both in respect to advisory services and training. USOM will provide on request consultative and facilitative services and take action responsibility at least in respect

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to the recruitment of advisory personnel who are employees of the U.S. Government and for training to be conducted by U.S. Government institutions or personnel.

Beyond the resources of the U.S. Government, however, the project envisages importantly tapping the U.S. private sector--academic, commercial, non-profit, not for profit, and profit-making alike--in both the advisory and training functions of the project. In these non-governmental applications the RIG will have choices as to the instrumentality to be selected for implementation. It may elect to be the implementing agent itself in some cases doing its own recruitment and contracting. More generally, we expect the RIG will want to employ the services of an intermediary or general contractor. In some sectors and sub-sectors this may suitably devolve into tapping the open-end contract arrangements which AID has already put in place. These options will be further studied during the next stage and mutually agreeable conclusions reflected in the grant agreement and its implementation plan.

C. Outcomes. The outcomes of the project will be not only improved analysis and action by the RIG on some of its key developmental problems, but also the manifestation of continuing U.S. interest in Thailand's development on a continuing basis. In this connection the grant agreements which are under preparation will provide for an orderly transfer of appropriate implementation and administrative responsibilities to Thai hands and be generally valid as frameworks for assistance which might be purchased by the RIG under Section 607 after the biennium financed with the funds to be approved for this project.

IV. Beneficiary

The beneficiary will be those individuals and units within the RIG who are both responsible for and seized with the task of designing and installing social and economic development programs. The activation of Thai resources and talent will permit the very skilled administrative structure to increase its productivity to accentuate the human orientation of Thai policy and thus assist in a fairly direct way in undergirding Thailand's efforts to maintain a functioning democratic system of government.

V. Assumptions

See Logical Framework.

VI. AID Experience

In the 31 years of assistance concluded last September almost 10,000 participants have been trained in the U.S. and other countries and over five thousand man years of advisory time has been provided. It is not the plan of this project review paper to assess or even document the myriad results of these twin efforts over the years. The men and women who have been trained, however, now lead the technocracy in almost every sector-- agriculture, communications, construction, education, health and technology. The programs which American advisory groups helped design and implement have had major effect in the sectors in which they have operated, particularly at the project level. The experience has been a good one for both Americans and Thai and the continued interest of the RTG in assuring access to U.S. technology and management skills is a clear evidence of an evaluation and perception of the benefits of the past. Thailand's level of sophistication, the maturity of approach, demand that AID shift its gears to reflect in a real way the concept of "give us the tools; we will do the job" as applicable to the current situation.

VII. Other Donor Coordination

Training and advisory services are provided to the RTG by other donors. The coordination of specific training and advisory requirements will, under the grant agreement, be accomplished by DTEC.

VIII. Financial Plan

	U. S.		RTG	
	FY 76	FY 77	FY 76	FY 77
Training	\$1.0	\$1.0	\$.3	\$.3
Advisory Services	\$1.0	\$1.0	\$.25	\$.25
TOTAL	\$2.0	\$2.0	\$.55	\$.55

IX. Project Development Schedule

A. AID/W approval of P&P

February 28, 1975

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- B. Develop and negotiate scope of Agreement and implementation procedures with RRG. March 1975
- C. Submit Grant Agreement to AID/W. May 1975
- D. AID/W Approval. June 1975
- E. Execution of Agreement. July 1975

X. Analyses

None.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 493-11-755-774

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>RTG allocation and utilization of resources in priority areas identified by the Fourth Five Year Plan (FYVP).</p>	<p>Measures of Goal Achievement: (A-2)</p> <ol style="list-style-type: none"> 1. More clearly defined strategies and programs to address problems in priority areas in the FYVP. 2. Improved implementation of strategies identified in the FYVP. 	<p>(A-3)</p> <ol style="list-style-type: none"> 1. Fourth Five Year Plan. 2. Policies, budgets, allocation of skilled personnel (RTG budget). 	<p>Assumptions for achieving goal targets: (A-4)</p> <ol style="list-style-type: none"> 1. There will be no significant shift in priorities due to economic and political changes. 2. The National Economic and Social Development Board will continue to play a leadership role in the development and implementation of the FYVP.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfer of Technology and Management Skills 493-11-755-274

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <p>To improve RTG capabilities in development policy and problem analysis, program planning implementation and evaluation.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status. (B-2)</p> <ol style="list-style-type: none"> 1. Analyses performed in priority areas. 2. Better defined, more specific plans of action. 3. Accelerated implementation of projects 4. Greater number of, and improved evaluations of projects/programs. 	<p>(B-3)</p> <ol style="list-style-type: none"> 1. Analytical studies and/or papers. 2. NESDB evaluations of programs and projects. 3. Other donor analyses of projects and programs. 4. Number of evaluations 	<p>Assumptions for achieving purpose. (B-4)</p> <ol style="list-style-type: none"> 1. RTG will continue to place a high priority on making decisions based upon careful analysis. 2. Administrative regularity within RTG will not increase.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 483-11-755-774

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs: (C-1)</p> <p>Improved Thai analytical problem solving and management capabilities in priority areas defined in the STYP.</p>	<p>Magnitude of Outputs: (C-2)</p> <ol style="list-style-type: none"> Greater number of skilled professional Thai in RDG. Fewer expatriate advisors in STYP priority areas. 	<p>(C-3)</p> <p>Numbers of expatriate advisors on payroll.</p>	<p>Assumptions for achieving outputs: (C-4)</p> <p>There will be qualified Thai to be trained by the expatriate advisors.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Transfers of Technology and Management Skills 493-11-755-27A

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2)	(D-3)	Assumptions for providing Inputs: (D-4)
<p>1. <u>Training</u></p> <p>U.S. contribution: \$2 billion.</p> <p>RTG contribution: \$600,000 (salaries travel and language training).</p>	<p>1. 2,000 months for the job, observation and academic training in Thailand, Third Countries and the U.S.</p> <p>2. 350 months of short and long term contract services.</p>	<p>RTG/USOM records, documentation.</p>	<p>1. Qualified people are available: (training and advisory services)</p> <p>2. RTG procedures provide for the identification, selection and approval of the best qualified Thai for training.</p>
<p>2. <u>Advisory Services</u></p> <p>U.S. contribution: \$2 million.</p> <p>RTG contribution: \$500,000.</p>			

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TELEGRAM

Foreign Service of the United States of America

INCOMING USOM/Thailand

PP R00000
DE RUEHC #0407 0530100
ZNR UJLLOU ZEN
P 220010Z FEB 75
FM SECRETATE WASHDC
TO AMEMBASSY BANGKOK PRIORITY

UNCLASSIFIED

Classification

Control: 350

Recd: FEBRUARY 22, 075
0930

BT
BTOM UNCLAS STATE 040007

INFO: AIDAC

MB

CM E.O. 11652: N/A

A TAGS:

CON SUBJECT: PRP REVIEW - TRANSFERS OF TECHNOLOGY AND
SE MANAGEMENT SKILLS

EXES

1. FEB. 14 PRP REVIEW APPROVED OVERALL PROJECT CONCEPT;
DECISIONS MADE FOR MISSION TO DEVELOP PP.

BTOM
/EXES

2. PP SHOULD ADDRESS FOLLOWING:

REQ (A) THAI INSTITUTIONAL CAPACITY ADMINISTER AND OPERATE
D THIS TYPE OF PROJECT. SUGGEST RTG BE ENCOURAGED ESTABLISH
A OFFICE STAFFED BY THAI TO OVERSEE OPERATION, AND THAT FUNDS
/MGT BE PROVIDED FROM THIS PROJECT TO DEVELOP THAI INSTITUTIONAL
/EXE CAPABILITY WITHIN OFFICE TO IDENTIFY AND RECRUIT BEST TECH-
/CR NICAL AND MANAGERIAL SKILLS AVAILABLE. SUGGEST DTIC BE
GIVEN THIS RESPONSIBILITY. THIS OPERATION SHOULD DEVELOP
WITHIN RTG INFORMATION SOURCES AS TO BEST AVAILABILITY
TECHNICAL ASSISTANCE AND MAY INCLUDE SENDING THAI PERSON-
NEL TO STATES FOR RECRUITING PURPOSES. THAT OFFICE WOULD
COORDINATE WITH OTHER THAI AGENCIES ON DECISION AS TO CON-
SULTANTS SELECTED AND STUDENTS SENT FOR TRAINING.

(B) IN LINE WITH AGENCY POLICY TO IMPLEMENT FULLY THE PERCY
AMENDMENT THROUGH THE INCLUSION OF A ROLE FOR WOMEN IN ALL
OF THE AGENCY'S PROGRAMS AND PROJECTS, PP SHOULD INCLUDE
STATEMENT TELLING HOW THE PROJECT WILL BE DESIGNED TO
UTILIZE MORE FULLY THE CAPABILITIES OF THAI WOMEN.

(C) PP SHOULD ALSO INCLUDE MORE ELABORATION ON LINKAGES
BETWEEN THIS PROJECT AND THE POOR MAJORITY.

(D) PP SHOULD ALSO BE MORE SPECIFIC AND DESCRIPTIVE AS TO
SECTORS THAT RECEIVE PRIORITY ATTENTION.

BT

#0407

This is a

PRIORITY

telegram.

MISSINGER

Advance copy to be provided to recipient required within 2 working days.
Ural

UNCLASSIFIED

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ANNEX C

AGREEMENT

FOR THE

TRANSFER OF TECHNOLOGY AND MANAGEMENT SKILLS

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--oooo00000oooo--

AGREEMENT dated the _____ between the ROYAL THAI GOVERNMENT (RTG) (Grantee) acting through the DEPARTMENT OF TECHNICAL AND ECONOMIC COOPERATION (DTEC) and the UNITED STATES OF AMERICA (USG) acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.)

ARTICLE I

THE PROJECT

The purpose of this agreement is to finance the eligible foreign exchange costs and to identify the eligible local currency costs of providing training and advisory services which will assist the RTG:

1. To develop, install, implement and evaluate policies, programs and projects which will promote the economic and social development of Thailand, increase social justice, broaden the base of economic opportunity and generate employment and increased income for the rural poor.

2. To identify, analyze and design activities which will increase the productivity of Thai resources and establish realistic goals aimed at meeting current critical needs as well as the anticipated critical needs of the 1980s and beyond, particularly in respect of the poorer majority.

ARTICLE II

SCOPE OF THE PROJECT

The joint RTG/USOM Project Working Group identified the

following priority areas applicable for TTMS inputs which are in accordance with current RTG plans, the DAP strategy and U.S.

Congressional Mandates and are summarized as follows:

- a. Coordination and organization of the planning and budgetary process.
- b. Improved terms of internal and external trade for agricultural commodities.
- c. Alleviation of rural unemployment and underemployment.
- d. Expansion of social services, especially health, education and housing.
- e. Reduction in the population growth rate.
- f. Establishment of policies and practices to conserve Thailand's land resources.
- g. Reduction of urban/rural and regional income disparities.

ARTICLE III

U.S. CONTRIBUTION

Subject to the terms and conditions of this Agreement, A.I.D. hereby agrees to provide to the RTG, pursuant to the U.S. Foreign Assistance Act of 1961, as amended, up to one million U.S. dollars (\$1,000,000) to finance the foreign exchange costs of training and advisory services under the terms of this Agreement.

The training and advisory services shall be provided in the sectors and specialties needed to promote the economic and social development of Thailand. The selection of the sectors and specialties shall be made by the RTG taking into account the priorities defined

in the RTG Third and Fourth Five Year Development Plans and in the Foreign Assistance Act of 1961, as amended.

The \$1,000,000 provided in this Agreement may be used for the following:

A. TRAINING

Up to \$500,000 of the funds provided in this agreement may be used to pay the foreign exchange costs of obtaining training in the U.S. or in any A.I.D. Geographic Code 941 Country. The costs will include but may not necessarily be limited to:

1. Tuition/training costs
2. Books, training materials and equipment
3. Per diem
4. Health and accident insurance premiums
5. Internal travel in the country of training
6. English language examinations and other tests such as the Admissions Test for Graduate Schools of Business (ATGSB) and the Graduate Record Examination (GRE).

B. ADVISORY SERVICES

Up to \$500,000 of the funds provided in this Agreement may be used to pay the foreign exchange costs of obtaining qualified advisors from the United States or from any A.I.D. Geographic Code 941 country. These costs will include but may not necessarily be limited to:

1. Salaries of technicians.
2. International travel of technicians and their authorized dependents, related overhead and fees.

3. International transportation of the advisor's household and personal effects when such transportation is on U.S. flag carriers.
4. Necessary expenses incurred prior to the advisors assignment to Thailand such as but not limited to medical examinations and immunizations for himself and his dependents and other preparatory measures as may be authorized by DTEC.
5. A reasonable amount of demonstration materials, reference materials, etc. as authorized by DTEC.

ARTICLE IV

RTG CONTRIBUTION

The RTG contribution of approximately \$5,000,000 is for the following:

A. TRAINING

The RTG will pay the local currency costs associated with training provided under this Agreement. These costs will include but may not necessarily be limited to:

1. Continuation of any RTG employment program
2. International travel
3. Travel in Thailand
4. Per diem in Thailand
5. English language training

B. ADVISORY SERVICES

The RTG will pay the local currency costs associated with advisory services provided under this Grant. These costs will include but may not necessarily be limited to:

1. Per diem and allowances in Thailand
2. Office and secretarial support
3. Transportation in Thailand
4. Research costs where such activity is undertaken in Thailand by Thai research talent, in concert with the advisory services, and such other domestic research as may be authorized by DTEC.
5. Costs in Thailand of special projects (e.g. personnel, equipment, machine time, training) initiated with the assistance of the advisory personnel.

ARTICLE V

SELECTION OF TRAINEES AND ADVISORS

A. TRAINEES

1. QUALIFICATIONS

Individuals selected for training under this Agreement will be required to meet the qualifications specified in the RTG Regulation on the Granting of Permission to Civil Servants for Education, Training and Observation Tours Abroad, B.E. 2512; DTEC's regulations on training and the academic and language qualifications of the training institution. Exceptions to the RTG/DTEC regulations may be authorized by the Director-General of DTEC.

2. SERVICE REQUIREMENTS

Individuals receiving training under this Agreement will be required to fulfill the service requirements specified in the RTG regulation referred to in ARTICLE V A.1, above.

3. TYPE AND LOCATION OF TRAINING

It is desirable that not less than 65% of the training funds provided under this Agreement will be used to fund training which is non-academic in nature and aimed specifically at problem identification and solving; and that up to 35% may be used to fund graduate and post graduate training. As a general rule, academic training will be sought from appropriate regional institutions in Thailand and Asia. When unavailable or inappropriate in Asia the training may be obtained from institutions in the United States or in one of the A.I.D. geographic Code 941 countries.

4. DURATION OF TRAINING

Training under this Agreement may be funded up to the following maximum duration:

- | | |
|---|-----------|
| a. Observation and/or on-the-job training | 6 months |
| b. Master's programs | 24 months |
| c. Doctoral programs | 42 months |

B. ADVISORS

1. Eligible Suppliers of Advisory Services

DTEC, in accordance with procedures established under the laws and regulations of Thailand, may arrange for the procurement of advisors as follows:

- a. Direct contracts for individual services.
- b. Contracts with intermediary institutions or organizations, the expenses thereof being eligible for financing under this Agreement.

c. PASA or similar arrangements with U.S. Government Organizations.

d. A.I.D. direct-hire services.

2. Qualifications

Advisors selected under this Agreement will be required to meet experience and performance qualifications established by the RTG on a case by case basis.

ARTICLE VI

FINANCING

A. DURATION

A.I.D. will provide funds under this Agreement in the amount specified in Article III. These funds may be used by the RTG to accomplish the purposes set forth in Article I. The funds will be allocated between training and advisory services as shown in Article III. This allocation may be revised by DTEC with USOM concurrence.

The funds shall remain available for expenditures on an accrued basis in accordance with the payment procedures specified below for a period not to exceed three and one half (3½) years from the date of this Agreement. Additional funds may be made available from time to time for these same purposes as may be mutually agreed.

B. METHOD OF PAYMENT

Payment for services procured under this Agreement may be made according to the following methods:

1. Training

Training funded under this Agreement shall be initiated by not later than March 31, 1977.

a. Training in the United States

(1) When training in the U.S. is programmed by AID/W, the foreign exchange costs will be paid by AID/W utilizing these funds. USOM will provide DTEC a schedule of the A.I.D. standard costs for the various types of training. By not later than the 25th of each month DTEC will submit to USOM a list of the trainees who departed for training; those who were in training and those who returned from training during the reporting period. The list will show the names of the trainees, the type of training and the total cost based on the A.I.D. standard costs referred to above.

(2) When training in the U.S. is programmed by DTEC, the foreign exchange costs will be paid quarterly by DTEC using funds made available under this Agreement.

b. Training in Third Countries

The foreign exchange costs of training in countries other than the U.S. will be paid by DTEC from funds advanced by USOM on a quarterly basis. The amount of the advance will be based on projections submitted to USOM by DTEC at the beginning of each quarter. Advance maintenance allowances for trainees departing for the U.S. as well as those departing for third countries will be paid from this advance.

2. Advisors

The services of the advisors under this Agreement must begin not later than June 30, 1977. RTG contracts with firms or individuals for advisory services must be approved by A.I.D. The foreign exchange costs of these advisors may be paid through one of the following methods:

a. Letter of Commitment/Credit

DTEC may submit an application to AID/W through USOM requesting that a Letter of Commitment be established in a specified bank in the U.S. After the Letter of Commitment has been established by AID, DTEC will then initiate action to open a Letter of Credit in favor of the designated supplier of advisory services. The supplier will present to the U.S. bank for payment, invoices and other documentation required under the terms of the Letter of Credit. Bank charges incurred in connection with these Letters of Commitment and Letters of Credit may be financed under this Agreement. The U.S. bank will then be reimbursed by AID/W.

b. Reimbursement

The foreign exchange costs for advisory services other than U.S. direct-hire, PASA and those funded under Letter of Commitment/Credit procedures, will be paid by DTEC from funds advanced to them by USOM on a quarterly basis. The amount of the advance will be based on projections submitted to USOM by DTEC at the beginning of each quarter.

ARTICLE VII

RECORDS, REPORTS, EVALUATIONS AND AUDITS

A. MAINTENANCE OF RECORDS

DTEC shall maintain, or cause to be maintained, in accordance with sound accounting principles, books, records, and other documents relating to this Agreement and activities financed under this Agreement. Such books, records, and other documents shall identify the receipt and use made of goods and services financed with funds provided under this Agreement and the cost thereof, and all other matters related to the utilization of these funds.

B. REPORTS TO BE PROVIDED BY DTEC

In addition to the monthly list of trainees required under Article VI, DTEC will furnish AID by the fifteenth day of the month after each calendar quarter, three copies of the following reports, formats of which are attached:

1. Quarterly status report of all commitments under this Agreement.
2. Quarterly report on funds advanced to DTEC under this Agreement including projections of funds required for the subsequent quarter.

C. REPORTS TO BE PROVIDED BY USOM

USOM will provide a monthly report of expenditures AID has processed against this Agreement. The format of this report is attached.

D. EVALUATION

Annual evaluations of activities under this Agreement will be

performed jointly by RTG and AID. Members of the joint evaluation teams shall be appointed by RTG/USOM. The annual evaluations shall commence approximately on the anniversary dates of this Agreement. The primary purpose of the evaluation will be to determine the effectiveness of T.T.M.S. in addressing RTG/U.S. priorities. An evaluation criteria will be established by DTEC and USOM.

E. AUDITS

DTEC and A.I.D. shall have the right at any time to observe operations carried out under this Agreement. DTEC and A.I.D. shall during the disbursement period and within three years after final disbursements have the right to inspect and audit any records and accounts with respect to funds provided or any services procured with funds provided through this Agreement wherever such records may be located and maintained.

ARTICLE VIII

GENERAL COVENANTS

A. NONTAXATION OF AGREEMENT

This Agreement and the amount to be granted hereunder shall be free from taxes or fees imposed under the laws of Thailand.

B. COMMODITIES

Dollar funds provided through this Agreement may be used to purchase books, training materials and demonstration equipment necessary and essential to provide the training and advisory services authorized in this Agreement.

C. FOREIGN EXCHANGE COSTS

Training and advisory services and materials financed from funds in this Agreement will be procured from individuals, firms, institutions and Government agencies in Thailand, the United States or countries eligible under A.I.D. Geographic Code 941.

ARTICLE IX

REMEDIES OF AID

A. TERMINATION OF DISBURSEMENTS

A.I.D. may terminate disbursements under this Agreement any time that:

1. The RTG fails to comply with any provision contained herein; or
2. Any representation or warranty made by or on behalf of the RTG with respect to obtaining this Agreement is found to be incorrect in any material respect; or
3. An event has occurred which AID determines to cause an extraordinary situation which makes it improbable that the purposes of the Agreement can be attained or that the RTG will be able to perform its obligations hereunder; or
4. Any disbursement would be in violation of the legislation governing AID; or
5. A default shall have occurred on the part of the RTG or any of its agencies.

B. REFUNDS

If A.I.D. determines that any disbursement is not supported by

valid documentation in accordance with this Agreement, or is in violation of the law governing A.I.D., or that the training and advisory services financed under this Agreement are not used in accordance with the terms of this Agreement, the RTG shall pay to AID within ninety (90) days after receipt of request, an amount not to exceed the amount of such disbursement. Refunds paid by the RTG to A.I.D. resulting from violations of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement, and shall not, unless A.I.D. agrees otherwise in writing, be available for reuse under the Agreement.

C. WAIVERS OF DEFAULT

No delay in exercising or omitting to exercise, any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of these rights, powers, or remedies.

D. EXPENSES OF COLLECTION

All reasonable costs incurred by A.I.D. (other than salaries of its staff) in connection with the collection of amounts due under this Agreement may be charged to the RTG and reimbursed as A.I.D. may specify.

ARTICLE X

MISCELLANEOUS

A. All actions required or permitted to be performed under this Agreement by the RTG or A.I.D. may be performed by their respective duly authorized representatives.

B. The RTG hereby designates the Director-General of DTEC as its representative. A.I.D. will be represented by the individual holding or acting in the capacity of Director, United States Operations Mission to Thailand. These individuals shall have the authority to designate additional representatives by written notice. Until receipt by A.I.D. of written notice of revocation by the RTG of the authority of any of its representatives, A.I.D. may accept the signature of such representatives on any instrument as conclusive evidence that any action effected by such instrument is authorized by the RTG.

C. Upon receipt of the report on funds advanced to DTEC, in accordance with Article VII, B, 2., USOM will review, approve and make payment to DTEC those funds required for direct payment by DTEC in the ensuing quarter. In addition, DTEC shall furnish, upon the termination of this activity, a final consolidated report of the status of funds granted herein. This report shall include the following by budget line item:

The amount of funds granted, funds received, funds expended, and unexpended balances. The final consolidated report shall be due by no later than 30 days after the final disbursement is made. DTEC shall, at the same time, return to the USG any funds which are not used for the purposes specified in this Agreement or any funds which remain unused at the end of the period unless otherwise agreed to in writing by USOM.

D. DTEC shall return to USOM, for deposit to the United States Treasury, any interest earned on funds made available under this Agreement.

IN WITNESS WHEREOF, the RTG and the United States of America, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Report

Funds Advanced

As of _____

Status of Funds

Amount on Hand, Beginning of Quarter \$ _____

Additional Advances Received from
USOM during this quarter - _____

Total Available _____

Disbursements

Advances to Trainees _____

Third Country Training Costs _____

Advisory Services _____

Total Disbursements _____

Balance on Hand, _____
(date) _____

Next Quarter's Requirements

Estimated Disbursements:

Advances to Trainees	\$ _____
Third Country Training Costs	_____
Payments for Advisory Services	_____
Total Estimated Disbursements	_____

New Balance on Hand, _____
(date)

Net Advance Required from USOM \$ _____

"I certify that the expenditures included in this request for reimbursement were authorized under the term of Grant Agreement No. _____ dated _____. I further certify that the training and advisory services received were satisfactory.

Signed: _____

Report of AID Expenditures Agreement

Grant Agreement No. _____

For the Month of _____

Summary

Total AID expenditures previously reported \$ _____

Expenditures this month _____

Total to Date _____

Expenditures This Month

Trainees

Total Trainee Expenditures _____

Advisory Services

Total Advisory Services Expenditures _____

Total Expenditures Reported This Month \$ _____

SUMMARY STATUS REPORT

Quarter Ending _____

	<u>Amount Authorized</u>	<u>Commitments</u>			<u>Expenditures</u>		
		<u>Previously Reported</u>	<u>Committed This Quarter</u>	<u>Total</u>	<u>Previously Reported</u>	<u>Expended This Quarter</u>	<u>Total</u>
Trainees							
Advisory Services							
Total							

STATUTORY CHECKLIST

BASIC AUTHORITY

1. FAA Sections 103, 104 and 105

This grant will be made under the authority of Sections 103, 104, and 105 of the Foreign Assistance Act of 1961, as amended.

The purpose of this project is to improve Royal Thai Government (RTG) capabilities in development policy and problem analysis, program planning, implementation and evaluation.

COUNTRY PERFORMANCE

2. Progress Towards Country Goals

- A. FAA Section 201(b)(5), (7) & (8); Section 208

Discuss the extent to which the country is

(i) Making appropriate efforts to increase food production and improve means for food storage and distribution.

One of the highest RTG priorities for its Fourth Five Year Plan (1977-81) is to modernize Thai agriculture, promoting more intensive cultivation with higher productivity. The RTG goal is to expand food production and maintain its presently high level of agricultural exports, particularly of rice. The principal emphasis will be on high impact programs combining modern technology packages and support functions in a coordinated fashion for selected commodities and geographic areas. At the same time, the RTG will provide

greater farmer incentives by shifting internal terms of trade in the farmers' favor through such mechanisms as price support, buffer stock storage, some regulation of the private marketing mechanism, and promotion of cooperatives.

The RTG has recently passed considerable legislation to support this strategy, including a Land Consolidation Law, Seeds Marketing Law, and an act creating a Marketing Organization for Farmers. In addition, the credit program of the Bank of Agriculture and Agricultural Cooperatives is being greatly expanded with greater emphasis on long-term loans and loans to individual farmers.

(ii) Creating a favorable climate for foreign and domestic enterprise and investment.

The RTG policy is to encourage the development of the private sector and that sector's dynamism has been a major factor in Thailand continuing good economic performance. The Kukrit Government has adopted a "private production", "publicly controlled) distribution" policy. The Investment Promotion Act was revised in October 1972 to improve investment guarantees and benefits, and to make promotional policies more flexible and selective. Standard investment incentives include guarantees against nationalization and competition by new state enterprises; authorization of own land, transfer funds abroad, and hire foreign experts; and various tax reductions are available under reasonable controls. Joint

controls. Joint ventures of Thai and foreign partners accounted for 70% of the registered capital promotional privileges from 1960-73.

(iii) Increasing the public's role in the developmental process

A new constitution promulgated in October 1974 provides for a representative government with both Prime Minister and Cabinet responsible for an elected Parliament. The current parliament was elected in January 1975 and the current government took office in March 1975.

Current RTG planning indicates that the Fourth Five Year Plan will assign high priority to social goals such as increasing rural income and services to the rural population, amelioration of urban life, and social equity.

(iv)

(a) Allocating available budgetary resources to development.

The share of development expenditures in total public expenditures was about 40% from 1970-1974.

(b) Diverting such resources for unnecessary military expenditure (see also item No. 20) and intervention in affairs of other free and independent nations. (See also item No. 11.)

During the period 1970-73, expenditures on defense, police, and related administration represented 20-22% of total public expenditures. In this period the U.S. actively encouraged RTG defense and police programs.

(v) Making economic, social and political reforms such as tax collection improvements and changes in land tenure arrangements, and making progress toward respect for the rule of law, freedom of expression and of the press, and recognizing the importance of individual freedom, initiative, and private enterprise.

(vi) Willing to contribute funds to the project or program

(vii) Otherwise responding to the vital economic, political and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.

B. Are above factors taken into account in the furnishing of the subject assistance?

Thailand's tax structure is heavily weighted towards taxes on international trade and domestic transactions, with relatively low income and property taxes. In line with recommendations made by the World Bank Economic Survey Team of 1974, the RTG has recently established the policy of increasing revenues from direct taxation. In the rural sector, the RTG passed legislation on Land Consolidation and farmland rents in 1974, and a Land Reform Law in 1975, which authorize programs to improve the equity position of small farmers.

The RTG will finance at least 25% of the total project cost.

The recent establishment of representative government and emphasis on legitimate social goals in the Fourth Five Year Plan are reliable indicators of RTG outlook.

These factors are addressed in the Development Assistance Program for Thailand - 1976-81, which provides the context and justification for subject assistance.

TREATMENT OF U.S. CITIZENS
AND FIRMS

3. FAA Sec. 620 (c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?

RTG has cancelled tin mining concession of TEMCO, owned (in part) by subsidiary of Union Carbide, and has not so far offered any compensation therefor. UC has not taken formal steps to contest action or to establish a right to compensation; instead, it has made proposal to act as RTG agent in managing the concession.

4. FAA Sec. 620 (e) (1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No

5. FAA Sec. 620 (o);
Fishermen's Protective Act
Sec. 5. Has country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters?

No

RELATIONS WITH U.S. GOVERNMENT
AND OTHER NATIONS

6. FAA Sec. 620 (a). Does recipient country furnish assistance to Cuba or fail to take appropriate steps to prevent ships or aircraft under its flag from carrying cargoes to or from Cuba? No

7. FAA Sec. 620 (b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement? Yes

8. FAA Sec. 620 (d). If assistance is for any productive enterprise which will compete in the United States with United States enterprise, is there an agreement by the recipient country to prevent export to the United States of more than 20% of the enterprise's annual production during the life of the grant? NA

9. FAA Sec. 620 (f). Is recipient country a Communist country? No

10. FAA Sec. 620 (i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No.

11. FAA Sec. 620 (j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? In the recent student demonstrations following Mayaguez incident, RTG provided police protection adequate to prevent access to Embassy premises and limit mob destruction of USG property to token minimum. RTG has offered to provide adequate compensation.
12. FAA Sec. 620 (l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, in convertibility or confiscation, has the A.I.D. administration within the past year considered denying assistance to such government for this reason? No
13. FAA Sec. 620 (n). Does recipient country furnish goods to North Viet-Nam or permit ships or aircraft under its flag to carry cargoes to or from North Viet-Nam? No
14. FAA Sec. 620 (q). Is the government of the recipient country in default on interest or principal of any A.I.D. loan to the country? No
15. FAA Sec. 620 (t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No

16. FAA Sec. 620 (u). What is the payment status of the country's U.N. obligations? if the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget?

Thailand is not in arrears in payment of its U.N. obligations.

17. FAA Sec. 481. Has the government of recipient country failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully?

The RTG is engaged in a two-fold program designed to reduce poppy cultivation and interdict opium trafficking in Thailand. Increased enforcement activity by the Thai National Police and Department of Customs has resulted in the seizure of considerable quantities of illicit drugs and the arrest of a significant number of smugglers and processors. A parallel effort is being made to find and install an alternate economic system, including crop substitution, to that of opium cultivation in the North. The overall program is assisted by the U.S. and the U.N.

18. FAA Sec. 659. If (a) military base is located in recipient country, and was constructed or is being maintained or operated with funds furnished by U.S., and (b) U.S. personnel carry out military operations from such base, has the President determined that the government of recipient country has authorized regular access to U.S. correspondents to such base?

Yes

MILITARY EXPENDITURES

19. FAA Sec. 620 (s). What percentage of country budget is for military expenditures? How much of foreign exchange resources spent on military equipment? How much spent for the purchase of sophisticated weapons systems?

(Consideration of these points is to be coordinated with the Bureau for Program and Policy Coordination, Regional Coordinators and Military Assistance Staff (PPC/RC).

From 1970-74, expenditures on defense and police represented 20-22% of total public expenditures (approximately 4% of GDP). From 1971-73, expenditures on military imports average 1% of the value of total merchandise imports.

CONDITIONS OF THE GRANT

GENERAL SOUNDNESS

20. FAA Sec. 201 (d). Information and conclusion on reasonableness and legality (under laws of country and the United States) of lending and relending terms of the loan.

This is not a loan project.

21. FAA Sec. 201 (b) (2); Sec. 201 (a). Information and conclusion on activity's economic and technical soundness. If loan is not made pursuant to a multilateral plan and the amount of the loan exceeds \$100,000, has country submitted to A.I.D. an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner?

This is not a loan project.

22. FAA Sec. 201 (b) (2).
Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

This is not a loan project.

23. FAA Sec. 201 (b) (1).
Information and conclusion on availability of financing from other free-world sources on reasonable terms, including private sources within the United States.

This is not a loan project.

24. FAA Sec. 611 (a) (1).
Prior to signing of grant will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the United States of the assistance?

Plans and estimates have been prepared and are included in the Project Paper. Cost to U.S. stated in grant agreement (See Annex C.)

25. FAA Sec. 611 (a) (2).
If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of grant?

No further legislation is required.

26. FAA Sec. 611 (a) (2).
If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of grant?

This project does not provide capital assistance.

GRANT'S RELATIONSHIP TO
ACHIEVEMENT OF COUNTRY AND
REGIONAL GOALS.

27. FAA Sec. 207; Sec. 133."

Extent to which assistance reflects appropriate emphasis on: (a) encouraging development of democratic, economic, political, and social institutions; (b) self-help in meeting the country's food needs; (c) improving availability of trained manpower in the country; (d) programs designed to meet the country's health needs; (e) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and Voluntary Agencies; transportation and communication; planning and public administration; urban development, and modernization of existing laws; or (f) integrating women into the recipient country's national economy.

a) The project purpose is to benefit the urban and rural poor, improve management skills and to assist in the implementation of programs which combine economic growth with social justice.

b) & d) The project will contribute advisory services and training to increase food production and improve health services.

c) The project will improve the availability of trained manpower. A major portion of the project is a training component.

e) The project calls for the timely improvement of management and technical skills and the transfer of increasing amounts of management responsibility to DTEC and other RTG agencies (See Part II of Project Paper).

f) Continuation of significant trends to integrate women in development is a fundamental project objective. (Addressed in Part II of Project Paper.)

28. FAA Sec. 209. Is project susceptible of execution as part of a regional project? If so, why project not so executed?

No.

29. FAA Sec. 201 (b) (4). Information and conclusion on activity's relationship to, and consistency with, other development activities, and its contribution to realizable long-range objectives.

This project will contribute the broader goal of increasing the per capita income of rural people through improved management skills and training. The project criteria are based upon RTG development goals and the Congressional Mandate (See Part II of Project Paper.)

30. FAA Sec. 201 (b) (9). Information and conclusion on whether or not the activity to be financed will contribute to the achievement of self-sustaining growth.

This activity will directly contribute to the achievement of self-sustaining growth through an emphasis upon developing skilled planners and managers in the key agencies of the RTG responsible for coordinating, planning and implementing development programs. (See Part I, E.1, in Project Paper).

31. FAA Sec. 209. Information and conclusion whether assistance will encourage regional development programs.

This activity is not designed to encourage regional development programs.

32. FAA Sec. 111. Discuss the extent to which the grant will strengthen the participation of urban and rural poor in their country's development, and will assist in the development of cooperatives which will enable and encourage greater numbers of poor people to help themselves toward a better life.

The beneficial impact of the project on urban and rural poor will be assured through advisory services and training programs in support of RTG programs directed toward social justice. The project criteria for technical assistance is designed to screen out activities which do not impact on the poor. (See Part II, B.1, of Project Paper.)

33. FAA Sec. 201 (f). If this is a project loan, describe how such project will promote the country's economic development taking into account the country's human and material resources requirements and relationship between ultimate objectives of the project and overall economic development.

This is not a loan project.

34. FAA Sec. 231 (a). Describe extent to which the grant will contribute to the objective of assuring maximum participation in the task of economic development on the part of the people, of the country, through the encouragement of democratic, private and local governmental institutions.

The project is designed to enable the Royal Thai Government to respond to and address development requirements generally and the needs of Thailand's poorest majority as expressed in various programs (e.g., Tambon Council involvement in rural reconstruction).

35. FAA Sec. 281 (b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilize the country's intellectual resources to encourage institutional development; and support civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

The project recognizes the needs, desires and capacities of the Thai people. It will finance strong educational and on-the-job training programs with the entire training program managed by Thais fully informed on the technological and organizational demands of the various RTG sector agencies responsible for designing and implementing national, regional and local project activities. The requirements for skilled managers, planners and various types of staff will be met through long and short-term training. Additional upgrading of both individuals and institutions are provided through advisory services.

36. FAA Sec. 201 (b) (3). In what ways does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities?

The activity is designed to train Thai in key skills and essential technology which will impact on the development of economic resources and contribute to increased productive capacity.

37. FAA Sec. 601 (a). Information and conclusions whether grant will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of co-operatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Insofar as highly skilled government officials are required and are assisted through advisory services and training programs in designing and implementing social and economic programs for the urban and rural poor, this activity will have a beneficial effect in the categories set forth in the question.

38. FAA Sec. 619. If assistance is for newly independent country, is it furnished through multi-lateral organizations or plans to the maximum extent appropriate? Thailand is not a newly independent country.

GRANT'S EFFECT ON U.S. AND A.I.D. PROGRAM.

39. FAA Sec. 201 (b) (6). Information and conclusion on possible effects of loan on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving the U.S. balance of payments position.

Not Applicable.

40. FAA Sec. 202 (a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources.

Not Applicable.

41. FAA Sec. 601 (b). Information and conclusion on how the grant will encourage U.S. private trade and investment abroad and how it will encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

This project does not deal directly with U.S. private trade abroad and will not involve U.S. private investment abroad.

42. FAA Sec. 601 (d). If a capital project, are engineering and professional services of U.S. firms and their affiliates used to the maximum extent consistent with the national interest?

There is no requirement for engineering services.

43. FAA Sec. 602. Information and conclusion whether U.S. small business will participate equitably in the furnishing of goods and service financed by the grant.

A U.S. private consulting firm will be invited to assist RIG in securing advisory services.

44. FAA Sec. 620 (h). Will the grant promote or assist the foreign aid projects or activities of the Communist-Bloc countries?

No.

45. FAA Sec. 621. If technical assistance is financed by the grant, information and conclusion whether such assistance will be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis. If the facilities of other Federal agencies will be utilized, information and conclusion on whether they are particularly suitable, are not competitive with private enterprise, and can be made available without undue interference with domestic programs.

It is expected that the technical and professional assistance funded under this project will be provided in principal part through a contract with a U.S. firm, although some direct hire, PASA, and individual contracts may be involved. There will be no undue interference with domestic programs.

GRANT'S COMPLIANCE WITH
SPECIFIC REQUIREMENTS

46. FAA Sec. 110 (a);
Sec. 208 (e). In what manner
has or will the recipient country
provide assurances that it will
provide at least 25% of the
costs of the program, project,
or activity with respect to
which the grant is to be made?
- Appropriate assurances will have
been secured prior to the time
of obligation and will be con-
firmed with the signing of the
grant agreement.
47. FAA Sec. 660. Will loan be
used to finance police training
or related program in recipient
country?
- No.
48. FAA Sec. 114. Will grant be
used to pay for performance of
abortions or to motivate or
coerce persons to practice
abortions?
- No.
49. FAA Sec. 201 (b). Is the
country among the 20 countries
in which development loan funds
may be used to make loans in
this fiscal year?
- This is not a loan project.
50. FAA. Sec. 201 (d). Is interest
rate of loan at least 2% per annum
during grace period and at
least 3% per annum thereafter?
- This is not a loan project.
51. FAA. Sec. 201 (f). If this
is a project loan, what provisions
have been made for appropriate
participation by the recipient
country's private enterprise?
- Not Applicable.

52. FAA Sec. 604 (a). Will all commodity procurement financed under the loan be from the United States except as otherwise determined by the President?

No commodities are to be procured.

53. FAA Sec. 604 (b). What provision is made to prevent financing commodity procurement in bulk at prices higher than adjusted U.S. market price?

No commodities are to be procured.

54. FAA Sec. 604 (d). If the cooperating country discriminates against U.S. marine insurance companies, will loan agreement require that marine insurance be placed in the United States on commodities financed by the loan?

Not Applicable.

55. FAA Sec. 604 (e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?

Not applicable.

56. FAA Sec. 604 (f). If grant finances a commodity import program, will arrangements be made for supplier certification to A.I.D. and A.I.D. approval of commodity as eligible and suitable?

Not Applicable.

57. FAA Sec. 608 (a). Information on measures to be taken to utilize U.S. Government excess personal property in lieu of the procurement of new items.

Not Applicable.

58. FAA Sec. 611 (b); App. Sec. 101. If grant finances water or water-related land resource construction project or program, is there a benefit-cost computation made, insofar as practicable, in accordance with the procedures set forth in the Memorandum of the President dated May 15, 1962? Project does not finance such construction.
59. FAA Sec. 611 (c). If contracts for construction are to be financed what provision will be made that they be let on a competitive basis to maximum extent practicable? Not Applicable.
60. FAA Sec. 612 (b); Sec. 636 (h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the United States are utilized to meet the cost of contractual and other services. The country is contributing 25 percent of total project costs; all in local currency. There is no U.S. owned local currency available for this project.
61. App. Sec. 113. Will any of grant funds be used to acquire currency of recipient country from non-U.S. Treasury sources when excess currency of that country is on deposit in U.S. Treasury? Excess Thai currency is not on deposit in U.S. Treasury.
62. FAA Sec. 612 (d). Does the United States own excess foreign currency and, if so, what arrangements have been made for its release? U.S. does not own excess local currency.

63. FAA Sec. 620 (g). What provision is there against use of subject assistance to compensate owners for expropriated or nationalized property? Not Applicable.
64. FAA Sec. 620 (k). If construction of productive enterprise, will aggregate value of assistance to be furnished by the United States exceed \$100 million? No.
65. FAA Sec. 636 (i). Will any grant funds be used to finance purchase, long-term lease, or exchange of motor vehicle manufactured outside the United States or any guaranty of such transaction? No.
66. App. Sec. 103. Will any grant funds be used to pay pensions, etc. for military personnel? No.
67. App. Sec. 105. If grant is for capital project, is there provision for A.I.D. approval of all contractors and contract terms? Not Applicable.
68. App. Sec. 107. Will any grant funds be used to pay UN assessments? No.
69. App. Sec. 108. Compliance with regulations on employment of U.S. and local personnel. (A.I.D. Regulation 7). Not Applicable.
70. App. Sec. 110. Will any funds be used to carry out provisions of FAA Sec. 209 (d)? No.
71. App. Sec. 114. Describe how the Committee on Appropriations of the Senate and House have been or will be notified concerning the activity, program, project, country, or other operation to be financed by the grant. Notification will be made promptly following favorable review at EA/TECH meeting.

72. App. Sec. 601. Will any grant funds be used for publicity or propoganda purposes within the United States not authorized by Congress? No.
73. MMA Sec. 901.b; FAA Sec. 640 C.
(a) Compliance with requirement that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry bulk carriers, dry cargo liners, and tankers) financed with funds made available under this grant shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. No commodities are to be procured.
74. Section 30 & 31 of PL 93-189 (FAA of 1973). Will any part of the grant be used to finance directly or indirectly military or paramilitary operations by the U.S. or by foreign forces in or over Laos, Cambodia, North Vietnam, South Vietnam, or Thailand? No.
75. Section 37 of PL 93-189 (FAA of 1973); App. Sec. 111. Will any part of this grant be used to aid or assist generally or in the reconstruction of North Vietnam? No.
76. App. Sec. 112. Will any of the funds appropriated or local currencies generated as a result of AID assistance be used for support of police or prison construction and administration in South Vietnam or for support of police training of South Vietnamese? No.

77. App. Sec. 604. Will any of the funds made available for this project be used to furnish petroleum fuels produced in the continental United States to Southeast Asia for use by non-U.S. nationals?

No.

78. Continuing Resolution (1976), Sec. 109. Will any of the funds made available for this project be used to finance, directly or indirectly, any assistance to North Vietnam, South Vietnam, Cambodia, or Laos?

No.

TIMS Evaluation Checklist

1. Background Information

a. Requesting Agency/Ministry

b. Type of assistance required: Training

Advisors

c. Duration of program: a. Short (under 1 year)

b. Long (one year or more)

d. Is the type of assistance requested available under a current project funded from external sources yes no

If yes, the request is not applicable for TIMS inputs.

e. If assistance is approved, what are the expected contributions to development goals?

2. Criteria

a. Priority Areas - Check the appropriate priority area and probable impact for which the requested assistance is intended to address:

I. Direct II. Indirect

1. Improvement in the coordination and organization of central government planning and budgeting process.

2. To improve the internal and external terms of trade for agricultural commodities.

3. To alleviate unemployment and underemployment problems.

	<u>I. Direct</u>	<u>II. Indirect</u>
4. To expand social services, especially in health and education.	<input type="checkbox"/>	<input type="checkbox"/>
5. To reduce the population growth rate.	<input type="checkbox"/>	<input type="checkbox"/>
6. Programs and projects designed to conserve land resources.	<input type="checkbox"/>	<input type="checkbox"/>
7. Reduce the income gap between the rich and poor.	<input type="checkbox"/>	<input type="checkbox"/>
8. Expand infrastructure services - housing - transportation, dams, roads, pollution control.	<input type="checkbox"/>	<input type="checkbox"/>

Add 3 for each box in column I which is checked. Add 1 point for each box in column II which is checked.

Section 2A score _____

3. Key Sectors - Check the appropriate priority area to which the requested assistance will be directed.

	<u>I. Direct</u>	<u>II. Indirect</u>
Food & nutrition	<input type="checkbox"/>	<input type="checkbox"/>
Population and Health	<input type="checkbox"/>	<input type="checkbox"/>
Education and Human Resources	<input type="checkbox"/>	<input type="checkbox"/>

Add 3 for each box in column I which is checked. Add one point for each box in column II.

Score _____

4. Target group - check the appropriate item for which the requested training is intended to improve.

	<u>I. Direct</u>	<u>II. Indirect</u>
a. Per capita income below \$3,000 per year.	<input type="checkbox"/>	<input type="checkbox"/>
b. Daily diet of less than 2,160 - 2,670 calories	<input type="checkbox"/>	<input type="checkbox"/>
c. Infant mortality over 33 per thousand.	<input type="checkbox"/>	<input type="checkbox"/>
d. Birthrate over 25 thousand	<input type="checkbox"/>	<input type="checkbox"/>
e. Life expectancy of under 55 years	<input type="checkbox"/>	<input type="checkbox"/>

Add 8 for each for each box in column I checked. Add 3 points for each box checked in column II.

Appropriate size of target group _____ Score _____

5. Additional Considerations - check the appropriate item.

	<u>I. Direct</u>	<u>II. Indirect</u>
a. The requested assistance will increase the role of women in the development process.	<input type="checkbox"/>	<input type="checkbox"/>
b. The requested assistance will increase the role of:		
i. Private and Voluntary Organizations	<input type="checkbox"/>	<input type="checkbox"/>
ii. The private sector in development	<input type="checkbox"/>	<input type="checkbox"/>
c. The requested assistance is specifically intended to improve conditions in rural areas.	<input type="checkbox"/>	<input type="checkbox"/>
d. Noticeable improvements are expected within 10 months after assistance inputs begin.	<input type="checkbox"/>	<input type="checkbox"/>
e. Noticeable improvements for programs identified by the government as a high priority item are expected within 3-5 years.	<input type="checkbox"/>	<input type="checkbox"/>

Add five for each item checked in column I. Add two for each items checked in column II.

<u>Item</u>	<u>Scores</u>
2A	
3	
4	
Total	

- _____ Accept
- _____ Questionable
- _____ Reject

Recommendation

1. Return to requesting ministry/agency for additional information.
2. Recommend sub-committee approval for TTMS inputs.
3. Disapprove.

ANNEX F

A.I.D. GEOGRAPHIC CODE 941

This code covers the United States and all independent countries in the free world,^{1/} except for the following free world countries:

Algeria	Iceland	Portugal
Andorra	Iraq	Qatar
Australia	Ireland	San Marino
Austria	Israel	Scmali Republic
Belgium	Italy	South Africa, Rep. of
West Berlin	Japan	South Yemen
Canada	Kuwait	Southern Rhodesia
Cyprus	Libya	Spain
Dermark	Liechtenstein	Syria
Egypt (formerly UAR)	Luxembourg	Sweden
Finland	Malta	Switzerland
France	Monaco	United Arab Emirates
Germany, Fed. Rep.	Netherlands	United Kingdom
Greece	New Zealand	Vatican City
Hongkong	Norway	Yugoslavia

^{1/} "Free World" excludes communist countries or countries under communist domination, i.e., Union of Soviet Socialist Republic, Eastern Europe, Poland, North Vietnam, North Korea, Mainland China, and other Chinese Communist-controlled areas, Outer Mongolia, and Cuba.