

TAR:THA 29614

ASIAN DEVELOPMENT BANK

**TECHNICAL ASSISTANCE
TO THE
KINGDOM OF THAILAND
FOR
INSTITUTIONAL STRENGTHENING
OF THE DEVELOPMENT EVALUATION DIVISION
OF THE
NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT BOARD**

December 1996

CURRENCY EQUIVALENTS
(as of 25 November 1996)

Currency Unit	-	Baht (B)
B1.00	=	\$0.0394
\$1.00	=	B25.41

In this Report, a rate of \$1.00 = B25.41 has been used. This was the rate generally prevailing during fact-finding.

ABBREVIATIONS

DED	-	Development Evaluation Division
NESDB	-	National Economic and Social Development Board
PEO	-	Post-Evaluation Office
TA	-	Technical Assistance

NOTES

- (i) The fiscal year of the Government ends on 31 October.
- (ii) In this Report, "\$" refers to US dollars.

I. INTRODUCTION

1. In 1995, the Government of Thailand requested Bank technical assistance (TA) to strengthen the institutional capacity of the Development Evaluation Division (DED) of the National Economic and Social Development Board (NESDB) to monitor the Eighth Plan (1997-2001). This request was reiterated during the Country Programming Mission that visited Thailand in January 1996. After further discussions with the Government, it was concluded that such a request deserved favorable consideration by the Bank. On the occasion of the Bank's Workshop on Benefit Monitoring and Evaluation in October 1996, the Government again discussed the urgent need for TA for monitoring and evaluating the Eighth Plan and requested the Bank to advance processing of the TA to 1996.

2. A Bank Fact-finding Mission, fielded on 13-19 November 1996, confirmed the need to establish in DED a system for monitoring and evaluating key social and economic indicators. The Mission met with key officials of NESDB, the Office of the Auditor General, the Bureau of the Budget, and the United Nations Development Programme (UNDP) and reached an understanding with the Government on the objectives, scope, and implementation arrangements for the TA.¹

II. BACKGROUND AND RATIONALE

3. Thailand is one of the first among the Bank's developing member countries to establish a comprehensive monitoring and evaluation system for managing macroeconomic and sectoral performance to assist policy makers in arriving at strategic decisions. The usefulness of such an approach in ensuring successful macroeconomic and sectoral management and effective external interventions was confirmed by senior Thai officials at the PEO-organized Workshop on Development Management System held in Manila in October 1996.

4. DED was created within NESDB in 1992 to establish, operate, and improve monitoring and evaluation systems with regard to the implementation of national plans. Monitoring and evaluation of policy planning, programming, and project implementation is one of the key components of the planning process in Thailand. Currently, the primary objectives of the monitoring and evaluation systems in NESDB are to (i) provide feedback to adjust implementation procedures; and (ii) generate strategic data/information for the development of new projects, programs, and plans. To date, monitoring and evaluation involving systematized indicators has been operationalized at two levels in DED: (i) monitoring and evaluation of selected projects, and (ii) monitoring and evaluation of key macroeconomic indicators. However, monitoring and evaluation gaps in social and environmental indicators remain at both levels, leading to insufficient and incomplete coverage of both economic and social developments.

5. As described above, there has been a marked change in the development philosophy of the Government in recent years. The emphasis is now on human well-being and environmental quality, with balanced growth. This contrasts with the heavy emphasis on economic growth and industrial production of past national plans. The Eighth Plan, which has

¹ The TA first appeared in *ADB Business Opportunities* in December 1996.

been recently released, will focus on people-centered development or "Well-Being." This requires the development of key indicators to cover the performance, effectiveness and impact of seven basic strategies — (i) health and nutrition; (ii) education; (iii) working life; (iv) family life; (v) poverty, inequity, and welfare; (vi) environment and safety; and (vii) governance — which are designed to achieve specific targets. To achieve this will require compilation of extensive data at the subnational level and in various sectors, focusing primarily on socially oriented sectors. As such there is an urgent need, with the introduction of the new process of national economic and social reorganization, to more adequately address issues related to decentralization, poverty reduction, urban and rural environmental quality, and the enhancement of the quality of life.

6. This new emphasis has been supported by Bank TA. Support has focused on strengthening mechanisms for policy analysis, planning, and monitoring of social development under TA No. 1959: *Strengthening Poverty Reduction and Income Redistribution Policy Analysis and Planning*.² That TA is designed to track various data relating to poverty (including formulation of a new definition of poverty), allowing continuous analysis and monitoring of poverty at the country, regional, and provincial levels. This information can then be used for regional comparisons and can assist in quantifying the consequences of poverty.

7. In addition, the initial formulation of a conceptual monitoring and evaluation framework for the Eighth Plan and methodology to identify key indicators were begun through the activities of the Bank's TA No. 2428: *Strengthening Post Evaluation Capability*³ supervised by the Post-Evaluation Office (PEO). That TA, which is implemented in the Auditor General's Office, provides a strategic framework and process to track key financial indicators at the program and project level. PEO also participated in a seminar organized by NESDB in November 1996 on establishing key indicator systems for monitoring and evaluating the Eighth Plan. At that meeting, high level Government officials from various key ministries again requested follow-up TA to help in operationalizing performance management of the new Plan. Linkage of a conceptual framework to the strategies of the Eighth Plan and an identified process of evaluation including a methodology for establishing a final indicator index, however, still need to be refined. The present TA, through the establishment of a strategic monitoring and evaluation system, and refinement of the conceptual framework, will assist in operationalizing these concepts.

8. The rationale for the TA from the Bank's strategic perspective can be summarized as follows:

- (i) Build on and operationalize previous Bank interventions supporting socioeconomic policy planning and analysis.
- (ii) Develop progress-oriented indicators, as people-centered development implies changes in process. Measures of these changes need to be developed and monitored utilizing appropriate indicators.
- (iii) Develop a system for annual Plan evaluation that allows the public and those involved in making policy to participate widely in the assessment and planning of development.

² For US\$285,000, approved on 30 September 1993.

³ For US\$413,000, approved on 23 October 1995.

- (iv) Establish a new monitoring and evaluation system so as not to delay implementation of the Eighth Plan.
- (v) Finalize an operational framework on social and environmental conditions, or "Well-Being," to facilitate the progress of implementation, monitoring, and evaluation of the Eighth Plan.
- (vi) Formulate monitoring and evaluation systems through the introduction of processes and indicators encompassing the concept of "Well-Being."

III. THE TECHNICAL ASSISTANCE

A. Objectives

9 Given the complexity and scope of the Eighth Plan, further conceptual streamlining and formulation of an operational framework of the Plan's structure, objectives, and targets are critical. The main objectives of the TA are to (i) strengthen the evaluation and analytical capabilities of DED, (ii) institutionalize the process of monitoring and evaluating national plans through workshops and seminars, and (iii) design and operationalize a monitoring and evaluation system for the Eighth and subsequent national plans.

B. Scope

10. Specific scope of the TA are to:
- (i) develop an operational framework for the "Well-Being" concept;
 - (ii) establish a program and policy monitoring and evaluation system based on a limited number of key social, economic, and environmental indicators; this will involve establishing customized subsystems for monitoring and evaluating social conditions/environmental quality and key programmatic thrusts (e.g., education); the objective of this work will be to establish a working monitoring subsystem in a high priority programmatic area as well as to serve as a prototype for the development of further programmatic monitoring and evaluation;
 - (iii) identify key priority indicators in the social and environmental areas to be included in the subsystems; These will initially be simple and composite indicators;
 - (iv) review current economic indicators and identify any new key economic indicators to monitor the Eighth and subsequent plans; and

- (v) assist selected professional staff in the DED to operationalize monitoring and evaluation sub systems; selected DED professional staff and staff of associated agencies/departments will be trained in formulating and interpreting indicators for monitoring and evaluation purposes.

11. The inputs and activities under the TA will include the provision of consulting services; short-term in-country training (including technical aspects of constructing and analyzing strategic indicator, associated computer training, and participatory approach to indicator collection); technical seminars and workshops (including four workshops and one final seminar directly focusing on data collection, project and program evaluation, and indicator interpretation and analysis); study tour (to a modern public sector central policy and planning agency); and equipment. The TA is expected to commence in March 1997 and to be completed by March 1999. Detailed terms of reference for the consultants are given in Appendix 1.

C. Cost Estimates and Financing Plan

12. The TA is estimated at a total cost of \$685,000 equivalent of which \$320,000 is the foreign exchange component and \$365,000 equivalent is the local cost component (see Appendix 2). The Bank has proposed to finance all of the foreign exchange component and \$150,000 equivalent of the local cost component for a total of \$470,000 equivalent. The Government will finance the remaining \$215,000 equivalent in local currency by providing counterpart staff, office accommodation, and other related services and facilities.

D. Implementation Arrangements

13. The Executing Agency will be DED of NESDB. The Assistant Secretary General of NESDB will be responsible for overall implementation of the TA. A Senior NESDB executive in DED will be assigned as Project Manager and will be responsible for managing the day-to-day activities under the TA. An Inter Ministerial Steering Committee will be established consisting of key central ministries and agencies involved in developmental policy, to provide guidance and coordination in the implementation of the TA in line with the strategic direction and implementation arrangements of the Eighth Plan. The Project Manager will take guidance from the Inter Ministerial Committee and liaise with the consultants to ensure smooth implementation of the TA. The Project Manager will be assisted by qualified technical staff bolstered by support staff of DED. For the training component, DED and selected NESDB staff will be provided the opportunity to attend the workshops and seminars to upgrade their technical skills and analytical expertise.

14. Emphasis will be given to on-the-job training, particularly for analysis of the results of Plan implementation and for computer-assisted monitoring and evaluation techniques by the international expert. This will enable DED staff to obtain experience with updated monitoring and evaluation practices.

15. Special arrangements will be made to send experienced government officials from DED on an overseas technical study tour in an advanced public sector management setting. The intent is to provide officials with first-hand knowledge of the analytical and

technical aspects of monitoring, and evaluating government policies from a strategic planning, monitoring, and evaluation perspective. The officials targeted to undertake the study tour will be versed in the methodological and technical aspects of monitoring, and evaluation.

16. The TA will be implemented over a period of 24 months and will require the services of 9 person-months of an internationally recruited consultant and 18 person-months of domestic consultants. The domestic consultants will be recruited by the international consultant. Consultants will be engaged by the Bank in accordance with its *Guidelines on the Use of Consultants*. Equipment required under the TA will be procured by the Bank and NESDB in accordance with the Bank's *Guidelines for Procurement*. The consultants will prepare an inception report by the end of the second month prior to the conclusion of the TA implementation period. Two tripartite meetings will be held to discuss the midterm and draft final reports.

17. The government has given assurances that it will make available the resources and logistical support required for TA implementation. This includes making available to the consultants, free of charge, office accommodation, office supplies, secretarial services, equipment, documents, and information as required for carrying out the TA. NESDB will provide qualified interpretation and translation services required for the TA.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, to the Government of Thailand in an amount not exceeding the equivalent of \$470,000 for the purpose of Institutional Strengthening of the Development Evaluation Division of the National Economic and Social Development Board, and hereby reports such action to the Board.

TERMS OF REFERENCE OF CONSULTANTS

A. Overview

1. The consultants engaged under the technical assistance (TA) will have had substantial experience in developing, instituting, and analyzing indicators for evaluating and monitoring Government policy initiatives, and in formulating social, environmental and economic indicators.

2. The consulting services will require a total of about 27 person-months. The team leader will oversee and coordinate the work of the consultants including arranging workshops and short courses, coordinating activities with key ministries and agencies, and other associated activities. Given the increased emphasis on a holistic approach to the Eighth Plan, significant effort and resources will have to be appropriated towards data analysis and interpretation of survey findings in accordance with Plan implementation and expected outcomes. A senior official from the National Economic and Social Development Board is expected to provide timely guidance for the team leader to implement the TA effectively and efficiently.

B. Detailed Activities

3. The broad terms of reference will include, but not necessarily be limited to the following:

- (i) **Expert in Evaluation Indicators and Monitoring Systems (International/Team Leader - 9 months)**

4. The team leader will perform the following tasks:

- (a) Develop an appropriate conceptual framework of Well-Being that will facilitate the evaluation and monitoring of Thailand's Eighth Plan period,
- (b) Develop key indicators that will be appropriate for monitoring and evaluating Well-Being,
- (c) Take overall responsibility for restructuring and designing the collection of new data and for developing procedures for monitoring and evaluation in line with the Eighth Plan implementation process,
- (d) Formulate a new data analysis system including data collection and benefit monitoring and evaluation systems at the provincial level, and establish a key indicator index,

(Reference in text: page 4, para 11)

- (e) Analyze selected key indicators and data/survey results, emphasizing causal relationships and linking to possible strategies,
 - (f) Consolidate national surveys and data information into an analytical framework for analysis,
 - (g) Supervise appropriate training in software packages and management techniques, focusing on data collection/analysis and updating,
 - (h) Supervise staff development in the technical analysis of poverty, income distribution, demographic trends, data presentation, etc.
 - (i) Design workshops for appropriate indicators to measure and analyze the concept of Well-Being presented in the Eighth Plan,
 - (j) Present activities and outcomes at national level seminars to include senior officials from the Government, the private sector, and nongovernment organizations,
 - (k) Assist in formulating and initiating potential research proposals for the Development Evaluation Division,
 - (l) Oversee the selection and installation of computer equipment and software configuration.
- (ii) Social Benefit, Monitoring, and Evaluation Economist (Domestic Consultant - 12 months)**
5. The Domestic consultant will perform the following tasks:
- (a) In the absence of the team leader, carry out Project responsibilities as agreed upon with the team leader,
 - (b) Carry out activities in formulating and collecting data from various line ministries and agencies,
 - (c) Analyze the reliability of data/information from line ministries and agencies, and recommend potential improvements in data collection and analysis,
 - (d) Update data requirements on a regular basis and supervise technical data analysis,
 - (e) Prepare technical reports in English and Thai,

(f) Present research and findings at technical seminars and workshops, and assist in teaching selected Government officials about the collection, collation, and use of key indicators for implementation of the Eighth Plan.

(iii) **Short -term Experts in Social, Economic, and Environmental/Natural Resource Management (short assignments totaling 6 person-months)**

6. The consultant will:

- (a) Carry out specific subsystem analyses or data collection as determined by the team leader;
- (b) Write a research paper on a topic as designated by the team leader and;
- (c) Perform other associated duties as designated by the team leader.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Bank Financing			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	180	-	180
ii. Domestic Consultants	-	90	90
b. International and Local Travel	20	10	30
c. Reports and Communications	5	15	20
2. Equipment			
a. Computer Hardware	25	5	30
b. Computer Software	4	-	4
3. Training, Seminars, and Conferences			
a. Workshops/Seminars	-	20	20
b. Overseas/Study Tour	30	-	30
c. Local Training	12	-	12
4. Representative for Contract Negotiations	4	-	4
5. Contingencies	40	10	50
Subtotal (A)	320	150	470
B. Government Financing			
1. Remuneration and Per Diem of Counterpart Staff	-	90	90
2. Office Facilities, Supplies, and Transport	-	125	125
Subtotal (B)	-	215	215
Total	320	365	685

(Reference in text: page 4, para. 12)