

THAILAND

**Country Development Partnership: Governance
and Public Sector Reform (CDP-G)**

Program Assessment and Implementation Completion Report

December 2006

ABBREVIATIONS AND ACRONYMS

ADB	- Asian Development Bank	NESDB	- National Economic and Social Development Board
ALRO	- Agricultural Land Reform Office	NDC	- National Decentralization Committee
ASEAN	- Association of Southeast Asian Nations	NHA	- National Housing Authority of Thailand
ASEAN+3 countries	- ASEAN countries, plus China, Japan, and Korea	NIDA	- National Institute of Development Administration
ASEM	- Asian-Europe Meeting	NITC	- National Information Technology Committee
ASEM TF	- Asian Financial Crisis Response Trust Fund	OAG	- Office of the Auditor General
ATSC	- Agriculture Technology Transfer and Service Center	OBEC	- Office of Basic Education Commission
ATM	- Asynchronous Transfer Mode	OCSC	- Office of Civil Service Commission
BAM	- Budget Allocation Model	ONDC	- Office of the National Decentralization Committee
BOB	- Bureau of the Budget	OPDC	- Office of Public Sector Development Commission
BIS	- Budget Information System	OPPM	- Office of Public Procurement Management
CAS	- Country Assistance Strategy	OTOP	- One Tambon One Product
CDP	- Country Development Partnership	PAA	- Public Administration Act
CDP-E	- Country Development Partnership for Environment	PAMP	- Public Affair Management Plan
CDP-Ed	- Country Development Partnership for Education	PETS	- Public Expenditure Tracking Surveys
CDP-FC	- Country Development Partnership for Financial and Corporate Competitiveness	PEP	- Performance Evaluation Program
CDP-G	- Country Development Partnership for Governance and Public Sector Reform	PDC	- Public Sector Development Commission
CDP-PAM	- Country Development Partnership for Poverty Analysis and Monitoring	PDMO	- Public Debt Management Office
CDP-SP	- Country Development Partnership for Social Protection	PHRD	- Japan Policy & Human Resources Development Fund
CEO	- Chief Executive Officer	PLRO	- Provincial Land Reform Office
CGD	- Comptroller General's Department	PMO	- CDP-G Project Management Office
CSO	- Civil Society Organization	PSA	- Public Service Agreement
FY	- Thailand Fiscal Year (October 1-September 30)	PSMRP	- Public Sector Management Reform Plan
GCS	- Government Counter Services	PRSC	- Public Sector Reform Committee
GFMIS	- Government Financial Management Information System	PRSL	- Public Sector Reform Loan
GDP	- Gross Domestic Product	PTO	- Provincial Treasury Office
IAP2	- International Association for Public Participation	QAG	- Quality Assurance Group
ICT	- Information Communication Technology	RBM	- Results-Based Management
IDF	- International Development Fund	RD	- Revenue Department
ISDA	- International Swaps and Derivatives Association, Inc.	RTG	- Royal Thai Government
KPIs	- Key Performance Indicators	SARs	- Self-Assessment Reports
LEAs	- Local Education Areas	SC	- CDP-G Steering Committee
MBO	- Management-by-objectives	SDUs	- Service Delivery Units
MICT	- Ministry of Information and Communication Technology	SDA	- Service Delivery Agreement
MOF	- Ministry of Finance	SES	- Senior Executive Service
MOSTE	- Ministry of Science, Technology and Environment	SLUs	- Service Link Units
MRA	- Ministerial Restructuring Act	SOE	- State-Owned Enterprises
MTEF	- Medium Term Expenditure Framework	UNDP	- United Nations Development Program
MTUs	- Mobile Tax Units	WB	- World Bank
		WBI	- World Bank Institute

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Forward

The promotion of good governance and the improvement in public service delivery are two key elements of the development agenda for both Royal Thai Government (RTG) and the World Bank. After the economic crisis in 1997, at the request of the RTG, the World Bank provided initial financial and technical support for public sector reform through the Public Sector Reform Loan (PSRL) in the amount of \$400 million. The PSRL was disbursed in October 1999 and the initial support program ended in July 2001. In January 2002, additional technical support was provided through a new non-lending instrument for development known as the Country Development Partnership on Governance and Public Sector Reform (CDP-G). The bulk of the CDP-G support program was financed by grants from the Asian-Europe Meeting Trust Fund (ASEM TF) and the World Bank's Institutional Development Funds (IDF). The CDP-G program was designed as a knowledge-based partnership which provided targeted follow-up support in specific areas of public sector reform, as determined by the RTG. Specifically, under the CDP-G program, technical support, in the form of capacity building and policy analyses, was provided by several teams of both national and international experts in expenditure management, revenue management, civil service reform, decentralization, and accountability and transparency. The CDP-G program was implemented in two phases (the second phase was extended by eight months in December 2004) and closed as scheduled on February 28, 2006.

The primary objective of this report is to make an initial assessment of the outcomes and impacts of the CDP-G program. More precisely, to the extent possible, the aim is to identify the observed linkages between the support activities of the CDP-G program and the related public sector policy reforms implemented by the RTG on the one hand (outcomes), and actual improvements in governance and service delivery as perceived by the intended beneficiaries (impacts) on the other. The report also provides an overview of public sector reform in Thailand, discusses stakeholder feedback on the CDP-G program of support, and draws some general lessons learned from implementation of the program.

We hope that both the achievements and the lessons learned from the country development partnership experience will continue to be highly relevant to all the relevant stakeholders involved in public sector reform in Thailand and become a platform of future successful collaboration between the World Bank and the RTG in this important area of the wider development agenda.

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I. Introduction and Summary

The World Bank has been actively supporting the Royal Thai Government (RTG) reform efforts in the area of governance and public sector reform since shortly after the onset of the 1997 economic crisis in 1997. Following initial direct financial and technical assistance, the World Bank's support to the RTG shifted toward a development partnership. The new framework, known as the Country Development Partnership (CDP), was initiated as a knowledge-based partnership and a new non-lending instrument of support, which set out a medium-term integrated framework for reform. Its most basic strength was that it was voluntary. Actions were taken not because they were conditions of the support provided, but because they were part of a mutually agreed reform agenda led by the Government and supported by the World Bank and other development partners. The partnership program on governance and public sector reform (CDP-G) was launched in January 2002, and closed as scheduled in February 2006, following a six-month extension granted in December 2004.

This paper is a program assessment and implementation completion report. It seeks to assess whether, and to what extent, the strategic objectives of the CDP-G program have been achieved. If the strategic objectives have not been achieved, it assesses whether there is progress toward achievement of the objectives and whether the program has contributed to policy changes and enhanced knowledge and capacity. It also draws some key lessons from the work done for future reference.

The assessment concludes that, overall, the achievements of the program's strategic objectives have only been partially achieved. The strategic objectives and outcomes in the areas of revenue and expenditure management, and strengthening human resource capacity, benefited greatly from the program, while those in the areas of improving governance through greater transparency and accountability as well as closer monitoring and evaluation of government operations benefited much less. In hindsight, the CDP-G program achieved better results in areas where there was a strong, receptive and sustained demand for support, while progress is harder in areas where either the political commitment was weak or wavering (e.g. decentralization). Also in a few parts of the program, the commissioned technical work did not produce sufficiently focused diagnostic and policy recommendations.

By way of background, section II reviews the RTG's motivation for embarking on public sector reform highlighting the most salient elements of the reform program since its inception after the economic crisis, and section III details how the World Bank supported the RTG's reform program since 1997, first through the Public Sector Reform Loan (PSRL), then through the two phases of the CDP-G program. This third section describes the objectives of the supporting activities, reviews the key outputs or findings from the assistance, and assesses the quality and relevance of the outputs and findings. Section IV details the feedback provided by the different stakeholders during the two main monitoring workshops to review the progress in carrying out the CDP-G activities held, respectively, in June 2003 at the end of Phase I and in February 2006 at the end of Phase II. Section V assesses the extent to which, thus far, the CDP-G program of activities has been translated into improved outcomes and positive impacts. This assessment is made in terms of the impact of the CDP-G program on the RTG's policy changes, institutional developments, and capacity building, and their sustainability. In cases where is to too

early to identify improved outcomes or impact, an assessment is made on the likelihood that these will ensue in time. Section VI lists the key lessons learned from the partnership.

II. The Royal Thai Government's Public Sector Reform Program

The Asian economic crisis catalyzed the decision by the RTG to improve governance and reform the public sector. The sudden end of the economic boom severely strained the Government's ability to manage its economic and financial affairs, and deliver public services. The combination of recession-induced lower revenues, rising expenditures to meet sharply higher social needs arising from the crisis, and the public costs of restructuring the financial system created large fiscal deficits that required significant external financing. As a share of GDP, public debt more than doubled. At the same time, it became apparent that Thailand's "tiger" economy stood in stark contrast to its antiquated administrative apparatus.¹ Many public institutions had not changed materially since their establishment and unstable coalition governments and limited coordination among public agencies weakened the Government's ability to formulate and implement its policies.² Frequent complaints about corruption eroded the Thais' confidence in public administration.³ Public officials and citizens alike came to the realization that substantial changes were required both to overcome the crisis and to prepare the public administration to manage in a global environment. Thus, the new Constitution of 1997, drafted in a highly participatory manner, provides for increased citizen participation, enhanced transparency and accountability, and decentralization. In particular, it mandated the establishment of accountability institutions ("independent organizations") such as the Administrative Courts, Office of the Ombudsman, Office of the Auditor-General, and National Counter Corruption Commission, and promulgated new standards for transparency and guidelines for decentralizing authority and resources to local administrations. In addition, the Official Information Act of 1997 provided greater public access to official information.

In a nutshell, public sector reform in Thailand has been geared to improving governance, efficiency, and equity; enhancing accountability and transparency of resource management and delivery; and increasing decentralization and public participation. In response to the pressures from the crisis and the mandates under the new Constitution, the RTG initiated a reform plan called the Public Sector Reform Master Plan BE 2540-2544 (1997-2001); subsequently refined and renamed the Public Sector Management Reform Plan (PSMRP) in May 1999. The PSMRP targeted the following five principal objectives: i) revision of the roles, functions, and management of the public sector; ii) reform of budget management with emphasis on outputs and outcomes, including financial and procurement processes; iii) reform of the personnel administration system; iv) legal reform; and v) reform of public sector culture and values. A high-level Public Sector Reform Committee (PSRC) was tasked with overseeing the reforms, and the RTG established a Project Management Office which reported to the PSRC. With the change in Government in mid-2001, public sector reform received a renewed impetus, and in

¹ The last comprehensive reform of the public sector occurred in 1892.

² For example, the civil service was set up in 1928, and the Bureau of Budget in 1951.

³ In 1998, Thailand ranked 61 out of 85 in Transparency International's Corruption Perception Index.

October 2002, two key pieces of legislation, the Ministerial Restructuring Act and the 5th Public Administration Act, were promulgated.

The MRA defined the reorganization of the divisions and departments in 14 existing and 6 new ministries with a view to assign a set of core tasks to each and minimize duplication of work between them. The PAA provided guidelines to reduce bureaucratic processes, decentralize functions and resources as well as decision making powers to local levels, respond to public needs, promote accountability, transparency, public participation, and monitoring and evaluation of service delivery in accordance with the principles of good governance. The PAA also established the Public Sector Development Commission (PDC) to replace the PSRC.⁴

Consistent with the MRA, PAA, and other supporting public sector legislative reforms introduced by the previous Government, the PDC prepared a reformulated Strategic Plan for the Thai Public Sector Development BE 2546-2550 (Thai Strategic Plan, 2003-2007), which was approved by the Government in May 2003, and the Office of the Public Sector Development Commission (OPDC) was established and tasked to oversee its implementation.⁵ The main objectives of the Thai Strategic Plan, 2003-2007, which remains the blueprint for public sector reform in Thailand, are to improve the quality of public services, right-size the government bureaucracy, increase the capabilities of public sector employees, and promote democratic governance. These objectives are to be met through the implementation of seven enabling strategies namely: i) streamline and redesign work processes and procedures; ii) restructure public organizations; iii) reform financial and budgetary systems; iv) review human resource management and compensation; v) develop a new mindset, work culture, and values; vi) modernize government operations; and vii) encourage public participation. The main elements of the seven strategies are described in section III, under “CDP-G: Phase II”.

III. Support to the RTG’s Public Sector Reform Program

Public Sector Reform Loan

Both in the immediate aftermath and in the wake of the economic crisis of 1997, the RTG obtained loans from various organizations to help first stabilize the economy and subsequently support a sustainable recovery. Part of that support was provided by the World Bank in the form of a single tranche Public Sector Reform Loan (PSRL) in the amount of \$400 million in 1999.⁶ The three principal objectives of the loan were to reform core public management systems, namely: i) enhance resource management by creating incentives for budget, revenue and civil service agencies to improve performance and effectiveness, and by focusing on outcomes in managing financial and human

⁴ The PDC was appointed by Government in December 2002. The Commission is chaired by a Deputy Prime Minister and comprises 14 commissioners. The current (renewable) terms of all commissioners expires at the end of 2006. It should also be noted that sustained support for public sector reform was also reflected in Thailand’s Ninth Development Plan, 2002-2007, which targeted improved governance as a key element of the country’s development agenda.

⁵ A Royal Decree on Good Governance was also issued, in October 2003.

⁶ The loan was approved on October 14, 1999 and closed on July 31, 2001. In June 2000, the Cabinet dedicated \$100 million of the PRSL proceeds to finance public sector reforms.

resources; ii) improve service delivery by restructuring the way central Government delivers services and, for selected line ministries, by outsourcing, restructuring, or decentralizing government activities and enhancing public sector responsiveness to communities; and iii) strengthen accountability and transparency and restore confidence in government by strengthening accountability institutions, improving transparency in budgeting, refocusing the civil service toward client service, and establishing effective mechanisms to promote accountability and transparency.⁷ Each objective was to be reached through the implementation of specific action plans and monitored through implementation benchmarks in: i) expenditure management; ii) human resource management; iii) revenue administration; iv) decentralization; and v) cross-government accountability and transparency. From the key outputs of the PSRL, some notable successes were achieved. In particular, the outputs contributed to: i) fostering widespread acceptance of the need for public sector reform; ii) the political commitment to deliver it; iii) encouraging the top leadership of the bureaucracy to empower change agents below; iv) forming a vision of the reform's outcomes and plans to achieve them; and v) consolidating efforts to build awareness of the reform among participants and stakeholders. More concretely, the PSRL contributed significantly to enhancing Thailand's institutional capacity to use its financial and human resources more effectively, strengthen service delivery, and promote accountability and transparency, including through the creation of new institutions such as the Large Taxpayer's Office, the Senior Executive Service, the Office of the National Decentralization Committee, the National Counter Corruption Commission, the Office of the Ombudsman, and the Administrative Courts. Over time, these and other newly created institutions were expected to improve the way in which the Government provides, finances, and monitors public service delivery. In addition, the enactment of new enabling laws and regulations, and the reform of systems that govern organizations and their interactions, were anticipated to contribute to the provision of the incentives necessary to sustain the reform momentum.

Country Development Partnership on Governance and Public Sector Reform

As the Government's needs for external financing declined, the relationship between the RTG and the World Bank from 2002 onward evolved from a borrower-lender relationship to a development partnership under which the World Bank focused on providing technical and capacity-building assistance in support of the RTG's public sector reform program. The Country Development Partnership on Governance and Public Sector Reform (CDP-G) was formally launched in January 2002 and was carried out in two phases.⁸ Phase I began in January 2002 and lasted through mid-2003, and was financed by grants from the World Bank's Institutional Development Fund (IDF), the World Bank's budget, cash and in-kind contributions from the RTG, and additional funds mobilized by other development partners, including the Asian Development Bank (ADB), the Asia

⁷ The PSRL was explicitly envisioned in the World Bank's Country Assistance Strategy (CAS) for Thailand for the period 1999-2003, which focused on: i) renewing the competitiveness of Thailand's productive capacity, financial sector, and labor force; ii) improving governance and public and private institutions; and iii) ensuring a more equitable distribution of the benefits of growth across social lines.

⁸ Other Country Development Partnerships (CDPs) were established in the areas of Social Protection (CDP-SP; February 2001), Poverty Analysis and Monitoring (CDP-PAM; May 2002), Financial and Corporate Competitiveness (CDP-FC; April 2003), Education (CDP-Ed; February 2004), and the Environment (CDP-E; July 2004). The Bank's role in all these CDPs is to support the Government's reforms in the different areas by facilitating knowledge sharing and providing policy advice. The Bank's engagement operates through diagnostic and monitoring work, as well as through a limited amount of implementation support.

Foundation, Ausaid, the Danish Trust Fund, and the United Nations Development program (UNDP).⁹ Phase II was officially launched on September 23, 2003 and ended on February 28, 2006, after a 6-month extension agreed in December 2004. Phase II was financed by ASEM Trust Funds, in the amount of \$996,600 (ASEM TF2), the Government's own contributions, the World Bank's operational budget, IDF grants, the Japanese Government Policy and Human Resource Development grant (PHRD), and the World Bank Institute (WBI). The IDF, PHRD, and WBI funds were used to support the CDP-G program through five different sets of activities; namely: i) Strengthening Expenditure Management (IDF; effective on December 19, 2002); ii) Supporting E-Government (IDF; effective February 26, 2003); iii) Improving the Efficiency of Public Procurement (IDF; effective on April 9, 2004); iv) Improving Parliamentary Oversight (PHRD/WBI; effective June 2004); and v) Strengthening the Office of the Auditor-General (IDF; effective December 12, 2004).

The key counterpart government agencies for all the associated activities under Phases I and II were: the Public Sector Reform Loan Management Office, the Office of the Public Sector Development Commission, the Office of the Civil Service Commission, the Bureau of Budget, the Ministry of Finance, the National Economic and Social Development Board, the Office of the National Decentralization Committee, the Comptroller General's Department, the Office of the Auditor General, the Ministry of the Interior, and the Revenue Department.

CDP-G: Phase I

Objectives: Guided by the RTG's PSMRP and as a follow-up to the World Bank's support under the PSRL, Phase I of CDP-G initially focused on reforms in: i) expenditure management; ii) revenue management; iii) the civil service; iv) decentralization; and v) cross-government accountability and transparency.¹⁰ The specific objectives were to: i) improve expenditure management by supporting performance based budgeting and related expenditure reforms; ii) improve revenue management by supporting implementation of information communication and technology (ICT) and other tax administration-related reforms; iii) improve public administration by supporting implementation of results-based management; iv) facilitate decentralization reforms by enhancing the intergovernmental framework and building local government capacity; and v) enhance accountability and transparency by supporting accountability roles of Independent Organization, Parliament, and civil society.

Objectives and description of the activities: Under the objective to improve **expenditure management**, technical support was provided to: i) the Bureau of Budget (BOB) to assist

⁹ Prior to the CDP-G program, various components of the Government's public sector reform program were also supported by the Danish Trust Fund in the amount of \$75,000 (closed December 2000); a PHRD grant in the amount of \$492,300 (closed January 2001); ASEM TF1 in the amount of \$1.1 million (closed November 2001); and IDF grants in the amount of \$185,000 (closed February 2002).

¹⁰ While noting the likely sustainability of the Government's public sector reform program, a World Bank assessment of the PSRL conducted in July 2001, cautioned that sustainability could be adversely affected by focusing too much on reform actions rather than impacts and paying insufficient attention to ensuring that the impacts potential stakeholders care most about are accurately monitored. Thus, the assessment advocated the enhancement of efforts to promote external demand for reform through regular monitoring by civil society organizations (CSO) and the media, and strengthening Parliament in its watchdog role. As a result, an emphasis on monitoring and evaluation was one of the key components of the CDP-G program.

the implementation of a performance-based budgeting system, including through the preparation of a draft budget manual, and the development of a medium-term expenditure framework (MTEF), and an appropriate output-costing methodology; and ii) to the Office of Public Procurement Management (OPPM) to develop a government procurement disclosure information system. Under the objective of improving revenue management, technical support was provided to the Revenue Department to develop a web based revenue projection and evaluation ICT system that shortens the report generating process, provides the required outputs with short-term projection capability and enables basic analysis with equity functions. Under public administration reform, technical support was provided to assist Government in: i) identifying critical gaps, weaknesses, and impediments to the implementation of ongoing reforms; ii) conducting a survey on customer satisfaction of government agencies; iii) developing practical tools to assess the financial impacts of civil service pay and employment policy options; iv) developing a Senior Executive Service (SES) Program; and v) developing a restructuring plan for the Ministry of Science, Technology, and the Environment (MOSTE) and establishing an evaluation system for executing the restructuring plan. Activities to advance decentralization included the provision of technical support to: i) the CGD to strengthen local administration financial management capacity through regional and provincial treasury offices (PTOs); ii) the Office of the National Decentralization Committee (ONDC) to monitor the decentralization process and assess local government capacity in the areas of local institutional readiness and human resource development; iii) the Ministry of Education to ensure that the Local Education Areas (LEAs) can manage their finances to provide quality education services and minimize possibilities for corruption; iv) the Ministry of Public Health to develop a performance framework for decentralizing health services; and v) the National Economic and Social Development Board (NESDB) to set up a local government information center to enhance access to local government information and data. Finally, with the objective of enhancing accountability and transparency, technical support was provided to: i) promote community radio programming as a watchdog to monitor reform progress and corruption practices; ii) assess and provide recommendations on parliamentary oversight of the budget process and define the role and functions of the Budget Policy Committee; iii) assist in formulating an anti-corruption plan; iv) develop a series of television programs on ethics in the civil service; and v) conduct a survey on the perceptions of corruption in government agencies at the household, firm, and government agency level.

Findings/Recommendations: With regard to expenditure management, a draft Budget manual was prepared, and strategic link between the Budget Allocation Model (BAM) and the MTEF was developed to enhance the capacity of the BOB to: (i) develop a simple spreadsheet-based macro-fiscal model; (ii) critique macro-econometric forecasting models used by other central agencies; (iii) develop and use a budget allocation model to guide policy; (iv) implement public expenditure tracking surveys (PETS) and other similar tools; (v) develop strategic delivery targets and other high-level development policy goals; and (vi) design of prototype macroeconomic modules, consistent with the Budget Information System (BIS) and the Government Financial Management Information System (GFMIS). In addition, information and data on capital investment, public debt, and local public administration, which were previously scattered across different agencies, were integrated into a single database at the BOB. With regard to Output-Costing, a comprehensive “Output Costing Manual” was produced based on the objectives set by the BOB, using inputs from: i) the Tourism Authority of Thailand; ii)

the Department of Disaster Prevention and Mitigation; and iii) the Office of Basic Education Commission (OBEC). Both the Manual and the related training were well received by BOB staff. The Manual has been translated into Thai by the BOB so that it is easily understandable by line agencies, and is now available on the BOB website. A one-day training session was held to educate senior staff at the BOB and line agencies on the procedural details to perform output costing. A one-day seminar was also held to disseminate guideline to other relevant agencies. In addition, proposals were submitted to the Office of Public Procurement Management (OPPM) to set up a government procurement disclosure system.

In the area of revenue management, the RD improved its tax administration in a relatively short time through the use of ICT in tax collection reporting, tax payment monitoring, supervision and collection, and day-to-day operations of RD Offices. For example, the support provided to develop a web-based revenue projection and evaluation ICT system helped shorten the report generation process, provided the required outputs (reports, charts, electronic files), and enabled basic analysis with query functions. Meanwhile, the introduction of electronic payment and the availability of tax calculation software (for personal income tax and withholding taxes) have been well accepted by the tax payers. The introduction of ICT has also helped improve tax revenue collections, including the identification and collection of tax arrears, and reduce the opportunities for tax fraud.

With regard to supporting public administration reforms, the following outputs were produced. First, a former senior official of the New Zealand Government prepared a high-level note which addressed the issues of the integration of the reforms across the public sector.¹¹ The note, which was circulated to Deputy Prime Ministers, Ministers, and other senior policy-makers, offered specific recommendations to achieve better strategic and operational management and more emphasis on results. They included the need to: (i) focus on the design and implementation of a coherent and integrated management system that brings together decision-making about policy at the strategic level, budgeting, financial reporting, human resource management and civil service reform, and performance management; (ii) support the implementation of Public Service Agreements (PSA) and the operations of departmental “clusters” with complementary changes in the procedures for budgeting, financial reporting, and public administration; and (iii) address remaining inconsistencies between the draft Financial Fiscal Accounting Act and the draft Budget Procedures Act. Second, a survey on customers’ satisfaction of 138 government agencies was conducted for the Comptroller-General’s Department as one of the five inputs into the Government’s Performance Evaluation Program (PEP) for civil servants.¹² Third, a user-friendly spreadsheet and accompanying instructions were produced for the Office of the Civil Service Commission (OCSC) to model the financial impacts of changes in civil service pay and employment policy options. The model computes the interactions of remuneration, employment numbers and separation costs, and their impact on the civil service payroll. Fourth, a limited Senior Executive Service (SES) program was developed for civil servants at grades 10 and 11 over a three-year period (FY2002-FY2004). Finally, blueprints for organizational reform of the Ministry of Science, Technology, and the Environment (MOSTE) were drawn up, but the Government

¹¹ Graham Scott, *Managing the Government for Results: The Next Phase of Public Sector Reform in Thailand* (June 14, 2002).

¹² The PEP formed the basis of the annual rewards awarded to high performing agencies in FY2001.

subsequently opted to split the Ministry into two separate Ministries in 2004 (the Ministry of Science and Technology and the Ministry of Natural Resources and the Environment).

With regard to ***decentralization***, a decentralization capacity assessment was carried out for the Office of the National Decentralization Committee (ONDC) in early 2002, which recommended specific measures to build capacity in nine key areas (information management, economies of scale in local government, regulatory constraints, personnel policies, decentralization training strategy, immediate training requirements, institutional strengthening, capacity-building management tasks, and decentralization in the Bangkok Metropolitan Administration). Also, a report was produced highlighting key impediments and opportunities affecting the implementation of the decentralization process in Thailand, and recommending a series of corrective measures. A series of workshops was also held to help build capacity on decentralization issues.

Support in the area of ***transparency and accountability*** was provided mainly through capacity-building workshops and trainings, including on the role of media in curbing corruption and strengthening parliamentary oversight. A report was also produced on the role of the proposed budget policy committee and parliament in the budget process in Thailand. The report made several recommendations to encourage Parliament to use the power it has more actively and effectively.

Assessment: Satisfactory. The first internal assessment of Phase I of the CDP-G program was undertaken by the World Bank's Quality Assurance Group (QAG) in December 2002. The QAG concluded that while the CDP-G program's broad agenda might have been appropriate in the initial stage, a year into the program, it was time to refocus the tasks in a more realistic manner, either by removing one of the five areas covered or by better targeting within each area.¹³ Specific areas cited for improvement included: i) ensuring that the selection of consultants is sufficiently mindful "of the need to provide advice that is grounded on developing country realities (especially administrative capacity) and that represents a diversity of administrative cultures and approaches"; ii) enlarging the circle of stakeholders; and iii) improving internal reporting and review of the tasks undertaken.

A subsequent assessment of Phase I of the CDP-G was published six months later in the joint RTG-World Bank report prepared for the Phase I Monitoring Workshop, held in June 2003. That report noted that the development impact of Phase I of the CDP-G had, in general: i) contributed to raising the awareness of issues related to public sector reform and governance, through commissioned studies and reports; ii) assisted in raising the quality of policy discussion and improving reforms, through the policy advice and technical support provided; iii) provided government officials access to updated knowledge and improved their capacity through training programs; iv) helped enhance coordination across agencies, by bringing together relevant decision-makers in policy workshops; and v) provided an integrated framework for monitoring and evaluating the reform program.¹⁴ The report also concluded that while significant progress had been made in the area of public administration reform and revenue management, and much of the groundwork had been laid in the area of expenditure management, limited progress

¹³ *CDP-G Quality Assessment*, Quality Assurance Group (QAG), World Bank (December 2002).

¹⁴ *Thailand Country Development Partnership: Governance and Public Sector Reform, Phase 1: Monitoring Workshop*, prepared by the Office of the Public Sector Development Commission, the Asia-Europe Meeting (ASEM) Trust Fund, and the World Bank (June 2003).

had been made in functional and personnel decentralization, and additional progress was needed to build the capacity of independent organizations to allow them to play the accountability roles as envisaged under the new Constitution. Looking forward, the report cautioned that much remained to be done to improve the coordination across the different areas of reform, and introduce clear mechanisms to improve accountability in transforming inputs, processes and outputs into outcomes and impacts.¹⁵

CDP-G: Phase II

Consistent with the progress achieved under Phase I, the findings of the QAG in December 2002, and the lessons drawn from the RTG's own review of its reform experience through mid-2003, the RTG and the World Bank agreed that during Phase II of the CDP-G program more emphasis would be placed on the closely related areas expenditure management, civil service, decentralization, and accountability. Thus, the ASEM-funded activities under Phase II of the CDP-G program, which were initially agreed in November 2002 but officially endorsed only in September 2003, aimed to support implementation of the Thai Strategic Plan in three areas; namely: i) improving resource management for poverty reduction; ii) enhancing service delivery and strengthening governance; and iii) strengthening external monitoring and evaluation of the public sector.¹⁶

The next section describes the objectives and the corresponding activities and assesses them in terms of their technical quality and against either their actual or likely impact on policy changes and/or on sustainable institutional development and capacity building.¹⁷ To help assess the relevance of the individual activities of the CDP-G program to the Thai

¹⁵ In evaluating "results", it is important to clearly distinguish between the different elements in the causal chain running from "activities" to "results", including "outputs", "outcomes" and "impacts". In the World Bank terminology, an "activity" is simply an element of, or an input into, a reform process. A "result" is a general concept, which may include an unpredictable mix of "outputs", "outcomes", and "impacts". An "output" is the end-product of "activities", and it is a characteristic of the supply-side of a reform (e.g., a recommendation, a report, a workshop). An "outcome" is achieved only when there is a demonstrated "demand" for the "output" produced (e.g., adoption of a recommendation). An "impact" occurs at the tail end of the causal chain (e.g., the objective of the adopted policy is achieved; as in the case where the intended beneficiaries of the RTG's poverty reduction programs feel/acknowledge that the programs have made them less poor).

¹⁶ The delay of close to one year between the technical support funding proposal for the ASEM Trust Fund (ASEM TF2) on November 1, 2002 and the signing of the Grant Agreement on September 23, 2003, was due mostly to the time taken to clarify some legal issues related to the Grant Agreement. As a result, by the time the Grant Agreement became effective, some of the activities included in the original proposal had already been undertaken by Government, while some agencies/consultants that had been lined up to carry out originally assigned activities were no longer available. While none of the revisions to the activities required an amendment to the grant agreement and all were approved by the CDP-G Steering Committee, the search for substitute agencies/consultants and subsequent agreements on corresponding terms of reference took much longer than expected, and ASEM-funded Phase II activities began in earnest only in early 2005. The mapping of the original CDP-G Phase II ASEM funded activities to the revised activities is summarized in Appendix Table 1.

¹⁷ The assessment is based on the following four point scale: "highly satisfactory", "satisfactory", "moderately satisfactory", and "unsatisfactory".

Strategic Plan, each is classified under the corresponding “Strategy”, and the recent progress under each “Strategy” is briefly summarized.¹⁸

Strategy 1: Streamline and redesign work processes and procedures with a focus on implementing a results-based management system and improving the efficiency and quality of services.

The key reforms under the strategy to redesign work processes and procedures include a focus on developing results-based management and reducing response time and work processes in public services. At the national level, under the Public Affairs Management Plan or PAMP (2005-2008), adopted in April 2005 in support of the Thai Strategic Plan, every ministry/department/provincial administration is required to develop a four-year implementation plan, and corresponding annual action plans, including specific budget proposals aimed at achieving the broad goals identified in the PAMP. Key performance indicators, or KPIs, for each goal in the PAMP have been identified and are to be used for monitoring and evaluating the progress towards achieving targeted outcomes. Starting in 2005, all chiefs of ministries, departments and provincial administrations are required to propose agency specific strategic plans and sign performance agreements with the government in order to enforce administrative liability. The performance agreements outline five key development plans, which include: (i) expense reduction; (ii) reduction in personnel or improvement in personnel allocation; (iii) reduction in service response time; (iv) improvement in the quality of services delivered; and (v) achievement of the required performance level. Self Assessment Reports (SARs) are required by every government agency to use as a self-monitoring and evaluation tool. In 2007, several government agencies will pilot the public sector performance assessment, which will require government agencies to assess their performance, both in terms of ability to achieve stated goals and the public’s satisfaction, and their effectiveness, in terms of economic impact as well as the positive or negative impacts, whether intentional or unintentional. To increase efficiency and the quality of services, every government agency is to reduce work processes by at least 30-50 percent by 2007.¹⁹ The reduction by at least 25 percent in service delivery response time has been a KPI since 2004. Furthermore, the government has also set up incentives for improved service delivery, including by granting “Service Quality Awards” for government agencies which successfully reduce work processes and provide more timely and efficient services to the public. Finally, many “Services Link Units” (SLUs) were piloted in 2004 in Bangkok and in some provinces to provide various government one-stop services to the public, including house registration, and water, electricity and telephone connections and services. Another one-stop service called “Government Counter Services” (GCS) was piloted in Bangkok and Chiang Mai in 2005 to provide 22 kinds of services from 17 government agencies and the private sector. Examples of services provided include postal services, tax filing services, passport renewals, issuance of personal identification cards, airplane/bus ticket reservations, electricity/water/telephone connection/repair requests, downloads of government forms. The government plans to expand GCS to several provinces in 2006.

¹⁸ A fuller account of the progress achieved under each “Strategy” is detailed in Appendix Tables 2 & 3. The list of activities funded by ASEM Trust Funds (ASEM TF2) along with their associated budgets and disbursement records are detailed in Appendix Table 4.

¹⁹In 2005, the OPDC reported at least 30 percent reductions in 2,026 work processes, 35-50 percent reductions in 6,637 work processes, and 50 percent reductions in 4,281 work processes. (Source: OPDC Annual Report, 2005).

1. Results-Based Management on Good Governance

Objectives and description of activities: The objectives of this activity were to assess Thailand's progress in implementing a results-based management (RBM) system; identify strengths, weaknesses, problems and opportunities for further development; and compare progress against the literature and the experience of countries well known internationally for RBM. In 2003, the OPDC implemented the RBM approach to measure and drive performance of Ministries, departments and all 75 provincial administrations. In fiscal year 2004, all government agencies were required by the Cabinet to join in the system of the performance agreement and measurement, from which a series of key performance indicators (KPIs) were used to set target goals.²⁰ To measure performance, the OPDC introduced the concept of the "balanced scorecard", which measures: the effectiveness of strategic plan implementation; the efficiency of public sector work; the quality of service delivery; and organization development.²¹ The research team reviewed annual reports and operational documents, and observed training programs, organized focus groups and workshops, visited ministries, departments, and provinces, and met with selective executives and staffs.

Findings/Recommendations: The consultants' report concluded that, in general, Thailand is successfully implementing an RBM system in its early stages. Virtually all public agencies show some specific effort and some results in terms of better quality of service delivery and reduction in administrative cost, and the government has begun to collect data on cross-cutting issues, such as efficiency and service delivery, and to lead the effort to increase coordination through clustering to achieve integrated results. Some examples of improved services include the establishment of call centers for registration and insurance, streamlining of regulatory procedures, and local service centers for social, employment, and other services. However, in common with worldwide experience, Thailand's implementation of RBM has also encountered several challenges, including uneven integration with other management systems; difficulties in measuring outcomes; the burden of extra work to maintain the current systems while introduce additional parallel processes; and resistance to change by those who are tasked with implementing the RBM system. More specifically, the consultants found that the key institutional issues were: (i) aligning performance reforms with other management systems, including the budget process; (ii) striking the right balance between central leadership and agency ownership of performance management systems; (iii) harmonizing KPIs of the line ministries/departments with those of the provinces; (iv) cascading KPIs from ministries to departments and provincial offices of departments; (v) generating synergies through the clustering process at both national and provincial levels; and (vi) strengthening the role of the CEO-Governor and the provincial team in the coordination of strategy and operations at the provincial level.²² Many positive factors are helping to meet these challenges, including the expressed desire for more efficient and effective government performance, sustained leadership, stakeholder ownership, focused planning, capacity building, and the recognition of intermediate—even if perhaps smaller—successes. Looking forward, the

²⁰ The fiscal year starts October 1.

²¹ The Public Administration Act of 2002 provided the framework for extending RBM from what had been until then only a few experimental pilot projects to a government-wide effort to manage for results.

²² The last point is consistent with one of the key findings of Activity No.3 on "Empowerment and Decentralization Policy".

report identified 10 challenges and 21 recommendations under the following four categories: systems, people, techniques, and strategy (Box 1 . Results-Based Management: Challenges and Recommendations). The consultants found that Thailand has an even stronger central definition of performance targets and assessment process than many of the nations at the forefront of performance-based management, including the United States, the United Kingdom, New Zealand, and Australia. However, these countries have developed more advanced systems for integrating performance information and measures into management and budgeting systems, most notably through the articulation of performance budgeting and performance auditing. These processes are viewed as essential to improve decision-making and ensure the sustainability of performance reforms over the longer-term.

Assessment: Highly Satisfactory. The consultants' comparative analyses of the key elements and challenges of the RBM approach, and their correspondingly well-specified recommendations should enable the OPDC to further develop a better horizontally and vertically integrated RBM system, and put Thailand's RBM systems on a par with those currently operating in countries at the forefront of performance-based management. The report is particularly useful in exploring each of the main challenges through the use of numerous well chosen case studies, and providing examples of how other countries have addressed them. Very useful references to operating and training manuals and other essential documents are also included.

2. Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform

Objectives: The overall objectives of this component were to focus on the service delivery aspects of selected poverty reduction policies and to test the effectiveness to the administrative mechanisms of the public sector to generate positive outcomes from its various poverty reduction policies and to identify weaknesses in the current organizational structures.

Description of the activities: This research project, undertaken in collaboration with six universities in four regions of Thailand, comprised the following 6 case studies: i) the Agriculture Technology and Service Center; ii) One Farm One Village Project in the South; iii) Caravan for the Poor; iv) Occupational Training in the Central Region; v) Housing Projects for the Poor; and vi) Land Reform for the Poor.²³

²³ The research teams came from Khon Kaen University, Songkhla University, Naresuan University, Kasetsart University, Rangsit University, and Chiang Mai University. The teams were led by Professor Medhi Krongkaew, Professor of Economics and Director, Center for Poverty Studies, School of Development Economics, The National Institute of Development Administration (NIDA).

Box 1 . Results-Based Management: Challenges and Recommendations

Top Ten Challenges

1. The effective use of strategy and planning for area development (provinces);
2. Performance management systems; formulating key performance indicators;
3. Inter-institutional integration, requirements and coordination;
4. Catalytic and action-harmonizing mechanisms;
5. The role of executive performance management and coordination, especially in provincial teams;
6. Capacity building and learning processes;
7. The impact of structure and information availability on RBM implementation;
8. Role of the people: voice and governance;
9. Linking individual motivation to the overall RBM system; and
10. Sustainability of RBM and Recognition of early success

Recommendations

Systems	<ol style="list-style-type: none"> 1. Align RBM (performance system) with other management systems, including the budget and audit system; 2. Cascade RBM vertically throughout each agency (ministries, departments, provinces, public organizations); 3. Link the government strategic and administrative plan with priorities of each ministry and province; 4. Link RBM in line agencies with RBM in area-based management, recognizing the focus on results for the people in each province; 5. Recognize good examples of cluster (cross-cutting) results programs; 6. Emphasize that the provincial level, which is closest to the people, requires increased expertise, and that successful strategies at provincial level should be shared widely to track development and diffusion of innovations; 7. Mandate transparency in RBM planning and reporting;
People	<ol style="list-style-type: none"> 8. Intensify training in agencies (ministries, departments, provinces, public organizations) for the OPDC innovation teams, and increase training in OPDC innovation for line managers at all levels; and strengthen RBM training in OPDC and BOB; 9. Intensify and regularize training for CEO-Governors; 10. Reward line agencies for contributing to area-based development; 11. Develop action learning workshops for provincial teams in RBM, noting that the new provincial teams are led by governors, and includes the heads of all line departments/ministries represented at the provincial level; 12. Develop the capacity of community people to formulate community KPIs and to compare them with those at various levels of government; 13. Shift some expertise at the ministry and department headquarters levels to provincial levels; 14. Integrate RBM with individual performance appraisal by implementing a management-by-objectives (MBO) approach that links individual contributions to government results;
Techniques	<ol style="list-style-type: none"> 15. Establish a resource center, both physical and virtual (web-based), on developing and measuring KPIs; 16. Compare similar KPIs across agencies; 17. Investigate KPIs in best practice case studies for new ideas for measurement and targets; 18. Link performance measurement system to the budget process; 19. Improve information systems to facilitate comparison of KPIs and comparison of results; 20. Focus on links between outputs and outcomes through use of intermediate outcome measures;
Strategy: Forward Looking	<ol style="list-style-type: none"> 21. Thailand, together with international institutions can co-host international conferences of governments with experience in managing reforms in which the focus should be on successful and sustainable implementation as well as best practices in order to renew and sustain momentum of reforms. A conference would also help Thailand to benchmark its progress against that of other nations.

In all the case studies, the aim was to assess the nature and extent of leakages or inefficiencies in the budgetary allocation system and estimate the amount of budgeted expenditures on the selected poverty reduction programs that actually reached the intended recipients by using a Public Expenditure Tracking Survey (PETS) technique based on the methodology developed by the World Bank.²⁴

1. The Agriculture Technology and Service Center (Khon Kaen University)

Objective and description of activity: This poverty reduction program aims to help poor farmers by helping them adopt improved production technologies and providing them with agricultural inputs, training and workshops. The program requires collaboration between the different tiers involved, namely; the Department of Agricultural Extension, the Tambon Administrative Organization, the CEO Provincial Governors, and the Agriculture Technology Transfer and Service Center (ATSC).²⁵

Findings/Recommendations: The research found that there were inefficiencies caused by the long flow of funds from one tier to another. In particular, cases of both ‘angel workers’ (i.e., those working without adequate pay) and ‘ghost workers’ (i.e., those receiving pay but doing less or no work) were identified. To help alleviate these inefficiencies, the researchers recommended that: i) there should be more budget information disseminated among all the tiers so that all are aware of the amounts allocated and spent; ii) the steering committee of the program should be more active; iii) there should be a person from the Tambon to work with the ATSC; and iv) the number of tiers through which the budget allocation flows between the central government and the front-line service providers should be shortened to avoid the potential for leakages and/or inefficiencies.

2. One Farm One Village Project (Prince Songkhla University)

Objective and description of activity: The Ministry of Agriculture and Co-Operatives provides in-kind assistance (materials for cage building, the fish and its food) and cash (wage payment for farm assistants) to help poor fishermen raise white sea bass along the shores of their villages. The cash and in-kind resources flow from the Ministry through

²⁴ The World Bank first applied what subsequently became known as the “PETS technique” in a study of efficiency and effectiveness of educational expenditure in Uganda in 1996. Since then, the PETS technique has been developed and used to analyze mainly education and health policies in developing countries, mostly in Africa, including Chad, Ghana, Madagascar, Mozambique, Nigeria, Rwanda, Tanzania, and Zambia, but also in Honduras and Peru. The original PETS included the following three components: i) a quantitative assessment of beneficiaries; ii) an institutional mapping of all the actors involved; and iii) a quantitative comparison of expenditure allocations at one administrative level compared with subsequent levels to identify leakages across the expenditure chain. In this project, because both quantitative and qualitative information were important, the researchers modified the original PETS technique to suit the Thai context. The research team received valuable guidance and technical advice on several occasions on how to adapt the PETS methodology to suit each case study from Dr. Kai Kaiser of the World Bank. The “Thai PETS” comprised the following four components: i) the socio-economic background of the public expenditure in question; ii) the institutional setup of the program, including the relationship between the relevant agencies/units; iii) the processes associated with the flows of funds from top to bottom, from the beginning to the end; and iv) the nature and characteristics of the benefits or beneficiaries of the spending.

²⁵ The research team reviewed 6 ATSCs covering 73 villages in Khon Kaen and Nong Khai provinces.

the Department of Fisheries in Bangkok, through the provincial departments of fisheries, and down to district fisheries in the province.²⁶

Findings/Recommendations: The research team found several points of possible leakages as well as inefficiencies in the implementation of the program. First, there was a mismatch between the budget cycle, which begins in October each year, and the appropriate weather for fish to grow and survive. Second, the training of farmers was inadequate, as farmers felt they did not learn anything new and the timing of the training was not well matched with the assistance. For example, some farmers were given the training only after the program had been in effect for two months. Third, the cage size was too small and the nets were of inferior quality than those normally used by the farmers, resulting in lower fish survival rates. Fourth, there was a mismatch between the buying and selling prices offered by the Ministry and those available in the market, resulting in the farmers being better off transacting in the market rather than with the Ministry. The research team recommended that there be more participation from the farmers in the design and monitoring of the program to ensure that the program meets local needs and conditions. For example, empowering the farmers to manage resources would raise efficiency, while decentralizing decision-making to local government officers would allow timely responses and adjustments to local conditions.

3. Caravan to Help the Poor (Naresuan University)

Objective and description of activity: On behalf of the RTG, provincial CEO-Governors visit local communities with the aim of improving the level of understanding between provincial administrators and the people. The half- to one-day visits include meetings with villagers and village heads, hand-outs of basic necessities, and house visits to the elderly and the handicapped. Resources flow from provincial governors to provincial administrations.²⁷

Findings/Recommendations: The research found that, on average, each “Caravan” reaches only between 50-150 villagers and expenditures for basic necessity hand-outs range from less than Baht 100 to Baht 500. The size of the caravans ranges from a few to 50 officials, making the program expensive, especially when the travel expenses are included as part of the operation budget. Moreover, the research concluded that the artificially high prices charged for many of the goods subsequently handed out implied possible leakages. The team recommended revisions to the program, including making the caravan visit more informal and cheaper. Also, proper accounting of the program should be done and the accounts should be subject to public scrutiny.

4. Occupational Training in the Central Region (Kasetsart University)

Objective and description of activity: The Ministry of Industry provides occupational skills training programs for the poor in the Central Region provinces to develop “One Tambon One Product” (OTOP) products. The resources flow from Ministry of Industry through the Division of Industrial Promotion down to the Office of Provincial Industry.²⁸

²⁶ The research team surveyed the project in the southern province of Satun.

²⁷ The project was assessed in the northern provinces of Pichit and Tak, and the northeastern provinces of Khon Kaen and Maha Sarakam.

²⁸ The project was reviewed in the central provinces of Phra Nakorn Si Ayutthaya and Nakhon Pathom.

Findings/Recommendations: Though no specific leakages were identified in the program, the research team did find that the training provided did not meet the intended objectives because the poor were not able to acquire sufficient skills on product development due to their limited ability to learn. Part of the reason for their learning difficulties stems from the fact that because the class has to have a minimum of 20 trainees, some of those receiving the training were not sufficiently qualified, and the program is not well targeted. On average no more than a quarter of the trainees completed the training successfully. The research team recommended that the program be more flexible in terms of budget, timeline, and team members to better able to meet needs and capacities of the trainees. In addition, team recommended that the program needs to be more publicized to attract more interest. Lastly, the decision on what skills are necessary and which occupational groups to target should be based on information gathered systematically and accurately at the provincial level rather than decided at the central government level.

5. The Housing Projects for the Poor (Rangsit University)

Objective and description of activity: Under the “National Committee for Fighting Against Poverty”, the “Housing Projects for the Poor” program aims to provide subsidies of Baht 80,000 to help poor people purchase a home. The National Housing Authority of Thailand (NHA) prepares and executes the budget, which flows from the Bureau of Budget to the NHA, and from the NHA to contractors and sub-contractors.²⁹

Findings/Recommendations: The research team discovered cases of ghost employment in residential management companies. The team also found that there were differences in the price of housing units between what the Ministry estimated and what the head of household perceived to be the true market price of the housing unit. The research team recommended: i) improving the monitoring of the residential management companies; ii) increasing supervision and inspections of the quality of the construction work; iii) improving the policy and strategy to properly target poor households; iv) offering the option of shared ownership; and v) improving public expenditure management of the program, including through better budget reporting and internal and external auditing.

6. Land Allocation Scheme under Land Reform Policy (Chiang Mai University)

Objective and description of activity: The Agricultural Land Reform Office (ALRO) under the Ministry of Agriculture and Cooperatives provides resources to the Provincial Land Reform Offices (PLRO) to undertake group or individual cadastral surveys, carry out land rights verifications and negotiations, and issue land certificates.³⁰

Findings/Recommendations: The research team did not find any leakage in the program. The budget reports were made frequently and all expenditures were checked against bills paid. Accounting systems were transparent and the baseline for wages, travel expenditures, and per diem expenses were clearly identified. The team did not make any recommendations.

²⁹ The research team sample surveyed the operation of the project in 5 locations (Bangkok, Samut Prakarn, Nonthaburi, Pathum Thani, and Chiang Mai)

³⁰ Data were collected from the northern provinces of Chiang Mai and Nan.

Overall Assessment of the Six Case Studies: Moderately Satisfactory

This project is the first of its kind to make an effort to link overall public sector reform strategies to specific small-scale poverty reduction programs with the aim of finding ways to identify and reduce possible leakages and enhance the delivery of poverty reducing services. However, while leakages were identified in some of the case studies, these were not specifically traced to the underlying public agencies that were responsible for delivering the services. In particular, the case studies focused on the contents of the programs (i.e. how much of the budgeted allocations reached intended recipients) but not the specific internal agency or cross-agency mechanisms that may have been responsible for the leakages along the way. The adoption of a PETS-like methodology helped the researchers track expenditures in the case studies of poverty reduction programs and the findings from this project may prove useful as benchmarks for other similar projects, but it remains uncertain whether the PETS-like techniques will be widely incorporated into monitoring and evaluation systems of public sector programs.

3. Empowerment and Decentralization Policy: A Study on the Poverty Eradication Implementation by the Provincial Administration under the Integrative Development and Area-Based Approach

Objective and description of activities: The overall twin objectives of this activity were to strengthen public sector governance by better integrating budget allocations across different levels of government, and enhance public service delivery. Using four provincial case studies (Tak, Pichit, Khon Kaen and Maha Sarakam),³¹ the specific objectives of the research team were to: i) understand the CEO-provincial administration and how it translates national goals into provincial plans; ii) evaluate the implementation of the RTG's poverty reduction policies at the provincial level; iii) gather data through interviews and surveys from communities on their specific poverty reduction needs; and iv) enhance social capital in the villages by getting the village leaders involved in various development activities, with the research team acting as a bridge to build 'provincial networking'.³²

Findings/Recommendations: The findings of the research team suggest that the provincial CEO-Governor management system is working relatively well in terms of the coordination among public agencies at the provincial level. Although the CEO-Governors' power for budgetary discretion and human resources management has only increased slightly, the CEO-Governor acts as the key person to integrate the province's strategic plan with the national plan.³³ However, the team found that government officials are over-represented and members of civil society organizations (CSO) under-represented in the elaboration of provincial strategic area-based development plans. With regard to poverty reduction objectives, the team found that budget appropriations for poverty-

³¹ The same provinces as those used to review the "Caravan to Help the Poor" project under Activity 2.

³² The research team was headed by Professor Direk Patmasiriwat, Dean of the Faculty of Management and Information Sciences, Naresuan University and Ajarn Sumeth Kaenmanee of Khon Kaen University.

³³ A collaborative and integrated approach is essential to avoid problems inherent in all fiscal systems where power is deconcentrated, away from the central government to lower levels of government. A classic example of the potential inherent conflict would be when a local government forestry officer encourages area residents to plant trees, while an official from the central Ministry of Agriculture encourages the same residents to clear fields for planting crops.

reduction programs amounted to less than 10 percent of the provincial budget, although the team was careful in not drawing the easy conclusion that the solution lay in appropriating more funds. Rather, consistent with the findings from the case studies of the poverty reduction programs reviewed under Activity 2, the team suggested that poverty reduction programs could be better targeted through improved gauging of the demand, and made more efficient in achieving the desired outcomes. In that connection, the research team also recommended creating a more reliable data set and measurement system to identify the poor, and achieving closer collaboration between public agencies and private organizations, including citizen groups, to enhance provincial administration capacity.³⁴ Finally, and perhaps more controversially, the team recommended the need for stronger provincial administrations with power and resources to “execute”, for example, area-based development projects, and a downsizing of central government agencies, which should become more “strategic”.

Assessment: Moderately Satisfactory. The research team provided informed technical and consultation services to the four pilot provincial administrations with a view to contributing to making provincial administrations more effective and responsive to the needs of citizens, including with regard to the implementation of poverty reduction policies. In that connection, the team helped compile a comprehensive household data set on the poor population in the four provinces through field surveys. The team also contributed to the on-going evaluations of the provincial CEO-Governor system, which is an important element of public administration reform in Thailand.

Strategy 2: Restructure public administration, including improving intergovernmental relations at all levels.

In line with evolving modern societies and new demands for public services, the restructuring of public organizations to achieve higher efficiency, flexibility and integrated administration has become more important. Several reforms are being implemented, including:

- (i) **Reorganizing the existing ministerial structure to focus the responsibility of each ministry on a set of core tasks and minimize duplication of work**, including, for example, transferring the missions of Metropolitan Electricity Authority and the Provincial Electricity Authority under the Ministry of Interior to the Ministry of Energy; and restructuring administration in the Ministry of Commerce;
- (ii) **Forming management “clusters” within ministries** to facilitate coordination among departments and to reduce operating costs through economies of scale by pooling operations of personnel, financial, procurement, and general administration functions from various departments within one ministry;
- (iii) **Improving efficiency and quality of services of public sector by revising laws and regulations** which impede development. Every government agency is required to seek feedback and comments from the public and

³⁴ The task of better identifying and locating the poor should be coordinated with the on-going poverty mapping work being undertaken by the NESDB. See “Thailand Country Development Partnership for Poverty Analysis and Monitoring: Phase II – November 2003 to December 2005; Monitoring Report” (NESDB and World Bank, December 2005).

propose specific reforms to modernize, simplify and improve legal processes;

- (iv) **Developing a new type of public organization and improve efficiency of the existing organization**, including by piloting quasi-autonomous service agencies known as “Service Delivery Units” (SDUs) to act as an outsourcing unit to undertake non-core functions of the parent organization; revising the Public Organization Law (1999) to increase management efficiency, flexibility and good governance in public organization;
- (v) **Promoting integrated administration at the provincial level**, including by initiating diplomat-CEO pilot project in 10 countries³⁵ and Provincial Governor-CEO pilots in 8 provinces³⁶ in order to improve overseas management framework and enhance collaboration and effective integration.

4. Developing Key Performance Indicators on Good Governance for Regional Public Affairs Management

Objective and description of activities: The objectives were to determine the key dimensions of good governance that best suit public administration at the provincial level and develop good governance indicators for the provincial management of CEO-Governors. The research team reviewed the literature to develop a conceptual framework for good governance, and surveyed experts, government officials, and the public across the four main regions of the country to find key elements of good governance and critical success factors for each element. Information from these surveys was then used to develop key performance indicators (KPIs) for good governance. The research team conducted a field study to determine the availability and quality of the data to ensure the practicability and sustainability of the proposed indicators. The results were then presented in a workshop for feedback from stakeholders and academics.

Findings/Recommendations: The research produced data collection methods and calculation formulae and recommended adoption 24 KPIs for good governance for regional and local public administration across the four dimensions of participation, transparency, accountability, and fairness in law enforcement (Box 2).

Assessment: Moderately Satisfactory. The work has helped enhance public awareness of good governance, which in turn has, to some extent, helped improve governance of local public administration. If adopted, the derived KPIs would be an important element in forming an objective evaluation of the levels and patterns of good governance in various dimensions of the local public administration. However, more work needs to be done to ensure that these KPIs are consistent with others in operation across the public sector.

³⁵ United States, Japan, Belgium, China, Lao PDR, India, Myanmar, Vietnam, Bangladesh, and Sri Lanka.

³⁶ Chiang Rai, Chiang Mai, Phrae, Nan, Payao, Mae Hong Sorn, Lampang, and Lamphoon

Box 2. Recommendations on Key Performance Indicators at the Provincial Level

- **Participation:**
 1. Extent of public participation in formulating provincial projects;
 2. Ability of provincial administration management to promote public participation in public administration management;
 3. Responsiveness to public opinion;
 4. Percentage of people in the top two quintiles of the assessment scale satisfied with the extent of public participation in provincial administration management;
- **Transparency:**
 5. Extent of publicly disclosed information;
 6. Means used for publicly disclosed information (television, printed media, posters, internet, etc.);
 7. Ease of access to publicly disclosed information;
 8. Quality of provincial budgeting;
 9. Transparency in the processes of auctioning/granting licenses and permits;
 10. Number of substantiated corruption allegations;
 11. Number of successful prosecuted corruption allegations;
 12. Bribe index;
- **Accountability:**
 13. Percentage of civil servants with performance-based assessments;
 14. Percentage of provincial administrations having performance-based assessments and self-assessment reports publicly disclosed;
 15. Quality of annual assessment reports of the departments or units of provincial administrations;
 16. Procedures to assess the quality of services;
 17. Ratio of civil servants' who have been the subject of complaints from the public;
 18. Ratio of civil servants' who have been the subject of substantiated complaints from the public;
 19. Degree of CEO-Governor responsiveness to complaints;
 20. Ways of strengthening capacity of vulnerable groups, including the poor;
 21. Percentage of people in the top two quintiles of the assessment scale that are satisfied with completed provincial projects;
- **Appeals:**
 22. Processes to lodge complaints;
 23. Response time to lodged complaints; and
 24. Percentage of people in the top two quintiles of the assessment scale satisfied with the processing of lodged complaints.

Strategy 3: Reform financial and budgetary system by supporting implementation of performance-based budgeting and related public finance reforms.

Significant progress has been made in the area of public financial management and budgetary reform. The budgetary system shifted from line-budgeting to program budgeting in 1982 and most recently to strategic performance based budgeting in 2003. While the draft Budget Procedures Act, which transfers the responsibility for preparing the budget from the BOB to a senior level multi-agency Budget Policy Committee, has yet to be enacted, the operation of the budget system has greatly improved nonetheless in

recent years, including through: (i) the introduction of specific service delivery agreements by all ministers, provincial governors, and head of departments; (ii) the introduction of results-based management monitoring and evaluation systems; and (iii) the adoption of a medium-term expenditure framework. Meanwhile, in the area of financial management, the Government has moved to accrual accounting and the Procurement Management Office was established and made responsible for developing and reforming procurement systems and policies. A procurement master plan is being implemented, and an e-procurement system is being set-up. Supporting ICT systems, which are necessary for a comprehensive government financial reform program, are also being developed. In particular, in March 2005, the Government Financial Management Information System (GFMIS)—a real time financial management system for the public sector—was fully implemented in all government agencies. The GFMIS includes systems for: (i) budget planning and appropriation; (ii) budget monitoring and execution and electronic payments; (iii) national accounting; (iv) capital procurement; (v) auditing; (vi) organizational management; and (vii) administration of personnel and benefits.

5. Legal Advice on Entering into the 1992/2002 ISDA Master Agreement for the Ministry of Finance and State-Owned Enterprises

Objective and description of activity: The objective of this activity was to enhance the capacity of the personnel of the Public Debt Management Office and State-Owned Enterprises (SOE) to thoroughly understand the terms and conditions under the “1992 and/or 2002 International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement Schedule and Confirmation” (ISDA Master Agreement) before undertaking any derivative-type transactions to limit the contingent liabilities of the public sector. Such an understanding is essential to promote sound risk management in the public sector and ensure the public that derivative contracts signed between public and financial institutions are backed by sound legal documentation.³⁷

Outputs/Findings/Recommendations: The three outputs of this activity were: i) the preparation of two Standard Schedules to the ISDA Master Agreement and brief associated Guidelines for the MOF and the SOEs; ii) the holding of two seminars on the ISDA Master Agreement and its Standard Schedules and Guidelines attended by about 100 officials from the MOF and staff of SOEs; and iii) the provision of advice on the legal aspects of the ISDA Master Agreement, including on interpretation, definitions, and provisions. The consultant team also recommended that to effectively utilize the guidelines on the ISDA Master Agreement, the Ministry of Finance should continue to update the information on rules, precedents, and protocols given by the International Swaps and Derivatives Association.

Assessment: Highly Satisfactory. The quality of the support provided was very high and all the objectives were fully met. The draft Schedules and Guidelines are clear translations of legal language and concepts into terms that are understandable to non-specialized officials. Armed with the draft Schedules and Guidelines, and the knowledge

³⁷ A derivative is a financial instrument, traded on or off an exchange, the price of which is directly dependent upon the value of one or more underlying securities, equity indices, debt instruments, commodities, other derivative instruments, or any agreed upon pricing index or arrangement. Derivatives involve the trading of rights or obligations based on the underlying product but do not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for a fixed one.

gained by attending the two workshops held, MOF and SOE officials are now in a better position to avoid signing unfavorable derivative contracts, and limiting the public sector's contingent liabilities.

6. Research Project and Amendment of Budgetary and Financial Discipline

Objective and description of activities: The objective of this research project was to propose a guideline for improvement and amendment of substantive and procedural law in relation to the budgetary and financial discipline, which in turn will enhance the power and roles of the Office of the Auditor-General. This activity was a comparative study between the French system and the Thai system on the principles of: legality of administrative actions; penal liabilities; disciplinary liabilities for officials; and other liabilities related to budgetary and financial discipline.

Findings/Recommendations: The research team produced a two-part report. The first part describes France's experience on budgetary and financial discipline before and after the fundamental reforms of 2005. The second part describes the budgetary and financial discipline system of Thailand based on the existing laws and regulations. The research identified several weaknesses in the rules regarding misconduct in Thailand, including power to investigate cases; proving misconduct; penalties; accountability of superiors for misconduct of lower-level officials; and a lack of proper procedures for handling budgetary and financial discipline cases. The research team provided a draft of the amended Rules for the Committee of the State Audit with regards to Budgetary and Financial Discipline. In addition, the team provided guidelines related to administrative penalties and audit training to the officials of the Office of the Auditor-General.

Assessment: Satisfactory. The activity has helped improve the understanding of the staff of the Office of the Auditor-General of the relevant concepts and theories in relation to budgetary and financial discipline, and enhanced their capacity to better understand the spirit of the Constitution pertaining to the structure, powers and duties of the Office in its role as the supreme adjudicating body for budgetary and financial discipline.

7. Strengthen the Office of the Auditor-General (IDF)

Objective and description of activities: The intended objectives of this activity were to: (i) modernize the Office of the Auditor General (OAG) and promote its role as a supreme audit agency; (ii) improve methodologies and audit techniques; (iii) develop a sustainable training infrastructure for OAG staff; and (iv) strengthen the knowledge and audit skills of OAG staff. The activities that were to be performed included: i) a review of current international standards and best practices in modern performance audit, and the formulation of a strategy for development of audit programs and reporting of audit findings consistent with these standards; ii) the development of a sustainable training infrastructure consisting of a training strategy and program for strengthening the capacity of OAG staff as well as to enhance the training capability of a core group of trainers, and the development of training materials including case studies, audit manuals and training guidelines for trainers; and iii) the implementation of training through in-country workshops to ensure auditors' familiarity with the new standards. Owing to the uncertainty surrounding the legal status of the Auditor-General since the effectiveness date of the IDF-funded project (December 12, 2004), no activity has been initiated so far.

However, with the recent re-instatement of the Auditor-General, the following activities have now been agreed and are expected to start very soon: (i) a feasibility study to identify a road map and options to make the OAG more independent and effective; (ii) development and implementation of an investigative audit approach; and (iii) finalization of the performance audit manual and provision of further training of OAG staff on performance audit practices.³⁸

Strategy 4: Review human resource management and compensation systems.

This strategy aims to increase the value and efficiency of civil servants. The OPDC has mandated a new core value-system for civil servants under the catchy acronym “I AM READY”.³⁹ In addition, the civil servants compensation system has been reviewed and improved. In particular, in recent years, the RTG has: (i) increased the base salary of civil servants by 5 percent FY2006 to compensate for the higher cost of living; (ii) adjusted compensation or additional allowances for professional needs, risky work, special areas, and extraordinary or ad hoc missions, and for executives or specialists; and (iii) initiated performance-based pay, bonuses and awards as incentives for both agencies and individuals.

8. Public Administration Curriculum for Improving the Capacity of Public Officials

Objective and description of activities: This activity consisted of four workshops designed to enhance competencies of public officials in key areas of public sector reform. The workshops were: i) “Ratcheting Up Performance in Thailand”, facilitated by Robert D. Behn from J.F. Kennedy School of Government, Harvard University; ii) “Public Deliberation for Participation Governance: A Different Way to Decide”, facilitated by Sandra S. Hodge, from the University of Missouri, and Taylor Willingham, from the Kettering Foundation; iii) “Risk Management in the Public Sector”, facilitated by Malcolm Sparrow, also from the J.F. Kennedy School of Government; and iv) “Accountability and Transparency in Public Management”, facilitated by Welsey Cragg from York University, Canada. The workshops were mainly lectures and case-based discussions that ran for 2-4 days. The public officials whom attended the workshops were exposed to new ideas such as deliberative democracy, governance, accountability and techniques regarding public sector management such as performance management and risk management.

Findings/Recommendations: The main outputs were the four workshops, attended by about 170 mostly senior level officials from a wide cross section of ministries and departments, and two reports, one summarizing the substance of the workshops and the other reflecting more on their outcomes, including the need to include more content on the ethical dimensions to public sector reform. Recommendations were made for strengthening the curriculum, including issuing thematic topics; emphasizing evolution and incremental changes; developing case studies based on experiences in Thailand; and emphasizing the need for bureaucrats to become positive change agents to alter mindsets and enhance innovation for a better public service.

³⁸ The IDF grant is scheduled to close on December 22, 2007.

³⁹ I=Integrity, A= Active, M=Moral, R= Relevant, E= Efficient, A= Accountable, D= Democratic, Y=Yield

Assessment: Satisfactory. Participants were generally highly satisfied with the quality of the workshops, although some were handicapped by the fact that they were conducted in English, while others seem to have insufficient interest and/or knowledge to be active participants. A follow-up curriculum has been developed for OPDC-provided training to other agencies, and this is expected to greatly strengthen the capacity of agencies to foster improved public sector reform outcomes in the future.

Strategy 5: Develop a new mindset, work culture, and values.

In 2003, the Cabinet approved a strategy to develop a new mindset, work culture, and value system for public officials, including three sub-strategies to: (i) create experimental learning processes; (ii) create an environment favorable for effective learning; and (iii) promote public participation to spur change in paradigms, culture and values. As a result of its research on the paradigms, cultural norms and values of public officials, the OPDC recommended: (i) the adoption e-learning activities to improve knowledge; (ii) continuous training to develop leadership and change in management; (iii) improvement in the quality of public services by emphasizing good governance and citizen-centered approaches; and (iv) creation of a favorable environment for efficient work. To emphasize the significance of e-learning, in 2004, the OPDC developed a web-based training and e-learning system called “Mini Modern Public Management, or Mini MPM”, for officials and any other interested persons at www.mmpm4u.com.

9. Capacity Building for OPDC networks

Objectives and description of the activities: The objectives were to: i) build capacity and raise performance standards both of the heads and representatives of the Public Sector Development Group at the ministerial, departmental, and provincial levels and development directors of the OPDC, so that they become knowledgeable of new principles of government operation procedure management in monitoring and evaluation; ii) share experiences and encourage cooperation between the head and representatives of the Public Sector Development Group at the ministerial, departmental, and provincial levels and development directors of the OPDC; and iii) reflect on the progress achieved over the last three years in strengthening governance, public service delivery, and development of government operation procedures, and make progress on developing new approaches in achieving closer cooperation between government agencies and the OPDC.⁴⁰ A pilot training program was designed by OPDC and academic institutions, which included workshops on: trends of public sector development in Thailand; knowledge sharing activities; local administration; the Public Administration Act; the Civil Service Act; public participation; public sector organizations; and results-based management. The pilot training was attended by 97 participants over a 5-day period.

Assessment: Satisfactory. Most of the participants in the pilot training on capacity building for OPDC networks thought that the workshops were worth attending. In response to the participants’ request, the OPDC agreed to conduct two more of the same

⁴⁰ Public Sector Development Groups were established by the OPDC within ministries, departments, and provincial administration to act as a focal point to initiate governance strengthening activities, monitor and evaluate progress, and coordinate with other agencies to develop a network between the Public Sector Development Commission and the OPDC.

type of workshop, building on this initial experience, and set monthly meetings for the Public Sector Development Group to be held between June and September 2006. An important challenge for the OPDC is to develop a career path for members of the Public Sector Development Group at the ministerial, departmental, and provincial levels to ensure sustainability.

10. International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management

Objectives and description of the activities: The objectives of this activity were to promote collaboration relating to public sector development among countries in the region and beyond, and with various international bodies, and provide a forum for sharing experiences, views and information on public sector reform and development. An International Symposium was held in September 2005 in Bangkok, attended by high-level representatives from all the ASEAN + 3 group of countries.⁴¹ Representatives shared their countries' public sector reform experiences through formal presentations on enhancing higher performance public service management (Brunei), public service reform (Indonesia), decentralization (Lao PDR), anti-corruption (Philippines), management of personnel information (Singapore), re-defining functions and responsibilities of public agencies (Vietnam), and challenges to change in public sector reform (Thailand). At the symposium, a Meeting Agreement was concluded for participating countries to extend further cooperation and support for learning and sharing information experiences and knowledge, and regularly discuss, provide, exchange, and update countries' experiences and technical expertise.

Assessment: Moderately Satisfactory. The International Symposium provided a first opportunity for representatives of all the ASEAN + 3 group of countries to exchange international experiences and views related to the intricacies of implementing public sector reform, and begin establishing relevant contact points. A more focused agenda could have yielded better insights into specific problems common across the countries represented and given participants a better sense of where the key bottlenecks are and how to address them.

Strategy 6: Modernize government operations, including through the implementation of e-Government.

In collaboration with the private sector and the MICT as the main counterparts, an e-government system is being developed comprising components on e-commerce, e-industry, e-education, and e-society. The e-government action plan (2005-2007), which was approved in 2005, aims to: (i) expand e-services; (ii) improve the ICT infrastructure; (iii) develop laws and regulations related to e-government and e-commerce; and (iv) establish an e-government agency and promote the best use of ICT.

⁴¹ Brunei Darussalam, Kingdom of Cambodia, Republic of Indonesia, Lao People's Democratic Republic, Malaysia, Union of Myanmar, Republic of the Philippines, Kingdom of Thailand, Republic of Singapore, Socialist Republic of Viet Nam, People Republic of China, Japan, and Republic of Korea. The Thailand delegation included Dr. Thosaporn Sirisumphand, Member of the PDC and Secretary-General of the OPDC and Dr. Orapin Sopchokchai, Full-time Member of the PDC and Project Director of the CDP-G program funded by ASEM TF2.

11. Improve efficiency of public procurement (IDF)

Objectives and description of activities: The objective of this activity was to assist the Office of Public Procurement Management (OPPM) in the Comptroller General's Department of the Ministry of Finance to improve its efficiency on public procurement by: (i) improving current procurement regulations; (ii) developing e-procurement that will extend the public procurement web portal to include on-line catalogues, forthcoming opportunities and an on-line bidding process; and (iii) expanding the current training program to increase public awareness of procurement procedures. The specific activities included: (i) a detailed study to revise and update existing procurement regulations and move away from a regulatory driven approach towards a results-driven approach; (ii) the preparation of a strategy for a phased development of e-procurement. This included technical support to review the development of e-procurement in other countries and existing portals such as the dgMarket (development gateway); implement an initial pilot project to adapt the OPPM web portal for e-cataloging and e-bidding; and study tours for senior officials of Ministry of Finance and OPPM to selected countries with advanced e-procurement technology to evaluate their potential benefits to Thailand; and (iii) the preparation of a strategy to increase procurement knowledge. This included the provision of technical support to review the results of ongoing intensive training program for staff at the central and provincial level; the design an expanded training program for the training of trainers and representatives of contractors and suppliers; the design and implementation of a longer-term institutionalized training program; and advice on measures to raise public awareness of the procurement process by designing public information campaigns using the web portal and other media outlets.

Findings/Recommendations: A public procurement manual for works, goods and consulting services was produced in accordance with the objective of improving current procurement regulations. The revised procurement regulations were endorsed by the Cabinet in 2005, and are awaiting final approval from the Office of the State Council. Therefore, the draft procurement manual is not in effect and it may need to be adjusted to be in line with the approved procurement regulations. The government procurement information is publicly available through Government procurement's web portal under the OPPM website, and Government agencies are required to publish on the OPPM website information related to the initial advertisement and the resulting bids, including (a) name of each bidder; (b) bid prices as read out at bid opening; (c) name of the winning bidder and the price offered. In addition, there have been intensive internal training programs for staff at the central and provincial level and efforts to raise public awareness of the procurement process by designing public information campaigns through the OPPM web portal and other media outlets.

Assessment: Satisfactory The project is rated as only as "Moderately Satisfactory" because of the project's unsuccessful efforts to formulate strategies for the phased development of e-government procurement on the one hand and a institutional capacity-building training program for government procurement staff on the other.

12. Support E-Government (IDF)

Objectives and description of activities: The objective was to assist the RTG strengthen the capacity of the National Information Technology Committee (NITC) and its

Secretariat, the Ministry of Information and Communication Technology (MICT), which was established in October 2002, to take the lead in supporting the introduction of electronic government (e-government) not as a form of equipment, but as a tool to support change and enable new levels of public sector performance. The three primary activities were: (i) an ICT Competency Study to help the MICT as well as the Office of the Civil Service Commission (OCSC) to identify competency development initiatives. These competencies were very important to the implementation of the RTG's NICT Master Plan of 2001 as one of the strategies under the Master Plan was to enhance the utilization of ICT in government administration and services; (ii) the preparation of E-Logistics Guidelines, including Guidelines for Establishing Integrated Single-Window e-Logistics-Tools, Techniques and Methodologies. The E-Logistics Project was one of the RTG's initiatives to promote the E-Government scheme. The objective of the Project is to build a national information network that would enable the exchange of electronic information and services among government agencies, businesses, trading and transportation communities so as to maximize the business value enabled by efficient flow of information in fulfilling all import, export, transit-related regulatory and transportation-related requirements; and (iii) a national workshop on e-government, focused on e-logistics.

Findings/Recommendations: An ICT Competency Study and E-guidelines were produced, and training programs, awareness seminars, communication dialogues, and suitable training were provided to equip and impart ICT knowledge and upgrade the skills of civil servants in order to manage a large electronic administration within the RTG. A national workshop held to disseminate the findings of the study and the E-guidelines received substantial participation and media coverage.

Assessment: Satisfactory. Though the RTG rated the achievement of the project's objectives as "Highly Satisfactory", the project is rated only as "Satisfactory" because of the project's unsuccessful efforts to create sufficient capacity within the MICT to lead e-government, which was one of the objectives.

Strategy 7: Encourage public participation, including enhancing accountability and transparency of the public sector.

Recent measures to promote democratic governance include the adoption of the Public Hearing Law and the People's Audit System. The Public Hearing Law was enacted in 2005 to improve accountability and transparency of Government projects. Under the Law, all Government agencies, including the central government, provincial government, local administration, and SOEs are required to organize a public hearing prior to starting any project impacting on the environment, health, or livelihoods, or any project that may have externalities on the surrounding community. In addition, the People's Audit System has been developed in pilot provinces to allow local communities to participate in the decision making process, monitor and evaluate issues that relate to public services, environment management and decentralization in their communities. A curriculum for the people's audit system has been developed and used for training community leaders in monitoring and evaluating public sector performance.

13. Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance

Objective and description of activities: The objective of this activity was to build capacity in two pilot provinces in the North and Northeast regions to produce community radio programs with local participation from CSO to improve the delivery of public services through closer monitoring and evaluation. The main activities were small-scale projects to: i) strengthen capacity of community radio stations in Ubon Ratchathanee and Nakhon Sawan; and ii) raise awareness of the listeners of community radio stations to play a more active role in their communities to promote good governance. The activities were based on workshops with the stakeholders in the community.

Findings/Recommendations: The project helped create new community radio programs, and several workshops were held in the two pilot provinces to strengthen knowledge and understanding on good governance for the staff of local radios stations. Group discussions were also convened with CSO representatives to identify concrete issues related to good governance in the selected communities. More concretely, in Ubon Ratchathanee, the project helped raise concerns related to traffic problems; garbage collection; corruption in construction projects; tuition fees; health care services; the Pak Mun Dam; and transparency in local government. In Nakhon Sawan, the community expressed their concerns related to Bung Boraphet, the largest freshwater reservoir in the provinces that faces problems of wastewater and river management; and other ecological issues. In addition, this project helped radio program producers format program presentations and analyze the roles of government agencies in charge of traffic problems, organic agriculture, and Mun River management in Ubon Ratchathanee. The research team recommended: (i) wider use of broadcast media to translate the concept of ‘good governance’ into specific issues as identified by local communities and to use community radio medium in elaborating provincial plans; and (ii) extension of this project into a subsequent phase, as well as the production and distribution of handbooks and the setting up of “train the trainer” programs.

Assessment: Moderately Satisfactory. The project was successful in helping local communities identify issues of concern to them with respect to the delivery of local government services, and in producing local community radio programs to gain feedback on those issues from other stakeholders.⁴² In many cases, grievances raised were successfully settled by local government representatives. However, while the community radio programs have also been very useful in disseminating information on government policies and the various assistance programs available at the local level, the scope of their realized impacts on improving outcomes is difficult to gauge.

14. Public Participation Training Program for Thai Public Sector Practitioners

Objective and description of activities: In collaboration with the International Association for Public Participation (IAP2), OPDC invited two master trainers from IAP2 to help train Government and non-Government staff to improve the future public participation training curriculum. The IAP2 Certificate curriculum consists of three courses taught over five days. The courses are: i) planning for effective public

⁴² All of the community radio programs produced have been aired by properly licensed radio stations.

participation; ii) effective communication for public participation; and iii) techniques for public participation.

Findings/Recommendations: 22 of 24 attendees completed the five-day training and were awarded the IAP2 Certificate of Completion. Attendees were governmental officials, academics, and non-governmental organization officials. Participants suggested reconvening the whole group after three to six months to discuss how well they have been able to apply the techniques and principles learned, and design a public participation program. A final report on the training activities recommended building a curriculum on public participation for Ministerial and Provincial Government officials.

Assessment: Satisfactory. Student feedback rated the course consistently “Good” to “Excellent”. Based on this assessment, this capacity-building activity is rated as “Satisfactory”.

15. Improve parliamentary oversight (PHRD/WBI)

Objectives and description of activities: The objectives of this activity were to contribute to better governance through enhancing parliamentary oversight over the executive branch, and improve parliamentary oversight of the budget by the parliamentary Budget Administration Committee to promote accountability and transparency in the use of public resources. The program of activities, designed and implemented in collaboration with the King Prajadhipok Institute (KPI), included: (i) the development of a capacity-building program for the Thai Parliament; (ii) three 2-3 day Executive Policy Seminars for Members of Parliament and senior Government officials (on “Parliament and the Budget”; “Orientation for New Parliamentarians”; and “Leadership”); (iii) training of 29 senior Parliamentary staff (on “Parliament and the Budget”); and (iv) a seminar on “Parliamentary Budget Offices”.

Assessment: Highly Satisfactory. All activities were delivered on time, and because the feedback from the parliamentary leadership has been very positive, further capacity-building activities are planned for 2006.

IV. Stakeholder Feedback

The first monitoring workshop on the CDP-G program was held on June 19, 2003 to review the progress of the RTG’s reforms in relevant areas, as well as under Phase I. A draft monitoring report was discussed during a half-day workshop attended by over 180 stakeholders, including representatives from government agencies, civil society, and development partners. The objectives were to review key developments in each reform area, provide a platform for policy discussions, and obtain feedback on the design of the program in its next phase. A second monitoring workshop was held February 20-21, 2006, attended by approximately 80 representatives from the government and civil society. During that workshop, participants deliberated on the various research projects funded by the ASEM Trust Funds.⁴³ In particular, participants offered valuable comments and suggestions to improve the quality of the research on: (i) identifying leakages in a sample

⁴³ As explained elsewhere in the report, stakeholder feedback was also obtained for the components of the Phase II CDP-G program financed by non-ASEM Trust Fund sources through workshops held on specific aspects of public sector reform, including in the areas of public procurement and e-government.

of government poverty reduction programs (Activity 2); (ii) assessing the effectiveness of poverty reduction programs at the provincial level (Activity 3); and (iii) selecting the KPIs for provincial administrations (Activity 4). The more salient comments were made with regard to:

- The Public Expenditure Tracking Survey (PETS) methodology: Stakeholders noted that the PETS methodology, which comprises a tracking survey on flow of budget from the ministry to the provincial administrative office, and a quantitative service delivery survey from the front line office and beneficiaries (both household and firm), is a useful measurement to monitor and evaluate effectiveness and efficiency of public expenditure. Stakeholders further noted that under the CDP-G program the six sub-projects created an opportunity to transfer and exchange knowledge on PETS methodology amongst various academic institutions. Therefore, it would be important to combine application of a PETS-like methodology with the results-based management approach to monitor on-going projects more closely, enhance government efficiency, and reduce public expenditure leakages. The widespread dissemination of the findings of the PETS-like study to stakeholders would be a key input to help the accuracy of the analysis, raise awareness, and improve the efficiency of government operations.
- Empowerment and Decentralization policy: Stakeholders commented that the research on poverty reduction implementation by the provincial administration under the integrative development and area-based approach included a comprehensive literature review on poverty reduction policies in Thailand. They further noted that the indirect benefit of this research lay in the studies' methodologies, which combine both interviews and an exchanging of knowledge between researchers and provincial government officials. This interaction would lead to building capacity of the local communities and provincial administrations. Stakeholders also suggested that the policy recommendations from the study should include:
 - (a) Capacity building for provincial government through training and the creation of a knowledge-sharing network;
 - (b) Improving knowledge on poverty at the community level; for example, each community should be able to contribute a view on the definition of poverty and participate in the elaboration of poverty reduction plans;
 - (c) Improving the implementation of government poverty reduction programs at the provincial level; for example, by creating a more flexible system which takes into account the differences in area-based and individual or community demands; improving both the transparency and timeliness of budget allocations flowing through government financial management system; and improving the decentralization of the management system at the provincial level; and
 - (d) Increasing public participation in designing sustainable poverty reduction policies.

- Formulation of key performance indicators on good governance at the provincial and regional levels: Stakeholders noted that the indicators should be clear, simple and understandable for citizen with different levels of knowledge. In particular, weighted performance indicators should be used in the case of provincial administrations because local government combines many sectors. In addition, to reduce the burden on provincial administrations, there is a need to reduce the overlap of key performance indicators between different agencies and levels of government. Moreover, as this project provides a full list of good governance indicators, a ranking of the key performance indicators would be useful.

V. Outcomes and Impacts ⁴⁴

This section draws on the assessments of all the individual activities described above, and lists, where possible, specific outcomes and impacts either that have been achieved or are likely to be achieved as a result of the support to the RTG’s public sector reforms from the activities carried out under the CDP-G program. In so doing, the section assesses the extent to which specific outputs derived from the activities supplied have been matched by corresponding demands in the sense that the outputs have been translated into practice or institutionalized on a sustainable basis either through adoption of policy measures or implementation of capacity-building initiatives.⁴⁵ Under the CDP-G program, over half of the activities were research-oriented and included specific policy recommendations for the RTG to consider, while the remainder was in the form of building human resource capacity, through training courses and workshops.

Policy advice and Impacts

Policy recommendations were made in the areas of strengthening revenue and expenditure management, improving the efficiency of public procurement, strengthening and extending results-based management (RBM), enhancing the social service delivery, better integrating budget allocations across different levels of government, developing key KPIs to monitor performance improvements at the provincial level, reducing public sector debt, including through closer control and monitoring of contingent liabilities, and enhancing monitoring and evaluation of the public sector reform process, including through community radio programs.

Revenue management was strengthened, especially through the increased use of ICT. This progress was supported by several activities in the CDP-G program, including improving tax administration through the use of ICT in tax collection reporting, tax payment monitoring, supervision and collection, and day-to-day operations of the RD offices. For example, in addition to maintaining an accurate database on tax collection and linking to relevant databases of other agencies (such as the Customs and Excise Department), the RD initiated web-based tax collection reporting throughout the country.

⁴⁴ See footnote 15 on terminology.

⁴⁵ In assessing outcomes and especially, impacts, it is important to keep in mind that these may occur only well after the associated outputs have been produced; sometimes only after several years. Thus, it is often useful to gauge progress through the use of “intermediate outcomes”.

Key tax collection information is now produced in an easy-to-read format for presentation to management for appropriate policy responses. In addition, electronic tax returns and filing have been introduced to improve tax payer service. Bank account and ATM payments are now possible, and Mobile Tax Units (MTUs) have been placed in major department stores and office buildings to facilitate tax filing. Tax calculation software for personal income tax and withholding taxes are also available.

Expenditure management was strengthened through adoption of several measures. BOB enhanced its capacity in the areas of macroeconomics, and development policy formulation and analysis in accordance with prerogatives stipulated in the Budget Law. The technical support provided by CDP-G was highly relevant to the Government's intention to move to a full performance-based budgeting system. Moreover, the Government is committed to reforming the public sector as evidenced by the passage of key laws, and the use of complementing BOB resources in implementing reforms. The project is clearly sustainable given that the models (BIS, GFMS, Output Costing, MTEF) have been incorporated into the BOB agenda, and a standard system has been developed and adopted.

Improved outcomes are also expected in the area of public procurement. Revised public procurement regulations have been approved by the Cabinet and are awaiting final endorsement from the Office of the State Council, and a public procurement manual has been prepared, although it may need to be revised in line with any amendments to the regulations. Meanwhile, procurement information, including details on bids and prices, is now publicly available on the OPPM website. The phased development of e-Government is also expected to exert a positive impact in terms of improving the efficiency and transparency of public procurement.

Though the RBM technical support and its recommendations were endorsed by government, it has not yet led to any specific outcomes or impact as none of the 21 listed recommendations has been adopted. Looking forward, because of the strong emphasis on "results" (i.e. better outcomes and improved impacts) in the RTG's public sector reform program, it is anticipated that most if not all of the recommendations will be adopted. Perhaps most importantly, their adoption would lead to improved outcomes in the form of a tighter integration of performance information and measures—horizontally (i.e., across agencies) and vertically (i.e., across levels of government)—into management and budgeting systems. Such outcomes would then result in improved public sector governance, efficiency, and service delivery.

On the poverty reduction case studies, no specific outcomes or impacts can yet be identified from the work undertaken. The current outputs of CDP-G in this area do point out a number of problems associated with the implementation of the government poverty reduction programs that were reviewed, but they do not give policy-makers sufficiently detailed and clear guidance on how to address the identified vulnerabilities. Most of the recommendations are quite general in nature (e.g. decentralize decision-making and budgets). Looking forward, it is not clear that the activities carried out can lead to improved outcomes in the form of improved expenditure control and better targeted social service delivery without additional work to build on work done so far (perhaps covering other government-sponsored poverty reduction programs) to draw out more clearly either more specific policy recommendations for each program, or

recommendations that may be applied across more than one program. Also, with respect to the two cases studies which found little or no leakage and/or inefficiencies, no connection was made between the programs and the established RBM system. Thus, there is no clear sense that the necessary operational links have been established between the desired outcomes/impacts, the measures that determine whether the outcomes/impacts have been achieved, and the use of the information revealed by the measures to improve performance (i.e. how outputs can be translated into improved outcomes and exert a positive impact). For example, in the case study of the Occupation Training Program in the central region provinces, no indication is given as to whether the training program actually leads to participants obtaining jobs and holding them for a certain length of time (i.e. the intended outcome), or at least whether participants feel that they have picked-up valuable skills (i.e. an intermediate outcome). On the positive side, the research has demonstrated the usefulness of adopting a PETS-type approach to expenditure monitoring of poverty reduction programs. Were such an approach to become a formal part of the monitoring of all poverty reduction programs, it could well act as an effective deterrent to leakages and inefficiencies in service delivery. The experience has also resulted in the creation of a core group of distinguished local academics from universities around the country and thereby helped greatly to strengthen the local capacity of a key group in Thai civil society to monitor and evaluate the Government's public expenditure policies.

As in the case of the poverty reduction program case studies, no specific outcomes or impacts can yet be identified from the activity on assessing poverty reduction programs at the provincial level. Moreover, in the current environment of slow implementation of decentralization, it remains uncertain as to whether the recommendation to empower provinces, including through a transfer of manpower from central government, to enable them to plan and manage their own budgets, is politically feasible at this stage. However, the outputs of this particular activity have made a valuable informed contribution to the ongoing decentralization debate, particularly with respect to the need to develop KPIs at the provincial level and better define and target those in need of public services.

If implemented, the introduction of the recommended KPIs on good governance at the provincial level would help monitor the progress of provincial administrations in improving their internal efficiency and their delivery of government services. However, as mentioned above, before the KPIs can be adopted, more work will be required to integrate them in a coherent way with the other KPI schemes in force or planned across ministries and departments as well as across different levels of government. While some of the recommended KPIs may need to be adjusted at some point, the work carried out under this activity is likely to remain helpful.

With regard to reducing the level of public sector debt, the draft Schedules to the ISDA Master Agreement have already been used by the Ministry of Finance and SOEs to guide them in their decisions to enter into derivative transactions. In addition, the PDMO has organized several follow-up training sessions for SOE officials since those provided by the consultants. The demand for training and the use of the draft Schedules are likely to remain permanent features. Thus, the impact of the technical support provided is expected to be felt in the form of improved financial management of the public sector and lower levels of public sector contingent liabilities. In addition, the preparation of guidelines on budgetary and financial discipline is expected to improve budgetary and financial management, and make such management more transparent.

Finally, the activity which aimed to develop community radio programs has already produced improved outcomes and impact on local communities. Because of the positive results achieved so far, the demand for this kind of service is likely to remain strong and the project is clearly sustainable.

Capacity-Building

The workshops on “Public Administration Curriculum for Improving the Capacity of Public Officials” helped public officials to understand new concepts and techniques in public sector management. All the workshops were participatory and officials from several ministries and agencies were able to interact with each other through brainstorming sessions, and group discussions and presentations. The workshops fostered a sense of teamwork, and enhanced openness and understanding of different opinions. However, because the speakers were non-Thais and the cases were not based on the Thai context, some of the participants may have found the workshop content too difficult to understand and analyze. In addition, the workshop focused on general management skills rather than specific skills required of top-level managers who are to lead change. Thus, as a follow-up, it would be useful to survey the participants to ask how they plan to use the new knowledge in their organizations. Without such feedback, it would be difficult to evaluate the resulting impact of the workshops.

The OPDC is actively pushing forward with its goal to enhance participatory governance, especially at the provincial level. In that connection, the international experts who were invited to train the trainers and help build capacity of Thai public sector practitioners have laid a firm foundation for improving participatory governance, including at the provincial level. In particular, the 5-day IAP2 Certificate curriculum covers all the key aspects to sensitize public sector practitioners to public participation, and these have now been incorporated into the training curricula and programs developed by the OPDC with a view to training 300 people throughout all 75 provinces. There are also plans to extend public participation training pilots in selected line ministries.

The International Symposium helped the Thai officials in charge of administrative reforms create a network with relevant counterpart agencies in all the ASEAN countries. Since the Symposium, many public officials in charge of public sector reform in other countries have come to Thailand to learn more about the Thai experience and exchange ideas. The Symposium contributed to institutional-building among agencies managing public sector reforms in the region, and there are plans for a follow-up Symposium later in 2006.

With regard to improving parliamentary oversight, the Thai Parliament has expressed great satisfaction with the PHRD/WBI capacity-building program, and this has led to the demand that the program be expanded in the future. In particular, the WBI has been asked to deliver an orientation course for new Senators after the next election. The Thai authorities have demonstrated clear interest in extending this type of capacity-building, and a Parliamentary Budget Office has been established within the King Prachadhipok Institute (KPI), an independent institute, to serve the training needs of the parliamentary Finance and Budget Committees. In that connection, the Institute’s capacity has been

enhanced through the joint design and delivery of the program, and several handbooks and other training materials have been translated into Thai, for wider dissemination.

The project to support e-government yielded a competency framework, including a systematic career progression linked to highly defined skill attainment objectives. Perhaps more importantly, the project has yielded a far deeper understanding of the range and depth of skills required to manage projects. To the extent that this results in more qualified management of ICT projects, the impact of the grant in financial and operational terms will be very large. The project also provided a vehicle for public-private dialogue around a major ICT effort to modernize logistics. This has resulted in a guideline, which will serve as recommendation and reference point of the establishment of Integrated Single Window e-Logistics and training resources needed in strengthening the capacity of all stakeholders involved in cross-border trade including government agencies, businesses, trading and transportation communities and supporting industries, especially the software industry. Finally, the activities served as important components of a larger partnership to help Thailand achieve its ICT objectives through knowledge sharing. The partnership has included a number of other grant-funded activities that were coordinated thematically. The project did not, however, succeed in creating sufficient capacity within the MICT to lead e-government.

VI. Lessons Learned

This section draws some key lessons learned from the successes and shortcomings of the CDP-G program overall. Policy-related and capacity-building lessons are distinguished from those related to management of the program.

Policy issues

At least four key policy-related lessons can be drawn from the implementation of the CDP-G program over the last four and a half years. The first is that better outcomes and greater positive impacts are more likely in areas where there is a strong and receptive demand, not only from within Government but also from the public. In turn, stronger national demand is more likely to exist when all the political hurdles have been cleared and the underlying commitment to reform is both unambiguous and commands wide public support. Thus, the revenue management reforms under Phase I of the CDP-G program have generated positive impacts in the form of higher revenues and improved delivery of tax administration services, while the public expenditure management reforms have resulted in greatly improved capacity of the BOB staff in the area of macroeconomic and fiscal forecasting and development policy formulation. Outcomes and impacts from activities in areas where the political commitment and/or demand have been either weak, uncoordinated, or wavering (e.g. decentralization) have fared less well.⁴⁶ The second key policy lesson, which had already been highlighted at the time of the review of the first phase of the CDP-G program in mid-2003, is the need within Government for good cross-ministerial coordination and integration. Poorly integrated reform plans result in

⁴⁶ It was recognized early on that while both the commitment of Government and the demand from civil society for public sector reform were strong, there was an inherent risk that neither would be necessarily well articulated, at least during the early stages of the CDP-G program.

fragmented strategies and policies of reform, which in turn causes duplication of resources and confusion among the bureaucrats who are the key players in getting the reforms implemented. For example, as of the beginning of 2006, both the BOB and the OPDC are asking agencies and departments to use performance management techniques, but different performance indicators are being mandated by each agency.⁴⁷ The third key lesson is to ensure that the reforms that are being “supplied” by Government remain in line with the evolving underlying demand from civil society. Because public sector reforms take time to implement and even longer to produce desired outcomes and impacts, it is vitally important that transparent and effective monitoring and evaluation mechanisms, especially from outside Government, be in place to assess progress and provide effective early warning signals to quickly gauge when either the reforms veer off-track or the underlying demand for reform has evolved. The fourth lesson to draw, for the World Bank specifically, is that activities supporting the Government’s reform program should be in areas where there is both strong national demand (from Government and the public) and the necessary cross-agency coordination.⁴⁸ In that connection, the quicker outcomes and impacts are felt, the greater the likelihood that they can be directly attributed to the Bank’s supporting activities.

Capacity-building issues

The key lesson to learn with respect to capacity-building is that it is more effective in cases where there was a demonstrated demand for the training or workshop rather than when it is supply-driven. A related lesson is that the training and workshops found greater receptivity and interest when they were well-tailored to the audience and sensitive to the cultural characteristics of the learning process in Thailand. Finally, capacity-building that is geared to developing course curricula, which can be used repeatedly, is more likely to exert a positive impact than one-off courses or training sessions.

Management issues

With regard to management of the CDP-G program, four key lessons can be drawn. The first is the need to hold regular (i.e., every month) steering committee meetings comprised of relatively high-level officials representing all key ministries and agencies to oversee the implementation of program activities. While the CDP-G Steering Committee met regularly, and comprised senior officials who were able to speak with authority and take decisions on behalf of their respective agencies, and was ably Chaired by an eminent representative of civil society, the composition of the Steering Committee may not have been sufficiently representative of the diverse nature of the public sector reform activities being supported under the CDP-G umbrella.⁴⁹ In particular, the Steering Committee, established in September 2003, only oversaw the implementation of the CDP-G Phase II activities being financed by ASEM Trust Funds. The Steering Committee was not made responsible for overseeing related activities funded by IDF, PHRD, and WBI grants, including in the area of strengthening expenditure management, improving public procurement, supporting e-Government, and building capacity of the Office of the Auditor-General and that of Parliamentarians and their staff. Thus, drawing from the

⁴⁷ This risk was also flagged early on in the CDP-G program.

⁴⁸ Also, the Bank could have been more pro-active in engineering the necessary coordination.

⁴⁹ See Appendix Tables 5 & 6, respectively, for details on the management structure of the CDP-G program and list of Steering Committee meetings.

experience from other cross-ministerial CDPs (CDP-FC, CDP-PAM, and CDP-SP), a second key lesson is to have all key agencies represented at an appropriately senior level in the Steering Committee. In the other CDPs, it yielded large dividends in terms of ensuring an appropriate degree of coordination across government agencies. A third lesson is the need to be mindful of the challenges in finding the necessary local expertise and/or counterparts to carry out activities selected under the program. In the CDP-G program, as already noted, some of the originally planned activities had to be revised because of the difficulty in finding appropriate local researchers or counterparts who were willing and able to take on the tasks required. Finally, although the Project Management Office (PMO) within the OPDC performed well overall, there was some duplication of work stemming from the need to follow both the World Bank's procurement guidelines and those of the Government as a result of the Government's counterpart contribution (equivalent to 8 percent of the ASEM TF2 grant, or about \$80,000) from the budget. There are two sub-lessons to draw here. First, PMOs should be staffed by personnel with a sufficient degree of authority to make decisions without the need to revert to a higher authority outside the PMO as this can be very time-consuming. Second, the PMOs should comprise a sufficient number of experienced staff.

VII. Appendix Tables

Appendix Table 1. Original and Revised Activities by Main Component Under CDP-G Phase II Funded by ASEM Trust Funds (ASEM TF2)		
Original Activities		Revised Activities
Component 1: Improving Resource Management for Poverty Reduction		
1.1	Assisting ministries and departments in drafting single and multi-ministry public service agreements (PSA) and service delivery agreements (SDA) to enable them to effectively respond to Thailand's national agenda, especially on poverty alleviation	1. Poverty Reduction Strategies and their Implications on Government and Social Service Delivery Aspects of Public Sector Reform/Dr. Medhi Krongkaew : To focus on the service delivery aspects of selected poverty reduction policies and to test the effectiveness of the public administrative mechanisms of the public sector to generate outcomes of its various poverty reduction policies and to look for weaknesses in the current organizational structures
1.2	Developing a formula-based intergovernmental allocation system, which addresses issues of revenue and expenditure assignments, that achieves equalization objectives	
1.3	Developing the public sector performance measurement system and corresponding government agencies' key performance indicators of service delivery, especially those aimed at helping the poor	
1.4	Assisting the Public Debt Management Office in prudently managing the rising stock of public debt, through drafting decrees, ministerial announcements, and regulations under the new Public Debt Management Act	2. Legal Advice on Entering into the 1992/2002 ISDA Master Agreement for the Ministry of Finance and State-Owned Enterprises) : To enhance capacity of the staff of the Public Debt Management Office and State-Owned Enterprises (SOE) to thoroughly understand terms and conditions under International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement Schedule and Confirmation before entering into derivation transaction.
Component 2: Enhancing Service Delivery and Strengthening Governance		
2.1	Establishing guidelines and action plan for renewing organizations, including revisions to civil service procedures, rewards and compensation in 1-2 pilot ministries, possibly the Ministry of ICT	3. Result-based Management on Good Governance :To provide guidance and develop the policy recommendation to improve the result based management in the public sector 4. Research study on Decentralization Policy to Empower Local Community : The Integration approach of Public Administration in Poverty reduction dimension/Dr. Direk Pattamasiriwat :To strengthen governance by integrating measures of budget allocation and enhancing service delivery
2.2	Developing framework and guidelines for formulating anti-corruption strategies to be adopted by agencies and local governments	
2.3	Strengthening local governments' capacity in order to deliver services in an efficient and transparent manner, particularly by	
(i)	developing guidelines and training for central government agencies in assessing and building local governments' capacity to undertake the decentralized functions	
(ii)	developing an "Electronic Kiosk" in local governments to improve the provision of public service information to citizens through the use ICT. Both activities will be implemented in 1-2 pilot local governments in each of the 5 regions of Thailand.	
Component 3: Strengthening External Monitoring and Evaluation of the Public Sector		
3.1	Enhancing monitoring and evaluation of the reform processes by:	5. Research study on Decentralization Policy to Empower Local Community : The Integration
(i)	developing guidelines for and training of civil society networks to strengthen their role in monitoring and	

	evaluating the reform and public service delivery	approach of Public Administration in Poverty reduction dimension/Dr. Direk Pattamasiriwat :To develop guideline for civil society to strengthen their role in monitor public service
		6. Public Participation Training Program for Practitioners in Thai Public Sector (IAP2) :To develop Thai public participation program and training activities of civil networks to promote their role in monitor and evaluate public sector reform
(ii)	developing a model for community radio programs in monitoring the reform and public service delivery and promoting community participation in monitoring local governments, which will be piloted in at least 4-5 community radio programs around the country	7. Project on Strengthen Community Radio for Good Governance: To build capacity in two pilot provinces (Payoa and Ubonrachathani) to produce community radio programs with community participation to improve the delivery of public services through closer monitoring and evaluation.
(iii)	assisting the King Prachadhipok Institute (KPI), an independent institute, in developing a public sector reform monitoring and evaluation program to ensure good governance in the public sector as mandated by the Public Administration Act	8. Developing KPI on Good Governance for Regional Public Affairs Management :To develop good governance indicators for public sector at provincial level
		9. Project on Capacity Building for Head of Public Sector Development Group at the Ministerial, Departmental, and Provincial Levels and Directors of the OPDC to Monitor and Evaluate to Enhance good governance in Public Sector :To build capacity building and networking among the key representative of public sector development group and raise performance standards so that key officials become knowledgeable of new principles of operation procedure in relation with their monitoring and evaluation roles
		10. The Study Program Proposal on the Public Management Curriculum to Enhance Competencies of the Public Officials :To develop training program for middle management officials to understand more of their roles in monitor and ensure good governance in public sector
3.2	Developing an international network on public sector reform efforts to share experiences and lessons learned	11. International Symposium on Public Sector Development: To promote collaboration relating to public sector development among countries in the region and beyond, and with various international bodies, and provide a forum for sharing experiences, views and information on public sector reform and development.
3.3	Developing guidelines and manuals for and training of the State Audit Office, an independent organization under the 1997 Constitution, in prescribing administrative penalties on issues of budget and financial discipline of government agencies	12. Research Project and Amendment of budgetary and Financial Disciplines :To propose a guideline for improvement and amendment of substantive law and procedural law in relation to the budgetary and financial discipline for enhancement of the powers and roles of the Office of the Auditor General
4	Administration support	13. Administration support
5	Audit	14. Audit

Appendix Table 2. Summary of the World Bank's Support to the Royal Thai Government's Strategic Plan for the Thai Public Sector Development, 2003-2007

Objectives of the Thai Strategic Plan for Public Sector Reform	Supporting Activities Under CDP-G Phase II Funded by ASEM Trust Funds	Supporting Activities Under CDP-G Phase II Funded from Other Sources
1. Re-engineering the work process	<ol style="list-style-type: none"> 1. Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform 2. Decentralization policy to empower local communities, including a study on integration measures to reduce poverty 3. Results-Based Management on Good Governance 	
2. Restructure Public Organization	<ol style="list-style-type: none"> 1. Developing Key Performance Indicators on Good Governance for Regional Public Affairs Management 	
3. Reform Financial and Budgetary System	<ol style="list-style-type: none"> 1. Legal Advice on Entering into the 1992/2002 ISDA Master Agreement for the Ministry of Finance and State-Owned Enterprises 2. Research Project and Amendment of Budgetary and Financial Discipline 	<ol style="list-style-type: none"> 1. Strengthen expenditure management (IDF): i) assist the Bureau of Budget (BOB) to build capacity to conduct macro-fiscal analyses as input into the development of a three-year medium-term expenditure framework; and ii) assist the BOB in the development of a monitoring and evaluation framework and procedures 2. Strengthen Office of the Auditor-General (IDF): i) review current international standards and best practices in modern performance audit, and help formulate a strategy for the development of audit programs and reporting of audit findings consistent with these standards; ii) develop a sustainable training infrastructure for OAG staff and a core group of trainers, including training materials
4. Review the Systems of Human Resource Management and Compensation	<ol style="list-style-type: none"> 1. Study on Public Administration Curriculum for Improving Capacity of Public Officials 	
5. Implement a Change Management Mode (Paradigm/Culture/Values)	<ol style="list-style-type: none"> 1. Capacity Building for OPDC networks 2. International Symposium of Public Sector Development: 	

	Innovative Meeting on High Performance Public Management	
6. Modernize Public Sector Processes (E-Government)		<ol style="list-style-type: none"> 1. Support E-Government (IDF): i) a study to identify the competencies, skills and training programs required to equip all civil servants who are directly involved in the E-Government initiatives to better understand the implications of adopting ICT for public service delivery; and ii) develop E-Logistics guidelines in facilitating the coordination of common business processes among associated government agencies 2. Improve the efficiency of public procurement (IDF): i) detailed study of existing procurement regulations; ii) preparation of a strategy for the phased development of E-procurement; and iii) preparation of a strategy to increase procurement knowledge
7. Encourage Public Participation	<ol style="list-style-type: none"> 1. Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance 2. Public Participation Training Program for Practitioners in Thai Public Sector 	<ol style="list-style-type: none"> 1. Improving Parliamentary Oversight (PHRD/WBI): i) a series of 2-3 day “Executive Policy Seminars” for parliamentarians, staff, government officials, and other relevant oversight institutions; ii) development of training programs for parliamentary staff; and iii) ASEAN regional parliamentary seminar on “Parliamentary Oversight and Government Accountability”

Appendix Table 3: Public Sector Development Policy Matrix⁵⁰

Strategic Plan for Thai Public Sector Development (2003-2007)			Supporting Activities under CDP-G
Strategies	Measures	Government Outputs (As of April 2006)	
Strategy 1: Streamline and redesign work processes	1.1 Set rules and conditions for the implementation of a results-based management system to ensure systematic operations	<ul style="list-style-type: none"> - Implementation of a results-based management system and enhancement of the Government’s ability to monitor and evaluate progress towards national targets, through the adoption of the Thai Strategic Plan and a related four-year Public Affair Management Plan (2005-2008), which sets targets to be achieved by every ministry, department and provincial administration. These plans define the strategies, objectives, and key performance indicators (KPIs) to be used by the respective agencies towards achieving the national strategic goals. In FY 2006, all government agencies submitted both their medium term and annual action plans in a manner consistent with the PAMP framework in the budget preparation process. This will enhance the explicit linkage between budget allocation and targeted national outcomes. - Performance evaluation using the balanced scorecard technique was piloted in Pathumthani province between FY2004-FY2006. This performance scorecard evaluation technique links performance of individual and provincial government administrations with the Ministry action plans. The experience from this pilot project will be used by the OPDC to design provincial performance evaluation. - The Cabinet approved the Public Sector Performance Assessment Plan, which will be piloted in several agencies in FY 2007. The assessment will: (i) review outcomes by measuring the level of achievement relative to the stated goals and the level of the public satisfaction with the quality of the services provided; (ii) review outputs by measuring effectiveness in terms of their economic impacts; and (iii) review impacts, whether intended and unintended, positive or negative 	<ul style="list-style-type: none"> - Research on Result-Based Management on Good Governance - Research on Developing Key Performance Indicators on Good Governance for Regional Public Affairs Management

⁵⁰ The Strategic Plan for the Thai Public Sector Development was adopted in May 2003.

The Royal Decree on Public Administration and Good Governance was effective on October 2003. The Decree emphasizes: (i) increasing benefits to citizens; (ii) creating better outcomes from government services; (iii) improving efficiency and trust; (iv) reducing unnecessary work processes; (v) improving government services; (vi) responding to citizens’ demands and needs; (vii) and evaluating and monitoring public sector operations.

Strategic Plan for Thai Public Sector Development (2003-2007)			
Strategies	Measures	Government Outputs (As of April 2006)	Supporting Activities under CDP-G
	1.2 Assist government agencies in setting objectives to ensure higher efficiency and improved service delivery.	- Cabinet approved (May 2003) the objective to reduce work processes by 30-50 percent in all government agencies by FY2007. The work process reduction includes the establishment of one stop services center e.g. Service link units ⁵¹ and Government counter services. ⁵² In FY 2005, OPDC reported that government agencies had reduced 2,026 work processes by 30 percent, 6,637 work processes by 35-30 percent, and work processes by more than 50 percent. 10 first and 20 consolation Service Quality Awards were granted to agencies across central and local government.	- Research on Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform - Research on Empowerment and Decentralization Policy: A Study on the Poverty Eradication Implementation by the Provincial Administration under the Integrative Development and Area-Based Approach
	1.3 Modernize the internal control system of government agencies 1.4 Revise the performance evaluation system and introduce an annual performance agreement 1.5 Encourage the mid-term review of strategic plans 1.6 Ensure public participation in setting objectives, performance indicators and performance agreements. 1.7 Assist government agencies in proposing plans to revise laws and regulations to deliver “one-stop” services	- To encourage good governance and performance evaluation system, since 2005 the heads of all Ministers, senior government officers, and provincial governors have agreed specific annual and four-year performance agreements with the government. In addition, all agencies and provincial administrations are required to submit annual “ Self Assessment Reports ”.	

⁵¹ The one-stop service centers, called “Service Link Units or SLUs” were established in 8 locations, in Bangkok and the Provinces in 2004. Objective of SLU is to provide various government services under one roof (e.g., house registration, water, electricity, and telephone connections). In addition, a “small enterprise SLU” was set up in Chiang Mai to provide services on tax identification cards and social security cards. Furthermore, a “Ministry of Justice SLU” was established to provide services on appeal procedures and other legal services.

⁵² Another one-stop service called “Government Counter Services or GCS” was established in 2005 in Bangkok and Chiang Mai to provide 22 kinds of services from 17 government agencies. Examples of the types of services provided include postal services, tax filing services, passport renewals, issuance of personal identification cards, airplane/bus ticket reservations, electricity/water/telephone requests, government form downloads, etc. The government plans to expand GCS to other provinces in 2006.

Strategic Plan for Thai Public Sector Development (2003-2007)			
Strategies	Measures	Government Outputs (As of April 2006)	Supporting Activities under CDP-G
	<p>1.8 Set rules and regulations to encourage open competition so as to reduce public monopoly in service provision</p> <p>1.9 Facilitate the publication of a manual on Good Governance</p>	<p>- Modernize and simplify laws and regulations to improve competitiveness, streamline work processes, and improve governance under the National Law Development Plan (NLDP, 2005-2008). The Government requires every agency to modernize and simplify the relevant laws and regulations to improve competitiveness, streamline work processes, and improve governance under the NLDP</p>	
<p>Strategy 2: Restructure the framework and administration of public organization</p>	<p>2.1 Emphasize the integration of public administration through cooperative networks</p> <p>2.2 Ensure a more appropriate reorganization of public agencies</p> <p>2.3 Set clear plans and strategies for area development and budget allocations</p> <p>2.4 Improve intergovernmental relations at all levels</p>	<p>- Restructuring of line-functions through management “Clusters” has been piloted in nine Ministries.⁵³ Several workshops were held to develop guidelines for cluster management.</p> <p>- Quasi-autonomous service agencies, or “Service Delivery Units” (SDUs) were piloted in 3 government agencies in 2005.⁵⁴ The SDU is a government agency which acts as an outsourcing unit providing services and non-core functions to their parent organization and private sector.</p> <p>- In October 2005, the Public Organization Law was revised to enhance autonomous management and improve governance.</p> <p>- In 2003, the Cabinet approved CEO-Governor system at the provincial level. The system includes: (1) an open selection system for provincial governor; (2) devolution of power to the governor; (3) administration through provincial clusters; and (4) area-based monitoring. Since 2003, 112 departments have transferred their authority to CEO-Governors. In addition, CEO-diplomats have been piloted in 10 countries in order to improve overseas management framework and enhance collaboration and integrated work.⁵⁵</p>	
<p>Strategy 3: Reform financial and budgetary</p>	<p>3.1 Revise budgetary procedures in accordance with Cabinet policies and strategies, aimed at enhancing accountability of results</p>	<p>- The budgetary system in Thailand shifted from program-budgeting (adopted in 1982) to strategic-performance-based-budgeting system (in 2003). According to the new budgeting system, the drafted Budget Procedures Act was proposed but has not yet been approved by the Cabinet. The key</p>	<p>- Legal Advice on Entering into the 1992/2002 ISDA Master Agreement for the Ministry of Finance and State-Owned Enterprises</p>

⁵³ Ministry of Finance, Ministry of Agriculture and Cooperatives, Ministry of Transportation, Ministry of Natural Resources and Environment, Ministry of Commerce, Ministry of Interior, Ministry of Justice, Ministry of Health, and Ministry of Industry.

⁵⁴ The Royal Thai Mint, Printing Bureau, and Institution of Promoting Good Governance.

⁵⁵ United States, Japan, Belgium, China, Lao PDR, India, Myanmar, Vietnam, Bangladesh, Sri Lanka

Strategic Plan for Thai Public Sector Development (2003-2007)			
Strategies	Measures	Government Outputs (As of April 2006)	Supporting Activities under CDP-G
systems	<p>3.2 Modify the budgetary system to conform with new public administration procedures and link it to government strategies and the achievement of targeted objectives</p> <p>3.3 Allow government agencies to make prior agreements and retain surplus funds for future organization development or for training activities</p> <p>3.4 Analyze alternative approaches to fee collection</p> <p>3.5 Ensure the settings of monthly or quarterly expenditures by government agencies as well as balance sheets and financial reports</p> <p>3.6 Improve the accounting system of government agencies to meet international standards, including cost estimates of service provision</p> <p>3.7 Set regulations for government agencies to operate on a partially commercial basis</p>	<p>stipulations of the draft Act include: (i) the establishment of a Budget Policy Committee responsible for budget preparation; (ii) countersignatures on specific service delivery agreements by ministers, heads of departments, and CEO-Governors; (iii) the introduction of results-based management monitoring and evaluation systems; and (iv) adoption of a medium-term expenditure framework.</p> <p>- To improve financial management, the government adopted accrual accounting and established the Procurement Management Office in order to responsible for developing and reforming procurement systems and policies. A procurement master plan is being implemented; and an e-procurement system is being set-up.</p> <p>- In March 2005, the Government Financial Management Information System (GFMIS)—a real time financial management system for the public sector—was fully implemented in all government agencies. The GFMIS includes systems for: (i) budget planning and appropriation; (ii) budget monitoring, budget execution and electronic payments; (iii) national accounting; (iv) capital procurement; (v) auditing; (vi) organizational management; and (vii) personal administration and benefits.</p>	<p>- Research on Amendment of Budgetary and Financial Discipline</p> <p>- Strengthened BOB capacity on expenditure management in implementing a performance based budgeting system(IDF)</p> <p>- Strengthened the Office of the Auditor-General by providing training and workshop (IDF)</p> <p>- Developed procurement manual and training to improve Efficiency of Public Procurement office(IDF)</p> <p>-</p>

Strategic Plan for Thai Public Sector Development (2003-2007)			
Strategies	Measures	Government Outputs (As of April 2006)	Supporting Activities under CDP-G
Strategy 4: Review human resource management and compensation systems	4.1 Recruit people of high caliber into the public service and develop them to become change leaders 4.2 Revise the personnel and classification systems 4.3 Promote the productivity of public employees 4.4 Incorporate visions, strategies, objectives and competency into strategic human resource development plan 4.5 Improve the efficiency of the renewal and transition center and set up function transfer system	<ul style="list-style-type: none"> - The first Fast Track Executive Training Program was launched on August 2005. The 26-month program aims to develop a new generation of civil servants trained in different departments, both at the central and local governments, in the private sector, and in government offices abroad. - To improve civil servant compensation system, the Government: <ul style="list-style-type: none"> o Increased base salary of civil servants by 5 percent to reflect the current high cost of living (in FY2006). o Adjusted compensations and allowances for (1) professionals; (2) workers with risky jobs; (3) workers in hardship areas; (4) workers on extraordinary missions or ad hoc assignments; and (5) Senior Executives or specialists. o Initiated a bonus system as an incentive for achievement in government agencies; to be awarded individual officials. 	<ul style="list-style-type: none"> - A Study on Public Administration Curriculum for Improving Capacity of Public Officials
Strategy 5: Change Management paradigms, Culture and Values	5.1 Establish a self-learning model for senior executives 5.2 Create an environment favorable to the learning process of the target group 5.3 Assist government agencies in developing statements for creativity, values, merit, and ethical standards	<ul style="list-style-type: none"> - In 2003, the cabinet approved strategy to change management paradigms, culture and values, including three sub-strategies; namely: (1) create an experimental learning process; (2) create an environment favorable for effective learning; and (3) promote public participation to spur change in paradigms, culture and values. The OPDC made suggestions to improve e-learning, develop leadership and change in management, and improve the quality of public service by emphasizing on good governance and being citizen-centered. 	<ul style="list-style-type: none"> - Capacity Building for OPDC networks - International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management
Strategy 6: Modernize public sector through e-government system development	6.1 Transform operations of the public sector into e-office systems 6.2 Provide e-services through the internet and websites 6.3 Revise laws and regulations that prevent or obstruct services using Information Communication Technology and e-government practices	<ul style="list-style-type: none"> - To developed an e-government system, , the cabinet approved an e-government action plan (2005-2007) in August 2005, which aims to: (i) expand e-services; (ii) improve ICT infrastructure of network, information and security systems; (iii) develop laws and regulations related to e-government and e-commerce; and (iv) establish an e-government agency and promote the best use of ICT. 	<ul style="list-style-type: none"> -Supported NICT and MICT in developing policies and procedures on IT and e-government (IDF)

Strategic Plan for Thai Public Sector Development (2003-2007)			
Strategies	Measures	Government Outputs (As of April 2006)	Supporting Activities under CDP-G
Strategy 7 : Enlist public participation in the work of the government system	7.1 Establish lay boards, particularly at the operational levels (province/district) 7.2 Set rules for government agencies to conduct public surveys or hold seminars and hearing in order to gauge public opinion and obtain feedback 7.3 Assist government agencies in the presentation of information on websites to ensure accountability and transparency of operations 7.4 Encourage government agencies to provide opportunities for volunteers to work with public sector employees, particularly in connection with environmental issues	<ul style="list-style-type: none"> - The Public Hearing Law was introduced to improve accountability and transparency of government projects. Government agencies, including the central government, provincial government, local administration, and SOEs are required to organize a public hearing prior to starting any projects with impacts on the environment, health, livelihoods, or any projects that may have externalities on the surrounding community. According to the new laws, all government agencies require to disseminate project information such as project objectives, rationales, activities, place, contractor, processes and timeframes, expected results and estimates of costs, and impacts on the public, and to seek the public's opinion through interviews, mail, telephone, and/or workshops, and announce results of the consultations within 15 days. - The People's audit system has been developed in pilot provinces in order to allow local communities to participate in decision making process as well as to monitor and evaluate issues relating to public services, environment management and decentralization in their communities. A curriculum for the people's audit system has been developed and used for training community leaders in monitoring and evaluating public sector. 	<ul style="list-style-type: none"> - Developed Public Participation Training Program for Practitioners in the Thai Public Sector - Developed a program of Community Radio for good governance to enhance public monitoring and evaluation - Developed a capacity building program for the Thai Parliamentary oversight of the budget to promote accountability and transparency (PHRD/WBI)

Appendix Table 4. CDP-G Activities Funded by ASEM Trust Funds (ASEM TF2)

Activity	Responsible Agency	Project Manager	Consultant	Budget	Disbursement Amount	Starting Date	Ending Date
1 Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform	Project Management Office	Dr. Medhi Krongkaew	Center for Poverty Studies, School of Development Economics, NIDA	USD 179,770 (Baht 7,190,800)	USD 179,038.37	January 24, 2005	January 31, 2006
2 Decentralization policy to empower local communities, including a study on integration measures to reduce poverty	Project Management Office	Dr. Direk Pattamasriwat	Good Governance for Social Development and Environment Institute	USD 189,140 (Baht 7,565,600)	USD 168,369.18	January 24, 2005	January 31, 2006
3 Legal Advice on Entering into the 1992/2002 ISDA Master Agreement for the Ministry of Finance and State-Owned Enterprises	Office of Public Debt Management	Dr. Thititap Sitthiyot	Baker & McKenzie Ltd.	USD 23,000 (Baht 920,000)	USD 22,794.83	February 21, 2005	July 31, 2005
4 Research Project and Amendment of Budgetary and Financial Discipline	Office of Auditor General	Mr. Jerarat Noppawong Na Ayutthaya	Dr. Orapin Phonsuwan Sabyeroop	USD 27,140 (Baht 1,085,600)	USD 27,974.83 (Baht 1,085,600)	June 30, 2005	January 31, 2006
5 Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance	Civil Media Development Institute – CIVICNET Foundation	Project Management Office	Dr. Uajit Virojtrairatt	USD 11,500 (Baht 460,000)	USD 11,308.70	January 24, 2005	January 31, 2006
6 Result-Based Management on Good Governance	Office of the Public Sector Development Commission	Ms. Darat Boripanthakul	Dr. Jeanne-Marie Col, Dr. Paul Posner, Dr. Marilyn Marks Rubin, Dr. Marc Holzer	USD 140,058 (Baht 5,602,320)	USD 109,524.70	December 20, 2005	February 28, 2006

Activity	Responsible Agency	Project Manager	Consultant	Budget	Disbursement Amount	Starting Date	Ending Date
7 Developing Key Performance Indicators on Good Governance for Regional Public Affairs Management	Project Management Office	Dr. Vichit Lorchirachoonkul	NIDA Consulting Center	USD 34,776 (Baht 1,391,040)	USD 35,385.67 (Baht 1,391,040)	September 1, 2005	February 28, 2006
8 International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management	Office of the Public Sector Development Commission	Mr. Nakornkate Suthapreda	Treason Force Co., Ltd	USD 45,086.40 (Baht 1,803,456)	USD 44,450.84	September 28, 2005	October 15, 2005
9 Public Participation Training Program for Practitioners in Thai Public Sector	Office of Public Sector Development Commission	Ms. Yaowaluck Tangboonyasiri	Dr. Marty Rozelle, Mr. Douglas J. Sarno	USD 60,827.04 (Baht 2,433,081.60)	USD 44,088.32	July 25, 2005	August 5, 2005
10 Study on Public Administration Curriculum for Improving Capacity of Public Officials	Office of Public Sector Development Commission	Dr. Wuttithep Indhapanya	NIDA Consulting Center	USD 142,265.71 (Baht 5,690,628.35)	USD 133,336.57	December 20, 2005	February 10, 2006
11 Capacity Building for OPDC networks	Office of the Public Sector Development Commission	Ms. Soontree Supasaguan		USD 75,000 (Baht 3,000,000)	USD 69,580.08 Baht 2,637,310.54	February 2, 2006	February 26, 2006

Appendix Table 5. Management Structure for CDP-G: Phase II

The Public Sector Development Commission and its Office

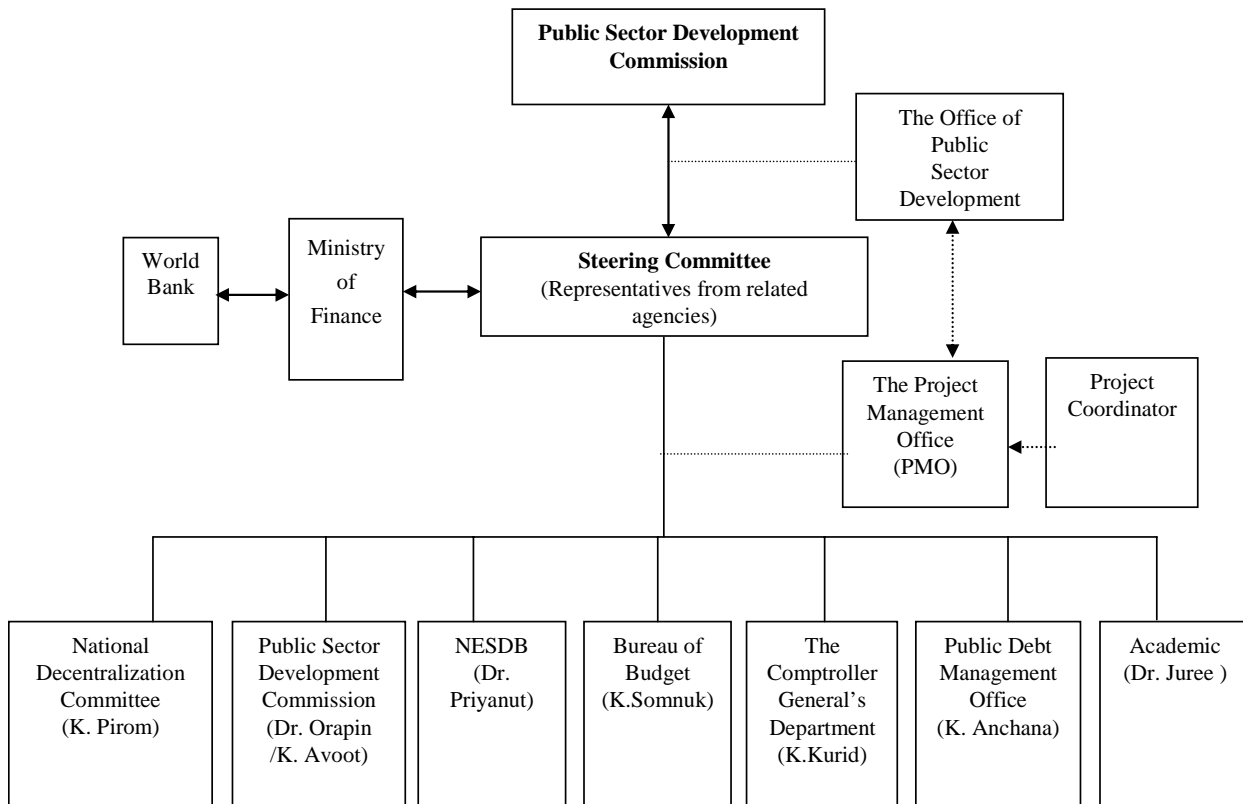
In accordance with the 5th Public Administration Act of 2002, a Public Sector Development Commission (PDC) was established to support and assist in the development of the government bureaucracy. The vision is to attain a high standard of excellence in the Thai Public Sector as measured by international criteria, predicated upon the principles of good governance and for the benefit of Thai people. The main responsibilities of PDC include providing advice to the Cabinet on public sector development as specified in the Royal Decrees and Public Administration Act. The three main components of PDC include: 1) the PDC; 2) PDC Sub-commissions; and 3) the Office of the Public Sector Development Commission (OPDC). The OPDC was established in 2002 to serve as a secretariat to the PDC. The OPDC is not a departmental government agency, but reports directly to the Prime Minister. Its mission is to facilitate and sustain the ongoing development of the Thai Public Sector. The eight main functions of the OPDC are divided among the following groups: 1) Monitoring and Evaluation; 2) Dissemination and Public Participation; 3) Public Sector Restructuring; 4) Regional Administration Development; 5) Legal and Administrative Procedures Bureau; 6) Office of the Secretary-General; 7) Research and Development; and 8) Institute of Good Governance Promotion.

The CDP-G Steering Committee

In order to ensure the success in implementing, monitoring, and evaluating the CDP-G program of activities to support the RTG's public sector reform efforts, a Steering Committee (SC) was set up in September 2003 to oversee CDP-G related activities financed by ASEM Trust Funds (ASEM TF2). The specific responsibilities of the SC were to: (i) provide guidance and suggestions regarding the implementation of public sector reform; (ii) approve the term of references for the activities under CDP-G financed by the ASEM Trust Fund, as proposed by the Project Management Office; (iii) monitor agreed activities under the main components to ensure their consistency with the Government's reform program in the areas of expenditure management, civil service reform, decentralization, and accountability and transparency; and (iv) review reports and assess implementation and results of projects in the context of the overall public sector reform. The SC was comprised of senior representatives from OPDC, the Bureau of the Budget (BOB), the Comptroller General's Department, the Public Debt Management Office (PDMO), the National Decentralization Committee (NDC), and the National Economic and Social Development Board. An eminent representative from civil society acted as Chairperson. The SC met regularly (almost every month), and comprised:

- | | |
|------------------------------|-------------------------|
| 1. Dr. Juree Vichit-Vadakarn | Chairperson (CSO) |
| 2. Dr. Orapin Sopchokchai | Vice-Chairperson (OPDC) |
| 3. Mr. Pirom Simasathien | Member (NDC) |
| 4. Mr. Avoot Wannvong | Member (OPDC) |
| 5. Dr. Priyanut Piboolsravut | Member (NESDB) |

6. Mr. Somnuk Phimoisathian Member (BOB)
7. Mr. Kurid Sombatsiri Member (CGD)
8. Miss Anchana Wongsawang Member (PDMO)
9. Miss Sarunyikha Thiemboonkit Secretary (PMO)
10. Miss Soawalak Thongrattakumpol Assistant to Secretary (PMO)
11. Mr. Sethaput Suthiwart-Narueput/
Mr. Eric Sidgwick, World Bank Observer



Appendix Table 6. Steering Committee Meetings and Workshops

Date/Month/Year	Meeting/Agenda
1. Meetings	
2 October 2003	Steering Committee Meeting 1/2003 Informed CDP-G/ASEM implementation and budget of project; Approved specimen signatures of Steering Committee members for opened accounts
19 November 2003	Steering Committee Meeting 2/2003 Considered to re-designed activities under CDP-G/ASEM project , Approved to organize a brain-storming workshop; Requested SDP 8% budget in the amount of 1,900,000 Baht from the Royal Thai Government
8 January 2004	Steering Committee Meeting 1/2004 Approved the re-designed activities under CDP-G/ASEM; Acknowledged the initial deposit of USD 100,000 in special account
31 May 2004	Steering Committee Meeting 2/2004 Reviewed sub-activities proposal (1) International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management (2) Research Project and Amendment of Budgetary and Financial Discipline Approved sub-project (1) Legal Advice on Entering into the 1992/2002 ISDA Master Agreement for the Ministry of Finance and State-Owned Enterprises
1 July 2004	Steering Committee Meeting 3/2004 Reviewed sub-activities proposal (1) Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform (2) Decentralization policy to empower local communities, including a study on integration measures to reduce poverty (3) Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance Approved sub-activities (1) Research Project and Amendment of Budgetary and Financial Discipline Approved sub-project
26 July 2004	Steering Committee Meeting 4/2004 Reviewed sub-activities proposal (1) Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform (2) Decentralization policy to empower local communities, including a study on integration measures to reduce poverty(3) Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance
13 August 2004	Steering Committee Meeting 5/2004 Approved sub-activities (1) Decentralization policy to empower local communities, including a study on integration measures to reduce poverty (2) Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance (3)International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management
6 September 2004	Steering Committee Meeting 6/2004

Reviewed and find new responsible agencies to take over sub-activities under component 2 activity 2.2 anti-corruption and sub-activities 3 activity 3.1 KPI; Reviewed sub-activities proposal (1) Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform;

14 October 2004 Steering Committee Meeting 7/2004
Requested for project extension from 31 December 2004 to 31 August 2005; Reviewed budget allocation under project administration;

20 December 2004 Steering Committee Meeting 8/2004
Requested for project extension from 31 August 2005 to 28 February 2006; Reviewed budget allocation under project administration; Approved organize CDP-G/ASEM Workshop in January 2005

20 January 2005 Steering Committee Meeting 1/2005
Reviewed CDP-G/ASEM Workshop agenda, planed and budget; Reviewed International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management revised budget; Discussion on the uncommitted sub-projects, to find the qualified person to undertake the remaining sub-project under the CDP-G /ASEM, especially on the Anti-corruption project and the Transparency project.

18 March 2005 Steering Committee Meeting 2/2005
Reported on the outcome of the CDP-G Workshop which had been successfully organized on Wednesday 26th, January 2005; Discussion on the uncommitted sub-projects, to find the qualified person to undertake the remaining sub-project under the CDP-G /ASEM

5 April 2005 Steering Committee Meeting 3/2005
Reviewed sub-actives proposal (1) Public Participation Training Program for Practitioners in Thai Public Sector (2) Developing Key Performance Indicators on Good Governance for Regional Public Affairs Management (3) Framework and Guideline for Anti-Corruption Strategies

19 May 2005 Steering Committee Meeting 4/2005
Approved sub-activities (1) Public Participation Training Program for Practitioners in Thai Public Sector (2) Developing Key Performance Indicators on Good Governance for Regional Public Affairs Management (3) Result-Based Management on Good Governance

30 June 2005 Steering Committee Meeting 5/2005
Approved inception reports (1) Decentralization policy to empower local communities, including a study on integration measures to reduce poverty(2) Enhancing monitoring and evaluation of the reform processes: Strengthen Community Radio for Good Governance

24 July 2005 Steering Committee Meeting 6/2005
Consideration on selection of Audit firm; Approved inception report on Poverty reduction strategies and their implications for government and social service delivery aspects of public sector reform; ; Approved organize CDP-G/ASEM Roundtable Workshop; on 7 October 2005; Reviewed project

26 September 2005 Steering Committee Meeting 7/2005

- Reviewed sub-activity proposal on Anti-Corruption Strategies and Development on a Result-Based Management Approach for the Public Sector; Reviewed project details and budget on International Symposium of Public Sector Development: Innovative Meeting on High Performance Public Management; Reviewed agenda and work plan for CDP-G/ASEM Roundtable Workshop; on 7 October 2005; Approved ANS Audit Co., Ltd.
- 11 October 2005 Steering Committee Meeting 8/2005
Reported on the outcome of the CDP-G Roundtable Workshop; Reviewed sub-activity proposal (1) Study on Public Administration Curriculum for Improving Capacity of Public Officials
- 18 November 2005 Steering Committee Meeting 9/2005
Reported on Project Management, Monitoring and Evaluation, Finance and Reporting; Approved on sub-activities extension to January 2006; Approved sub-activity on Study on Public Administration Curriculum for Improving Capacity of Public Officials; Reviewed sub-activity proposal on Anti-Corruption Strategies and Development on a Result-Based Management Approach for the Public Sector
- 13 December 2005 Steering Committee Meeting 10/2005
Reviewed draft finals of sub-activities; Reviewed sub-activities progress and budgets; Approved organize CDP-G/ASEM Year end Workshop;
- 26 January 2006 Steering Committee Meeting 1/2006
Report on financial year 2005 of CDP-G/ASEM; Approved sub-activity (1) Capacity Building for OPDC networks;
- 21 February 2006 Steering Committee Meeting 2/2006
Reported on project management and financial; Approved all remaining sub-activities under CDP-G/ASEM
- 26 January 2005 CDP-G/ASEM Workshop on Poverty reduction strategies
(Review first draft and collaborate two projects (1) Poverty Reduction Strategies and their implications for government and social service delivery aspects of public sector reform and (2) Decentralization policy to empower local communities, including a study on integration measures to reduce poverty)

2. Workshops

- June 19, 2003 CDP-G Monitoring Workshop
October 7, 2005 CDP-G/ASEM Roundtable Workshop
February 7, 2006 CDP-G/ASEM Working Group Meeting
February 20-21, 2006 CDP-G/ASEM Monitoring Workshop