Analysis from a Capacity Development Perspective

JICA Program on Capacity Building of Thai Local Authorities

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Acronyms and Abbreviations

APEC	Asian Pacific Economic Cooperation Conference
ASIAURBS	Asia Urbs Programme (a joint program between EU and Asia in the cultural, economic, and development fields)
BMA	Bangkok Metropolitan Administration
BOB	Bureau of Budget
C/P	Counterpart
CD	Capacity Development
CDD	Community Development Department
CEO	Chief Executive Officer (provincial governor)
CPD	Cooperative Promotion Department
DAC	Development Assistance Committee
DANCED	Danish Cooperation for Environment and Development (an international cooperation program in the fields of the environment and development by the Danish Ministry of the Environment and Energy)
DDPM	Department of Disaster Prevention and Mitigation
DLA	The current Department of Local Administration (which was reorganized from DOLA in October 2002)
DOAE	Department of Agricultural Extension
DOLA	The former Department of Local Administration (which was broken up into three departments in October 2002: DLA, DOPA, and the Department of Disaster Prevention and Mitigation [DDPM])
DOPA	Department of Provincial Administration (which was separated from DOLA in October 2002)
DTCP	Department of Town and Country Planning (which absorbed the Public Works Department in October 2002)
DTEC	Department of Technical and Economic Cooperation (which was placed under the management of the Ministry of Foreign Affairs in October 2002 from the Office of the Prime Minister, and reorganized into the Thailand International Development Cooperation [TICA] in October 2004.)
EIA	Environmental Impact Assessments
EU	European Union
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Co-operation)
IDE-JETRO	Institute of Developing Economies, Japan External Trade Organization
IFIC	Institute for International Cooperation
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
JRP	Joint Research Project

JRT	Joint Research Team
KPI	King Prajadhipok's Institute
LGDAD	Local Government Development Affairs Division
MOAC	Ministry of Agriculture and Cooperatives
MOE	Ministry of Education
MOI	Ministry of Interior
MoNRE	Ministry of Natural Resources and Environment
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
NDC	National Decentralization Committee
NESDB	National Economic and Social Development Board
NGO	Non Governmental Organization
NIDA	National Institute of Development Administration
NMLT	National Municipal League of Thailand
OCSC	Office of Civil Service Commission
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
ONDC	Office of the National Decentralization Committee
OPM	Office of the Prime Minister
PA	Partial Association
PAO	Provincial Administrative Organization
PIU	Project Implementation Unit
PLEDGE	Partnership for Local Empowerment through Democratic Governance (a UNDP project for participatory regional development and monitoring)
PLPDP	Provincial and Local Prosperity Decentralization Plan
R/D	Record of Discussions
RU	Regional Union
SCSRD	Sokoine University of Agriculture, Centre for Sustainable Rural Development
TAO	*Tambon* Administrative Organization
TCP	Technical Cooperation Project
TDRI	Thai Development Research Institute
TIA	Thailand Innovative Administration Consultancy Institute
TOR	Terms of Reference
UNDP	United Nations Development Programme

Summary

■ Background, Purpose, and Structure of This Study

The concept of capacity development (CD) has been attracting increasing attention in the process of reviewing the effectiveness and efficiency of their development assistance. Since the second half of the 1990s donors have been increasingly incorporating CD into their aid philosophies and strategies. CD is aimed at enhancing the potential capacity a developing country innately has to develop its "problem solving ability" to attain sustainable development at its own initiative. Focus is placed on the capacity at the three different levels of individuals, organizations, and institutions/society and their interactions. Japan International Cooperation Agency (JICA) has also been exploring ways to incorporate the CD concept in its management of technical cooperation and has produced a number of reports on theory and case studies with regard to CD. This study is one of those case studies.

The JICA Program on Capacity Building of Thai Local Authorities started off with the launch in 2000 of the "Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities" (hereinafter referred to as "Joint Research Project (JRP)"). The current project underway as of 2007 under this program is the "Project on Local Management Cooperation: Phase II", the project formally known as "Capacity Building for Local Authorities through Local Cooperation and Local Public Service Standards."

The case analyzed in this study was unique in two ways. First, a technical cooperation project ("Project on Local Management Cooperation") was implemented in a way that translated the recommendations of the JRP into action with support in policy and institution development serving as its entry point. Second, the experiences and lessons learned from the project, in turn, contributed to the process of institution development.

This study aims to draw lessons from a CD assistance program with a focus on policy and institution development by reviewing the cooperation processes and outcomes of a series of activities ranging from the Joint Research to Phase I and Phase II of the Project on Local Management Cooperation.

The study also aims to extract from the lessons the directions for future assistance programs and projects in local administration, including important considerations in the formulation and implementation phases of the programs/projects.

This report is comprised of four chapters. Chapter 1 explains the local authority system and the processes in decentralization in Thailand. The activities of other donors in the country are also reviewed. Chapter 2 provides the background to the Program on Capacity Building of Thai Local

Authorities and describes its three component projects, including the interrelationships among them. Chapter 3 reviews all the processes of the three projects, including project formulation, implementation, and evaluation and identifies their characteristics, outcomes, and challenges in the context of CD assistance. It also analyzes a mechanism of CD assistance while looking at these projects as a whole. Chapter 4 generalizes the outcomes and challenges identified in Chapter 3 and draws lessons for the operation of future CD programs and projects by JICA in local administration.

■ JICA Program on Capacity Building of Thai Local Authorities: Characteristics and Lessons Learned

Thailand's efforts toward decentralization as a national strategic policy have faced many challenges, especially with regard to institution building and organizational strengthening. In order for Thailand to address these challenges, JICA established the Program on Capacity Building of Thai Local Authorities, a decade-long, multi-project program.

This program originated in 1998, when JICA launched a Project Formulation study for supporting vulnerable groups in the wake of the Asian economic crisis. One of the Thai partners in this study, the Department of Local Administration (DOLA) of the Ministry of Interior, requested JICA to support for improving on development planning the capacity of local authorities. JICA, for its part, needed first to identify general issues in this sector in Thailand since JICA had no relevant experience in the country.

JICA suggested establishing a Thailand-Japan Joint Research Team with a view to formulating a technical cooperation project in this sector. This led to the JRP on Capacity Building for Local Authorities conducted between August 2000 and August 2002.

In drafting this report, the Joint Research Team (JRT) respected Thai ownership as far as possible. The Thai members wrote the chapters on the current situation and problems as well as recommendations, while the Japanese members compiled the chapter on Japan's experience.

This joint team approach was quite different from the one JICA had traditionally taken for its development studies in that JICA and its counterparts worked together on an equal basis. The joint team learned a lot from this collaboration, especially in selecting the team members and research themes, overcoming language barriers, and coordinating the interests of the various stakeholders.

The Joint Research led to the launch of the Project on Local Management Cooperation, which focused on a field in which the outputs of the research could be utilized most effectively. This project explored ways to promote cooperation among local authorities (interlocal cooperation) by the current Department of Local Administration (DLA), which had been reorganized from DOLA in

October 2002. It also analyzed the situation of interlocal cooperation in the model sites (provinces) and verified the ways to promote cooperation that suits the sites. The results of these activities were compiled into a handbook.

This project featured a new input modality, which had two major characteristics. The first characteristic was the input of local consultants, including a Thai member of JRT. They played a pivotal role in the whole process up to the development of the handbook. The second characteristic was the active involvement of the top officials of the relevant organizations, including the DLA director general and the vice-governors of the model provinces, by participating in the training in Japan. This involvement helped strengthen the project implementation structure and prompted the expansion of the scope of the project to include institution development that entailed legislative measures. The new input modality that respects the initiative of the partner country enhanced the potential of the project and promoted endogenous CD.

The Project on Local Management Cooperation (Phase I) was followed by Phase II, the project formally known as "Capacity Building for Local Authorities through Local Cooperation and Local Public Service Standards." This project supports efforts toward cooperation among local authorities (interlocal cooperation), including the establishment of formal associations at the local level (called *sahakarn* in Thai) with a view to creating a model for the cooperation. The project also tries to offer technical support for activities in the pilot project sites. Six key divisions in the DLA formed a working group in Phase II, a sign of the greater commitment of the department than in Phase I.

Another major characteristic of Phase II is that the local authorities participating in the pilot projects sign a memorandum of understanding (MOU). This practice, which institutionalizes the projects in the participating authorities, increased their ownership significantly, which is an important factor from a CD perspective.

■ **The CD Assistance Mechanism of the Program as a Whole**

JICA generally considers the types of entry points for its assistance: (i) local society empowerment; (ii) core function development; and (iii) policy and institution development. The project components of this program are classified according to these types and then described in Figure 0-1.

The JRP is more of the policy and institution development type. Its entry point is support for DOLA in policy development. The Project on Local Management Cooperation (Phases I and II), on the other hand, is more of a cross between the community empowerment type and the policy and institution development type. Its ultimate goal is institution development and the organizational strengthening of local authorities is part of the assistance process to that end.

**Figure 0-1   Conceptual Diagram of CD Assistance under the Program
on Capacity Building of Thai Local Authorities**

Figure 0-1-1   Thailand – Japan Joint Research Project: Policy and Institution Development
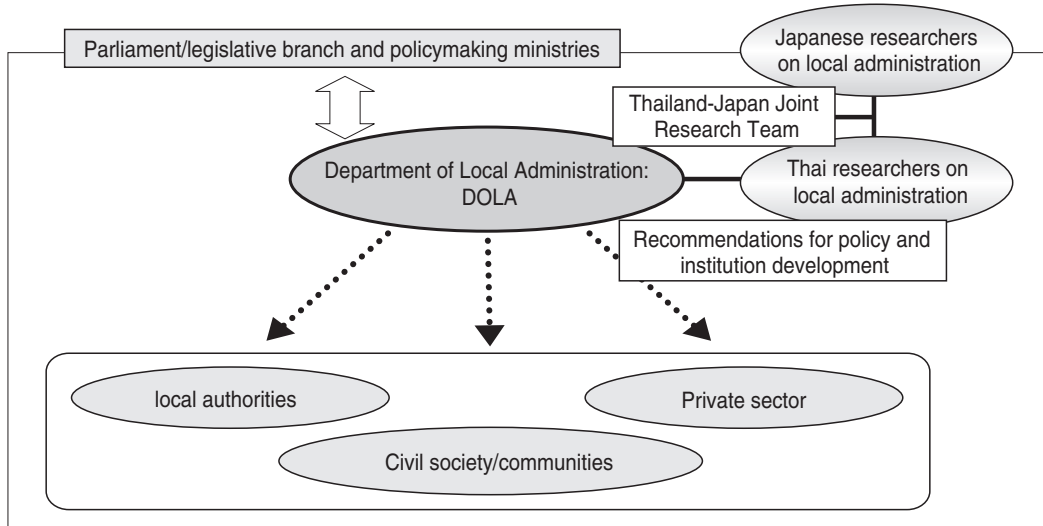
**Figure 0-1-2   Project on Local Management Cooperation (Phases I and II):
Empowerment and Policy and Institution Development**
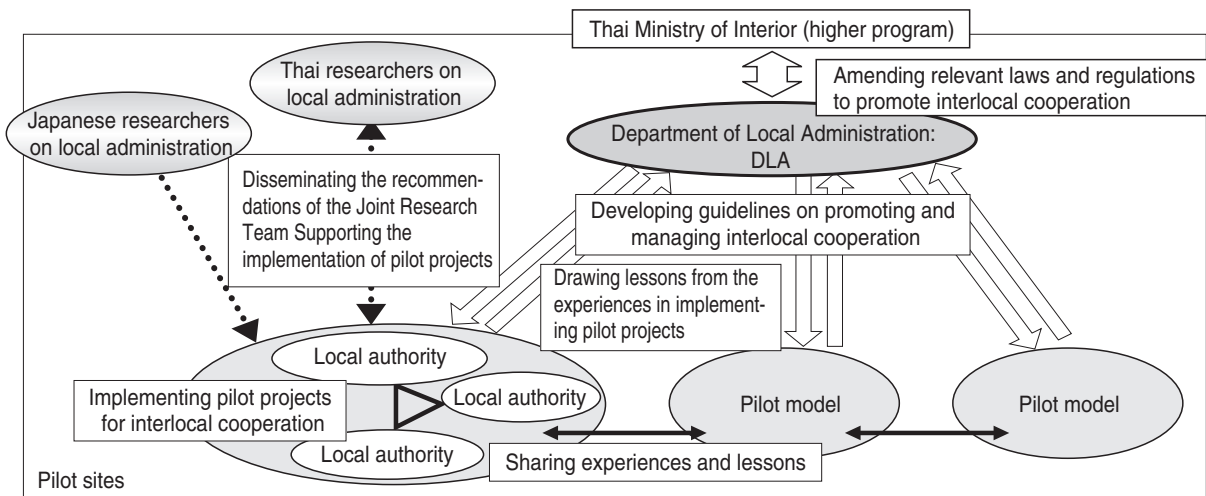
Source: Compiled by the author (Kimata).

As the above diagram suggests, development assistance in local administration needs to develop the capacity of both the central government and local authority. Table 0-1 shows the capacity of these types of entities at the individual, organizational, and institutional/societal levels.

Table 0-1 Capacity of Central Government and Local Authority Regarding Local Administration

Central or local / Three levels	Central government (DLA)	Local authorities (pilot sites)
Societal/institutional	Developing and improving the laws and policies for decentralization and institutional capacity building of local authorities	Building and improving the collaboration mechanism and trusting relationship with local communities
Organizational	Strengthening the organizational functioning of central government departments for the purpose of developing the institutional capacity of local authorities	Strengthening the service delivery framework and management system of local authorities
Individual	Enhancing the knowledge and skills of central government officials and employees engaged in local authority affairs	Enhancing the knowledge and skills of local authority personnel

Source: Compiled by the author (Kimata) based on Nagai, Ozaki, Konishi, and Yokota (2006).

Table 0-2 shows in what aspect this program has contributed to CD at individual, organizational, and societal/institutional levels of the central government and local authority.

Table 0-2 CD Assistance under the Program on Capacity Building of Thai Local Authorities
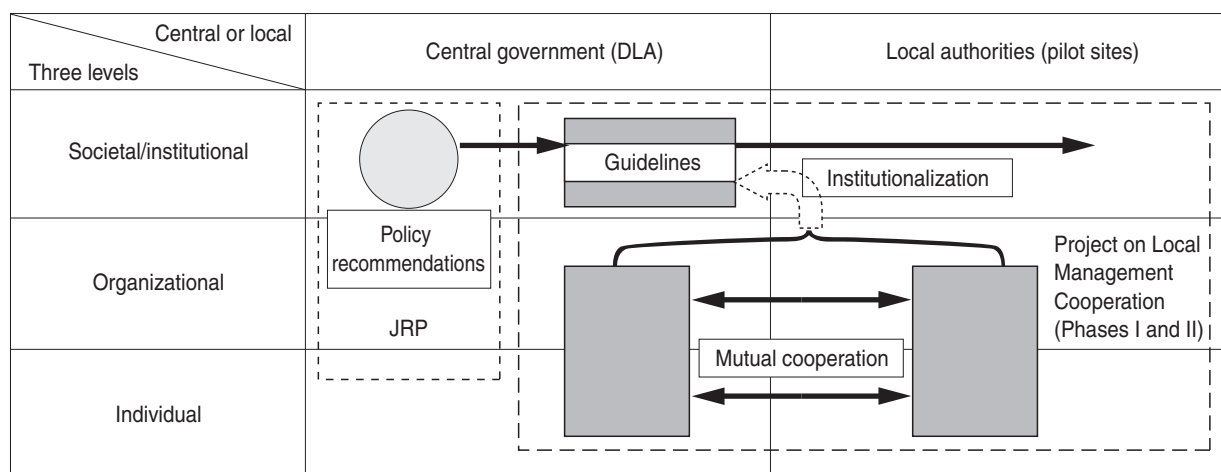
Source: Compiled by the author (Kimata).

JRT made recommendations to the central government on institution building for the capacity building of local authorities (represented by the circle in the table). The recommendations resulted in the launch of the Project on Local Management Cooperation.

The Project on Local Management Cooperation (Phases I and II) is designed to build a sustainable mechanism for interlocal cooperation through capacity building at the individual and organizational levels of both the central government and local authority. The project has drafted a set of guidelines, which have been fed back to the policymaking process, thereby contributing to further institution development (represented by the rectangles in the table).

Both of the projects are viewed as being part of the overall process in which the Thai partners' ownership has been developed under the Program on Capacity Building of Thai Local Authorities.

This process started out slow with a broad focus. When the Thai partners' levels of awareness and ownership reached a critical mass, arrangements were quickly made to allow for the highest possible degree of their ownership for a specific issue. Since local administration and decentralization are the sensitive issues that concern the partner country's governance, the program refrained from seeking the partners' strong commitment to a single project from the start. Rather, it expected the development of their ownership in the process of implementing each project. This approach was a major feature of this CD assistance program aimed at advocacy and institution development.

■ Lessons Learned in Managing CD Assistance in Local Administration

(1) Clarifying the positioning of JICA's assistance

Since the issue of local administration is closely related to the governance system of the partner country, JICA needs to identify the policy context of the issue, the missions and capacities of the partners, and the future directions of the project. Then JICA and its partners should share the understanding that they should primarily address the issue and that JICA should support their efforts only for a certain period of time. Table 0-3 shows the key criteria for positioning JICA's assistance.

Table 0-3   Key Criteria for Positioning JICA's Assistance

Criteria	Key considerations	Key Question
"Why?"	Policy context	Which policy or program warrants the project?
		How does the partner country address the issue?
	Future directions of the project/program as a whole	What are the prospects after the project?
	Objective of assistance	What does the partner country obtain from the project?
"With whom?"	The functions of the departments concerned	What is the function of each ministerial department concerned?
	Target	With whom should JICA work to achieve the project objectives?
"What to achieve?"	The scope and level of the project	What should be addressed, the relevant policy itself or the specific issue within the relevant policy?
		Which form should institution development take, a new law, guidelines, or manuals?
"What should the Japanese side do?"	Division of responsibilities	What should the counterparts do to address the issues in general and in the project in particular?
		To what extent should JICA intervene and how?

Source: Compiled by the author (Kimata).

(2) Advantages and requirements of the joint research approach

In the joint research approach, researchers from both Japan and the partner country discuss the issue from a third-party perspective and make agreed-upon recommendations. In that sense, joint research provides a valuable entry point for a project designed to encourage ownership on the part of the partner.

Certain requirements need to be met for this approach to be successful. First, both Japan and the partner country must have the capacity for joint research. Second, JICA should place JRPs in the proper context of its technical cooperation or research schemes. Third, the division of duties should be clearly defined between JICA and the researchers from both countries and between the researchers from Japan and those from the partner country. Fourth and finally, it is necessary to appoint facilitators to coordinate different kinds of stakeholders.

(3) Involving stakeholders at the central government and local authority levels

At the central government level, projects concerning local administration must involve not only the contact section for technical cooperation but also other key departments that play crucial roles in the local authority system, including those in charge of justice, finance, and planning.

At the local authority level, JICA should share understanding with the counterpart agency at the central government level and key persons at the local authority level on such topics as local needs, the necessity of development assistance, and the aid absorptive capacity. This approach is crucial for encouraging the local authorities concerned to make the project their own.

In other words, the key to a successful project is to provide many opportunities for the stakeholders at the central government and local authority levels to interact with each other in order to allow for synergy between institution development at the central government level and organizational and operational strengthening at the local authority level.

(4) Taking advantage of local human resources

The domestic human resources of the partner country (local human resources) have the potential to play the role of a "mediator" between Japan and the partner country and between the central government and local authority of the partner country as a third-party familiar with local affairs. They also have an important part to play in localizing Japan's knowledge and in transforming local knowledge into explicit knowledge.

Yet local human resources vary greatly in their capacity. In this sense, managing their performance is crucial.

(5) Maximizing the impact of Japan's human resources

Maximizing the impact of Japan's domestic human resources in local administration, whose availability as a player in development assistance is limited, requires satisfying three conditions: (i) the matching of domestic human resources of Japan and the partner country; (ii) the long-term assignment of JICA experts who act as facilitators for such matching; and (iii) coordination between the short-term experts and the training in Japan of the strategically selected stakeholders at different government levels. This type of training is important in two ways. First, it provides a valuable opportunity for these stakeholders to share the same experience. Second, it allows key persons such as department directors to concentrate on the project free from their ordinary duties. Short-term experts may be dispatched before or after the training in Japan. The experts dispatched after the training can follow up the results of the training and can receive valuable hints for the next training in Japan.

(6) Managing the project amid political and institutional uncertainties

It is crucial that any project concerning decentralization or local administration, which is an issue subject or vulnerable to political or institutional change, should select a development objective whose importance will not change even amid political and institutional uncertainties.

Since decentralization or local administration is a sensitive issue closely related to the governance system of the partner country, it may be unwise or even impossible to take a fast-track approach. A more practical and appropriate approach may be to agree on a "satisfactory level" the project should attain amid constraints at the given time and regard the project outcomes as a stepping stone to the ultimate goal for the partner country. Then the project components and interventions should be timed to accommodate the changing circumstances. This flexible approach to project management is an important part of CD assistance.

Introduction

1. CD: How Do the Donor Community and JICA Evaluate CD

In reviewing the effectiveness and efficiency of development assistance, the donor community has been paying attention to the concept of CD since the second half of the 1990s. This trend was accelerated in 1997 when the United Nations Development Programme (UNDP) put forward this concept. Since then, more and more aid agencies have incorporated this concept in their principles and strategies. The UNDP's concept of CD represents a shift in focus from donor-driven technical transfers to recipient-driven, endogenous, and sustainable CD for developing countries.

CD rests on fully enhancing the potential of a developing country and developing its problem-solving abilities so that it will be able to attain sustainable development at its own initiative. Hence CD is different from the traditional concept of capacity building, in which a developing country builds the type of capacity it lacks with intervention by a donor. Characteristically, CD addresses the three levels of individuals, organizations, and institution/society and pays special attention to the interactions among them.

JICA has been working to incorporate the concept of CD in the management of its technical cooperation. As part of such efforts, in March 2006 JICA compiled a report titled "Towards Capacity Development (CD) of Developing Countries Based on their Ownership: Concept of CD, its Definition and its Application in JICA Projects." Among the other efforts are case studies, of which this study is one.

2. Purpose of This Study

The JICA Program on Capacity Building of Thai Local Authorities started off with the launch in 2000 of the Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities (Joint Research Project: JRP). The current project underway as of 2007 under this program is the Project on Local Management Cooperation: Phase II, the project formally known as "Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards."

According to the 2006 report mentioned above, JICA generally considers three types of entry points for its assistance: (i) Local society empowerment; (ii) core function development; and (iii) policy and institution development (see Annex 2 for details). The case analyzed in this study was unique in

two ways. First, a technical project (Project on Local Management Cooperation) was implemented in a way that translated the recommendations of the JRP into action with assistance in policy and institution development serving as its entry point. Second, the experiences and lessons learned from the project, in turn, contributed to the process of institution development.

This study aims to draw lessons from the CD assistance program that focused on policy and institution development by reviewing the cooperation processes and outcomes of a series of its activities, ranging from Joint Research to Phase I and Phase II of the Project on Local Management Cooperation. It also aims to extract, from these lessons, their formulation and implementation phases.

Despite the fact that JICA has not yet accumulated sufficient experience or lessons learned in governance, especially local administration, the need for development assistance in this sector is growing. Results of this study will therefore be important considerations as a precedent case for JICA's future assistance programs and projects in local administration.

3.   Methodology of This Study

This study focuses on three project components of the JICA Program on Capacity Building of Thai Local Authorities:

- Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities (2000 - 2002)
- Project on Local Management Cooperation (2003 - 2004)
- Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards (2005 - 2008)

This study was conducted chiefly by the researcher, the JICA expert, and a staff member at the JICA Thailand Office who had been directly involved in one or more of the projects above. This report was written by Fumio Nagai, Kazuyo Ozaki, and, Yoichiro Kimata. Nagai, professor at Osaka City University and an expert in Thai politics, was dispatched to Thailand in early April 2000, engaged in the formulation of the Program on Capacity Building of Thai Local Authorities, and joined JRT as a Japanese member. In November 2006, he was again dispatched to Thailand as a JICA short-term expert for the Project on Local Management Cooperation: Phase II. Ozaki was involved in the formulation of the Program first as an Associate Expert at the Second Southeast Asia Division, Regional Department I, JICA. Between December 2000 and December 2004, she assumed the responsibility for overall program formulation and also served as a coordinator for the program as a Project Formulation Advisor and a JICA Long-Term Expert. Kimata engaged in the Program as an assistant resident representative at the JICA Thailand Office between May 2002 and August 2005. After Ozaki returned to Japan,

Kimata took charge of coordination with the Thai side on behalf of the Japanese side for the Project on Local Management Cooperation: Phase II.

This study first reviews the cooperation processes of the three projects in a chronological order and identifies the issues encountered in formulating and implementing them, as well as the actions that were taken to address them. It then draws lessons from the projects, analyzes them, and presents the findings of the analysis in an orderly manner.

This study draws on the analysis of a wide range of literature and materials, interviews with the Japanese and Thai stakeholders, and field surveys on decentralization in Thailand. An interview with JRT Co-chairperson Michio Muramatsu, Professor Emeritus at Kyoto University, has provided a particularly valuable source of information and advice. As part of the field surveys, we interviewed many of the Thai stakeholders, including the Thai members of JRT and officials at DLA. For a survey on the ongoing Project on Local Management Cooperation: Phase II, we gained support from Dr. Nakharin Mektrairat, Associate Professor at the Faculty of Political Science, Thammasat University; Mr. Shuichi Hirayama, a JICA Expert; and the JICA Thailand Office. It should be noted that despite all these surveys, the authors often assessed the situations and issues in views of stakeholders who were directly involved in this program based on the above mentioned surveys in compiling this report.

4.   Construction of This Report

This report is comprised of four chapters. Chapter 1 provides background information for the Program on Capacity Building of Thai Local Authorities. Specifically, it explains the local authority system and the processes in decentralization in Thailand. The activities of other donors in the country are also reviewed. Chapter 2 provides the background to the Program on Capacity Building of Thai Local Authorities and describes its three component projects, including the interrelationships among them. Chapter 3 reviews all the processes of the three projects, including project formulation, implementation, and evaluation, and it identifies their characteristics, outcomes, and challenges in the context of CD assistance. It also analyzes a mechanism of CD assistance as a single entity composed of these projects. Chapter 4 generalizes the outcomes and challenges identified in Chapter 3 and draws lessons for the operation of future CD programs and projects by JICA in local administration.

This report has been written and co-edited by the three authors, with each taking final responsibility for the following chapters and sections:

Introduction: Kimata

Chapter 1 (Trends and Developments in Decentralization in Thailand): Nagai

              "Except Section 1-6

              (Overview of Other Donors' Support for Decentralization in Thailand): Ozaki"

Chapter 2 (Overview of the JICA Program on Capacity Building of Thai Local Authorities): Ozaki

Chapter 3 (JICA Program on Capacity Building of Thai Local Authorities: Characteristics and Lessons Learned)

       3-1 (Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities): Nagai

       3-2 (Project on Local Management Cooperation [Phase I]): Ozaki

       3-3 (Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards [Project on Local Management Cooperation: Phase II]): Kimata

       3-4 (CD Assistance Mechanism of the Program as a Whole): Kimata

Chapter 4 (Lessons for the Implementational Aspect of CD Assistance in Local Administration): Kimata

Chapter 1   Trends and Developments in Decentralization in Thailand

This Chapter introduces the local authority system and the decentralization policy in Thailand, because they are major defining factors for the objectives and procedures of the JICA Program on Capacity Building of Thai Local Authorities.

Yet this chapter does not go into detail. It provides a background, developments, characteristics, and issues for local autonomy and decentralization in Thailand in the context of the purpose of this study, which is to draw lessons for future JICA projects from the perspective of CD. Elaborating on the local administration system in Thailand in general[1] would require much wider discussion and detailed analysis for two major reasons. First, the local administration system in Thailand is quite complex. It is far more intricate than, for example, that of Japan, the Philippines, and Indonesia.[2] Second, any study on decentralization has to pay due attention to the financial and human resources of the central government offices concerned.

1-1   Background to the Introduction of the Decentralization Policy in Thailand

The history of local autonomy in Thailand dates back to 1932, when the Constitutional Revolution abolished absolute monarchy and introduced democracy. Pridi Bhanomyong, who was an ideological leader of the 1932 revolution and the Minister of Interior, established the *Thesaban* Act (Municipal Administration Act) of 1933. This resulted in the establishment of *Thesaban* in 35 of urban areas across the country as a basic local authority in 1935.

It is said that Pridi intended to establish *Thesaban* also in *Tambon*, a rural administrative unit (to be discussed later). The subsequent repetition of military coups and democratic rules, however, prevented the smooth development of local autonomy as Pridi envisioned. His idea of establishing basic local authorities in rural areas did not materialize until six decades later in the 1990s, as discussed later.

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[1]   For international comparisons in the local administration systems among Thailand, the Philippines, and Indonesia, see JICA IFIC, ed. *Government Decentralization Reforms in Developing Countries*. 2001; and Sakumoto, Naoyuki, and Shinya Imaizumi, ed. *Ajia Shokoku no Minshuka Katei to Ho [democratization process and law in Asia]*. Chiba: IDE-JETRO, 2003.

[2]   For more detailed discussion on the overall decentralization reforms in Thailand, see Nagai, Fumio. "Chiho Bunken Kaikaku: 'Gorika Naki Kindaika' no Kiketsu [decentralization reform: the consequences of 'modernization without rationalization']." *Tai no Seiji Gyosei Henkaku: 1991-2006 [Thailand in Motion, Political and Administrative Change, 1991-2006]*. Ed. Yoshifumi Tamada and Tsuruyo Funatsu. Chiba: Institution of Developing Economies, Japan External Trade Organization (IDE-JETRO) (2008). This chapter's discussions on local administration and decentralization owe much to the papers and book chapters written by Fumio Nagai.

Despite a number of setbacks, the decentralization progress in Thailand progressed gradually as a whole.[3] As stipulated in the State Administration Act of 1991, Thailand had five types of local authorities before the full-fledged decentralization process started during the 1990s. The first type was *Thesaban*, the basic unit of local authority in urban areas. The second type was sanitary districts (*Sukhaphiban*) in semi-urban areas. The third type was Provincial Administrative Organizations (PAOs) in rural areas. These three types were, as it were, ordinary local authorities distributed throughout the country. The fourth type was the Bangkok Metropolitan Administration (BMA) for Bangkok, the capital and the most urbanized city in Thailand. The fifth type was the City of Pattaya, an internationally known tourist destination. Sanitary districts and PAOs were established during the 1950s while BMA and the City of Pattaya were instituted during the 1970s. The 1950s and the mid 1970s were characterized by progress in the democratization process, implying a close affinity between local autonomy or decentralization and democratization in Thailand.

Yet local authorities did not play an important role in public service delivery compared with the central government and its branch offices in the 1990s, especially before the 1997 Constitution of the Kingdom of Thailand (the 1997 Constitution) was established. All the local authorities accounted for less than 10 % of the total national expenditures. Likewise, the ratio of their employees to those at the central government and its branch offices was one to more than 10. In short, the decentralization process in Thailand represented an effort to transfer administrative services and financial and human resources to local authorities and develop their capacity.

The decentralization process in the 1990s coincided with the democratization process in Thai politics.[4] The democratization process began when the "Bloody May Incident" of 1992 resulted in the ouster of the military regime and a return to party politics. Decentralization was a major issue in the general election held in September 1992. Pro-democracy parties made a campaign pledge to introduce a system of publicly electing provincial governors, who were traditionally appointed by the central government. They also advocated the idea of granting the status of a local autonomous entity or even a juristic entity to the *Tambon* Council, an advisory body to *Tambon*, a rural administrative unit. The idea of electing provincial governors by popular vote met with strong opposition from the Ministry of Interior because provincial governorship was traditionally granted to ministry officials as the highest post for them. For this reason, the first Chuan government, a coalition government between October 1992 and July 1995, did not take up this issue. Meanwhile, the idea of granting the autonomous status

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[3]   Efforts were made during the 1950s and 1960s to establish basic local authorities in rural areas, with little success. Those bodies thus established were abolished altogether in the early 1970s, for they had failed to produce the expected outcomes; they were replaced by *Tambon* Councils, which were more like advisory bodies to *Tambon*. Bangkok gained the local administrative status in 1975 but returned to the system in which the central government appointed the governor due to the military coup in October 1976. It was not until 12 years later that it reintroduced the system of election by popular vote.

[4]   For the democratization process since the 1990s, see Tamada, Yoshifumi. *Minshuka no Kyozo to Jitsuzo: Tai Gendai Seiji Hendo no Mekanizumu [the myths and realities of the democratization process: the dynamic mechanism of modern Thai politics]*. Kyoto: Kyoto University Press, 2003.

to the *Tambon* Council were realized when the ruling coalition parties, the Ministry of Interior, Kamnan, and village headmen reached a compromise that led to the establishment of the *Tambon* Council and *Tambon* Administrative Organization Act of 1994 ([1994] TAO Act). Under the act, most *Tambon* in Thailand gained autonomous status (TAO).[5]

The establishment of TAOs itself remained within the overall framework of the existing local administration system. A major turning point for both the sweeping reform of the local authority system and the decentralization process came when the 1997 Constitution was promulgated in October 1997. The 1997 Constitution defined decentralization as a national basic policy in Section 78. In addition, Chapter 9: Local Authority contained detailed provisions in its nine sections (Sections 282-290). The period between the promulgation in October and the end of 1999 saw a revision of the Local Government Acts (such as Thesaban Act of 1953, TAO Act of 1994, Pattaya Administration Act etc.) and the enactment of new laws, including the Local Public Personnel Administration Act and the act on local initiatives and the recalling of officials. These legislative measures were aimed at blocking direct interventions in local authority management from the Ministry of Interior and encouraging autonomy by local residents. In fact, they were part of the local authority organizational reform.

After the local authority organizational reform achieved major success, the Thai government embarked on the development of the Decentralization Plan. This move was based on Section 285 of the 1997 Constitution and the Decentralization Plan and Process Act of 1999 (the Decentralization Act of 1999), which had been established in accordance with this section. Under this act, the National Decentralization Committee (NDC), formally known as the Decentralization to Local Government Organization Committee, was convened at the beginning of 2000. NDC played the leading role in drafting the Decentralization Plan. The Plan was made up of the Master plan and the Action Plan, which were approved by the Cabinet in October 2000 and November 2001, respectively.[6] The Decentralization Act of 1999 set the fiscal decentralization target of increasing the percentage of local authority expenditures to at least 20 % by 2001, and further to at least 35 % by 2006. This meant that not only the intergovernmental transfer of services but also fiscal decentralization was an important legal mandate.

Other important factors were involved in the decentralization process in Thailand, although this was a direct consequence of the progress in the democratization process.

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[5]   The establishment of TAOs did not mean the abolition of the posts of Kamnan and village headmen. As discussed in Section 1-2, these local administrative posts still coexist with TAOs in rural areas. For details, see Nagai, Fumio. "Tai no Minshuka to Chiho Bunkenka: Tamubon jichitai Sosetsu no Seidoteki Setsumei [democratization and decentralization in Thailand: an explanation of the establishment of *Tambon* Administrative Organizations from a perspective of institution theory]." *Minshuka to Nashonarizumu no Genchiten [democratization and nationalism in the changing world]*. Ed. Yoshifumi Tamada and Kan Kimura. Kyoto: Minerva Shobo, 2006. 103-124.

[6]   Nagai (2003): 273-310.

One such factor was the existence of a network of groups what had the potential to play a pivotal role in promoting decentralization. These groups were made up of scholars at Thammasat University, King Prajadhipok's Institute (a training and research institution affiliated with the National Assembly) and other institutes. In fact, these scholars in the network were involved in drafting Chapter 9 of the 1997 Constitution and the revision of the Local Government Acts (such as Thesaban Act of 1953, TAO Act of 1994, Pattaya Administration Act etc.), the Decentralization Act, and Decentralization Plan.[7] Many members of the group were also involved in the implementation aspect of strengthening local authorities and promoting decentralization as NDC members. The sustained involvement of these scholars ensured policy sustainability in this sector.

External factors were also involved. The World Bank's demand for structural adjustment in the first half of the 1980s included decentralization. In the aftermath of the Asian currency crisis of 1997, ample funds were injected into TAOs as part of efforts to reduce unemployment. Japanese Finance Minster Kiichi Miyazawa announced a plan to address the currency crisis at the Asian-Pacific Economic Cooperation (APEC) Conference in November 1998. A large portion of funds flew into rural areas in Thailand via TAOs under this plan, popularly known as the New Miyazawa Plan. Government offices under the Office of the Prime Minister (OPM) that served as coordinators in the distribution of funds, such as the Office of Civil Service Commission (OCSC) and the National Economic and Social Development Board (NESDB) tended to support decentralization as a means to promote a small government, formulate development programs, increase the efficiency and effectiveness of their implementation, and reduce gaps between urban and rural areas. Although the impact of these external factors was not as strong as the internal factor of democratization, they were significant in convincing Thailand that decentralization was a major international trend that was unavoidable for the country as well.

As the above discussed made clear, the decentralization process since the 1990s, especially in the last decade, has built on the 1997 Constitution and the relevant legislative arrangements, including the revision of existing acts and the establishment of new ones. Although the military coup on September 19, 2006 abolished the 1997 Constitution, these new and revised acts have been in place to this day. In other words, the statutory basis for promoting decentralization has not been undermined significantly. Local autonomy will continue to provide an important institutional basis for supporting democracy in Thailand. It may be an undeniable fact, however, that the momentum for decentralization was significantly reduced, as highlighted by the amendment of the Decentralization Act. Successful decentralization will hence depend on whether local authorities will be able to attain the minimum target of maintaining or even upgrading the levels of public service delivery before decentralization within the existing institutional framework.

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[7]   Some scholars in the network served as Thai members of JRT as discussed later in Chapter 3 and onward.

1-2   The Local Authority Structure in Thailand

As discussed in Section 1-1, Thailand's local administration system in the country is quite intricate. To discuss local autonomy and decentralization in Thailand, it is essential to understand the state administrative structure, including local autonomy.

The Thai state administrative structure is made up of three systems: central administration, local administration, and local autonomy (under the State Administration Act of 1991). The central administration system is comprised of ministries and departments. Ministries are headed by ministers, who supervise full-time officials, including permanent secretaries and department director-generals. The local administration system is composed of provinces and districts. Central ministries, notably the Ministry of Interior (MOI), the Ministry of Agriculture and Cooperatives, the Ministry of Education (MOE), and the Ministry of Public Health, have their branch offices at provincial halls and district offices and dispatch their officials to these units. Even the departments of some of these ministries have their branch offices there. Hence local administration in Thailand is nothing but an aggregation of the branch offices of central ministries and departments. What is unique to Thailand is that these units are individual entities; provinces even have the status of a juristic entity. Provincial governors and district officers, who are dispatched by the MOI, have the statutory authority to direct and supervise government officials from these central ministries and departments at the provincial and district levels. Administrative sectionalism is evident even at the provincial and district levels. In other words, the vertical relationship between ministries and departments outweighs horizontal coordination among central government offices at these levels. The local autonomy system is distinct from the systems of central administration and local administration. It is made up of some 7,800 local authorities nationwide (as of March 1, 2006), which are classified into five types (Table 1-1). These local authorities were placed under the control and supervision of provincial governors and district officers, who, along with the Minister of Interior, have the authority to approve their annual budget plans and local regulations, dissolve local councils, and dismiss local councilors.

A key point of the local authority system in Thailand is the coexistence of the local administration system and the local autonomy system. This dual system complicates the local authority system in Thailand, making it more difficult to understand compared with its counterpart in many other countries.

Let us first look at the local administration system. Central government officials are dispatched to provinces and districts. Some ministries, including the Ministry of Public Health and the MOE, even dispatch their officials to the lower administrative units. A district is divided into *Tambon*, which are subdivided into villages.[8] Every *Tambon* and village is headed by a Kamnan and village headman,

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[8]   However, *Tambon* or villages generally are not present in urban areas, including the BMA and *Thesaban*. Yet Kamnan and village headmen were present in areas surrounding BMA until recently. The *Thesaban* who were upgraded from sanitary districts have both Kamnan and village headmen.

Table 1-1   Number of Local Authorities by Type (as of March 1, 2006)

Type	Number	Remarks
PAOs	75	One PAO in every province except Bangkok Metropolitan Administration (BMA)
Thesaban (municipalities)	1,162	A city municipality needs to have a provincial hall or have a population of at least 50,000 for qualification. Other municipalities where a district office is located all have the status of a town municipality. All the sanitary districts were upgraded to subdistrict municipalities in May 1999 except for one sanitary district that had been abolished.
Thesaban Nakhon (city municipalities)	22	
Thesaban Mueang (town municipalities)	120	
Thesaban Tambon (subdistrict municipalities)	1,020	
TAOs	6,616	As a result of the revision of the relevant act at the end of 2003, *Tambon* Councils were abolished when they were absorbed into their neighboring basic local authorities within the same district, except for a few exceptions.
Special municipalities	2	The special municipalities are under the direct control of the Interior Minister.
Bangkok Metropolitan Administration (BMA)	1	
City of Pattaya	1	
Total	7,855	

Source: Compiled by the author (Nagai) based on data from the website of the Department of Local Administration at http://www.thailocaladmin.go.th (accessed on February 13, 2007).

respectively (under the Local Administration Act of 1914). Kamnan and village headmen are both influential persons at the local level. A village headman is elected by popular vote every five years. Kamnan are elected from the village headmen who have run for the post directly by the local residents in the *Tambon* with a five-year term.[9] In that sense, Kamnan and village headmen are the representatives of their respective constituencies. On the other hand, they also serve as an agent of the central government. Their duties range from communicating central government orders to the residents to managing resident registration, maintaining public order, and even exercising quasi-judicial power. They are paid monthly by MOI. The local administration system has remained more or less the same for a century, despite changes in the terms of office of Kamnan and village headmen and their election processes (Figure 1-1).

In contrast, the local autonomy system has been undergoing a major institutional change for the past 15 years. After the enactment of the 1997 Constitution, any local authority came to be comprised of local council members who are elected by direct popular vote, as well as the head. Any area in the country is governed by a local authority. Except for the special municipality of BMA, local authorities in Thailand are classified into umbrella local authorities and basic local authorities. Since the end of 2003, the head of any local authority has come to be elected by direct popular vote.

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[9]   However, Kamnan and village headmen who were elected before 1992 can remain in office until they reach the retirement age of 60.

Figure 1-1 A Diagram of Control of Local Authorities by MOI (since October 2002)
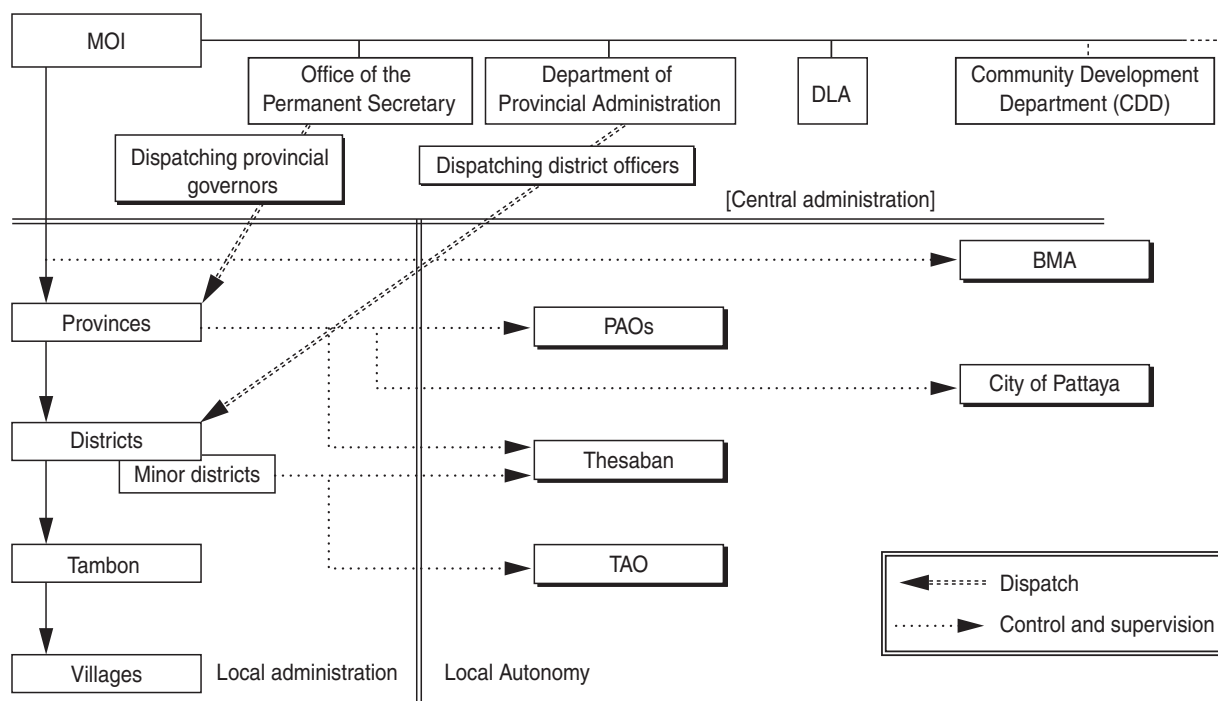
Note: In the ministerial reorganization in October 2002, DOLA was divided into three entities: the Department of Provincial Administration (DOPA), DLA, and the Department of Disaster Prevention and Mitigation (DDPM). Provincial governors and district officers retained the authority to control and supervise local authorities.

Source: Compiled by the author (Nagai).

The local autonomy system itself seems similar to its Japanese counterpart. Yet a major difference is the existence of the local administration system. In Thailand, the central government delegates many of its services to its branch offices, which constitute the local administration system.[10] In the provincial level, for example, MOI officials coexist with local authority employees. Decentralization in Thailand represents none other than transferring authority and financial and human resources from the local administration system to the local autonomy system. The following paragraphs examine the relationship between the two systems.

Until the 1990s, the central government, notably MOI, placed local authorities under its strict control and supervision. MOI did so with direct and indirect interventions. Direct interventions were made largely by officials and agents of the central government at the local levels. Of the five types of local authorities, three types other than *Thesaban* and BMA were managed not only by community representatives, but also by provincial governors and district officers, who were MOI officials, and Kamnan and village headmen, who were elected by popular vote but perform civil services as an agent

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[10] It might be worth adding that while some of these branch offices are subjected to provincial governors and district officers, others are not. The former need to obtain approval from the provincial governor for such affairs as personnel transfers and expenditure plans. The latter only need to follow the decisions made by their headquarters. The latter type of branch offices includes those of the Royal Thai Police Department, the Ministry of Defence (conscription), and the Ministry of Finance (tax collection).

of the central government as local influential persons. At the level of PAOs, the provincial governor assumed the concurrent post of the chairman of the executive board, formally known as the PAO Chairman (renamed the PAO Chief Executive in 2000), although PAO councilors were elected from rural residents. Likewise, the district officers served as the heads of the district branches of the PAO. In a sanitary district, the heads of the *Tambon* and villages (Kamnan and village headmen) sat on the sanitary district committee as members, although other members were elected from the district residents. Moreover, the sanitary district office was generally within the district office, which was a branch office of the central government. In the City of Pattaya, a majority of the city councilors were appointed by MOI. The mayor, who was elected by popular vote, was a nominal entity. The city was effectively managed by the City Manager, who was dispatched by the city council. Even in the BMA and *Thesaban* (municipalities), local elections were suspended during the period under the military regime, during which time the mayors managed BMA and municipalities. In this way, the local autonomy system in Thailand was insufficient in representing the local residents.

MOI also made a range of indirect interventions to control and supervise local authorities. While some of these interventions were statutory, others were not. Statutory interventions were exemplified by the requirement that budget plans, local regulations, the development plans of a local authority be subject to the approval of the provincial governor and district officer, who were dispatched by MOI. In addition, the provincial governor and district officer had the authority by law to dismiss the head and councilors of a local authority. Likewise, MOI, the provincial governor, and the district officer had the statutory power to dissolve local councils. Indirect interventions without legal basis was exemplified by MOI ordinances that strictly defined the internal organizations of local authorities, including those that must be established, although critics questioned the validity of these regulations in light of the principles of local autonomy. Before the enactment of the 1997 Constitution, the personnel affairs of local authorities were placed under the strict control of MOI. For example, the personnel committee for local authorities, for which MOI served as the secretariat, single-handedly took charge of recruitment and personnel transfer. Local authority officials and officers were promoted while being transferred among different local authorities under the control of MOI. In addition, MOI set rules for such affairs as the hiring of full-time employees other than regular officials and officers, as well as part-time employees, bidding procedures, management of the properties of local authorities, and finance. Furthermore, MOI communicated implementation guidelines and interpretations of these rules to the local authorities nationwide via the provincial governors (Wasan [2001]).

Based on the above discussion, the characteristics of the local authority system until the 1990s can be summarized in three points:

The first characteristic is the dual system of local authority (autonomy line) and local administration (central government line). The former is made up of local authorities, which are headed

by representatives elected by local residents. The latter is primarily operated by provincial governors and district officers, who are dispatched directly from MOI and direct and control Kamnan and village headmen, who are elected by popular vote. In fact, this dual system has remained to date and is a major characteristic of local administration in Thailand.

The second characteristic is that the central government line controls and supervises the autonomy line. The district officer reports to the provincial governor, who reports to the Minister of Interior. The Minister of Interior and the provincial governor have the authority to dismiss the heads and local councilors, who are elected by popular vote, dissolve the local councils, and approve the budgets of local authorities at the lower level(s). In fact, the Minister of Interior, provincial governors, and district officers have retained this power of control and supervision.

The third characteristic was that some local authorities used to have institutionally incorporated MOI officials, Kamnan, and village headmen. Such local authorities were rather concentrated in PAOs, local authority in rural areas, and, to a lesser extent, in sanitary districts, the basic local authority unit in semi-urban areas. In other words, the more urbanized the area of a local authority was, the more autonomy the local authority enjoyed. This system design was a strong reflection of paternalism that provincial governors and district officers, who are central government officials, should take care of rural residents because they were lower in their education level than urban residents and still unable to exercise autonomy.

These three characteristics suggest one thing: local administration in Thailand, including local authorities, is highly centralized. At the provincial and district levels, however, the chain of command by provincial governors and district officers has not been fully established because of the sectionalism of the ministries and departments, which have their own branch offices. In short, the decentralization process in Thailand represents a bold attempt to reorganize the state administrative structure, which is highly centralized in authority but decentralized in function, by way of the devolution and capacity building of local authorities. In other words, it is a paradigm shift from centralized administration that emphasizes bureaucratic functionality to decentralized administration that builds on local capacity. How, then, has the decentralization reform changed the roles and functions of local authorities?

1-3   Progress in Implementing the Decentralization Plan

Decentralization should involve the intergovernmental transfer of not only administrative services but also the associated financial and human resources. The Decentralization Act of 1999 defines the period of the decentralization process as four years as a matter of principle, but it allows a maximum period of 10 years. A total of 50 central departments and 245 services are subject to the Decentralization Plan, and 180 functions have been transferred or are in the process of being transferred as of the

beginning of 2007. In other words, one in every four functions has remained intact.[11] The proportion of local authority revenues to total government revenues stood at 24.1 % in 2006, falling far short of 35 %, which was the target set to be attained by the end of that year. This prompted the government to amend the Decentralization Act in November of the year, which lowered the target to 25 % to be attained by the end of 2007. The former target of 35 % was downgraded to a non-binding target in the act. The following paragraphs look closely at the intergovernmental transfer of functions, financial resources, and human resources.

Intergovernmental Transfer of administrative functions. The Decentralization Action Plan has a three tier structure. The upper-tier part divides the services to be transferred into six categories: (i) infrastructure; (ii) quality of life; (iii) order and security of communities and society; (iv) planning, investment promotion, and commerce and tourism; (v) natural resources and environmental protection; and (vi) arts and culture, traditions, and local wisdom. The middle-tier part identifies the central ministries and departments concerned and the specific services to be transferred. The lower-tier part identifies the recipient local authorities by type, defines the target year of completion, and classifies these services into those that are mandatory and those that are optional for local authorities. Intergovernmental transfer of services is based on a written agreement between a branch office of the central government and the local authority concerned. For smooth transfer, each province has developed operation manuals and training programs under the direction of the Office of the National Decentralization Committee (ONDC), formally known as the Office of the Decentralization to Local Government Organization Committee. The earlier the target year is, the easier the service is for the local authority to perform and the less time-consuming the transfer is. It would be tremendously laborious to analyze when each of the transferred functions was actually transferred to which local authority (out of some 7,800 authorities), and why the transfer has not yet been made for each of the services yet to be transferred. This report does not afford such analysis because of time and space limitations. Table 1-2 provides only a general picture of these intergovernmental transfers.

Fiscal decentralization. As Table 1-3 shows, Thailand attained the target of increasing the proportion of local authority expenditures to 20 % by 2001 as stipulated in the Decentralization Act, but failed to achieve the other target of 35 % by 2006. In fact, the proportion of local authority expenditures rose only 4 % during a period of five years under the Thaksin government. Furthermore, the increase was attained by increasing the local taxes and shared taxes, both of which are collected by the central government, and by increasing grants to local authorities. It is not the result of local

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[11]   For detail, see Nagai, Fumio. "Tai no Chiho Bunken - Chiho Jichi no Genzai — Rensai Dai 3 Kai — Tai no Chiho Bunken ha Susunde Irunoka: Dai Ikki Takushin Seikenka deno Torikumi [the current state of decentralization and local government in Thailand (Part 3) — Is decentralization progressing in Thailand?: efforts toward decentralization under the first Thaksin government]." *Bankoku Nihonjin Shokokaigisho Shoho* 519 (July 2005): 39 - 45. Some schools are reported to be in the process of being transferred.

Table 1-2   Administrative Services to be Transferred under the Decentralization Action Plan — Classification and Progress

	Classification	Breakdown	No. of ministries and departments concerned*	Transfer completed or in progress	No action taken
1	Infrastructure	Traffic and transport, public works, public facilities, urban planning, building control, etc.	87 Services 17 departments in 7 ministries	71	16
2	Quality of life	Livelihood promotion, social security, sports promotion, education, public health, inner city improvement, habitat development, etc.	103 services 26 departments in 7 ministries	69	34
3	Order and security of communities and society	Promotion of democracy, equality, and civil liberties; promotion of community participation in local development; mitigation and prevention of natural disasters; maintenance of the order and security of life and property; etc.	17 services 9 departments in 6 ministries	9	8
4	Planning, investment promotion, and commerce and tourism	Planning, technological development, investment promotion, commerce, industrial development, tourism, etc.	19 services 9 departments in 4 ministries	14	
5	Natural resources and environmental protection	Conservation of natural resources, development and protection of forests, management of the environment and pollution, management and protection of public places, etc.	17 services 9 departments in 4 ministries	15	1**
6	Arts and culture, traditions, and local wisdom	Protection, management, and maintenance of archaeological remains and artifacts as well as national museums, etc.	2 services 1 department in 1 ministry	2	—

* Ministries and departments are two of the units of the central government before the ministerial reorganization in October 2002.

** The remaining one service is not included because it was abolished.

Source: Nagai, Fumio. "Tai no Chiho Bunken - Chiho Jichi no Genzai — Rensai Dai 3 Kai — Tai no Chiho Bunken ha Susunde Irunoka: Dai Ikki Takushin Seikenka deno Torikumi [the current state of decentralization and local government in Thailand (Part 3) — Is decentralization progressing in Thailand?: efforts toward decentralization under the first Thaksin government]." *Bankoku Nihonjin Shokokaigisho Shoho* 519 (July 2005). The accuracy of this table has been reconfirmed by the data and materials that the author obtained at the ONDC of the OPM on August 21, 2006.

authorities expanding their own revenues. Even today, local authorities collect only three types of local taxes: the signboard tax, the land and building tax, and the local maintenance tax. Their taxation assessment standards have remained the same. Financial resources for the ministries and departments concerned have been reduced in line with the intergovernmental transfers. Financial resources thus saved have been distributed among local authorities in the form of general grants based on the standards that are defined annually by the National Decentralization Committee (NDC).[12] This

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[12] It is worth noting, however, that the central government also allocates "general grants for specified purposes" among local authorities until the fiscal year of 2007. The specified services include supplementary meals at primary school, livelihood assistance for the aged and disabled, and special allowances for teachers. The budget for this type of general grants is secured by NDC, separately from that of "general grants with no specified purposes." "General grants with specified purposes," which came in more than 10 kinds, are allocated according to the list at the Department of Local Administration. The government is now considering abolishing this type of general grants in the fiscal 2008 budget onward (according to Mr. Weerachai Chomsakorn of ONDC, who was interviewed by the author on February 22, 2007).

Table 1-3   Changes in Local and State Revenues for the Past Five Years

(upper figure: in million baht; lower figure: percentage against total local authority revenues)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Taxes collected by local authorities	17,701.88	21,084.47	22,258.28	24,786.27	27,018.96	29,110.41
	11.1 %	12.0 %	12.1 %	10.2 %	9.6 %	8.9 %
Local taxes	55,651.90	58,143.52	60,217.71	82,623.37	95,370.34	110,189.59
	34.8 %	33.1 %	32.7 %	34.1 %	33.8 %	33.7 %
Shared taxes	12,669.00	19,349.00	35,504.44	43,100.00	49,000.00	61,800.00
	7.9 %	11.0 %	19.3 %	17.8 %	17.4 %	18.9 %
Grants	73,729.80	77,273.30	66,085.56	91,438.00	110,610.70	126,013.00
	46.2 %	43.9 %	35.9 %	37.8 %	39.2 %	38.5 %
Total (A)	159,752.58	175,850.29	184,065.99	241,947.64	282,000.00	327,113.00
State revenues (B)	772,574.00	803,651.00	829,495.56	1,063,600.00	1,200,000.00	1,360,000.00
% (100 × A/B)	20.68 %	21.88 %	22.19 %	22.75 %	23.50 %	24.05 %

Note: Although the Decentralization Act sets targets concerning expenditures, the changes in local and state revenues are examined for two major reasons. First, the data and materials available concern revenues only. Second, local authorities are not allowed to spend more than their revenues without approval from MOI. In fact, no local authority in Thailand has been authorized to issue local authority bonds.

Source: Compiled by the author (Nagai) from the data and materials obtained on August 21, 2006, from ONDC of the Office of the Prime Minister (OPM). Those figures of state revenues for FY 2005 and FY 2006 are presumption.

contrasts with the Japanese practice of allocating grants to local authorities according to the needs that have been calculated based on the fixed formula. Many local authorities in Thailand express discontent, saying that they have been given many services but not the financial resources to perform them. Such discontent is especially strong among large-scale *Thesaban* and TAOs.

Intergovernmental transfer of human resources. Little progress has been made in transferring human resources to local authorities. No such transfers were made in 2005 and 2006 as Table 1-4 shows. In fact, the data on intergovernmental transfers in Table 1-2 have not changed since 2005. It is safe to conclude that the fiscal decentralization was not accompanied by the transfer of functions or human resources, although local authority expenditures slightly increased as a percentage of total government expenditures during the period between 2005 and 2006. This constitutes a significant deviation from the principles of the Outline of the Decentralization Plan.

Table 1-4   Intergovernmental Transfer of Civil Servants

Type	FY 2003	FY 2004	Total
Central government officials and officers	1,310	68	1,378
Government employees	2,801	280	3,081
Total	4,111	348	4,459

Source: Compiled by the author (Nagai) from data and materials obtained on August 21, 2006, from ONDC of OPM.

As the above description implies, the discussion of decentralization in Thailand totally lacks meticulous discussion about the "receptive capacity" of local authorities. The administrative services to be transferred to local authorities include those that need to be performed by a group of local authorities and those that do not need to be performed by all the local authorities. The Decentralization Plan, however, does not take full account of these different characteristics of these services. An increase in the transferred services demands increases in the human resources and capacity of local authorities. In fact, these increases are urgently needed now. The response by the central government was largely limited to increasing the percentage of local authority expenditures to the total government expenditures. The central government may not take full account of important factors for public service delivery, including the optimal scale of the local authority as a service provider, costs, and effectiveness. Decentralization in Thailand could result in some 7,800 local authorities performing — according to their own standards — nearly 200 services that were performed by 50 central departments. Progress in decentralization usually increases calls for cooperation among local authorities and even their merger and consolidation. Thailand has just started to promote interlocal cooperation (discussed later). In Thailand, however, such amalgamations are a political taboo. Inappropriate management and procedures of the decentralization process, which represents a shift in emphasis from bureaucratic functionality to local capacity, could significantly reduce the quality of public services instead of improving it.

To date, the decentralization process in Thailand has placed a disproportionate emphasis on the capacity building of individual local authorities. It has avoided reorganizing the existing local administration system as a whole, leaving the system intact. Thailand has retained the dual system of the governance and autonomy lines, the power of provincial governors and district officers to control and supervise local authorities, and the qualifications for each type of local authorities. While the existing framework has remained in place, the decentralization process has achieved three objectives: (i) clearly establishing the two-tier structure of umbrella local authorities and basic local authorities; (ii) implementing "bottom-up monitoring" with community participation; and (iii) introducing the system of electing the heads of local authorities directly by popular vote for clearer accountability, including clearer decision-making processes.

1-4   Changes in the Relationship between Central Government and Local Authority and the Roles and Functions of Local Authorities

How does progress in decentralization in Thailand, as seen in the preceding section, relate to each local authority? To find an answer to this question, it is necessary to look at the powers and duties of local authorities.

As has been emphasized at the beginning of this chapter, the local administration in Thailand is

intricate, and so are the powers and services of individual local authorities. First, Thailand does not have a comprehensive act for local authority, unlike Japan, the Philippines, and Indonesia, for example. All the country has is the act for establishing each type of local authority.[13] (For this reason, this report collectively refers to such acts as "local government acts.") This reflects the fact that local authorities were gradually established amid a succession of progress and regress in democratization in Thailand. Second, the powers and services of local authorities are limited to those that are defined by local government acts or by relevant acts, such as the Public Health Act of 1992 and the Enhancement and Conservation of the National Environmental Quality Act of 1992 (express enumeration). Third, the local government acts classify administrative services into mandatory ones (Table 1-5 and Table 1-7)

Table 1-5 Mandatory Services for *Thesaban*

	Mandatory services for *Thesaban*	Subdistrict	Town	City
1	Maintenance of peace and order of residents	○	○	○
2	Provision and maintenance of roads and canals	○	○	○
3	Clean-up of roads, pavements, and public spaces; waste and sewage disposal	○	○	○
4	Prevention and control of communicable diseases	○	○	○
5	Provision of firefighting equipment	○	○	○
6	Education and training of residents	○	○	○
7	Promotion of the development of women, children, youth, the aged, and the disabled	○	○	○
8	Conservation of arts, traditions, local wisdom, and good culture	○	○	○
9	Other services that are defined as duties of *Thesaban* by law	○	○	○
10	Clean water supply	–	○	○
11	Provision of slaughterhouses	–	○	○
12	Provision and maintenance of places for protecting the sick and injured	–	○	○
13	Provision and maintenance of drainage channels	–	○	○
14	Provision and maintenance of public lavatories	–	○	○
15	Provision and maintenance of electric or other streetlights	–	○	○
16	Provision and maintenance of pawnshops or local credit facilities	–	○	○
17	Provision and maintenance of mother and child welfare	–	–	○
18	Other activities necessary for public health	–	–	○
19	Management of hygiene and health at grocery stores, recreation facilities, and other business places	–	–	○
20	Management concerning the improvement of residential and depressed areas	–	–	○
21	Provision and management of market places, levees, ferry landings, and parking lots	–	–	○
22	City planning and construction management	–	–	○
23	Tourism promotion	–	–	○

Source: Nagai. 2001: 70.

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[13] MOI established a working committee for drafting a local government code. This committee was approved by the Cabinet and placed under consideration at the Council of State toward the end of the Thaksin government. The code drafting process was put to a halt, however, after the military coup on September 19, 2006. These facts were confirmed when the author interviewed Dr. Somkit Lertpaithoon, Professor at the Faculty of Law, Thammasat University (who chaired the drafting committee) on August 29, 2006; and Mr. Rungsun Aiumbootlop, Director of Local Regulations and Laws Division, DLA on January 4, 2007.

and optional ones (Table 1-6 and Table 1-8).   Failure to perform mandatory services is subjected to administrative guidance based on the authority of provincial governors and district officers to control and supervise local authorities.   It is ultimately up to local authorities, however, whether they will perform optional services or not.   This reflects the idea that transferring the same mandatory services to any local authority may not be an efficient or effective approach in Thailand, which is characterized by diverse and varied localities.   The problem is that the intergovernmental fiscal transfer system is not designed to appropriately meet the fiscal needs of the transferred services and responsibilities, except supplementary meals for pupils; salaries for teachers; livelihood assistance for the aged, disabled, and AIDS patients; and a few others.   For this reason, the levels of administrative services vary greatly depending on the local authority.   There are few signs that the decentralization process has reduced such gaps.   Rather, it may have widened them due in part to the classification of even the services that have already been transferred into mandatory and optional ones.[14]

Table 1-6   Optional Services for *Thesaban*

	Optional services for *Thesaban*	Subdistrict	Town	City
1	Clean water supply	○	–	–
2	Provision of slaughterhouses	○	–	–
3	Provision and management of market places, levees, and ferry landings	○	○	–
4	Provision of graveyards and crematoria	○	○	–
5	Maintenance and promotion of people's livelihoods	○	○	–
6	Provision and maintenance of places for protecting the sick and injured	○	–	–
7	Provision and maintenance of electric or other streetlights	○	–	–
8	Provision and maintenance of drainage channels	○	–	–
9	Municipal enterprises	○	○	–
10	Provision and maintenance of mother and child welfare	–	○	○
11	Provision and maintenance of hospitals	–	○	○
12	Construction and restoration	–	○	○
13	Other activities necessary for public health	–	○	○
14	Provision and maintenance of vocational schools	–	○	○
15	Provision and maintenance of places necessary for sports and physical training	–	○	○
16	Provision and maintenance of parks, zoos, and recreational rest areas	–	○	○
17	Improvement of depressed areas, and maintenance of sanitation and order of rural areas	–	○	○

Note: Nagai. 2001: 71 mistakenly failed to list "Provision of graveyards and crematoria," "Maintenance and promotion of people's livelihoods," and "Municipal enterprises."

Source: Nagai. 2001: 71 (partly revised).

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[14]   This classification is based on the criteria of NDC, not the local government acts, according to Mr. Weerachai Chomsakorn, who received an interview by the author at ONDC of OPM on February 22, 2007.

Table 1-7 Mandatory Services for TAOs

	Mandatory services for TAOs
1	Provision and maintenance of roads and canals
2	Clean-up of roads, canals, pavement, and public spaces; waste and sewage disposal
3	Prevention and control of communicable diseases
4	Prevention and mitigation of pollution
5	Promotion of education, religion, and culture
6	Promotion of the development of women, children, youth, the aged, and the disabled
7	Protection, supervision, and maintenance of natural resources and the environment
8	Conservation of arts, traditions, local wisdom, and good culture
9	Services commissioned by the central government as necessary, which provides financial and human resources for them

Source: Nagai. 2001: 77.

Table 1-8 Optional Services for TAOs

	Optional services for TAOs
1	Supply of water for domestic use and agriculture
2	Provision and maintenance of electric or other streetlights
3	Provision and maintenance of drainage channels
4	Provision and maintenance of meeting places, playing fields, recreational rest areas, and parks
5	Establishment and promotion of agricultural groups and cooperatives
6	Promotion of family industries
7	Protection and promotion of people's livelihoods
8	Protection, supervision, and maintenance of properties as national public goods
9	Profit seeking from the properties of the TAO
10	Provision of market places, levees, and ferry landings
11	Services related to commerce
12	Tourism
13	City planning

Source: Nagai. 2001: 77.

It is practically difficult to make an optimal distinction between mandatory and optional services. For example, the Department of Fisheries, the Ministry of Agriculture and Cooperatives (MOAC) transferred the management of some 1,000 rural fishing ponds to local authorities, but most local authorities virtually abandoned the fishing ponds. Farmers are now demanding directly or through politicians that the department perform maintenance works, including dredging, for these ponds, and their calls are showing no signs of abatement.[15] The Department of Irrigation transferred the management of many weirs, irrigation canals, and roads along them to local authorities. The Bureau of Budget of OPM made the corresponding transfer of budget funds. Most local authorities, however,

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[15]   According to the Director-General of the Department of Fisheries, who was interviewed by the author on January 6, 2007.

spent the funds in developing new infrastructure rather than maintaining the existing ones. This resulted in many farmers demanding that the department perform maintenance works. The Department of Ground Water Resources, the Ministry of Natural Resources and Environment (MoNRE) transferred the service of well drilling and the management of wells to local authorities. The problem was that after an earthquake occurred off Sumatra in 2004, the department could not embark on repairing wells damaged by sea water in the southern part of the Andaman Sea coastal area.[16] Although the prevention and mitigation of pollution is now a mandatory service for TAOs, they do not have equipment for Environmental Impact Assessments (EIA). The provincial office of natural resources and the environment, which was set up in the provincial hall as part of the ministerial reorganization in October 2002, lack not only such equipment but also EIA experts; most officials at provincial halls are originally from the Royal Forest Department. For this reason, TAOs have no choice but to resort to 16 regional offices of MoNRE. Livelihood promotion services were transferred from a number of departments, including the Department of Agricultural Extension (DOAE) and Cooperative Promotion Department (CPD) of MOAC, and CDD of MOI. As these transferred services are classified as "optional services for local authorities," budget funds for these services seem to have been reduced as a whole.[17] Certain amounts of budget spending are allocated to groups of housewives and young people because they constitute an important constituent in Thailand, but these budget allocations are not large in amount by any standard.

All these examples point to a major dilemma. Local authorities may avoid allocating budget funds to an "optional service" (especially funds for maintenance costs). On the other hand, a "mandatory service" may be beyond the capacity of small-scale local authorities such as TAOs. In terms of local finance, the dilemma is a choice between two options: (i) transferring funds as general grants in expectation that local authorities will make effective use of them; and (ii) granting purpose-specific grants as in the local allocation tax system in Japan for delivering standardized services throughout the country.

The decentralization process in Thailand has had positive effects as well. First, the direct election of the local authority head by popular vote has resulted in smaller budget allocations for developing infrastructure and larger ones for improving the quality of life in some local authorities where candidates emphasized welfare, education, and the environment during their election campaigns.[18] This positive effect is attributable to two major factors. The first factor is that local authority heads have come to be held accountable for the policies that they promised to implement during their campaigns. During the period of indirect election, they could be elected even if they had their constituency in only

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[16] According to the officials at the Office of the Natural Resources and Environmental Policy and Planning of MoNRE who were interviewed by the author on February 21, 2007.

[17] According to the officials at DOAE and CPD on January 7, 2007.

[18] One of these local authority heads is Ms. Penpak of the town of Ko Kha, Lampang Province. Ko Kha is one of the pilot sites of the Project on Local Management Cooperation: Phase II.

part of the election district. The second factor is that they are now able to serve up to two terms or eight years in office.

The second positive effect of decentralization is increased elasticity and flexibility in policy for local authorities. Until recently, local authorities were required to formulate a five-year development plan in accordance with the five-year National Social Economic Development Plan. This requirement was changed after Thaksin Shinawatra took power in 2001. The five-year plan for local authorities was replaced by a three-year rolling plan from FY 2003, partly because the Thaksin government placed more emphasis on the development strategy and outcomes rather than the decision-making process. The council and head of a local authority now have more freedom in programs in the rolling plan, allowing more flexible budget implementation.

The third positive effect is that some central ministries and departments now welcome the devolution process. MOAC, for example, has noted that the human resources of local authorities were instrumental in implementing measures to control avian flu. The Department of Disaster Prevention and Mitigation (DDPM) of MOI says that it is essential for local authorities to prepare a plan for disaster prevention and mitigation. This shows that the central government has high expectations for the role local authorities play in services that entail the mobilization of local manpower for emergencies.

Despite these positive effects, the decentralization process in Thailand faces a number of challenges in services that require interlocal cooperation, prompt action, or high levels of skills. The Ministry of Public Health (MOPH) does not want to transfer the management of health centers across the country for two major reasons. First, it fears that the transfer would dissect the referral system. Second, MOPH has decided that local authorities lack the operational capacity for controlling communicable diseases. The Pollution Control Department of MoNRE has not transferred the power to inspect sewage to local authorities because they do not have relevant inspectors or equipment in the first place. *Thesaban* and TAOs are required by law to have fire engines, but small-scale local authorities cannot afford to employ or train firefighters. Fire engines may be a waste of a valuable asset in areas where fires rarely occur. In fact, the author has witnessed a fire engine being used for spraying water within the area of a TAO more than once. In many parts of the country, waste generated in a *Thesaban* with a small area and a dense population is transported by garbage trucks to a neighboring TAO for illegal dumping. TAO residents physically try to block the passage of these vehicles. Such incidents are known as "waste wars."

Cooperation among local authorities provides an effective solution to these challenges, but the environment for interlocal cooperation is unfavorable. First, a local authority is prohibited from using its budget funds outside its territory as a matter of principle. Second, there are no guidelines for establishing a formal interlocal association for joint service delivery (*sahakarn*). Third, there are legal

voids for interlocal cooperation, as highlighted by the fact that the TAO Act of 1994 has no provisions for *sahakarn*.

In relation to legal voids for decentralization, the legal amendment subcommittee of NDC has been working to include provisions on the responsibilities transferred to local authorities. Yet there has been little progress in legal amendment partly because popularly elected councils are not working properly. This poses a serious challenge for decentralization in Thailand.

A smooth decentralization process requires the mobilization of human and financial resources as well as legislative measures to ensure local authorities perform their duties properly. It is essential to establish a powerful organization that makes strategic coordination among these resources and measures. Although NDC, a standing committee under OPM, serves as a coordinating organization, it is too understaffed to perform its wide range of duties. Only 40 full-time officials work for NDC. Every year, these officials make themselves busy with the overwhelming work of calculating the amounts of local taxes, shared taxes, and grants for each local authority in consideration of many different criteria, not based on the statutory formula as in Indonesia and the Philippines. All ONDC can do is to cope with the problems that keep popping up and secretarial services for NDC. ONDC cannot afford to perform monitoring or evaluation of the devolution process. This situation is reflected in the fact that the second Decentralization Plan, which is now being drafted by NDC, places a special emphasis on legal amendment, monitoring, and evaluation.[19]

1-5   Issues to be Addressed by the Central Government and Local Authorities in Promoting Decentralization

The preceding sections have described the local authority system and the decentralization process in Thailand, which have been major defining factors for the objectives and procedures of the JICA Program on Capacity Building of Thai Local Authorities. Thailand is facing many outstanding issues. This sector identifies major issues among them for the central government and local authorities, as well as for the management and system design of decentralization in Thailand.

First, the central government clearly needs to formulate the Decentralization Plan meticulously and implement it steadily. The first Decentralization Plan, which actually took several months to be prepared, had an ambitious target of increasing the share of local authority expenditures to total government expenditures from around 10 % to 35 % in five years. This target is now criticized as being too ambitious by many scholars and government officials. Although the need to transfer authority, budget funds, and human resources simultaneously was emphasized, the central government

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[19]   According to Mr. Weerachai Chomsakorn, who was interviewed by the author on February 22, 2007, at ONDC of OPM.

transferred budget funds first. Intergovernmental transfers of human resources have been quite limited to this day. In that sense, the decentralization process in Thailand does not deserve unreserved praise. The central government launched the decentralization process without a clear consensus on the interpretation and definition of decentralization, although it may involve various concepts, including: (i) devolution, (ii) de-concentration, (iii) community participation, and (iv) privatization. This tendency is particularly applicable to MOE and MOPH.

Second, any plan for large-scale decentralization must take full account of the "receptive capacity" of local authorities. For example, it may be a waste of a valuable asset that even a small-scale TAO has a fire engine and a garbage truck that are not used regularly. A more effective and efficient approach would be to organize an interlocal association (*sahakarn*) that jointly manages garbage trucks and train firefighters. In fact, it is quite natural that once local authorities are directly involved in affairs related to the quality of life such as public health and the environment, they think of establishing *sahakarn* or even amalgamations of local authorities for managing a hospital or developing an emergency treatment system, for instance. The fact that decentralization is inseparably associated with the receptive capacity of local authorities indicates the need to carefully select the most effective and practical approach to decentralization among a wide range of options. Evidence suggests, however, that the decentralization process in Thailand has not taken full account of the quality of public services, while retaining the existing local administration system, which is characterized by the dual system of the central government and autonomy lines and the two-tier structure of umbrella local authorities and basic local authorities. Although this approach might be fine for gradual and small-scale decentralization, it may not be feasible, especially in light of uncertainty in the future.

Third, it is necessary to strengthen both the system of local authority finances and the system of intergovernmental fiscal adjustment. A fiscal adjustment system based on a fixed formula, as in the Philippines and Indonesia, has an advantage of a high predictability of local finances and a disadvantage of entrenching the intergovernmental fiscal disparities. Significant annual variations in local finances due in large part to frequent revisions of fiscal equalization criteria, makes it difficult to manage fiscal affairs from a long-term perspective as in the case of Thailand. Every country needs to pursue a proper position between these two extremes so that its fiscal adjustment system is appropriate for the capacity and authority of local authorities. It is often the case in Thailand, however, that allocations of general grants to local authorities are made automatically according to the class of local authorities, which is determined by a set of certain indicators and variables. The combination of these indicators and variables is a problem in itself. In fact, it was taken up as an issue for a World Bank project (see Section 1-6), the Study Team for Government Decentralization Reforms in Developing Countries at the JICA Institute for International Cooperation, and the Thailand-Japan Joint Research Team (see Chapter 2). The average TAO has only a few full-time staff members (see Table 1-9). Increasing the staff is difficult, however, because it is virtually impossible for small-scale local authorities to employ staff on their own.

Table 1-9   Number of Local Authority Personnel

	Officials and officers	Employees	Temporary staff	Total
PAOs	6,362	2,634	4,891	13,887
TAOs	42,991	7,608	48,730	99,329
Thesaban	29,795	12,733	54,226	96,754
Others	NA	NA	NA	NA
Total	79,148	22,975	107,847	209,970

Note: The numbers are as of July 30, 2006 (excluding those of the Bangkok Metropolitan Administration [BMA] and the City of Pattaya)

Source: DLA, MOI

On the other hand, some TAOs have dozens of council members, accounting for nearly half of their budget. Decreasing the number of council members is difficult, however, because it is statutorily determined by the local government acts. A more serious problem is that although local authorities account for one-fourth of the total government budget, Thailand has only a few experts in local authority finance. Training for such experts is urgently needed, apart from accurate evaluation of the system of intergovernmental fiscal adjustment in Thailand.

Fourth, as has been discussed in the preceding section, exploring the possibility of interlocal cooperation and even the merger and consolidation of local authorities is an imperative issue now that local authorities are under increasing pressure to deliver public services more efficiently and effectively as decentralization progresses. MOI is not indifferent to this issue. In fact, MOI forced the merger of TAOs and *Tambon* Councils with a population of 2,000 or less with their neighboring local authorities in the legal amendment in 2003, except under special circumstances (for example, the case in which TAOs and *Tambon* Councils are located in remote areas, including those deep in the mountains and isolated islands). On the other hand, MOI has remained reluctant to promote the merger and consolidation of local authorities in anticipation of strong resistance against such moves. Nonetheless, the JICA Program on Capacity Building of Thai Local Authorities has stimulated the interest of MOI in interlocal cooperation, as discussed in detail in Chapter 3. In an interview in August 2006,[20] Mr. Saroch Kutchamath, the then director-general of the Department of Local Administration, expressed his expectations that interlocal cooperation would lead to the merger and consolidation of local authorities and that this would in turn reduce the number of local authorities.

Fifth, political will is essential in promoting decentralization. Smooth implementation of decentralization requires considering a number of factors, including the authority of each central government office, the tax and fiscal systems under the jurisdiction of the Fiscal Policy Office of the Ministry of Finance and the Bureau of Budget of OPM, and the agenda of OCSC. The ultimate key,

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[20]   This interview was conducted by the authors (Nagai, Ozaki, and Kimata) on August 21, 2006.

however, is strong political will that can persuade the bureaucrats and show the way toward decentralization.

The second Chuan government did have such will and forged ahead with the decentralization process. Embracing the philosophy of the 1997 Constitution, the government revised local government acts, drafted related legislation within the predetermined period, and achieved the fiscal decentralization target of increasing the share of local authority expenditures in total government expenditures.

In contrast, the Thaksin government lacked the political will for decentralization. Rather, the Thaksin government set out a policy of strengthening the powers of provincial governors, who are agents of the prime minister in the regions and played a pivotal role in the central government line ("integrated" or "Chief Executive Officer (CEO)-type" provincial governors). Under the agreement on performance targets with provincial governors, the prime minister urged them to develop and implement a provincial development strategy and a provincial integrated development plan. This policy made the ministries and departments focus solely on the CEO-type provincial governors, which in turn diminished public interest in decentralization and slowed progress in making regulatory arrangements necessary for decentralization, including amendments to the existing acts and the establishment of new ministerial ordinances and regulations. As a result, intergovernmental transfers of authority, budget funds, and human resources were not implemented smoothly as the (first) Decentralization Action Plan prescribed, especially in the health and education sectors.

What has been discussed earlier in this chapter should be given adequate attention in designing an international cooperation project or program in local administration or decentralization. This is because the state administrative structure and the local authority system play a major role in dictating the content and direction of decentralization. In other words, they are important factors for such a project or program.

Another important factor is political will, the ultimate key to successful decentralization. This factor, however, is volatile rather than permanent.

What is required of local authority or local administration is subject to constant change depending on the progress in socioeconomic development as well as in decentralization. These requirements pose a major challenge for many developing countries. The experiences of developed countries can provide important lessons for them.

How did Japan's experiences help Thailand in the decentralization process? Before discussing this issue in the following chapters, it is worth reviewing how other donors supported Thailand in this sector.

1-6   Overview of Other Donors' Support for Decentralization in Thailand

This section overviews major international cooperation projects that other donors have implemented to support the capacity building of local authorities in Thailand. There are two objectives. One is to characterize these projects from the perspective of CD by classifying them by their target entity or entities in Thailand. The other objective pertains to the position of the JICA Program on Capacity Building of Thai Local Authorities in relation to these projects.

1-6-1   Classification and Characteristics of International Cooperation Projects

As discussed in Section 1-2, the decentralization process in Thailand is characterized by the strong leadership of the central government. This is attributable to the long history of the country's centralized governance system, which dates back to the end of the 19th century. Specifically, DLA and other government offices concerned have been promoting decentralization under a detailed plan based on the master plan. This characteristic is reflected in the implementing frameworks and the fields of assistance of the international cooperation projects designed to support the capacity building of local authorities in Thailand.

The international cooperation projects can be divided into four types depending on the target entity or entities in Thailand, which may be: (i) the central govenment, which develops a higher program for decentralization; (ii) the central ministries and departments that develop and implement necessary policies and systems under the higher program; (iii) local authorities; and (iv) universities or other research/training institutions, including the King Prajadhipok's Institute (KPI). Type-4 generally benefits the three layers of the target entity or entities [(i) - (iii)], although some projects are more focused than others. The following paragraphs review the characteristics of each of the four types (see Table 1-10).

Projects for the central government

Only a few Type-1 projects have been implemented for the central government. For the Office of ONDC of OPM, which is in charge of master planning for decentralization, there has been only one such project, that is, a policy advice project implemented by the World Bank in 2002.[21] The World Bank presented policy recommendations on the system of local authority finances to the National Assembly and the Ministry of Finance[22] as part of its response to the fiscal crisis in the wake of the Asian economic crisis in 1997. The World Bank reduced its activities in Thailand after Thaksin Shinawatra took power in 2001[23]. As of August 2006, when the author visited ONDC, no World Bank

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[21]   'the Capacity Building Project' was carried out for two months by World Bank in 2002.

[22]   Policy recommendations were presented in the World Bank's Social Investment Project, which was launched in 1998.

[23]   Prime Minister Thaksin Shinawatra pursued equal partnership, rather than a donor-recipient relationship, in international economic cooperation. He expressed his intention of limiting external technical assistance to a few sectors such as small and medium sized business promotion as well as information and communication technology and even reducing its scope in his speeches and comments.

project was underway and ONDC had no plans for a new World Bank project. It is said that Thailand made reference to the local authority system in France and other countries for intergovernmental division of public services in Thailand while developing the master plan for decentralization. However, the Thai government, which has more than a century of experience in local governance, did not need the direct involvement of donors in the decentralization process.

Projects for central ministries and departments

Many of the technical cooperation projects by donors are chiefly aimed at central ministries and departments (Type-2). Major technical cooperation projects in local administration by Danish Cooperation for Environment and Development (DANCED)[24] and German Agency for Technical Co-operation (GTZ) belong to this type. In general, Type-2 projects first focus on a few model sites and then take advantage of the outcomes produced there in policy review or technology diffusion to other local authorities. In that sense, the scope of the project implementation process includes local authorities as in Type-3. However, the ultimate purpose of Type-2 projects is not capacity building of the local authorities that have been designated as model sites, but support for central government offices in policy and institution development or diffusing relevant technologies to all local authorities. The centralized system of local governance covering four layers of provinces, districts, *Tambon*, and villages is in place for supporting activities at project sites and disseminating project outcomes.

DLA is the usual Counterpart (C/P) organization in Type-2 projects designed to support the capacity building of local authorities. However, the department that is in charge of a specific field of local authority services and has the resource persons for the field may serve as the counterpart agency. For example, GTZ worked with the Ministry of Science, Technology and Environment (now MoNRE) in its project for the improvement of municipal waste management. The Department of Town and Country Planning (DTCP) was the C/P agency for JICA in its project for "Development of the Method of Urban Development."

DLA is responsible for both implementing policies for organization/institution building for local authorities and providing training for local authority personnel. DLA is therefore placed in an appropriate position for promoting CD both at the institutional level in local administration and at the organizational level in local authority. In addition, DLA is the only central government office that has a direct channel to local authorities,[25] facilitating project site selection, project implementation,

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[24] DANCED is a program of the Danish Ministry of the Environment. As part of DANCED, the ministry implemented the Thailand Danish Country Programme for Environmental Assistance between 1998 and 2001.

[25] DLA has a field office in every province to provide administrative support to local authorities. Both the district officer and the officials at the district office, the most familiar central government branch office for local authorities, belong to DOPA. DLA and DOPA maintain close personnel relations as they were part of DOLA before the reorganization of the central administrative system in October 2002.

and dissemination of project outcomes nationwide.[26]   It should be noted, however, that DLA officials are not experts or engineers in the specific field a technical cooperation project is trying to address. This means that for effective project implementation, it is advisable to work with both DLA and the government office responsible for that field.   In reality, however, it is difficult to work with more than one ministry as the C/P because of deep-rooted interministerial sectionalism.

Projects for local authorities

Type-3 projects bypass the central government offices and directly target local authorities.   They include (i) projects between local authorities in Thailand and those in another country such as sister-city exchange projects;[27] and (ii) projects in which an association of local authorities in another country supports local authorities in Thailand, as exemplified by assistance projects funded by local governments in European Union (EU) under the Asia Urbs Programme (ASIAURBS).[28]

Joint projects with universities and research/training institutions

Joint projects with universities and research/training institutions (Type-4) are expected to increase in the future for three major reasons.   First, Thailand is trying to transform itself from a recipient country into a donor country.   As donors are decreasing their aid projects for Thailand, their projects at the central government level are on the decline.   Second, local authorities in Thailand have been required to obtain approval from the Cabinet since 2004 if they want to work directly with an international aid agency for a project without the intermediation of the central government, making it almost impossible to implement projects that bypass the involvement of the central government.[29] Third, universities and research/training institutes in Thailand, including KPI and the Thailand Innovative Administration Consultancy Institute (TIA) are developing human resources who are capable of undertaking joint projects or projects under contract with international aid agencies.   There are signs that such projects will increase both in number and scope.[30]

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[26]   However, DLA has no authority to control and supervise local authorities because the local government acts provide that local authorities are independent juristic entities.   DLA is well aware of this.   The author (Ozaki) was often told that DLA is designed to support, not govern, local authorities while being stationed at the department.

[27]   Among such projects by local governments in Japan are the abacus training project that the town of Yokota, Shimane Prefecture is implementing in Roi Et Province, and the waste management project that the city of Kitakyushu, Fukuoka Prefecture is promoting in BMA.

[28]   ASIAURBS was established by EC in 1994 to implement cultural, economic, and development projects jointly with local governments in Asian countries.   One of these projects was implemented by local governments in Europe to support the capacity building of municipalities in Asia as part of their assistance in decentralization.

[29]   This policy change requires ASIAURBS to alter their approach of working directly with local authorities in Thailand.   However, the association of *Thesaban* called the National Municipal League of Thailand (NMLT) states that international aid agencies can implement projects that directly support *Thesaban* if they sign an agreement with NMLT (a statement by Chief Executive Paithoon Boonyawatana on August 23, 2006).

[30]   UNDP commissioned research on monitoring systems for participatory local development to KPI and the Thai Development Research Institute (TDRI) in the project called "Partnership for Local Empowerment through Democratic Governance (PLEDGE)" it conducted between November 2004 and November 2006.   The Chulalongkorn University, TDRI, and other institutions undertook studies on local authorities in a World Bank project for the capacity building of local authorities.   This project was part of the Social Investment Project the World Bank implemented between July 1998 and April 2004 as a major response to the Asian economic crisis.

Classification of JICA projects

The following paragraphs examine the position of four projects JICA implemented under the Program on Capacity Building of Thai Local Authorities in relation to the four types of projects.

The Thailand-Japan Joint Research Project is designed to study matters related to the capacity building of local authorities of which DLA is in charge. It is not intended to produce recommendations on the course of action for decentralization. In that sense, this project belongs to Type-2. Its principal purpose is to support DLA, a central government office, in policy and institution development. Yet the recommendations produced in this project as a research outcome include those on higher-level policy.[31] In that sense, the project partly belongs to Type-1.

The remaining three JICA projects also belong to Type-2 because DLA is the C/P agency in these projects: the Project on Local Management Cooperation, the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards, and the Project on Capacity Building for Planning Management of Local Authorities.

Of the three, the last two projects place more emphasis on activities in the project sites (local authorities) and the project outcomes there than the first project. However, the ultimate purpose of the two projects is not to support CD of individual local authorities, but to assist DLA in institution building or capacity building in technical assistance. Specifically, the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards is aimed at supporting DLA in policy and institution development. The Project on Capacity Building for Planning Management of Local Authorities is designed to develop approaches to the planning of participatory local development that are applicable to small-scale local authorities under the existing institutional and organizational frameworks and support DLA in promoting such approaches. The overall goal of the two projects is to support CD of Thai local authorities in their respective fields.

The preceding paragraphs have characterized international cooperation projects for the capacity building of local authorities in Thailand by classifying them according to their target entities. In terms of the target level of CD, Types 1-3 correspond to three types of levels: (i) the institutional and societal level (higher-level policy); (ii) the institutional and societal level (institution building and management) and the organizational level (both central government offices and local authorities); and (iii) the organizational level (local authorities).

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[31] The Thailand-Japan Joint Research Team presented recommendations to ONDC. They suggested, among other issues, the introduction of grants for promoting interlocal cooperation and personnel exchanges among organizations concerned with provincial administration and local authorities.

Type-2 projects, in which the counterpart agency is served by a central government office, provide the most efficient and effective approach to CD of local authorities nationwide under the current administrative system. In fact, most of the international technical cooperation projects belong to this type.

Table 1-10   Classification of International Cooperation Projects for the Capacity Building of Local Authorities in Thailand

Classi-fication	Key target entity	Project fields (examples)	C/P agencies (examples)	Projects (examples)
1	Central Government (master planning)	• Policy advice on decentralization • Reform of local finance	ONDC of OPM	Office of Civil Service Commission Ministry of Finance
2	Central government offices (Ministries and departments in charge of implementation)	• Support for policy and institution development for the capacity building of local authorities • Training of central government officials and officers	DLA MoNRE DTCP	GTZ: Urban Planning and Management Project (1996 - 2002) UNDP: Regional Urban Development Project (1994 - 1999) DANCED: Environmental Management and Development Project (1997 - 2000) JICA: Capacity Development of Thai Local Authorities (2000 - 2004)
3	Local authorities	Support for the capacity building of local authorities	*Thesaban* TAOs PAOs	ASIAURBS: the project for archaeological site protection and tourism promotion in Ayutthaya Province (2004 -), and the project for the management of the urban environment in Lamphun Province. • Sister-city exchange projects
4	Universities and research/training institutions	Study projects (For developing evaluating and monitoring methods, building an information system, and other purposes)	KPI, TDRI, TIA, and universities	World Bank: A component of the Social Investment Project (1998 - 2004) UNDP: A component of the Partnership for Local Empowerment through Democratic Governance Project (2004 - 2006)

Source: Compiled by the author (Ozaki).

Chapter 2 Overview of the JICA Program on Capacity Building of Thai Local Authorities

This chapter provides an overview of the JICA Program on Capacity Building of Thai Local Authorities. It first looks at the background to the project from both Thai and Japanese perspectives. The chapter then examines how three JICA projects were developed into this program.

2-1 Background

Thailand has been experiencing steady economic development since the beginning of the 21st century. In fact, it is expected to join the club of middle-income countries soon. The problem is that the gap in economic development has remained wide between Bangkok and the local regions, which attracted attention at the time of the Asian economic crisis of 1997. This points to a serious need to promote local development for sustainable socioeconomic development in Thailand. Economic growth is also increasing the demand for public services that better meet the needs of local people in such sectors as the environment, health care, and welfare. These needs could not be fully accommodated by the traditional, centralized local governance. Two requirements must be met in order to address these two kinds of needs. One is a policy initiative to transfer resources from the central government to local authorities. The other is to develop a local administrative structure that encourages local authorities to make more effective use of the transferred resources on their own.

It is worth noting here that the democratization movement that grew notably in urban areas in the 1990s provided a major impetus for decentralization, as discussed in Chapter 1.

Growing demand for a new form of local authority, as well as the democratization process, prompted the Thai government to proclaim decentralization as a national strategic policy and launched the initiative to promote institution building and organizational strengthening of local authorities. Between 1995 and 1997, the government established TAOs in rural Thailand, where 70 % of the national population lived and no basic unit of local authority had been established. In 1999, the Decentralization Act was enacted. Under this law, the government wasted no time in planning the intergovernmental transfer of revenue resources and administrative services. These developments placed the capacity building of local authorities high on the national agenda.

JICA endorsed support for vulnerable groups as a guiding principle of its assistance policy for Thailand, which was hit by the Asian economic crisis of 1997. In 1998, JICA launched a program for

supporting vulnerable groups in Thailand. Apart from emergency assistance for damage by the economic crisis, the program stressed the need to implement projects aimed at ensuring the sustainability of the socioeconomic recovery of Thailand. Capacity building of local authorities became the central theme of such projects for three reasons: (i) local authorities play an essential role in supporting vulnerable groups, including poverty programs, since they are the local authority unit closest to local communities; (ii) local authorities are in a position to develop effective local development plans since they have the ability to accurately assess the local situation and the needs of local communities; and (iii) capacity building of local authorities is likely to result in reduced regional disparities.[32]

Institution building and organizational strengthening pose a major challenge for local authorities amid the rapid progress in decentralization in Thailand. This prompted the launch in November 1998 of a study for the formulation of technical cooperation projects (TCPs) to support vulnerable groups in Thailand. JICA and DOLA, which was in charge of local administration then, began consultations on formulating these TCPs.

2-2　Emergence of the Program

2-2-1　DOLA's Request for Technical Cooperation

Following the consultations with JICA, DOLA in August 1999 requested that the JICA conduct a technical cooperation project (TCP) in 2000 in order to build the capacity of local authorities to formulate their development plans. The local government acts [33] require local authorities to formulate their own development plans. The central government held the view that decentralization would not succeed unless local authorities formulated their own development plans, which would build on accurate local data and proper assessment of local development needs and showed the course of action for sustainable regional development.[34] The reality was that most local authorities, except large ones in urban areas, lacked both human resources who had knowledge and skills for development planning, and adequate understanding of its value. DOLA made a number of attempts to support local authorities in development planning, including the compilation in 2000 of a development planning manual for TAOs. Throughout the process, DOLA placed special emphasis on four points: (i) accumulation of useful information for local authorities and a framework that facilitates its use; (ii) coordination of development plans among local authorities; (iii) a monitoring

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[32]　JICA, Project Formulation Study Department (1999).
[33]　They are the *Thesaban* Act of 1953, the *Tambon* Council and *Tambon* Administrative Organization Act of 1994 and The Provincial Administration Organization Act of 1997. The details of local development planning are provided for in the relevant MOI ordinance of 1998.
[34]　This view is reflected in the development planning manual for local authorities that DOLA published in 2000.

framework for local authority services; and (iv) local peoples' participation in the development planning process.

2-2-2   Emergence of Two Projects

(1)   Project on Capacity Building for Planning Management of Local Authorities

The kind of TCP that DOLA requested following the project formulation study aimed to address the field to which Japanese local authorities did not have an established approach. In addition, the difficulty in evaluating its effectiveness required more information from Thailand.

In April 2000, JICA sent a mission to Thailand under the JICA scheme of a short-term expert assignment. The mission stayed in Thailand until July to study project feasibility. This mission was followed by the assignment of a JICA project formulation advisor for one year (between December 2000 and December 2001) and the subsequent assignment of two JICA long-term experts. Finally, a promising project was formulated. It took a long time for two major reasons. First, DOLA's project proposal needed lengthy study regarding project feasibility. Second, JICA had a hard time finding the right people for the project purpose because of the limited availability of Japanese experts in the relevant field.[35] It took longer than expected to assess the status of Thai local authorities and DOLA, identify the issues to be addressed, and select input resources from Japan. This was because the project was designed to address an uncharted field for JICA, that is, the capacity building of local authorities in Thailand.

DOLA wanted the TCP to: (i) apply techniques and approaches that accept the existing organizations and institutions as a precondition, rather than aim to introduce legislative measures for development planning or alter the existing planning process; (ii) place a main focus on small local authorities, which represented an overwhelming majority of local authorities in Thailand, as opposed to traditional TCPs, which targeted large local authorities in order to maximize the impact of technology transfer; and (iii) introduce techniques applicable to the existing local authority units.

The project objectives were narrowed down to encouraging community participation in development planning processes and making better use of information for development planning, with a focus on TAOs and small-scale *Thesaban*. For the second objective, DOLA at first preferred

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[35]   It was finally decided to take advantage of the experience of the town of Koura, Shiga Prefecture in participatory community development. The project components included training in Japan and a short-term assignment of experts led by Mr. Yoshio Yamada, officer at the Koura town hall. Finding an appropriate expert in the utilization of information was the most difficult aspect of the mobilization of human resources for this project. Finally, Mr. Shigetoshi Oshitani, a regional development consultant, was sent to Thailand as a short-term expert as late as July 2004, only four months before the completion of the project.

developing a major database of local authorities. It was finally agreed that the project would instead encourage local authorities to better understand the value of utilizing information and learn basic skills of analyzing available local information. In this way, the project was made more down-to-earth and feasible. In May 2001, the project was finally launched as the Project on Capacity Building for Planning Management of Local Authorities.[36]

(2)   Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities

As discussed above, the TCP requested by DOLA was aimed at building the planning capacity of local authorities under the existing local administration system and structure. In other words, the project tried to address an extremely specific issue among many others for the capacity building of local authorities. JICA had no experience in assisting such capacity building in Thailand. For a successful project, JICA needed to accurately assess the dynamic decentralization process and obtain a general picture of the issues for capacity building of local authorities in Thailand. JICA recognized that institution and organization building at the central government level was a major prerequisite for capacity building of local authorities in the decentralization process. Based on this recognition, JICA envisioned a Thailand-Japan Joint Research Project aimed at presenting policy recommendations to the central government offices concerned. As a first step to this end, JICA sent a study mission to Thailand in March 1999 to assess the capacity of local authorities and identify the issues for developing their capacity. The mission was headed by Dr. Michio Muramatsu, professor of law at Kyoto University, and made up of academics specializing in Japanese local administration and finance and Thai politics. The mission was meaningful in that it was able to examine general issues for Thailand from a perspective of public administration and in light of Japanese experience in decentralization (for details, see Subsection 3-1-1 (2)).

This JRP was intended for Japanese and Thai academics to work together on an equal basis to examine the issues and come up with policy recommendations. DOLA proposed the research themes, took the initiative in setting the research scope for each theme, and produced policy recommendations as a major project outcome. The Japanese members presented Japanese experiences for each scope and shared their approaches to the themes with the Thai members as necessary. In these aspects, the JRP represented a new form of bilateral cooperation based on the initiative of Thailand, as opposed to Japan-led research activities such as development studies.

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[36]   The record of discussions (R/D) for this project was signed in July 2003, long after the project launch. This delay was chiefly attributable to the fact that DOLA and JICA were negotiating over R/D when Thailand was introducing a new system for signing an international agreement. Under the new system, the signing of the R/D for this project had to be preceded by exchange of notes on the project between the two countries. Moreover, the formats of notes and R/D were changed after a lengthy decision-making process.

The expert sent to Thailand on a short-term dispatch between April and July 2000 worked together with DOLA to select the themes and Thai members of the JRP, as part of the consultation process (for details, see Subsection 3-1-2). The project was launched in August 2000 for a period of two years with two objectives. The first objective was to produce recommendations on four themes: (i) reviewing the criteria for classifying local authorities; (ii) promoting cooperation among local authorities (interlocal cooperation); (iii) exploring the possibility of the merger and consolidation of local authorities; and (iv) promoting coordination among local development plans. The second objective was to fully utilize the research outcomes, including the formulation of the TCP of JICA.

2-2-3　Development of the Program

Both the Project on Capacity Building for Planning Management of Local Authorities and the Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities were originally intended to join forces in one of the latter's theme: promoting coordination among local authority plans. It eventually proved difficult to find common ground between the TCP designed to introduce a local peoples' participatory planning approach into small local authorities and the JRP designed to promote coordination of the development plans of local administrative bodies within each province at the institutional level. In other words, the TCP was aimed at capacity building of local authorities and communities within the existing institutional and organizational framework or at capacity building at the organizational level, while the JRP was aimed at organization and institution building at the level of central government offices. Eventually, the TCP and JRP were launched as independent projects, although the Thai C/P was the same: DOLA.

After the JRP was completed, another TCP was launched in September 2003 for a period of one year that drew on the outcomes the JRP produced in one of the four themes: interlocal cooperation (for details, see Subsection 3-3-2). This TCP, formally known as the Project on Local Management Cooperation in Thailand, was aimed at enabling the DLA, the successor of DOLA, to show local authorities in Thailand specific avenues to interlocal cooperation. The Project on Local Management Cooperation targeted policy and institution development at the level of central government offices to introduce interlocal cooperation, a new administrative modality. The TCP built on the information that had been gathered and analyzed in the JRP as well as its recommendations. In that sense, the two project activities were interconnected.

The Project on Local Management Cooperation is still in action as Phase II of this project, which was launched in October 2005 for a period of three years. Phase II, formally known as the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Service Standards, aims to initiate interlocal cooperation projects in the pilot sites while supporting DLA in institution building, including drafting legislative measures (for details, see Subsection 3-3-3).

2-3   Overview of the Program

As discussed earlier, the JICA Program on Capacity Building of Thai Local Authorities is comprised of: (i) the Project on Capacity Building for Planning Management of Local Authorities; (ii) the Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities; (iii) the Project

Figure 2-1   Schematic Diagram of the JICA Program on Capacity Building of Thai Local Authorities

(Note: The dotted line shows the scope of this report.)

Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities (August 2000 – August 2002)

Purpose: For Thai and Japanese researchers in local authority to examine the following themes related to capacity building of Thai local authorities and produce policy recommendations.
1. Reviewing the criteria for classifying local authorities
2. Pursing the possibility of interlocal cooperation and exploring ways to promote it
3. Raising awareness of the value of the merger and consolidation of local authorities and exploring such amalgamations
4. Promoting coordination among the development plans of local authorities

Main targets of the project activity:
DOLA and other central government offices concerned
Main inputs:
Six academics specializing in local administration and finance from Japan and Thailand each; a Project Formulation Advisor; two field studies to local authorities in Japan

Project formulation →

Project on Local Management Cooperation (September 2003 – September 2004)

Purpose: To pursue more effective and efficient delivery of local authority services by way of interlocal cooperation, especially in sectors where local authorities have difficulty in delivering such services on their own. Measures to promote interlocal cooperation include policy reviews and development by DLA, as well as clarification of local authority policy through the process of developing a Handbook on Local Management Cooperation.

Main targets of the project activity:
DLA, the local authorities designated as model sites, and local administrative bodies
Main inputs:
Three local consultants; one round of training in Japan; one JICA long-term expert (who was also in charge of another project component of the program); four-man assignmentss of JICA short-term experts

Continued as Phase II ↓

Project on Capacity Building for Planning Management of Local Authorities (May 2001 – November 2004)

Purpose: To develop techniques for and approaches to the following issues based on the activities in the project sites and disseminate them among all the local authorities nationwide via DLA
1. Encouraging local communities to search and identify their development needs and reflect them in local development planning
2. Formulating development plans that make effective use of local resources
3. Establishing a vision for development that is shared by local communities and formulating development plans based on that vision
4. Exploiting proper data, including information from local communities and their members; and formulating development plans based on that data

Main targets of the project activity:
Local authorities designated as project sites and local communities there; DLA
Main inputs:
Three rounds of training in Japan; two JICA long-term experts (including one expert who was also in charge of another project component of the program); eight-man assignments of JICA short-term experts; site surveys by local universities and other institutions

Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards (October 2005 – October 2008)

Purposes: To explore avenues to formulate and implement interlocal cooperation projects, take necessary legislative measures with regard to, for example, specific procedures for such projects, and develop a relevant handbook
Main targets of the project activity:
Local authorities designated as the pilot sites; DLA
Main inputs (planned):
Three local consultants; two rounds of training in Japan; one JICA long-term expert; and six JICA short-term experts

on Local Management Cooperation; and (iv) the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards.

The program can be largely divided into two parts: the first project on the one hand, and the second, third, and fourth projects on the other. The second part may be referred to as the "joint research group" as the third and fourth projects built on the second one. The first part principally aims to promote organizational CD of local authorities and communities. The second part primarily addresses organizational and institutional CD of central government offices. The program as a whole addresses all levels: central government offices, local authorities, and local communities.

This study focuses on the second part, namely, the Thailand-Japan Joint Research Project, the Project on Local Management Cooperation, and the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards (see Figure 2-1). By examining the formulation and implementation processes and outcomes of these projects, the study tries to draw lessons from them as CD projects aimed at policy and institution development.

Waste treatment site administered by Local Authorities Cooperation

Chapter 3   JICA Program on Capacity Building of Thai Local Authorities: Characteristics and Lessons Learned

3-1   Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities

3-1-1   Conceptual Designing

The Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities originated from a JICA study mission of short-term experts to Thailand between March 20 and April 3, 1999. The mission was headed by Dr. Michio Muramatsu, professor of law at Kyoto University. Among the other members were Nobuki Mochida, professor of economics at the University of Tokyo; Kengo Akizuki, professor of law at the University of Kyoto (between March 24 and 29); and Fumio Nagai, associate professor of law, Osaka City University (the titles were those at the time of the mission).

On August 31, 1999 the director of the preparatory country planning office for Thailand of JICA sent an official telegram to the Director of the JICA Thailand Office regarding development assistance for decentralization and capacity building of local authorities in Thailand. The second half section of the telegram focused on a draft concept of a program on capacity building of Thai local authorities. This section contained specific proposals for the establishment of a JRT, which were followed by the following statement:

"The appropriate approach therefore is to implement research cooperation in the form of a policy support study that will analyze the local administrative and financial systems in Thailand and offer advice and recommendations on the future directions of JICA's activities in this sector in Thailand. The local administrative and financial systems are the backbone of Thailand's overall administrative and financial systems. In addition, the background of these local systems, including their history, need to be fully understood. For these two reasons, one-way assistance from Japan may not be an option. The proposed study should be *joint research* (emphasis by the author) with a Thai team and supported by the assignment of JICA experts within the framework of research cooperation."

The possibility of a TCP was also explored. However, since such projects involve a time-consuming process of collecting local information as a precondition, it was decided to study the feasibility of a TCP in consultation with DOLA (the acronym for the Department of Local

Administration before the 2002 reorganization) while conducting joint research with the Department. In short, JICA needed to prepare for the launch of a JRP and at the same time lay the groundwork for a TCP by collecting relevant information and conducting a feasibility study in Thailand, as discussed in Subsection 2-2-2.

In response to these developments at JICA Headquarters, the JICA Thailand Office stated in an official telegram dated January 17, 2000: "We should explain to the Thai side that we will establish a study group of Japanese experts in the first year to consider an assistance program from the second year and that the group will focus on determining the specific aid components."

Commenting on the assignment of an individual expert, the telegram stated: "We should develop a three-year program to be launched in FY 2000 while offering some advice on the Terms of Reference (TOR). At the same time, a JICA expert should be sent to Thailand for a short-term assignment in order to promote and obtain approval for this program." The telegram proposed Mr. Fumio Nagai, a member of the Muramatsu mission, as the candidate for the short-term JICA expert.

3-1-2   The Project Formulation Process (between mid-April and mid-July 2000)

This subsection reviews the formulation process of the JRP for a period of three months from mid-April 2000, during which Mr. Fumio Nagai worked in Thailand as a short-term JICA expert. Although more than one issue was being discussed, the focus is placed on different aspects of the process, including the developments leading up to the proposal for the establishment of JRT, the selection of the themes and members of the Committee, and the project formulation process with JICA.

(1)   Consultation with DOLA

1)   Proposing the establishment of a JRT

DOLA first asked JICA to conduct a TCP in Thailand. JICA accepted this request and at the same time suggested that a JRP be launched as well. Although the short-term expert was tasked with formulating both projects, he started his activities in Thailand on the principle that he would not focus on the matters related to the JRP until the rough framework was established for the TCP.

The short-term expert first analyzed how the concept paper titled "Conceptual Framework for Local Government Development" was drafted within DOLA, which had been submitted to JICA in relation to the request for a TCP. Through this process, he came to know the sections that constituted DOLA and identified the basic approach each section took to local authorities.

As for the proposed JRP, the short-term expert first approached his C/P, Mrs. Wattana Phaisurat, group chief at the Local Government Development Affairs Division (LGDAD), and confirmed her positive stance on the project. Then he met with some Thai researchers and informally asked whether they were interested in becoming a research member of a JRT. On May 11 the short-term expert met with Mr. Sanit Naksooksri, LGDAD director, and floated the idea that a JRT should be established to maintain a cooperative relationship between DOLA and JICA with members coming from the Thai MOI, Thai academia, and JICA. Mr. Sanit responded positively to the idea, saying that it was a good idea. In a meeting on the same day, he suggested that Mrs. Wattana should draft a proposal for a JRP for submission to JICA by DOLA.[37] He also encouraged the short-term expert to meet with high-ranking officials at DOLA soon.

On June 5, 2000 the short-term expert suggested to Mr. Suwat Tunprawat, bureau director at DOLA, that the Thailand-Japan Joint Research Project should be launched. He explained that one of the themes for the joint research might be developed into a new project between DOLA and JICA as appropriate. He also suggested that the JRT should be comprised of members from DOLA, JICA, and academia in Thailand and Japan and meet twice a year in Thailand and Japan. Finally, the short-term expert communicated JICA's wish that DOLA would appoint the Thai members. Mr. Suwat, who had the final say in international technical cooperation, raised no objection to the idea of launching the JRP, saying that DOLA saw no problem in establishing a steering committee within the JRT. He even said that the short-term expert could appoint the Thai members in consultation with Mr. Sanit and Mrs. Wattana. Mrs. Wattana stated that she wanted to choose the Thai members while taking account of the wishes of the high-ranking officials at DOLA.

2)   Selecting the joint research themes

In an official telegram dated May 29 to Regional Department I of JICA Headquarters, the JICA Thailand Office proposed six themes for the proposed projects for joint research and technical cooperation that needed to be discussed with the Thai side. The six themes were: (i) the fiscal system (including subsidies); (ii) the tax system; (iii) the seconding system; (iv) information gathering and organizing in selecting development objectives; (v) the optimal scale for the unit of local authorities (including the possibility of consolidation and interlocal functional associations); and (vi) public service delivery with community participation (solid waste management, sewage disposal, water supply, job security, etc.).

Mr. Suwat said in the first round of consultation in June that he wanted the JRT to review the

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[37]   This proposal was drafted but never submitted to JICA. The fact that the JRP was not formally based on a request from the Thai side became a bone of contention with DTEC after the project was launched [see Subsection 3-1-3 (2)].

classification of local authorities that was based solely on the revenue scale. He maintained that other criteria, such as population, land area, and institutional capacity should also be used in classifying TAOs and Thesaban in particular, which were divided into 5 and 7 classes, respectively. Mr. Suwat also suggested that the committee should discuss various options for interlocal cooperation (cooperation among local authorities) other than interlocal functional associations. (These suggestions by Mr. Suwat eventually culminated in Theme 1 and Theme 3 of JRT.)

In a meeting with the short-term expert on the previous day, Mr. Sanit had requested anew that amalgamations of local authorities be taken up as a joint research theme. In the second round of consultation on June 14, Mrs. Wattana suggested that the subsidy and tax systems be discussed under the theme of amalgamations of local authorities. Mr. Suwat finally agreed to his subordinates' suggestions on the condition that the proposal to JICA include a provision that these two topics should not take center stage.

In this way, the joint research themes were narrowed down to three in June 14: (i) the relevance of the existing classification of local authorities; (ii) possibilities for interlocal cooperation (with a special focus on solid waste management and sewage disposal); and (iii) amalgamations of local authorities (with due consideration to the subsidy and tax systems).

On June 27 the short-term expert met with Mr. Saroch Kutchamath, deputy director-general of DOLA (in charge of local authority), and obtained approval from DOLA with regard to the implementation of the Program on Capacity Building of Thai Local Authorities, which included the TCP and the JRP. This meeting resulted in the inclusion of "coordination of development programs" as the fourth theme of the joint research.

At the outset of the meeting, Mr. Saroch raised doubts about the relevance of one of the proposed components of the TCP. This component included two elements: (i) formulating a development program for each local authority within one district, including the implementation of pilot projects in the project areas; and (ii) creating a system for coordinating different local development programs. Mr. Saroch maintained that one district was insufficient and that the project goal would not be achieved unless the project studied the opportunities for coordination of development programs among districts and even provinces. He made the point that coordination of development programs within a single district requires an ex-ante study that explores three types of opportunities: (i) opportunities for community participation in the development program of their local authority; (ii) opportunities for coordinating development programs of "local administrative units" (*suwan phuumiphak*) such as districts and provinces with those of "local authorities" (*suwan thoongthin*) such as TAO and Thesaban; and (iii) opportunities for ensuring community participation in the process of formulating development programs of these two types of local authority units. According to Mr. Saroch, the optimal approach to

such coordination should be studied as well. He even suggested that the TCP select one province in each of four regions of Thailand (Central, North, Northeast, and South) and conduct a study on the coordination of development programs there. His suggestion exceeded the framework of the concept paper and placed substantial emphasis on research.

The short-term expert responded to this suggestion by saying that it would be virtually impossible to take care of the coordination of development programs in three other places at the same time. He also noted that, apart from the long-term dispatch of JICA experts, there was another option, which is the combination of the short-term JICA experts a few times a year and the JRP. The short-term expert then suggested that the coordination of development programs among districts be discussed as the fourth theme of JRT. Mr. Saroch agreed to this suggestion.

This top-down decision by DOLA resulted in the inclusion of the fourth joint research theme in the proposal to JICA.

3)   Selecting the Thai members of the JRT

The JICA short-term expert informally approached a few Thai researchers by May with the idea of sitting on JRT. He did so only informally because he had wanted to respect the Thai initiative. In other words, the short-term expert as well as JICA had placed priority on the wishes and desires of DOLA and hence considered it important that DOLA have the final say and appoint the Thai members itself [38].

In his first meeting with LGDAD Director Sanit Naksooksri on May 11, the JICA short-term expert referred to the four Thai researchers mentioned in the final report of the Muramatsu mission as possible candidates for the committee members. Mr. Sanit agreed to this idea and made special mention of Professor Noranit Setabutr, the then former rector and associate professor of political science at Thammasat University, as the leading committee member. In the consultation session on June 13, Mr. Sanit made a specific suggestion on the selection of the Thai members. He suggested that at least one member be selected each from five universities, including Chulalongkorn University, Thammasat University, the National Institute of Development Administration (NIDA), and Sukhothai Thammathirat Open University. He endorsed the three candidates: Professor Charas Suwanmala at Chulalongkorn University, Professor Somkit Lertpaithoon at Thammasat University, and Professor Noranit Setabutr. It was agreed that Mr. Sanit would ask Professor Noranit to co-chair the committee. Later, Mr. Sanit suggested Professor Pathan Suvanamongkol at Sukhothai Thammathirat Open University, and Professor Surasit Vajirakachorn at NIDA as two other candidates. The short-term

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[38]   This idea was stipulated in the Minutes of Understanding that was signed in August between JICA and DOLA, providing an institutional mechanism for ensuring Thai ownership of the project.

expert agreed to this suggestion. On July 2, Mr. Sanit invited Professor Noranit and Professor Pathan to a luncheon, where the short-term expert explained the outline of the DOLA-JICA joint project and asked the two professors to attend the project launch meeting scheduled for mid August. Professor Noranit insisted that an open symposium be held before the submission of the final report of the joint project by August 2002. He also recommended Professor Niyom Ratamarit at Ramkhamhaeng University as the remaining candidate in consideration of a balanced distribution of the Thai members among major universities in Thailand.

In this way, the six Thai candidates were finally identified.

3-1-3 The Project Implementation Process

This subsection focuses on the implementation arrangements and management procedures for the JRP. It reviews the developments leading up to the establishment of the committee and a series of the activities by the committee to be held five times in total until the drafting of the final report. The activities to be reviewed include: (i) analyzing the current situation and identifying problems with regard to the four themes (by the Thai members); (ii) setting the scope of the joint research (by the Thai members); (iii) analyzing Japanese experiences (by the Japanese members) and verifying the research themes, including the drafting of an interim report (by the Thai members); (iv) drafting policy recommendations (by the Thai members); and (v) drafting the final report.

(1) The establishment of JRT (between mid-July and late-September 2000)

The framework of the committee

The following paragraphs provide an overview of JRT.

The purposes of JRT were to discuss the themes regarding the promotion of decentralization (see Table 3-1) and the capacity building of local authorities and produce a set of recommendations for submission to the Thai government. The project period was set at two years, between August 2000 and August 2002. The committee was scheduled to meet two to three times a year, with the regular general meeting to be held around August every year: in 2000 for the launch of the committee, in 2001 for drafting an interim report, and in 2002 for the completion of the project. At the third and final general meeting, the committee planned to hold a final reporting session in the form of an open seminar. Irregular general meetings and subcommittee meetings would be held as necessary. JRT was made up of scholars and local administrators from Thailand and Japan, as well as people from JICA. Five to six members each from Thailand and Japan were appointed as research members who would play a pivotal role in the research activities of the committee (see Appendix 1-2). The management of JRT was

Table 3-1   Joint Research Themes and Their Background

Theme	Description and background
Theme 1: Reviewing the criteria for classifying local authorities	The classification system for local authorities allows DOLA to exercise indirect control over their organizational structure, personnel management, and finances. The classification criteria draws on a combination of many variables, including population, land area, and self-financing capacity. Employees at local authorities in Thailand are transferable to another authority if certain conditions are met. In other words, the classification is a crucial factor for the services and budget scale of local authorities and for the promotion of employees. This theme has been selected to reflect the wishes of the Thai Ministry of Interior, which wanted a more effective and efficient system of classification by learning from Japanese experience.
Theme 2: Interlocal cooperation	Although the local authority law of Thailand mentions *sahakarn*, or associations, no official relationship of cooperation among local authorities has existed to date. Unofficial interlocal cooperation is unstable because it depends solely on the individual relationships of trust between the heads of local authorities. Before the decentralization drive there was little need for interlocal cooperation, as local authorities were limited in both number and discretion. As a result of decentralization, however, there are now many local authorities across the country. Limited access to solid waste management and firefighting services has inevitably increased the need for interlocal cooperation. JRT has thus decided to study ways to promote interlocal cooperation in Thailand while learning from Japan's vast experiences in interlocal cooperation, including Partial Association (PA) of local authorities for the joint delivery of specified public services and Regional Union (RU) of local authorities for the joint delivery of public services.
Theme 3: Amalgamations of local authorities	A vast majority of local authorities in Thailand are small in both scale and institutional capacity. Although Thailand has a population (approximately 63 million) about half that of Japan, it has local authorities (about 7,800 units) four times those of Japan in number. Yet Thailand has little experience in merging and consolidating local authorities under democratic rule. In other word, economies of scale are not at work. This is why JRT has decided to study the facilitating and inhibiting factors for amalgamations of local authorities in Thailand, with reference made to case studies of Japan, which has vast experience in this field as well.
Theme 4: Coordination of local development programs	In Thailand, local authorities as well as the central government are required to formulate their own development programs. Each local authority compiles its budget and requests subsidies from the central government based on its development program. Local development programs are regarded as an important tool for making effective use of limited resources and coordinating infrastructure development among local authorities and between them and the central government. This is because, for example, the construction of a road or sewer system that will span two or more local authorities requires coordination of their development programs at the program formulation phase. The problem is that the sheer number of local authorities in Thailand makes such coordination difficult or impossible at times. This theme has been added to the agenda in order to achieve more effective and efficient coordination of local development programs.

Note: See Annex 3 for more details on the process of analyzing and studying the four themes.

Source: Compiled by the author (Nagai) based on Nagai, Konishi, Ozaki, and Yokota (2006). Part I, 56-57.

supported by two newly-established entities. The Joint Coordination Committee coordinated the overall program so that the outcomes of the JRP would lead to a new TCP. The other entity, a Steering Committee, was set up within JRT. All these arrangements in the above paragraphs were largely based on the proposal to JICA.

(2)   Consultation with the Thai side on project implementation arrangements

In August 2000 JICA sent a study mission to Thailand for a period of six days between August 14 and 19 to hold consultations on project implementation arrangements. The mission was made up of four Japanese members of JRT, the director of the Second Southeast Asia Division of JICA, and a JICA junior expert. The other two committee members were the chairman, Professor Michio Muramatsu,

and Mr. Fumio Nagai. Professor Muramatsu did not participate because of this tight schedule. Mr. Nagai was staying in Thailand. Mr. Yutaka Katayama, a committee member, headed the mission in place of Professor Muramatsu.

Mr. Nagai joined four other committee members when they arrived in Thailand. The five committee members had important assignments: confirming the details of the Thai request and the themes of JRT, and if possible, selecting the members and themes of the subcommittee and determining the schedule of the JRP.[39] On Wednesday, August 16 the Japanese committee members attended a substantive meeting on the project held at LGDAD, DOLA. The meeting focused on the following four points.

The first point was whether a new theme or themes should be added to the four themes. Some Thai members harbored doubts about the four themes. For example, one of them made the point that a study should be conducted on community participation and civil society as part of efforts to promote local democracy. This idea was challenged by DOLA officials and some researchers, who argued that such a far-reaching theme would be beyond the capacity of the committee, which included only six researchers each from the two countries. Eventually a compromise was reached that a new theme could be added later if judged necessary[40] while leaving four themes intact.

The second point concerned the project implementation framework. The meeting agreed that all the committee members from Thailand and Japan should discuss all of the four themes. It also agreed to appoint one member each from the Thai and Japanese sides for each theme who would act as a facilitator for the discussion and as a manager of the process of drafting interim and final reports.

The third point was the relevance of accepting officials at the government offices concerned as formal members of JRT. The majority opinion was that although such acceptance would make it easier to gain understanding and support from these government offices, the researchers should be the only formal members for the benefit of impartial discussion. The meeting agreed that these government officials would participate as "resource persons."[41]

The fourth point was who would assume the coordinating duties for JRT on behalf of the other members. Many of the Thai participants at the meeting asked this question because they could not afford to do so. For example, the LGDAD officials were too busy with other technical cooperation

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[39] Consultations were also held on the technical cooperation project between the JICA mission and DOLA officials.
[40] Subject to approval by the Steering Committee.
[41] Dr. Pathan, a Thai member, raised the issue of the impartiality of the researchers, or more specifically, the issue of whether the committee members would be able to feel free to challenge the wishes of DOLA. He raised this sensitive but important issue when some people felt that Mr. Suwat, who was acting as a facilitator, was a little too hasty in reaching a conclusion.

projects and consultations with other bilateral donors. The Thai members of JRT were occupied with teaching and administrative work at their universities while sitting on government advisory councils. Because it would be inappropriate to ask too much of the Thai side, JICA had planned to dispatch a project formulation advisor to perform these duties for a period of one year. Yet JICA had no such plans for the second year.[42]

(3)   A series of meetings

1)   The first meeting (early November 2000, in Tokyo and Shizuoka): analyzing the current situation and identifying problems with regard to the four themes

Purposes

The first meeting involved: (i) reports on the current situation of Thailand with regard to the four themes from the Thai members; (ii) consultations based on the research proposal from the Thai members; (iii) confirming the two-year schedule of this project; and (iv) an field tour to municipalities in Shizuoka Prefecture.

Overview

The Thai members prepared reports on both the progress in decentralization and the current situation and problems in Thailand with regard to the four themes for this first meeting. Specifically, they drafted a research proposal for each theme, covering the background, purposes, and methodology of the research. The members from Japan and Thailand discussed these proposals so that an agreement would be reached on the research scope in the second meeting. On the issue of how to relate one theme to another, many views were expressed in the general session, but the members failed to reach an agreement.[43] In addition, progress greatly varied depending on the theme. Progress was slow on Theme 1: reviewing the criteria for classifying local authorities. The absence of the Thai member in charge made it impossible to discuss the draft proposal. In addition, the reports by the Thai side were not focused enough. On Theme 2 (interlocal cooperation) and Theme 3 (amalgamations of local authorities), the members deepened mutual understanding to the extent that they could work on the final proposal.

Challenges faced

The working language in the meeting posed a major challenge. Earlier, no one expected any problems in using English as the working language. As it turned out, however, both sides often had

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42   As it turned out, this project formulation advisor supported the management of JRT for the second year of the JRP while working for the technical cooperation project at DOLA (C/P) as a JICA expert.

43   Professor Akizuki, for example, said in a subcommittee session: "Theme 1 and Theme 3 are closely interrelated. On the other hand, interlocal cooperation (Theme 2) will not automatically lead to amalgamations of local authorities (Theme 3), although the former is a stepping stone to the latter. Theme 2 and Theme 4 are horizontally related to each other.

difficulty in understanding the affairs in each other's country, including the local authority system, especially at the first session of the meeting. When they had to use their native languages, they turned to the Thai-Japanese interpreter, who had been hired for emergencies. However, this made the situation worse, due in large part to the basic need to understand the complicated background and the special difficulty in discussing specialized issues in a foreign language. It was then decided not to use the interpreter and the English language was again used as the working language. At times, however, Mr. Nagai had to speak Thai to facilitate communication between the two sides.

A field tourto Japanese local authorities

Prior to the meeting, the Thai members were invited to a field tour so that they could deepen their understanding of the local government system in Japan. In line with the project themes, the focus of the tour was placed on three aspects: (i) formulation of local development programs and their coordination; (ii) broader-based local government (through amalgamations of local authorities or Partial Association); and (iii) the fiscal system of local authorities.

The tour took the Thai members to Shizuoka Prefecture. The international affairs section of the Shizuoka Prefectural Government arranged the tour at the request of the Shizuoka Research Institute. The committee chairman, Professor Michio Muramatsu, was the deputy vice-president of the Institute and he asked the Institute to accompany the Thai members throughout the tour. The tour was successfully completed largely because of the full support from the Shizuoka Prefectural Government.

2)   The second meeting (late March 2001, in Phuket, Pattaya, and Bangkok): setting the scope of the joint research

Purposes

The second meeting involved: (i) reports on case studies in Japan by the Japanese members in relation to the issues raised by the Thai side at the first meeting; (ii) study reports on the four themes by the Thai members based on the discussion at the first meeting; (iii) determining the research scope for each theme; (iv) confirming the schedule for drafting an interim report; and (v) a field tour to local authorities in Thailand.

Overview

Earlier in February 2001, the Thai members conducted a field tour in the three provinces of Chiang Mai, Phuket, and Chonburi in preparation for the second meeting. The field tour this time around took the Japanese members to Phuket and Chonburi. In the province of Phuket, they visited the provincial office, the city of Phuket, and two neighboring TAOs. This was because the city operated waste management facilities, raising the prospect for a study on a possible merger involving the two

TAOs. In the province of Chonburi, the Japanese members visited the provincial office and Nong Yai TAO, which is one of the few cases of a horizontal merger in Thailand.

It had been decided in the first meeting that the Thai side would draft a research proposal of 15-20 pages (up to 5 pages of a conceptual design and recommendations and up to 15 pages of theme analysis) for each theme prior to the second meeting. The proposal should also identify the approach to the theme and issues to be discussed. Likewise, the Japanese side was supposed to draft a report on case studies in Japan, Europe, and North America for each theme. Then both sides were supposed to exchange these products in early March.

At the second meeting, both sides reported on these products and set the research scope. Within this scope, they agreed that an interim report would be comprised of the three parts of: (i) analysis of the current situation and identification of the problems; (ii) analysis of Japanese experiences; and (iii) recommendations. The first and second parts were to be drafted by the Thai and Japanese members, respectively. Professor Muramatsu, who co-chaired the committee, said that the Thai side should draft the third part while the Japanese side should play a supportive role, since the Japanese side was unfamiliar with the situation in Thailand but still able to make comments. The Thai members agreed that they would consider an interim report a provisional set of policy recommendations and draft the third part accordingly.

During the second meeting, the Japanese members also conducted surveys in Thailand in relation to the themes.[44] It was decided that more surveys were necessary and that Professor Akizuki and Mr. Nagai would visit Thailand again in August for that purpose.[45]

Challenges faced
The second meeting successfully confirmed the research proposal, paving the way for a detailed

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[44]   In March 30, they visited the Fiscal Policy Office of the Ministry of Finance to learn about local finance in Thailand. Professor Akizuki and Mr. Nagai stayed in Bangkok until early April and visited many government offices: NESDB and the Office of the Permanent Secretary of MOI on April 2; the Ministry of Science, Technology and Environment, and the Office of the Decentralization to Local Government Organization Committee on April 3; the Bureau of Budget and OCSC on April 4; and the Office of the Permanent Secretary of the Ministry of Education on April 5.

[45]   Professor Akizuki and Mr. Nagai conducted a "project implementation promotion survey" in Thailand between August 7 and 23 in relation to the Program on Capacity Building of Thai Local Authorities. The survey had three major purposes: (i) assessing and analyzing the current situation and problems with regard to the formulation and coordination of development programs at the provincial level; (ii) consulting with the Thai members over the JRP; and (iii) gathering and analyzing information on future decentralization in Thailand. For the first purpose, the two Japanese members visited three provinces: Srisaket in the northeast region, Prachinburi in the central region, and Songkhla in the southern region. They interviewed provincial officials there on the issue of coordinating provincial, district, and local development programs. The two members also visited three government offices in Bangkok: CDD and the Office of the Permanent Secretary of the Ministry of Interior, and NESDB. For the second purpose, Professor Akizuki and Mr. Nagai interviewed all six Thai members. For the third purpose, they interviewed two Thai experts in local administration: Assistant Professor Woothisan Tanchai, and Associate Professor Anek Laothamathas. The interviews were aimed at anticipating future developments in decentralization in Thailand, due to the new government (Thaksin Shinawatra) started in February of the same year. The findings of this survey were reflected in the comments the Japanese side made on Theme 2 and Theme 4 for submission by the end of August.

discussion on how to proceed with the JRP. The meeting faced the following two challenges in relation to the roles of both Japanese and Thai members.

The first challenge was how to handle political factors in the recommendations to be produced by the committee. In a meeting with the Director of the JICA Thailand Office on March 30, JRT Co-Chairman Muramatsu said: "I do not want to be deeply involved in drafting the recommendations because of the political factors involved. My hope is that the recommendations will be produced by the Thai members alone, if possible. Yet I may be able to make suggestions from an impartial and objective perspective." Muramatsu expressed his desire to hold the interim reporting session in Japan. He had remained cautious about its scale and nature to "avoid any political influence on the content of the recommendations." In response, the Director of the JICA Thailand Office suggested that the Japanese members should not shy away from making candid suggestions, noting that it was up to the Thai side to select the final recommendations. This more or less softened Muramatsu's stance. In a preliminary meeting on April 13, Muramatsu said that more involvement in the drafting process might be acceptable.

The second challenge was how to deal with the comments by the Japanese members in JRT. This issue invited debate among the committee members in the preliminary meeting on April 13. Professor Akizuki expressed his concern that the Japanese side might give the impression that it is forcing Japanese experiences onto the Thai side. His concern was challenged by some Japanese members. Professor Masahisa Hayashi contended that he also embraced a global perspective. Co-Chairman Muramatsu noted that although he always exercised self-restraint, he could not avoid such risks completely as an expert most versed in local administration in Japan. Professor Akizuki responded by noting that it would be difficult to implement the recommendations to be included in the interim report because Japan did not have a model that could be directly applied to Thailand. This debate highlighted the difficulty associated with a policy support project.

3) The interim reporting session and the third meeting (November 2001, Bangkok): producing the interim report

Purposes

The interim reporting session had two purposes: (i) analysis of the current situation and identification of the problems by the Thai members with regard to the four themes; and (ii) reflection of the input from the floor in the policy recommendations. The third meeting that followed the interim reporting session involved: (i) exchange of views on the interim report; (ii) consultations on the approach to the process of drafting the final recommendations; and (iii) confirming the remaining schedule.

Overview

Prior to the interim reporting session, the Thai side submitted a paper by the end of July. The Japanese side studied domestic cases that would provide valuable information with regard to the issues raised in the paper. The findings of this study were compiled into a paper by the middle of September. The director of DOLA approved these two papers and circulated them among the relevant divisions. The input from these divisions, as well as the final comments from the Japanese and Thai members, was fed back to the process of preparing the interim report. There was no need for consultations between the Japanese and Thai sides, as the scope of the research was agreed upon in the previous meeting.

In the third meeting that followed, the participants discussed approaches to the process of drafting the final recommendations. The Japanese side suggested that the Thai members discuss Theme 4 (coordination of development programs) while taking account of possible coordination with budget planning. The Thai side raised no objections to this suggestion. It was agreed that the fourth meeting would focus on the content of the final recommendations. This third meeting rather focused on the format of the final report. It was decided that the final report would come in both full text and summary versions in both English and Thai. The Thai members agreed that they would provide a format of the full text version of the final report, including its overall structure and volume and the organization of each unit on each theme, and draft the summary version based on the preceding discussions. As in the previous meeting, some of the Japanese members stayed in Thailand after the third meeting and conducted surveys in relation to Theme 4.[46]

Challenges faced

The working language again posed a challenge for the interim reporting session because some people in the audience did not understand English. The Thai members and Thais on the floor spoke solely in the Thai language. The Japanese members understood their discussions in English with the help of a simultaneous interpreter. Likewise, their English presentations were simultaneously translated into Thai. This arrangement proved useful in exchanging candid views with the floor. With no major problem in communication, the interim reporting session provided a valuable opportunity for all of the participants.

4)   The fourth meeting (April 2002, Tokyo): compiling a draft summary of the final recommendations

Purposes

The fourth meeting involved: (i) drafting a summary of the policy recommendations; (ii) determining

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[46]   Five of the six Japanese members, except for Professor Mochida, inspected a village in Samut Sakhon Province on the afternoon of November 25. On the next day, Professor Hayashi and Mr. Nagai visited the Bureau of Budget (BOB) of the Office of the Prime Minister, the Office of the Permanent Secretary of MOI, and the Division of Tambon Administration of DOLA to study provincial and Tambon development plans, as well as their relationships with budget planning. On the morning of November 26, the two members and a person from JICA visited the Japanese Embassy in Thailand for reporting.

the structure of the final report; (iii) confirming the remaining schedule; and (iv) a field tour to Japanese local authorities.

Overview

The Thai side completed a draft summary of the policy recommendations just before the fourth meeting. This made it impossible for the Japanese members to read and make comments on the draft summary, which corresponded to the third part of the final report. The four meetings literally provided the first opportunity for the committee members to mull it over. Although it posed a problem in terms of project management, the participants had in-depth discussions on the draft summary, thus setting the stage for producing the final recommendations. The participants included five DOLA officials, including the newly-appointed deputy director-general, who came to Japan to inspect Japanese local authorities.[47]

The fourth meeting started off by discussing some units of the interim report, including the unit on the current situation and problems in Thailand drafted by the Thai side, and the unit on case studies in Japan. The discussion also explored the possibility of adding new sections. Progress varied depending on the theme. Because significant progress had already been made on Theme 2 (interlocal cooperation) and Theme 3 (amalgamations of local authorities), the participants in the meeting even added finishing touches to the structure of the units on these themes. On the other hand, the entry points and research scopes for Theme 1 (classification of local authorities) and Theme 4 (coordination of development programs) needed further study. The most important issue for the structure of the final report was how to integrate the parts to be written by the Thai members with those to be written by the Japanese members. The meeting decided to abandon the idea of integrating them altogether for the sake of clarity. This arrangement allowed Japanese and Thai members to express their opinions completely from their own standpoints. The meeting also decided to introduce a new chapter at the beginning of the final report to facilitate the reader's understanding. Specifically, the new chapter would cover the local administration system in Thailand and its problems, the background information as to why the four themes were selected, the relationships between the themes, and the purposes of the joint study.

A field tour to Japanese local authorities

With the JRP well into its second year, the Thai members had a deeper understanding of local administration in Japan and a clearer scope of their research themes. In fact, they made many requests in relation to the field tour this time round. The project formulation advisor, who had been dispatched to DOLA from JICA, designed this tour in consultation with JICA Headquarters, so that these requests would be accommodated as much as possible. Their requests or fields of interest were summarized into five items: (i) the establishment and management of quasi-public corporations [Theme 2]; (ii) the benefits

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[47] The Thai members and the DOLA officials visited Inan administrative association, the board of education of Komagane city, and Miyada village in Nagano Prefecture on April 4, and the Tokyo Metropolitan Government on April 5. The Japanese members did their utmost to accompany them, as in the field tour as part of the first meeting.

and drawbacks of PA and RU [Theme 2]; (iii) the course of action and procedures for amalgamations of local authorities [Theme 3]; (iv) financial problems facing small-scale local authorities, including the issue of budget-balancing subsidies [Theme 4]; and (v) community participation in local administration [Theme 2, Theme 4]. The field studies took the Thai members to three prefectures: Saitama, Nagano, and Tokyo. The Thai members noted that they could not conduct the survey to their satisfaction partly because of time restraints and partly because of their diverse fields of interest. Yet the tour produced favorable outcomes. For example, it is understood that a visit to PA by the deputy director-general of DOLA contributed to the subsequent development of the Project on Local Management Cooperation.[48]

5)   The fifth meeting and the closing symposium (August 2002, Bangkok): reviewing the recommendations, drafting the introductory chapter and the summary version of the final report

Purposes

The fifth meeting was held one day before the symposium for reporting the project outcomes. Its purposes included: (i) confirming the contents of the recommendations in the final report, including consultations on possible amendments; (ii) studying the proposal to produce a summary version of the final report; (iii) exploring the possibility of using the project outcomes; and (iv) confirming the schedule up to the completion of the final report. The purpose of the symposium, on the other hand, was to present the final outcomes of the JRP, including recommendations that would promote the capacity building of local authorities in Thailand, thereby facilitating the stakeholders' understanding and providing hints as to the effective use of the project outcomes.

Overview

In accordance with the agreement at the fourth meeting, the Thai members produced the first draft of the policy recommendations by June. The Japanese members made comments on the first draft in mid July. In response, the Thai members prepared the second draft. The director of DOLA approved the draft and circulated it among the relevant divisions. The comments from DOLA did not demand any amendment to the draft.

The fifth meeting adopted the suggestion from a Thai member of producing a summary version of the final report. It was decided that the Thai side would draft the summary version and the Thai and Japanese co-chairmen would edit it. Concerns were expressed that a summary version, which would have to include all the main points of the whole text, including the units written by the Japanese members, and take the generally accepted form as a summary, would be actually produced. At any rate, the meeting confirmed the schedule that the final draft and a summary version would be submitted by September, followed by the production of the Thai version.

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[48]   DOLA Deputy Director-General Peerapong Turitassavit supported the formulation of this project at the completion of the JRP.

The closing symposium was designed to facilitate lively discussion, with no formal commentators appointed. One member each from the Thai and Japanese sides made a presentation on each theme, followed by a question-and-answer session. The symposium provided a valuable opportunity to obtain understanding and support from the stakeholders in the joint research themes because it was attended by a variety of stakeholders, ranging from officials and staff members at the central government offices concerned to the stakeholders of local authorities, and from university researchers to even a member of Parliament. Simultaneous interpretation service between Thai and English was provided.

The minutes of both the fifth meeting and the closing symposium were kept by the persons who also took the minutes of the interim reporting session.

3-1-4　Roles and Achievements of Major Actors

(1)　The Thai members

The JRP was designed to respect ownership by the Thai partners. The Thai members of JRT had the most important roles to play in the development to policy recommendations and in other aspects. In fact, they analyzed the current situation and identified problems with regard to each of the four joint research themes. They held consultations with the Japanese members and then presented the proposal for research. Based on this proposal, the Thai members collected necessary information through field surveys and literature research and explored ways to solve the identified problems. They produced a set of policy recommendations for each theme with reference made to the case studies by the Japanese members. In short, the Thai members played a pivotal role in presenting the framework of research and producing the policy recommendations.

Apart from the direct outcomes of the JRP, the knowledge and lessons the Thai members have learned in analyzing Japanese experiences and working with the Japanese members are expected to contribute to the institutional capacity building of local authorities in Thailand in some way or other as they perform their duties in their respective fields. This indirect impact will likely be significant in Thailand, where political scientists and law professors play central roles in policy making and institution building at the national level.

(2)　The Japanese members

The roles the Japanese members of JRT were expected to play included: (i) analyzing Japanese experiences in local administration with regard to the research proposal submitted by the Thai side; (ii) sharing the research approach with the Thai members; and (iii) holding consultations with them and providing Japanese expertise as necessary toward the development of policy recommendations. In fact,

the Japanese members analyzed Japanese experiences and presented the results of such analysis in line with the research scope the Thai members demanded. These activities proved useful in the study of each theme by the Thai members.

The Japanese members never forced their views on the Thai members. They limited their roles to supporting the Thai partners in the form of offering the findings of the analysis of Japanese experiences in important fields and aspects the Thai members were rather unfamiliar with. JRT could not have served its purpose without the Japanese members' commitment to respecting the Thai members' ownership, or their high-level capabilities in analyzing Japanese experiences and assessing their validity based on their sufficient understanding of the challenges facing their Thai partners.

It is worth noting that some Japanese members had personal connections with some Thai members through other channels than the Thailand-Japan Joint Research Project.[49] Such connections played important facilitating roles in communication between the Thai and Japanese members.

(3)   DOLA

DOLA set the research themes and managed the JRP in collaboration with JICA. It also reflected the outcomes of the project in the policymaking process in relation to the institutional capacity building of local authorities. In that sense, DOLA was the organizer and a major beneficiary of the project.

Officials in charge at the Technical and Foreign Relations Division of DOLA kept track of the activities of JRT and accompanied the Thai members in attending committee meetings and field studies to local authorities in Japan and Thailand. They provided information as requested by the Thai members, and made comments on the draft reports. As for the policy recommendations,[50] DOLA accepted the policy recommendations, including those on Theme 1 (reviewing the criteria for classifying local authorities), about which DOLA had reservations, and distributed the interim and final reports among the organizations concerned,[51] thereby playing an important role in disseminating the project outcomes.

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[49]   As part of another research project headed by Mr. Nagai (Asia-Japan Research Fellowship Program of Osaka City University), three of the Thai members, namely Professor Noranit Setabutra, Professor Charas Suwanmala, and Professor Somkit Lertphaithoon, visited Japan in early March 2001 to give lectures and seminars at the Faculty of Law, Kyoto University, and to inspect local authorities in Japan.

[50]   For DOLA's comments on the policy recommendations, see Annex 2.

[51]   Many central government offices, all the provincial offices, local authorities across the country (summary version only, full text version upon request), all the university departments with relevance to local administration, the libraries at all the teacher-training colleges, and development assistance organizations (including branch offices of bilateral and multilateral donors in Thailand). These central government offices include the BOB of the Office of the Prime Minister; NESDB, the Fiscal Policy Office of the Thai Ministry of Finance, DOPA, CDD, the Department of Public Works and Town Planning of MOI, the Department of Agriculture Extension of the Ministry of Agriculture and Cooperatives; the Ministry of Natural Resources and Environment, and DTEC of the Ministry of Foreign Affairs (all the titles are those after the administrative reform in October 2002).

DOLA made effective use of the outcomes of the projects in formulating a technical cooperation project in consultation with JICA. This project formulation process is discussed in details in Section 3-2. At any rate, DOLA accumulated knowledge necessary for this process by working for the JRP.

(4) JICA project formulation advisor

The JICA project formulation advisor was responsible for progress management of the committee activities toward the completion of the final report. Specific works included developing programs for the committee meetings, symposium, and field studies to local authorities and supporting the implementation of these activities. The advisor also took charge of consultation and coordination between the Thai and Japanese committee members, and coordination between DOLA and the committee members in relation to the preparation of the reports. When necessary, the advisor arranged consultative meetings between the Thai members and DOLA officials in charge of project implementation. Apart from these managerial tasks for the committee, the advisor proceeded with the process of formulating a TCP of JICA's.

The project formulation advisor's managerial tasks for the committee at DOLA, including facilitating communication between the Thai and Japanese members, laid the groundwork for the successful implementation of the JRP. The project could not have produced the expected outcomes without this advisor, since any international JRP requires persistent efforts for consensus building and coordination of activities. In addition, this advisor's efforts in formulating a TCP, which was one of the objectives of the JRP, also proved effective in drawing useful input from both the Thai and Japanese sides and in making full use of the outcomes of the preceding project.

(5) JICA Thailand Office and JICA Headquarters

JICA Headquarters was directly involved in the formulation of the JRP. It also provided a point of contact for the Japanese members of JRT. After the project was launched, JICA Headquarters did not exert a major influence on the direction and specifics of the project, but its involvement was maintained nevertheless. For example, JICA Headquarters' staff members in charges attended all the meetings of the committee. After one of the meetings was held in Thailand, they organized a briefing meeting in Japan to report on the activities of the Japanese members. The issues raised in this meeting were communicated to the JICA project formulation adviser at DOLA via the JICA Thailand Office. The advisor in turn analyzed these issues and communicated them to the Thai side as necessary.

The major roles of the JICA Thailand Office were to manage the budget for the joint research activities, and communicate and coordinate with JICA Headquarters. Procedures associated with moving to and from Thailand to attend the meetings and participate in the field studies to local

authorities were also managed by the JICA Thailand Office on behalf of the Thai and Japanese members. The JICA Thailand Office also took charge of the formulation of a TCP based on the outcomes of the JRP in line with JICA's policy of delegating more authority to its overseas offices in project formulation.

3-1-5   The Characteristics, Challenges, and Lessons Learned for JRT as Seen from a CD Perspective

(1)   Project formulation phase

1)   The current situation in Thailand regarding the joint research themes, and the option and context of the joint research approach

It is far from easy to understand the current situation of the internal affairs — especially local administration or autonomy — of another country with regard to a specific theme. This applies to the JRP as well. JICA sent a short-term expert to Thailand twice for a total period of four months prior to the establishment of JRT. Still, JICA had difficulty in accurately accessing the situation in Thailand. The joint research approach had three major advantages. First, it allowed JICA to obtain valuable information from the human resources in Thailand and hence better understand the local situation. Second, this approach made it possible to discuss politically sensitive issues from a rather impartial perspective in the form of research by scholars from Thailand and Japan. Third, it encouraged ownership by the partner country. The joint research approach had drawbacks as well. It took quite a long period of time before the completion of the final report. In addition, this approach required meticulous management of the project to accommodate the different needs and wishes of the researchers from Thailand and Japan. The joint research approach surpasses the TCP approach in that it allows for more leeway in addressing the project goals. It is especially useful for policy support in local autonomy and decentralization, which are the internal affairs of the partner county and thus require especially careful consideration. Specifically, the joint research approach avoids the risk of implementing an ill-prepared TCP. It also allows the donor to obtain background information and make substantial preparations for a TCP that may follow by taking advantage of the scholars and practitioners of the recipient country.

2)   Coordination between the original request from Thailand and the intention of Japan

The major challenge in the process leading up to the launch of the Thailand-Japan Joint Research Project was the issue of how JICA should ask the Thai partners to accept the project and at the same time encourage them to develop a sense of ownership. The Thai partners originally asked JICA to implement a TCP that would enhance their capacity to formulate development programs. On the other hand, JICA wanted to offer policy support for decentralization in Thailand in a wider context.

Fortunately, the Thai MOI agreed to the idea of policy support from Japan, which resulted in the launch of the JRP. However, there is no guarantee that such an approach will be accepted in other countries.

JICA first concentrated on the formulation of a TCP that Thailand had requested. When this project began to take shape, JICA suggested that the two countries establish a JRT tasked with making policy recommendations that would likely result in a new TCP. In other words, JICA made a proposal that would entail a TCP. If Japan sticks to the principle of request-based technical cooperation, it is virtually impossible for JICA to make proposals for such a JRT. This issue should be taken into account when JICA proposes the joint research approach, as it concerns the very principle of Japan's Official Development Assistance (ODA).

3)   Selection of the theme

It is important to select a joint research theme that is relevant to actual technical cooperation. "Research for the sake of research" should be avoided. As discussed elsewhere in this report, it is advisable to choose a theme that would stand political changes from a mid to long-term perspective or a theme in a sector where Japan enjoys comparative advantages.

In the context of encouraging Thai ownership, "which theme to select" and "how to select the theme" are equally important. In other words, the process of selection matters. It is worth noting here that DOLA selected the four themes of JRT in consultation with JICA.

In selecting these four themes, DOLA followed its ordinary decision-making process. However, strategic thinking that focuses on "when, who, how, and what" is needed for a better selection process.

4)   Selection of the committee members

In selecting the members of the JRT, the following two points should be taken into account.

The first point concerns the expertise and personal networks the members have. In selecting the Japanese members of JRT, it was important to achieve an optimal mix of experts in administration and finances with a good command of English and area study researchers well-versed in Thai affairs. The Japanese members had formed a personal network centering on the co-chairman before being selected, allowing them to work as one. A major consideration in selecting the Thai members was ensuring that they would be balanced in terms of their professional affiliation and their views on decentralization. At first, there were concerns about the unity of the Thai members because they were selected individually by DOLA and JICA on close consultation. These concerns were later dispelled as they began to show flexibility and responsiveness in performing their duties.

The second point concerns the division of duties among the committee members. The chairperson should be an experienced senior researcher who is widely respected because he or she plays a central role in coordinating different views and opinions. It is also important to have a few members who can play the roles of a facilitator and a secretary, or more specifically, who can support other members when they fail to attend a meeting and act as an intermediary between the Thai and Japanese members. Such roles were played by Professor Somkit from Thailand, and Mr. Nagai from Japan.

(2)   Project implementation phase

1)   Language barriers

The researchers from Japan and the partner country should have a good command of the working language, or English in most cases, if they want to communicate with each other. Experts in local administration or decentralization are less often required to do so because these issues are the internal affairs of the country they belong to. However, communicating in a foreign language for both sides may be favorable if that helps to maintain an equal partnership between them. The point is how to minimize the problems resulting from communication in a foreign language.

One viable option is to hire interpreters well versed in the local language. Interpreters provide a crucial means of communication for researchers who need to conduct a field survey in a foreign country. Professional editors proficient in English are needed when the JRT produces the minutes of its meetings and the final report, including a summary version. The final report, including a summary version, should be published in both English and the local language. It is likely that the policymakers and local government officials in the partner country, who are the ultimate beneficiaries of such reports, do not use English on a daily basis. For this reason, it is important to publish them in the local language as well.

What would happen when the members are allowed to use their native languages and communication is done with the help of interpreters? At first glance, there seems to be significant benefits to this arrangement. For example, the Thai members would have produced high-quality papers and kept the deadlines. Even researchers who are not good at English may be able to sit on the JRT. This would increase the number of potential candidates for the post. There are drawbacks, however. First, a lot of time, effort, and money are needed to translate Thai into English. It is difficult, however, to find translators or interpreters who are well versed in technical terms. The same thing holds true for the Japanese members. Second, interpreters do not provide an ultimate solution. In an actual setting, the members often have no choice but to use English. After all, the members are required to have a certain level of English proficiency.

Few researchers have both a good command of a foreign language and vast knowledge in local

administration. A more practical approach is to make effective use of those who excel in each of the two fields of capacity as the case may be. Such flexible arrangements hold the key.

2) Involvement of the Thai government offices concerned

In the process of formulating the JRP, emphasis was placed on efforts to involve Thai government officials, including not only DOLA officials but also those relevant to the joint research themes.

Local autonomy and decentralization may concern two or more government offices. For example, local finances are relevant to MOI, the Ministry of Finance, and the BOB. Solid waste management involves the Ministry of Interior, the Ministry of Science, Technology and Environment (now MoNRE), and the Ministry of Industry. It is extremely difficult, however, to propose a project that would transcend the boundaries of two or more government offices, given the current practice in the project formulation process.

This difficulty is also associated with a major characteristic of the national administration system in Thailand. Ministries and even departments have a judicial status. In this way, ministerial departments in Thailand enjoy a high-level of autonomy. The sectionalism of these departments are too strong to be easily broken.[52] Forcing project implementation arrangements of JICA on these partner organizations under these circumstances may not be a wise option, especially in the context of enhancing the partner country's ownership.

However, such sectionalism is not without solutions. The following two options may hold the key.

The first option is to make effective use of the joint research approach as it has the theoretical potential of breaking down the barriers between government offices. The themes of the JRP may make it vital to seek the involvement of two or more government offices. In that case, it is possible to approach these government offices while respecting their ownership.

The second option is to involve the government offices concerned other than DOLA. The Thailand-Japan Joint Research Team invited officials at these offices to the interim and final reporting sessions. The Japanese members visited them rather often. These officials are in charge of local autonomy and decentralization at their own offices. It might be safe to say that they enjoy a policymaking network.

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[52] As mentioned in Chapter 1, GTZ of Germany implemented the Urban Planning and Management Project, with GTZ experts dispatched to DTCP and DOLA. Yet this project failed to produce the expected outcomes partly because the authority of the Office of the Permanent Secretary of the Ministry of Interior is rather weak in the face of the sectionalism of these departments, although it should play a major role in coordinating different interests of the departments.

Still, having two or more government offices as counterpart organizations means that JICA has to increase its inputs accordingly.

3)   Value of Japanese members' comments

A clear division of duties was made between the Japanese and Thai members in drafting the final report of the Thailand-Japan Joint Research Project. The major duty of the Japanese side was to set the scope of research. In other words, the role of the Japanese side was to provide information and other materials. In his keynote address in the final reporting meeting at JICA headquarters in June 2003, Co-Chairman Muramatsu said: "The joint research approach is aimed at communicating Japanese experiences in the process of promoting mutual understanding. It is up to the partner country to select and utilize the useful elements." The joint research approach has institutionalized the "learning" process in which JICA communicates Japanese experiences to the researchers of the partner country through the framework of joint research and, instead of forcing its ideas on them, encourages them to select and utilize useful elements from such experiences on their own initiative. This process epitomizes "capacity development (CD)" rather than "capacity building", the traditional approach aimed at complementing the lack of capacity of the partner country.

At the individual level, this process is represented by the development of human resources in Thailand by the Japanese members. In the JRP, the Thai side may not have completely understood the comments made by the Japanese members. Yet the inclusion of these comments in the published reports has left the possibility open that the Thai side will assimilate the comments in the future. This is where the real value of the Japanese comments lies.

For a CD perspective, however, the whole process that involved the exchange of comments and their responses is more important. Throughout all five of the meetings, the Japanese members kept making comments on the papers submitted by the Thai members. Of all the comments, those that have been assimilated by the Thai side are the most crucial part of the project outcomes. It is not the case that only the Japanese members' comments in the final report matter. This is why the Japanese members unanimously called for improvements to the minutes of the committee meetings at the second meeting. Through such a process of sharing knowledge and information, the Thai members came to assimilate Japanese members' comments and express their views and opinions in their own words. This is where the real contribution the Japanese members have made lies, not in the final report. From a CD perspective, it is essential to evaluate this "invisible" part. A major challenge therefore is to establish an appropriate means to evaluate a project that takes the joint research approach.

4) How to place the final product of the project in its proper context (What is its value as an academic research product? What is its purpose?)

The final product of the project is valuable on its own merits. It is meaningful to publish it in the form of a final report and distribute copies of it among local authorities and their stakeholders across the country because it sows the seeds of capacity building. The final product should meet certain standards both as a set of policy recommendations and as an academic research product. It is crucial to strike a balance between these two aspects. Otherwise, the final product will not carry any weight.

The main purpose of the final product is to analyze development issues that might result in a technical cooperation project. How to place the final product of the project in its proper context was a major issue at the final reporting meeting at JICA headquarters in June 2003. Mr. Yutaka Fujimoto, Senior Vice-President of JICA, stated in an exchange of views with Co-Chairman Muramatsu that it would be a major step forward if one of the four recommendations is realized.

Regarding the final product of the Thailand-Japan Joint Research Project, Mr. Saroch Kutchamath, the then former director-general of DLA, made an interesting remark in an interview the authors conducted in August 2006.[53] He said: "We will realize the four themes. That would be a formidable task. We want to use it. We don't want a new research project. The merger and consolidation of local authorities is a long-term challenge. Involving Thai researchers and administrators [in the Joint Research Council] was a good idea…. Producing the report is not enough. We must put it into practice. The report should be theoretically valid. It should be specific."

The final product should be academically valid, because it might serve as a source of reference for the recipient government for a mid to long-term perspective, although it will not directly lead to a new TCP. In fact, Theme 3 (amalgamations of local authorities) followed such a path.

JRT was not a standing advisory body for technical cooperation or a consulting entity in a development study. It was literally a research entity. Its member researchers concentrated on their research activities. They were not practitioners. They left it up to JICA regarding how the recommendations would be used for technical cooperation. The committee was in a delicate position because its project was a JICA project but it was definitely not a technical cooperation project of JICA's. This stance of self-restraint increased the autonomy of the committee and enhanced the authority and academic level of the final report. That was a major characteristic of the joint research approach.

Then how did JICA utilize the final product of the JRP? The next section looks into this issue.

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[53] Source: The interview was conducted on August 22, 2006 by the authors (Nagai, Ozaki, and Kimata).

Symposium of Thai-Japan Joint Research Capacity Building of
Thai Local Authorities Project

3-2   Project on Local Management Cooperation (Phase I)

This section examines the formulation process of the Project on Local Management Cooperation, which built on the outcomes of the JRP, with reference made to its linkage with the JRP. The project activity is also reviewed. Then this section analyzes the outcomes of the project as a CD project aimed at policy and institution development in the field of the capacity building of local authorities with attention paid to the roles and activities of the major actors in the project. Finally, it tries to characterize this project and identify the issues to be addressed for better CD assistance based on this analysis.

3-2-1   Project Formulation Process

As examined in Section 3-1, the JRP was aimed at producing multifaceted policy recommendations for all the organizations concerned. Moreover, the JRP envisioned the next stage from the beginning. In line with the progress in the JRP, the Project Formulation Advisor from JICA worked to formulate a technical cooperation project of JICA that will take advantage of the outcomes of the JRP. She began consultation with DLA over the specific project components as early as when the outcomes of the JRP for the first year was announced as an intermediary report. The theme both DLA and the advisor paid attention to was interlocal cooperation.

(1)   Review of the outcomes of the JRP: Why interlocal cooperation?

This theme was emphasized mainly because of its priority over other themes. DLA placed an emphasis on the need to optimize the scale of local authority units in the process of selecting the themes of the JRP. The JRP was expected to come up with recommended approaches to this issue in two of its four themes: the merger and consolidation of local authorities, and interlocal cooperation. JRT concluded that the option of amalgamations of local authorities was unfeasible because it involved power struggle and conflicting interests, making it difficult to reach a consensus among the stakeholders. It also concluded that the merger and consolidation of local authorities would involve policy and institution development and require a long-term commitment at the central government level in anticipation of strong opposition from local authorities and influential people there. On the other hand, the JRT agreed that interlocal cooperation would provide an effective approach because of its three major advantages: the flexibility in the modality of cooperation in service delivery, applicability within the existing institutional and organizational framework, and the likelihood that it would improve the capabilities of local authorities.

Additionally, promoting interlocal cooperation "fit the DLA's responsibility" for institution building and technical assistance that contribute to the capacity building of local authorities. It was concluded that an interlocal cooperation project with DLA as C/P agency would produce effective

outcomes. Interlocal cooperation requires both institution developing at the central government level and the commitment of local authorities. In that sense, the JICA and DLA agreed that interlocal cooperation was "an appropriate theme for a TCP" because the project activity would expand their scope from support for the central government in policy and institution development to technical cooperation for local authorities.

It was clearly necessary to assess the effectiveness of input resources from Japan for the TCP that had been envisioned between Japan and Thailand. The JRT examined Japanese experiences in interlocal cooperation. The Thai members of the team showed strong interest in broader-based local government in Japan, especially PA and RU. Although the advantage of cooperation in service delivery through interlocal associations was recognized in Thailand, the country had no such associations.[54]

DLA was positive about implementing such a TCP. JICA and DLA entered the process of selecting the specific project components when the JRT drafted the summary of its policy recommendations.

(2)   Framework of the project

It was decided that in the JRP, clearer policy toward local authorities was essential for promoting interlocal cooperation. Activities for interlocal cooperation in Thailand were largely limited to unofficial ones, including mutual help based on personal relationships between the heads of local authorities, and the sharing of facilities and equipment of local authorities with high levels of administrative and financial capacity based on their goodwill. They were also limited in scale. The JRT concluded that interlocal cooperation for joint service delivery made it necessary for the central government to lay down a clear policy and course of action toward an actual interlocal cooperation project.

JICA and DLA began to formulate the Project on Local Management Cooperation. Project planners developed project objectives for supporting DLA in promoting interlocal cooperation and a Handbook on Local Management Cooperation that would provide information on interlocal cooperation and show the avenue to the implementation of interlocal cooperation projects that had not been stipulated. In order to develop such a handbook, the project would explore modalities of interlocal cooperation that were feasible within the existing institutional framework, as well as a detailed process toward such projects. The Project on Local Management Cooperation was also planned to review experiences in Japan and other countries.

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[54]   Municipality (*Thesaban*), BMA, and the City of Pattaya are allowed by law to establish interlocal associations for the joint delivery of specified local services (*sahakarn* in Thai). This is provided for in Section 58 of the *Thesaban* Act (1953), Section 72 of the Bangkok Metropolitan Administration Act (1985), and Section 69 of the Pattaya City Administration Act (1999), respectively.

Interlocal cooperation was not only an unfamiliar administrative modality to most local authorities, but also an uncharted area for DLA. Therefore, the presentation by DLA of the process toward interlocal cooperation projects alone would not prove effective. Effective interlocal cooperation also required, as essential elements, identifying local authorities' needs and constraints and reflecting the agenda of the local officials concerned. For this reason, pilot projects in model sites were added as a new project component so as to collect information in the field and allow DLA and the local authorities concerned to exchange views on interlocal cooperation.

With a period of one year, the Project on Local Management Cooperation aimed to implement the four components:[55] (i) Exploration by DLA of avenues to interlocal cooperation within the existing institutional framework; (ii) Holding of workshops on interlocal cooperation projects in the model sites; (iii) Review of the information gathered from the model sites, promotion of information exchanges between DLA and the local authorities concerned, and reflection of such information in policymaking processes at DLA; and (iv) Development of a Handbook on Local Management Cooperation for local authorities as the final product of the project.

(3) Input modality and plan for the project

In formation of the project designing the input modality had been considered as much as activity planning. It was of the utmost importance to ensure the initiative of the Thai side because of the direct connection with the development of the administrative system and structure. JICA and DLA decided that the input of Thai human resources who were well-versed in local authority in Thailand and able to gather the views of local officials and other different people in the model sites was essential for supporting the introduction of interlocal cooperation, a new administrative modality. These resources could not be replaced by experts from abroad. They also proposed the use of Thai external resources well-experienced in supporting local authorities, given the major roles played by universities and consuls affiliated with government agencies in providing consulting and training services to local authorities in Thailand.

The project planned to exploit the input of these Thai resources in supporting the development of the handbook in order to ensure Thai ownership in policy review and development. They were entrusted to perform three kinds of services as shown below for a period of one year that would cover the entire project period: (i) Surveys necessary for the development of the handbook, specifically collecting information from the field with respect to the modalities, fields, and constraints of interlocal cooperation in Thailand; (ii) Facilitation of workshops in the model sites; and (iii) Development of the

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[55] Ozaki, Kazuyo. *Gyomu Kanryo Hokokusho [Mission completion report]*. Submitted on November 21, 2004. (II. Project on Local Management Cooperation)

handbook in collaboration with DLA, the central activity of the project.

It was planned that the inputs from Japan would include the offering Japanese experiences and advice on the Thai policy of interlocal cooperation by short-term experts. These short-term experts were required to perform two kinds of duties: (i) analyzing the policy and system of the central government in Japan and presenting the findings of the analysis; and (ii) offering Japanese experiences in interlocal cooperation in the field, especially in the whole processes of PA and RU, ranging from their establishment to management. JICA planned to dispatch a pair of an official at MOI Affairs and Communications or an academic specializing in broader-based local government and a local authority officer. The dispatch was planned three times during the project period: (i) in September 2003, when an introductory seminar was planned to provide motivation for interlocal cooperation; (ii) in February 2004, by which time substantial progress would have been made in the process of consultation in the model sites; and (iii) in June 2004, when JICA would provide advice on the draft of the handbook prepared by the Thai side.

A long-term expert was also planned to be dispatched to perform three tasks: (i) helping the development of an activity plan that would utilize the Thai and Japanese resources mentioned above; (ii) supporting project activities; and (iii) coordinating the overall project.

(4) Building the project implementation structure at the C/P agency

DLA consistently engaged in the program from the JRP as C/P agency. In the JRT, DLA provided valuable information and its own views whenever necessary in the process of producing policy recommendations. Because of this collaboration, the recommendations were regarded as showing the future direction of DLA, not as a study report prepared by third-party members. DLA already shared the awareness of the need for interlocal cooperation with the Japanese side and even understood Japan's experience in such cooperation by the time the project formulation process started. This represented a project launch from an advanced stage, a situation rarely seen in other TCPs. This major advantage of the joint research approach is discussed further in Chapter 4.

A major problem in the project formulation process was the project implementation structure at DLA. DLA originally suggested that the Division of Technical Services and Foreign Affairs alone would take charge of the Project on Local Management Cooperation as in other international TCPs. The division is responsible for the procedures and liaison associated with project implementation. JICA regarded it as important to ensure that the function responsible for the field that the project was designed to address should be directly involved. Specifically, it suggested that the division in charge of policy reviews and development and support for local authorities regarding interlocal cooperation should be directly involved in the whole processes, including the development of the handbook. As a result, the Research Group of the Division of Organizational Structure Development and Research was

selected as the counterpart. In addition, the record of discussions (R/D) designated the Division of Local Development Planning and the Division of Local Administrative Standards as the DLA divisions relevant to the project, which would serve more like observers, providing advice on such matters as the draft handbook.[56] The two divisions are responsible for technical support for local authorities in relation to project formulation and evaluation.

At the beginning of the project, all the Division of Technical Services and Foreign Affairs could do was to dispatch one officer of the Research Group to the task of working for the project. This officer was qualified for the task because he knew the laws and institutions regarding local authorities well, and because his regular duties matched the project activity. The officer played an important role in providing information held by DLA. Collaboration between DLA and local consultants, both of whom had a pivotal role in the project, was achieved, paving the way for the launch of the project. The project was placed under the supervision of the Bureau of Local Administrative Development (see Figure 3-1). The substantive responsibility of the project rested on the director of the bureau, who holds the title of a deputy director of DLA.

Figure 3-1 Project Implementation Arrangement at DLA (at the project launch)
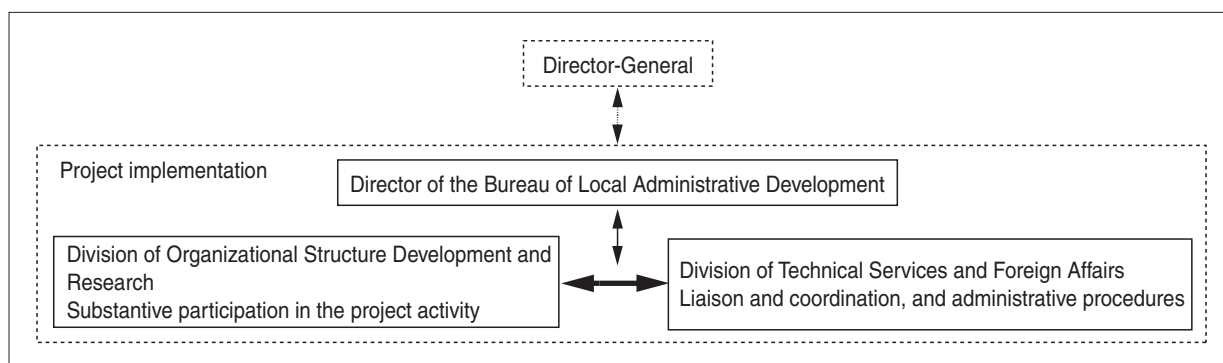
Source: Compiled by the author (Ozaki).

(5) Selecting local consultants

The advantage in selecting local consultants was that the project already grasped the Thai resources in the local authority sector at the beginning of its formulation process based on the experience in the JRP. The project was required to make effective use of the outcomes of the JRP. In addition, team activity would be needed to organize workshops and gather information in the model sites. For these reasons,

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[56] For the roles of the functions of DLA involved in interlocal cooperation, see Appendix 2-2: List of DLA Functions Involved in Interlocal Cooperation.

JICA made a contract with TIA,[57] an affiliate of the Office of OPM. Associate Professor Pathan Suvanamongkol, who drafted the policy recommendations on interlocal cooperation in the JRP, belonged to TIA. Management of the activity planning and its progress at TIA and coordination between TIA and DLA were undertaken by the JICA long-term expert who coordinated the overall project.

(6)   Selecting the model sites

The project selected the model sites to conduct a baseline survey on the state and constraints of interlocal cooperation and organize workshops for exploring ways to promote such cooperation. In the model sites, the project aimed at achieving three objectives: (i) assessing the current state and constraints of interlocal cooperation and potential needs for such cooperation; (ii) exploring ways to promote interlocal cooperation that are suitable for the sites; and (iii) developing suggestions for the interlocal cooperation policy of DLA. The planned project intended the sites to serve not only as a provider of information needed for the project, but also as a forum for exchanging views and options with DLA. The idea was to develop the handbook most useful for local authorities.

The model sites were selected such that they would be diverse in three factors of the existing or potential interlocal cooperation projects there: (i) the type of interlocal cooperation (e.g., cooperation in service delivery in accordance with a memorandum of understanding or contract, the establishment of an interlocal association, and the use of private contractors); (ii) the stakeholders (TAOs, *Thesaban*, PAOs, local branch offices of the central government, non-administrative organizations [academic institutions, Non Governmental Organizations (NGOs), private businesses, etc.], and local communities [community-based organizations, community leaders, etc.]); and (iii) the sector to be addressed. Areas ridden with political problems such as the existence of factions among influential persons were excluded given that their special characteristics would influence the way development assistance was provided. Also excluded were fields of assistance that entailed substantial financing. In consultation with DLA, the project decided to focus on four fields: (i) environmental management (solid waste management, sewage disposal, provision of slaughterhouses, and pollution control); (ii) tourism promotion; (iii) infrastructure development (river and riverbank improvement, water supply, and sewerage); and (iv) planning (park and residential area planning, and development planning). In light of the above conditions and the receptive arrangements of candidate sites, the project singled out

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[57]   TIA is an independent juristic entity that was established in 1987 in accordance with the commission bylaw of OCSC of OPM. Its establishment was financed by the public works efficiency fund. TIA has made remarkable achievements in conducting studies and producing policy recommendations regarding the capacity building of local and central governments, especially in relation to organization and institution building. In recent years, it has worked on many projects in such fields as local development planning and the training of local authority personnel. These projects include those for solid waste management and business start-up promotion. In that sense, TIA has information that is necessary for considering interlocal cooperation projects. It is also experienced in managing capacity building projects for PAOs that also review their capabilities and those designed to support the planning of provincial development strategies. For this reason, the project planners expected TIA to put their experience to good use for the Project on Local Management Cooperation, especially in cases where PAOs and provincial office serve as promoters and facilitators for interlocal cooperation.

three provinces: Ayutthaya, Songkhla, and Buri Ram. Planning interlocal cooperation in the field was the first attempt for Thailand. In that sense, information from these model sites was valuable. With this in mind, the long-term experts held intensive consultations with TIA and DLA in selecting these sites.

3-2-2   Overview of the Project Activity

Within the abovementioned framework, the project utilized the information collected from the model sites and analyzed and explored avenues to promote interlocal cooperation at DLA, and developed a handbook on interlocal cooperation for local authorities. This subsection reviews these processes and outcomes. Special emphasis is placed on the field study in Japan that was not originally planned and had a significant impact on the project outcomes. The outcomes and implications of this activity are also analyzed.

(1)   Activities in the introductory phase: the first dispatch of short-term experts and the introductory seminar

JICA organized an introductory seminar in September 2003 immediately after the launch of the project. The purpose was to provide orientation on the project activity and motivation to DLA officials and officers. In the seminar, Associate Professor Pathan Suvanamongkol at TIA reported on the value and approach of interlocal cooperation and reviewed the outcomes of the JRP. Two short-term exerts on the first round of dispatch from JICA explained interlocal cooperation in Japan. Mr. Kengo Akizuki, Professor at Kyoto University, reported on the modalities, fields, and advantages of interlocal cooperation, as well as the central government institutions and policies for interlocal cooperation. Mr. Kenji Kurata, an official at the Mie prefectural government, provided an overview of the management and structure of PA and RU and explained the process of establishing these associations of local authorities, major topics of consultation between the participating local authorities, and important considerations in establishing them. Professor Akizuki had recommended Mr. Kurata as a short-term expert because of his vast experience in establishing RU. These two experts were instrumental in various aspects of interlocal cooperation in Japan, ranging from policies and institutions to activities in the field. Professor Akizuki provided an important linkage between the JRP and this project as he had been in charge of interlocal cooperation as a member of the JRT. For most of the participants, this seminar provided the first opportunity to learn about the establishment and management of interlocal associations. In fact, the experts received many specific questions.

On the request from DLA for advice on interlocal cooperation, the two experts from JICA visited Nakhon Nayok and Ayutthaya provinces for field inspection. They observed an interlocal cooperation project for promoting local specialties in Ayutthaya Province. The project, led by the *Mueang* district offices, involved local authorities within the province. The participating local authorities themselves

managed the center of selling local specialties under a memorandum of understanding among them.

The two experts advised DLA to consider various modalities of interlocal cooperation, not limited to *sahakarn*. In his advice on how to proceed with interlocal cooperation, Mr. Kurata noted the following four themes: (i) The need to close the communication gaps among the organizations concerned and establish the promoter and facilitator; (ii) The need to start with a field where the needs of the communities and local authorities will be better satisfied and the future direction will be shown more clearly than in other fields; (iii) The need to explore the possibility of other modalities of interlocal cooperation than focusing on *sahakarn* as the only formal modality of interlocal cooperation. Efforts should be made to identify and characterize all the other modalities deemed unofficial, and recognize them as official and subject to approval by local councils, signing of a contract, or approval by the upper-tier organization, for example; and (iv) The need to hold interlocal cooperation organizations accountable as they are often less exposed to third-party scrutiny.

Need (i) and Need (ii) above have attracted constant attention at the model sites. Need (iii) has been reflected in the Handbook on Local Management Cooperation. It is expected that DLA will further explore other modalities of interlocal cooperation than *sahakarn* in the future. Need (iv) will likely increase its importance as interlocal cooperation progresses in Thailand. This kind of advice would not have been provided without the experience of the Japanese experts in managing PA and RU. In that sense, there is good reason to believe that the introductory seminar was useful for the participants from Thailand, which was in the nascent stage in terms of interlocal cooperation.

(2)   Activities at the model sites

TIA organized a workshop twice in each model site. An interval of about two months was placed between the first and second workshops to encourage endogenous consultation toward interlocal cooperation. The model sites considered many interlocal cooperation projects. In Ayutthaya, a group of small local authorities considered a waste management project. Those in Songkhla included a project for trunk road development and tourism promotion among the provincial office local authorities, and branch offices of the central government; and projects for firefighting and solid waste management that centered on large local authorities and involved surrounding small-scale ones. In Buri Ram, the provincial office supported the local authorities in its jurisdiction in considering province-wide projects in three fields: tree planting, tourism promotion, and solid waste management. These conceived projects covered many modalities [58] and fields of interlocal cooperation in a balanced

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[58]   Four major modalities have been identified: (i) cooperation between a large-scale local authority and small-scale ones in its vicinity; (ii) cooperation among small local authorities; (iii) cooperation between local authorities and government offices in charge of local development under the leadership of the provincial office and the supervision of the provincial lessovor; and (iv) interlocal cooperation promoted and facilitated by the PAO, an umbrella local authority.

manner. It is safe to conclude that the model sites successfully identified the problems and explored avenues to promote interlocal cooperation in each case (see Table 3-2).

Table 3-2   Interlocal Cooperation Projects Considered at the Model Sites

	Modality of cooperation	Field of the cooperation project	Major activities	Organization for promoting the project
Ayutthaya Province	Cooperation among small local authorities	Waste collection and disposal	Collecting and landfilling waste from households	
	Cooperation between the provincial office and local authorities (the provincial governor as a promoter and facilitator)	Tourism promotion	Sharing tourist resources Interlocal project planning for tourism promotion	A joint committee for studying tourism promotion
Songkhla Province	Cooperation between a large local authority (Songkhla Municipality) and neighboring local authorities	Firefighting and disaster prevention	Sharing firefighting equipment Cooperation in disaster-prevention activities	A joint committee for firefighting and disaster-prevention activities
	Cooperation between the provincial office and local authorities (the provincial governor as a promoter and facilitator)	Infrastructure development	Trunk road development	A joint committee for studying road development
Buri Ram Province	Cooperation between the provincial office and local authorities (the provincial governor as a promoter and facilitator)	Tourism promotion and economic development	Planting roadside trees and developing rubber forests	A joint committee for studying tree planting and waste management
		Waste collection and disposal	Studying ways to collect and dispose of waste from households	

Source: Compiled by the author (Ozaki).

Four challenges were identified that were common to many cases of interlocal cooperation in the model sites: (i) communication gaps among the organizations concerned and the lack of a promoting and facilitating organization that served as the central actor in interlocal cooperation;[59] (ii) the need to secure budget funds and human resources for project implementation; (iii) the need to acquire expertise for project implementation;[60] and (iv) difficulty in planning an effective project for interlocal cooperation based on substantial consultation and a high level of consensus among local authorities and the other organizations concerned, notably branch offices of the central government.[61] These challenges included some aspects that could not be addressed by organization and institution building efforts by DLA alone,

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[59] All the sites shared the view that the PAO should coordinate interlocal cooperation projects. However, the PAOs often seemed to be reluctant to initiate such projects, as interlocal cooperation was not defined as a duty for them. Moreover, it was unclear which entity, the PAO or large *Thesaban*, should be the central actor in interlocal cooperation because they were equally matched in administrative and financial capacity.

[60] Nakhon Luang Municipality and three other local authorities in Nakhon Luang District, Ayutthaya Province already had a clear framework for implementing a joint project for solid waste management. This also applied to the firefighting and disaster prevention project that had been considered by Songkhla Municipality. The need for acquiring necessary expertise outweighed the need for organization and institution building in these projects.

[61] The Thaksin government placed emphasis on the planning of provincial development strategies, which guided the integrated development policy at the provincial level. The problem was that it was difficult for provincial development strategies to cover project plans of local authorities, which received most budget funds directly from the state budget, not from the provincial development budget.

suggesting the need for the commitment of ONDC and central ministries and departments in charge of respective fields of interlocal cooperation projects.

Project activities were hindered by the fact that following the direct elections of the heads of the PAOs during the project period, new heads were not appointed for a long time in Ayutthaya and Songkhla provinces.[62]   In the meantime, the two PAOs could not execute the project budget, placing the projects in limbo.[63]   As umbrella local authorities, PAOs are generally expected to promote and facilitate interlocal cooperation projects and in the best position to receive budget funds for them.

Nevertheless, the governors of these three 'model site' provinces were aware of the need for cooperation among the organizations involved in local development administration, including local authorities, district offices, and branch offices of the central government.   In fact, their provincial development strategies stressed this need.   These three provinces were more advanced than other provinces in achieving the purpose of collecting information necessary for exploring ways to promote interlocal cooperation.   During the project period, the three provinces set up a project formulation committee chaired by the provincial governor or vice governor.   This framework for implementing interlocal cooperation projects represented one step further from the stage where avenues to promote interlocal cooperation were explored.   Buri Ram Province organized field-specific working groups and even started such activities as planting roadside trees and developing rubber forests.

These three workshop sites provided cases of interlocal cooperation that were diverse in modality and field.   These diverse cases were useful for policy review and development at DLA and the development of the Handbook on Local Management Cooperation.   In addition, some of the workshops, where interlocal cooperation projects were considered, developed into project formulation committees, raising the prospect that more projects will be implemented in the future.

(3)   Field study program in Japan

The field tour program in Japan was not originally planned.   It all started when the Thai side expressed a strong desire to see interlocal cooperation at work in Japan after the two experts sent from JICA on the first dispatch significantly raised their interest in cooperation among local authorities in Japan.   It was expected that the Thai side would be able to get a clear picture of what interlocal

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[62]   Thailand introduced a new election system to elect the head of each PAO by direct popular vote in FY 2004.   The problem was that the successful candidate could not assume the post of PAO head until approved by the electoral commission.   As an unlimited period of time was given to the commission for examining the election results, the newly elected head of PAO could not assume the post in many provinces.

[63]   In Ayutthaya Province, the process of formulating an interlocal cooperation project at the provincial level was suspended because the PAO head chaired the urban planning committee.   In Songkhla Province, the PAO could not execute the budget that had been allocated for the preliminary study for an interlocal cooperation project for waste management, putting the process of feasibility studies on hold.

cooperation projects were like if they visited Japanese interlocal associations, of which Thailand had no equivalent, inspecting their offices and facilities and hearing stories directly from the stakeholders in the field. JICA then decided to reduce the number of short-term experts to be dispatched to Thailand from two to one in the second and third dispatches. Instead, it hastily arranged this training program for February 2004 to achieve some of the objectives it originally intended to attain in the dispatch of short-term experts.

This new scheme was arranged in only three months after it was approved by JICA Thailand Office in November 2003. At the request from the JICA long-term expert, Mr. Takaharu Kohara, Professor at the Faculty of Law, Seikei University, introduced some officials at the Nagano Prefectural Government with whom he got acquainted in his research activities. These people communicated with one another all via e-mail or phone to arrange the scheme. JICA was finally able to win full support from the Community Building Support Office, Municipal Administration Division, Nagano Prefectural Government, especially its Chief Examiner, Mr. Hiroshi Hayashi. Intensive collaboration between the project experts and the Nagano Prefectural Government was instrumental in designing a training program in a short period of time and making it fine-tuned to meet the needs of the participants. The program was a most effective and timely mix of components in light of their needs and the capacity of the host organization.

The program had six objectives: (i) To learn the history of interlocal cooperation in Nagano Prefecture; (ii) To learn the policies and activities for broader-based local government; (iii) To learn three aspects of the establishment of agencies for broader-based local government: the background, the roles of the people and organizations concerned, and the series of processes involved (the consultation process, procedures, etc.); (iv) To learn the organization, activities, regulations, and finance of these agencies; (v) To learn major operational problems and their solutions; and (vi) To explore avenues to interlocal cooperation in Thailand and review and develop DLA policies.

This program targeted DLA officials. It was intended to encourage further involvement of DLA in the Project on Local Management Cooperation by showing them interlocal cooperation projects in action in Japan. Because of the utmost importance of ensuring the participation of the director-general of DLA, the program period was shortened to allow the busy director-general to attend the field tour from the beginning to the end. A total of eight people from Thailand participated in the program, four from DLA, three from TIA, and a vice-governor of Songkhla Province. The participants from DLA were the director-general, the director of the Bureau of Local Administrative Development, and an official in charge of the project each from the Division of Technical Services and Foreign Affairs and the Division of Organizational Structure Development and Research. They were all key persons for the implementation of the project. The participation of TIA, a local consulting institution, was unusual for JICA training programs. The JICA long-term expert also accompanied the participants. In other words, the program provided an important opportunity for consultation on project implementation. In

fact, all the participants, including the DLA director-general, took a long time to discuss the project.

The field tour flexibly and meticulously arranged by the Nagano Prefectural Government took the participants to a whole range of agencies involved in broader-based local government, including the prefectural office, the office of RU, facilities operated by PA and RU, and small local authorities that constituted these associations and unions. The participants learned how each agency was involved in interlocal public service delivery from the perspective of that agency. The coverage of many project fields (firefighting, solid waste management, tourism promotion, and health care) in these visits allowed the participants to collect information on the project management modality in each field.

The literature and materials collected in the field tour included the procedure for establishing RU, the articles of association of RU, lists of budget appropriations of PA and RU, and a brochure on broader-based local government published by the Nagano Prefectural Government. They were translated into Thai at the request of the participants and often referred to in formulating plans for establishing interlocal associations in Thailand. The general process of establishing PA and RU in particular provided an important source of information for designing the process of establishing *sahakarn* in Thailand. The general process include (i) 'informal' preliminary consultation among the local authorities that would provide a forum for effective consensus; (ii) request for a resolution by the local assemblies of the local authorities concerned; (iii) approval by the prefectural governor; (iv) report from the governor to the Minister of Interior and Communication; (v) disclosure of the articles of association to the residents; (vi) election of the members of the local assembly the executive board; and (vii) interlocal project planning. What the participants learned from the field study helped them to understand these kinds of information and modify them to accommodate the situation back in Thailand.

(4)   Changes in DLA following the training program in Japan

The training program in February 2004, halfway into the project period, resulted in a major change to the way DLA committed itself to the project. The director-general stressed the need for the central government to take the necessary legislative measures and show the way to the launch of interlocal cooperation projects. He made it clear that the policy for promoting interlocal cooperation would include amendments to the current laws. This signified a major shift from the previous stance that interlocal cooperation should be promoted within the existing institutional framework. The director-general was quick to take action. Less than one month after returning from Japan, he set up an Interlocal Cooperation Committee comprised of the directors of the six divisions concerned within DLA, readying the whole department for promoting interlocal cooperation. The six divisions included the Division of Technical Services and Foreign Affairs and the Division of Organizational Structure Development and Research, both of which had been involved at the beginning of the project; and the Division of Fiscal Policy and Revenue Development, the Division of Local Legal Affairs, the Division

of Local Development Planning, and the Division of Local Administrative Standards. In other words, DLA established a consultation structure involving many divisions [64] that could discuss the whole aspects of the promotion of interlocal cooperation, including amendments to the relevant laws, budget allocations to interlocal cooperation projects, and arrangements for handling the properties of interlocal associations (see Figure 3-2).

Figure 3-2   Project Implementation Arrangement at DLA (March 2003 onward)
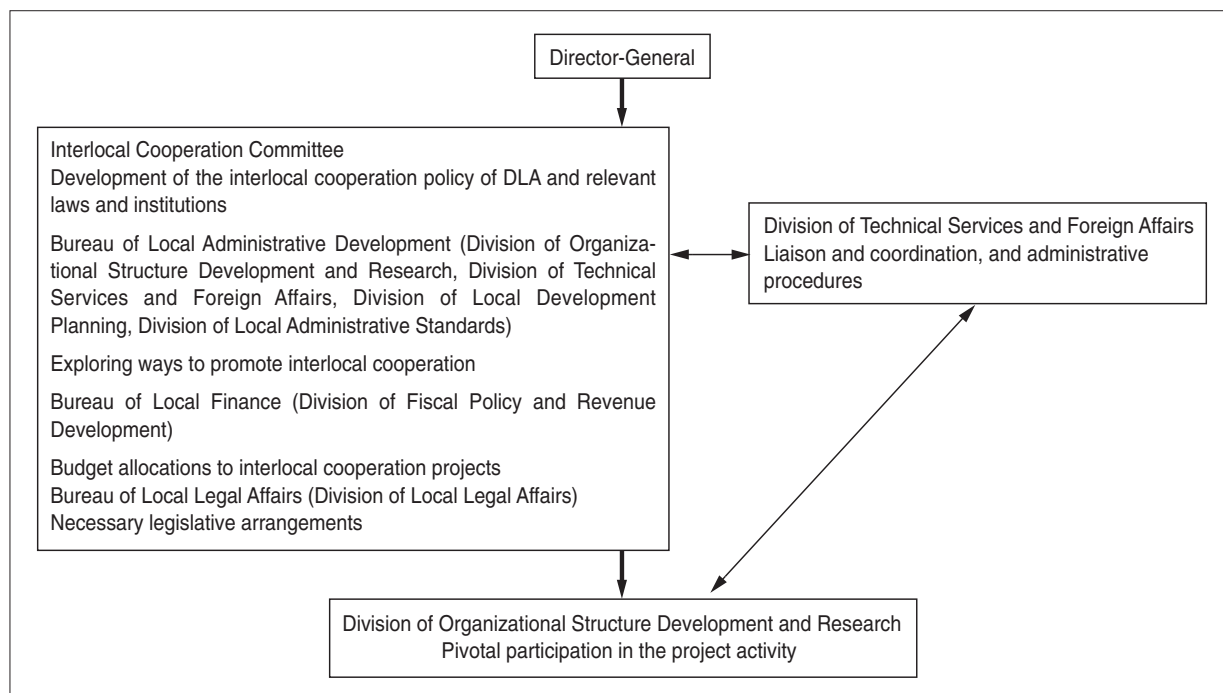
Source: Compiled by the author (Ozaki).

This committee discussed amendments to the local government acts and necessary procedures for the establishment of *sahakarn*. It concluded that amendments that would approve the establishment of *sahakarn* in TAOs alone would be insufficient from a legislative point of view. The committee then discussed specific issues, including the issue of how to approve projects in areas that were not under the jurisdiction of any local authority entity, and the budget execution of and property formation by *sahakarn*. The handbook, however, stopped short of showing the avenue to establishing *sahakarn* because the plan to revise the local government acts was still under deliberation when the project was completed.[65] Nevertheless, DLA has continued working on institution development that entails

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[64] For the roles of the functions of DLA involved in interlocal cooperation, see Appendix 2-2: List of DLA Functions Involved in Interlocal Cooperation.

[65] As of September 2004, when the project was completed, the Thai government was planning to revise, in an integrated manner, the three local government acts: the Provincial Administration Organization Act, the *Thesaban* Act, and the Tambon Council and Tambon Administration Organization Act. The amendment for interlocal cooperation was drafted in November 2004. It is anticipated, however, that it will take more time than expected before this draft amendment is passed because the government now thinks that the local government acts should be integrated into a local government code. At the present (as of August 2006), the National Legislative Council is debating the draft local government code that includes provisions on interlocal cooperation in the third round of deliberation.

legislative arrangements. After the amended acts are enacted, the Ministry of Interior plans to issue an ordinance that will prescribe the procedures and detailed rules for the application of the amended acts.

(5)   The second and third dispatches of a short-term expert

JICA asked the Nagano Prefectural Government to introduce an official for the short-term expert to be dispached to Thailand on the second dispatch. The official, Ms. Masae Hirabayashi, was hence sent to Thailand in June 2004 to introduce the state of interlocal cooperation in Japan to officials at local authorities in Thailand. As an official well-versed in broader-based local government, Ms. Hirabayashi reported, in minute detail, on the whole processes of PA and RU, including their establishment and management, and the structure and budget of these interlocal associations, using many case studies. She made a presentation in two interim reporting seminars, one in Ayutthaya, a model site, and Bangkok. Before the seminars, the participants were informed of the outcomes of the training program in Nagano. Participants from some local authorities showed strong interest in her presentation. They asked many questions on the actual management of interlocal cooperation projects.

For the third dispatch in August 2004, JICA asked Mr. Kengo Akizuki, Professor at Kyoto University, to serve as a short-term expert again for giving advice on developing the handbook on interlocal cooperation. This consultation was affected by the fact that the draft of the handbook on interlocal cooperation could not be distributed to them in advance because the drafting process was two weeks behind schedule. Meanwhile, DLA established the Interlocal Cooperation Committee and embarked on policy reviews and development that would entail legislative arrangements. Professor Akizuki explained Japanese laws and institutions directly to the members of this committee and answered their questions. This was one of the major achievements of the third dispatch.

(6)   Policy consultations with officials in the model sites

The seminar in Bangkok in August 2004 and the debriefing symposium in September 2004 provided an opportunity for officials from all of the model sites to gather together and exchange information under one roof. They also held policy consultations with DLA officials. At the seminar, a majority of participants maintained that it was premature for them to establish *sahakarn*, a formal form of interlocal associations because their local authorities still had much room for improvement in their own management. Participants expressed concern whether adequate support would be provided in managing *sahakarn*. Some regarded the introduction of *sahakarn* as a change to the existing local authority system and stated that they would not accept yet another change to the system. These views were useful in that they reminded the DLA officials of the need to take a fresh look at other modalities of interlocal cooperation. At the debriefing symposium, many panelists and participants agreed that DLA must take necessary legislative measures and show the avenue to interlocal cooperation. They

also noted the need to study many procedures for establishing *sahakarn*. These views provided a hint for DLA as to what it should do after the completion of this project.

(7) Development of the handbook

JICA long-term expert first consulted with DLA on the items that should be covered by the handbook. JICA and DLA shared the view that interlocal cooperation poses a new challenge for interlocal cooperation. Stressing the need to show the avenue to them and motivate them, they agreed on the following four items and presented them to TIA, which drafted the handbook: (i) The value and effectiveness of interlocal cooperation; (ii) The modalities of interlocal cooperation and fields where interlocal cooperation is valid; (iii) Specific processes toward interlocal cooperation; and (iv) Case studies.

The draft handbook covered the value and modalities of interlocal cooperation and case studies but stopped short of providing examples of procedures in relation to the processes to interlocal cooperation in Item (iv). This was because DLA began to consider amending the relevant laws as late as in the middle of the project period and failed to confirm the procedures for interlocal cooperation projects by the time the project was completed. This fact in turn promoted DLA to continue the project as Phase II.

Copies of this handbook were nevertheless distributed to all local authorities across the country as the first handbook on interlocal cooperation for Thailand. The author believes that the handbook attained its three objectives: (i) setting out the commitment of DLA to supporting interlocal cooperation; (ii) disseminating information on it among local authorities; and (iii) motivating them to implement interlocal cooperation projects.

3-2-3 Roles and Achievements of Major Actors in the Project

This subsection examines what roles the major actors in the project played and what impact they had on CD. It also focuses on the training program in Japan, which played an important part in this project. The factors for its success and its impact on CD are analyzed.

(1) DLA

DLA was the target of CD in this project in that the project supported the department in policy and institution development. At the same time, DLA was the partner of JICA in project implementation. The more DLA involved itself in the project, the further it proceeded with policy and institution development. The project implementation structure at DLA was within the Bureau of Local Administrative Development at the beginning of the project. After the field tour in Japan, however, the structure was expanded to involve the relevant divisions of other bureaus of DLA, resulting in

the establishment of the Interlocal Cooperation Committee. Along with this development, the scope of the activity was expanded from considering interlocal cooperation under the existing laws to amending them. This experience suggests that the development of the project implementation structure at the counterpart agency is an important factor for CD in a project designed to support policy and institution development.

(2)   TIA

TIA plays two central roles in the project: facilitating workshops in the model sites (provinces) and developing the draft handbook. The first role was played more effectively than the second one. The workshops not only served as a clearing house for necessary information from the field but also provided a forum for consultations on the formulation and implementation of interlocal cooperation projects. TIA even supported Buri Ram, one of the model site, in developing its provincial development plan. The commitment of this site was due in large part to the favorable relationship TIA enjoyed with the site. TIA significantly contributed to the progress of the project activity in many other ways. For example, it participated in the field tour in Nagano and understood the views of the director-general of DLA well. TIA also served as an advisor for the members of the Interlocal Cooperation Committee and provided advice on DLA's policy development that covered the establishment of interlocal associations. Its collaboration with DLA was efficient. Inputs from TIA were useful in developing institutions suitable for the local authority system in Thailand while respecting the initiative of the Thai side.

All these achievements show that TIA provided effective inputs for the project. In addition to supporting policy and institution development for interlocal cooperation, they were instrumental in developing the capacity of local authorities, other local authority bodies, and even local communities at times in the model sites.[66]

(3)   Model sites (provinces)

The project tried to assess the state of each model site and explore ways to promote interlocal cooperation based on that assessment. As mentioned earlier, the model sites contributed by providing necessary information and helping DLA in their policy review and development. At the sites, the process of considering interlocal cooperation projects is developing into the process of building a structure for implementing them. This is interpreted to mean that the project has developed the capacity of the organizations related to interlocal cooperation, which in turn has expanded the original scope of the project. The sites have been motivated in large part by the involvement of TIA, and to a lesser extent by direct consultations with DLA and information sharing among the sites.

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[66]   In an interlocal cooperation project for tree planting in Buri Ram, residents well-versed in tree planting and local climate were involved in project planning. The trees were managed at the community level.

(4) JICA short-term experts

The short-term experts have introduced case studies in Japan to the Thai side, helping them get a clear picture of what interlocal cooperation is like, serving as a major motivator in the project. Their advice based on the accurate assessment of the situation in Thailand was productive for the project. Despite a short dispatch of less than 20 days, they successfully provided technical assistance that would not be possible by other donor agencies. It should be noted that their successful contribution which was greater than that expected of such a short-term mission, is attributable to the linkage between their individual activities and the previous project or project components. For example, the activities by Professor Akizuki were linked with the JRP. Those by Ms. Hirabayashi were associated with the training program in Japan.

The combination of the experts in institutions and structures of the central government and a practitioner in the field had positive effects on the CD of both DLA in terms of policy and institution development, as well as the local authorities and other organizations concerned in the model sites.

(5) JICA long-term expert

The Japanese side supported the Thai side's own efforts toward policy and institution development by providing expertise acquired through experience in local authority wherever needed. This new attempt in the processes of project formulation and implementation required the input of a JICA long-term expert who would act as a coordinator. This expert proposed an overall project plan. Her activities ranged from support for the project formulation process and proposal for a plan for inputs from Japan to the development of the plan for inputs from Thailand.

Her activities were taken over by a JICA Project Formulation Advisor, who had coordinated and supported the JRP. This handover provided an important link between the JRP and this project, which was instrumental in developing a project that would reflect the outcomes of the JRP.

Thailand now has a broad spectrum of people with different kinds of expertise in the field of capacity building of local authorities in academic institutions, development consulting institutions, and NGOs. An effective approach for international aid agencies under these circumstances is to suggest that Thailand make effective use of their external resources for projects in this field.

This JICA long-term expert also coordinated the activities by DLA, JICA, and TIA and managed the overall progress of the project.

(6) JICA Thailand Office

On implemention of this project, JICA Thailand office played a leading role. It made the final decisions regarding the project implementation, which added significant changes to the project plan, including the replace short-term expert with the training program in Japan, way of dispatching. The office managed all the aspects of the terminal evaluation of this project, which was undertaken by a Thailand-based consulting firm [67] under contract to JICA. This was because the office was in a better position to make prompt decisions based on its accurate assessment of the situation in the field.

(7) Training program in Japan

The training program in Japan was the most effective input in that it provided an important impetus to the project activity, as discussed earlier.

A major factor for the success of this program was the fact that the Nagano Prefectural Government hosted the program. As a mountainous prefecture, Nagano has many small local authorities.[68] This suggests the need for interlocal cooperation in public service delivery. In fact, many public services are provided by PA. RU is everywhere in the prefecture. Nagano is hence one of the advanced prefectures in interlocal cooperation. Mr. Yasuo Tanaka, the then prefectural governor, was pursing interlocal cooperation for efficient service delivery, as an alternative policy to the merger and consolidation of local authorities.[69] This made Nagano the optimal region for the field tour for officials from Thailand, which was likewise trying to develop the capacity of small local authorities through interlocal cooperation. As officials tasked with promoting broader-based local government in Thailand, the participants were encouraged when they learned about the footsteps Nagano Prefecture has taken to achieve advanced broader-based service delivery, ranging from forest property management in the Meiji Era (1868-1912) to the present services related to the public nursing-care insurance system and dioxin control.

The second successful factor was that the training program was designed to meet the needs of the participants as much as possible. It allowed the participants to examine the organizations and

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[67] Kokusai Kogyo (Thailand) Co., ltd.
[68] Nagano Prefecture, population of about 2.2 million, has 120 local authorities, of which 41 have a population of no more than 5,000. (As of February 2004)
[69] At the time of the field tour, moves toward broader-based local government were overshadowed by those toward the merger and consolidation of local authorities because the Special Law on the Merger of Municipalities drafted by the Ministry of Internal Affairs and Communications was about to expire in March 2005. The then prefectural governor expressed opposition to the central government policy of encouraging municipal amalgamations, characterizing it as a departure from the principle of local autonomy and a total disregard for local residents. The Nagano Prefectural Government set up a study team on municipal autonomy whose members included municipalities. The team carried out simulations on local administration and finance and considered feasible efforts toward self-autonomy. It studied viable policy options in the case of non-amalgamations and disseminated relevant information.

institutions concerned, the developments leading up to the establishment of interlocal cooperation associations, and operational problems in each public service area. The program was extremely effective in enabling them to have a clear picture of what interlocal cooperation is like in a short period of time.

The third factor was that the prefectural government, not local authorities in the prefecture, hosted the program. In fact, the Thai side had expressed their wish to see broader-based local government at work in the field. If the program had been implemented at the municipal level, it would have been difficult to make flexible arrangements in the field tour and present many case studies to the participants. Moreover, the prefectural government had some officials who were well-versed in the central government institutions and policies for broader-based local government, as well as the responses by the prefectural government to them and its policy for supporting municipalities. They were always ready to answer questions from the participants during the training program. The opportunity to study the roles of both the central and prefectural governments in promoting broader-based local government in Japan was useful for the participants from Thailand, which was facing the urgent issue of reviewing the functions and capabilities of the central government, provincial administration, and local authorities.

The fourth and final factor was that the Nagano Prefectural Government provided full support for this field tour from the planning to the implementation phases. An official at the Municipal Administration Division accompanied the training from the beginning to the end. This official was instrumental in letting the participants know both the policy and institutional aspects and interlocal cooperation at work in the field by, for example, providing supplementary explanations on the institutional aspect and distributing reference materials on the topics that interested them. Furthermore, the prefectural government later provided an official at the Municipal Administration Division who was in charge of broader-based local government as a JICA short-term expert, as mentioned earlier. Her activities in Thailand constituted an important follow-up to the field tour.

Earlier, the JRP had reminded DLA of the need for institution development in the absence of a clear national policy on broader-based local government. The training program in Nagano provided an opportunity for DLA to review its roles. During the program, the director-general of DLA showed keen interest in interlocal cooperation. He became aware of the need to show the course of action toward such cooperation, including legislative measures, institution development, and provincial support. After returning home, the director-general instructed the whole department to work on the development of legislative measures, as mentioned earlier. Mr. Cherdpan Nasongkla, Vice Governor of Songkhla Province, showed strong interest in the establishment of interlocal associations. He was the only participant from the regions.

Unfortunately, Mr. Cherdpan was transferred to another post during the project period. Songkhla Province is nevertheless developing interlocal cooperation projects.[70]

In conclusion, the training program in Nagano prompted DLA to enhance its structure and promote institution development for interlocal cooperation. It also motivated one of the model site to implement interlocal cooperation projects, exerting a positive influence on the CD of the organizations concerned in the site.

3-2-4   Characteristics of this Project as Seen from a CD Perspective

This project attained its intended purpose of developing a handbook on interlocal cooperation, the first of its kind in Thailand, and distributed copies of it among all the local authorities nationwide. The original scope of the project was expanded to include developing legislative measures. Now Thailand is seeing the emergence of an institution for full-fledged interlocal cooperation via interlocal associations that have the status of a juristic entity. This subsection tries to characterize this project, which was designed to support policy and institution development, by analyzing, from a CD perspective, the major factors for how the project had a greater impact than expected.

(1)   Implementation structure and input modality of the project

TCP was designed to support capacity building of local authorities under the public administration system in Thailand, with DLA serving as the C/P agency. As examined in Section 1-6 there are two most effective ways to distribute the benefits of such a TCP among as many local authorities as possible. One is to reflect the outcomes of the project activity in the "model site" local authorities in the process of policy and institution development. The other is to disseminate them among local authorities nationwide.

The input of a local consulting institution was also productive in this project. If it had not been for the input of this Thai external resource, the project would not have been able to achieve such successful outcomes in the model sites. It is safe to conclude that by taking advantage of this local resource, the project built the most effective implementation structure. See Section 1-6 for projects that have local consulting institutions and universities or other academic institutions as the C/P agencies.

As for the input modality of this project, the local consulting institutions performed the central activities, notably the development of the handbook. JICA provided Japanese expertise in local

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[70]   The interlocal cooperation project for road development has now been completed. Mr. Cherdpan was returned to Songkhla Province as the governor as of August 2006 He is now working on interlocal cooperation projects in such fields as flood control, solid waste management, and firefighting.

authority as needed by the Thai side by way of two JICA schemes: short-term expert dispatch and training in Japan. A JICA long-term expert generally coordinated the overall project and provided managerial support. Specifically, she supported the project formulation process and planned the input of both Japanese and Thai resources. JICA hence limited its role to providing advice on policy reviews and development for interlocal cooperation as required by the Thai side based on Japanese experiences. The policy reviews and development rested solely on limitation of the Thai side. In short, the input modality designed to support the organization and institution building process that had been initiated by the partner country enhanced the potential of the project and promoted endogenous CD.

(2) Targets of CD

The original purpose of this project was to support the DLA's policy development through developing a handbook on interlocal cooperation. DLA eventually went beyond the original scope of the project, not limiting its activities to policy review and development within the existing institutional framework but also working on policy and institution development that entailed amending the existing laws. Achievements in CD that were thought to have been made by the project were also observed in the model sites, which were originally aimed at providing field information. Local authorities in the model sites organized a committee tasked with considering interlocal cooperation projects. Some even implemented them. The implementation of an interlocal cooperation project had the potential of promoting organizational CD at the local level. In other words, the project activities at the model sites eventually developed the organizational capacity of local authorities and even local communities, although the project was primarily aimed at institutional CD of DLA with respect to policy and institution development.

Organizational CD at the local level was made possible by a number of factors, including the presentation on Japanese experiences by JICA short-term experts at the model sites, the participation of members concerned of the sites in the training program in Nagano, and more importantly, the workshops TIA organized at sites. Experiences in implementing interlocal cooperation projects in model sites will provide an important impetus for other areas, which are expected to try similar projects after the institutional arrangements for interlocal cooperation are completed.

Institution development at the central government level is essential for interlocal cooperation. Interlocal cooperation will not be possible until local authorities and other local bodies concerned develop a structure for interlocal cooperation projects and the necessary skills and expertise are made available. Effective interlocal cooperation requires both institutional CD of the central government and organizational CD of local authorities and communities. This project successfully met these two requirements despite its short period (one year). It is safe to conclude that the project promoted the formulation of effective interlocal cooperation projects.

(3)   Flexible responses to the input plan

The training program in Japan provided a major impetus to the project implementation process at DLA. This program had not been originally planned. It was the product of a strong request from the Thai side after the project was launched. JICA weighed the expected outcomes of the program and decided to implement it by changing the scheme of short-term expert dispatch. The program proved to be a most timely and effective mix of components in light of the needs of the participants and the capacity of the host organization. The outcomes of the program were effectively reflected in the project implementation process because the program was a byproduct of the project. These flexible responses were a major factor for the remarkable success of the project. They were made possible in large part by the leading role the JICA Thailand Office played.

(4)   Linkage with the JRP

This project originated from the policy recommendations made by the JRP. The JRPhad completed these phases that were essential for the formulation of this project: (i) assessing the current state and analyzing the problems; (ii) exploring ways to solve them; and (iii) screening out the elements of Japanese knowledge and experience that were deemed useful for the problem-solving process. Moreover, the participation of both Thai and Japanese researchers enabled more accurate assessment of the local situations and more technical analysis of the problems from various angles. DLA's commitment as the C/P agency was also an important factor for developing Thai ownership of this project. For example, DLA worked on interlocal cooperation as its own research theme. It also played a leading role in producing the policy recommendations.

3-2-5   Constraints on CD in the Project

The last subsection in this section examines notable constraints on CD in this project and identifies what action should be taken to promote interlocal cooperation in the future.

Table 3-3 provides a comprehensive analysis of CD with a focus on its targets (organizations, institutions, and individuals) and levels (the central government, DLA, and the field level where interlocal cooperation is in action). The impact of CD on institution development has manifested itself not only in the development of the Handbook on Local Management Cooperation, the purpose of the project, but also in the DLA's effort to formulate legislative measures. Organizational CD has been observed on both DLA and the field level where interlocal cooperation was at work (the model sites aimed originally at collecting information for the project). DLA established the Interlocal Cooperation Committee. Each model site launched a committee tasked with considering interlocal cooperation projects. The project, however, failed to adequately address individual CD and CD of the central

government. The following paragraphs focused on these unaddressed areas (the diagonally shaded areas in the table): (i) Organizational and individual CD of DLA; (ii) CD of the central government; and (iii) organizational and individual CD of local authorities.

(1) CD required of DLA: toward CD of local authorities and other relevant organizations for interlocal cooperation in the field (the diagonally shaded area (i) in Table 3-3)

After an enabling institutional environment for interlocal cooperation is created, DLA needs to attain sustainable interlocal cooperation. To that end, it will be required to support both CD of local authorities in organization building and CD of the other relevant organizations in project implementation. The latter type of support may take the form of disseminating relevant expertise. TIA, a major government-affiliated training institution, has already incorporated interlocal cooperation into its training courses as an important training theme.[71] This type of CD is expected to increase its importance in the future.

(2) Commitment at the central government level: toward support for institution development and CD of local authorities (the diagonally shaded area (ii) in Table 3-3)

Some of the outstanding issues in the way of interlocal cooperation that have been identified in the model sites are beyond the scope of DLA. For example, defining the scope of projects under the jurisdiction of local authorities, and positioning interlocal cooperation in the context of the overall decentralization policy require commitment by ONDC of OPM, which drafts a higher program for decentralization. Acquiring expertise in the fields of interlocal cooperation projects calls for support from other central government offices in charge of these fields. In short, the participation of other central government offices is required for institution development at the central government level and promoting CD at the local level. Horizontal coordination among central government offices, which are structured vertically, is a major challenge for Thailand or any other country. This challenge should be further addressed as interlocal cooperation progresses.

(3) Voluntary participation of local authorities: toward CD of local authorities (the diagonally shaded area (iii) in Table 3-3)

Interlocal cooperation will not be possible without local authorities' ownership. Currently, however, many local authorities are finding it difficult to deliver all the services that have been transferred from the central government. Considerable incentive is necessary to encourage them to

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[71] Interviews on August 17, 2006 with TIA Director Isara Wuwanabol, as well as Mr. Chit Nilpanich and Dr. Pathan Suvanamongkol, both of whom were involved in the Project on Local Management Cooperation.

Table 3-3　CD in the Project on Local Management Cooperation (Phase I)

The diagonally shaded areas show CD that needs to be addressed in the future
- (ⅰ) CD in DLA and individuals
- (ⅱ) CD in Central government
- (ⅲ) CD in Local Authorities and individuals

The grey areas show CD that was promoted in the project

Target of CD	Level		
	Central government (ONDC)	DLA	The field level where interlocal cooperation is in action (Local authorities, branch offices of the central government, local communities, etc.)
Individuals		Acquiring knowledge and approaches required to promote interlocal cooperation **(ⅰ)**	Acquiring expertise required to implement interlocal cooperation projects **(ⅲ)**
Organization	Developing a framework that allows the central government offices concerned to provide local authorities with the technical assistance they need **(ⅱ)**	• Establishing the Interlocal Cooperation Committee	• Establishing and operating the task force for tree planting and economic development through interlocal cooperation (in Buri Ram Province) • Establishing an interlocal committee on firefighting services (in Songkhla Province) • Establishing a regional development planning committee of local authorities and local administrative bodies which focuses on tourism promotion (in Ayutthaya Province)
Policy and institution	• Identifying the position of interlocal cooperation projects in relation to other local authority services • Clarifying the division of responsibilities among TAOs, *Thesaban* and PAOs **(ⅱ)**	Disseminating knowledge and approaches and providing training regarding interlocal cooperation **(ⅰ)** • Considering amending the local government code to accommodate interlocal cooperation • Developing the Handbook on Local Management Cooperation (stressing the value of interlocal cooperation and introducing relevant projects) • Amending the local government acts to accommodate interlocal cooperation and setting regulations necessary to apply the amended acts • Developing the Handbook on Local Management Cooperation (articulating the specific processes up to the implementation of interlocal cooperation projects)	• Implementing interlocal cooperation projects **(ⅲ)**

Source:　Compiled by the author (Ozaki) based on Table 2 by Yokota in Chapter 3 of Nagai, Ozaki, Konishi, and Yokota (2006).

adopt interlocal cooperation, a new administrative modality, and to start to provide the services that they have not been able to deliver.

Local authorities in Thailand are not allowed to directly ask donors to implement a TCP for them, except for BMA. TCPs in local authorities are a result of the requests from central government offices. In other words, the project activity at the local level is yet another undertaking under contract to them. At the nascent stages of interlocal cooperation, it is necessary to consider approaches that will provide incentives to local authorities and designate promising ones as pilot sites for project implementation. In fact, this project meticulously selected the model sites from the provinces that had already been promoting interlocal cooperation as part of their development strategy.

In conclusion, this project suggests that interlocal cooperation requires both policy and institution development by the central government and organizational capacity building of the organizations in the field. The project had a favorable impact on the institutional CD of the central government and the organizational CD of local authorities and other organizations concerned in the model sites, as observed earlier. Although interlocal cooperation is only in a nascent stage and facing many challenges, the project succeeded in showing a direction that suggests great potential for further interlocal cooperation. The success of this project has rested on three major factors: (i) meticulous project formulation on the findings of the Thailand-Japan Joint Research Project; (ii) a project modality that was characterized by a new attempt to make effective use of Thai resources despite a short project period; and (iii) the training program in Japan, which was made possible in large part by the leading role the JICA Thailand Office played.

3-3   Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards (Project on Local Management Cooperation: Phase II)

3-3-1   Project Formulation Process

(1)   From request to examination (July - December 2004)

The process of examining the feasibility of this project was effectively launched around July 2004. The training program in Nagano in February of the same year prompted DLA to establish the Interlocal Cooperation Committee, which studied legislative amendments to accommodate interlocal cooperation.

Meanwhile, the terminal evaluation of the Project on Local Management Cooperation (Phase I) was scheduled for August as the completion of the project in September neared. A needs survey and

application for technical cooperation for the next year was scheduled concurrently. For this survey, JICA had to consider the neccessity of international cooperation in this sector.

Phase I was highly relevant because it provided a major impetus to the legislative amendment process despite a short project period of one year. Apart from legislative amendments, however, the framework for formulating and implementing interlocal cooperation projects had yet to be established. This indicated the need to provide more specific expertise to local authorities.

Under these circumstances, DLA was considering implementing Phase II to support the development of interlocal cooperation projects at the field level, including the establishment of formal interlocal associations (locally known as *sahakarn*),[72] and present successful projects among them as model projects. In Phase II, DLA intended to focus on activities in the pilot sites and provide technical assistance for interlocal cooperation projects if feasible. It also planned a training program in Japan as an important project component and wanted the stakeholders in the pilot sites to participate. If possible, DLA also wished to include in the program technical training in the fields to be addressed by interlocal cooperation, including solid waste management.

As the JICA Program on Capacity Building of Thai Local Authorities, which was launched in 2000, was about to complete, a mechanism was increasingly needed to ensure DLA bear its fair share of the burden and literally demonstrate its ownership of the program rather than expecting JICA to take full care of the implementation structure and financing.

In a preliminary consultation with DLA over its project proposal, the JICA Thailand Office gave a statement to the effect that:

> *At the moment, JICA can provide only limited inputs (short-term JICA experts and training in Japan). We will be willing to support to a proposal fully from the office if DLA shows its commitment to demonstrating its ownership in the form of, for example, paying the costs of hiring local consultants though we do not intend to force our ideas. Any project proposal is a reflection of the desire of the Thai government after all.*

Despite the subsequent debate within DLA, the proposal that was submitted in mid-August requested that JICA bear the full costs of dispatching long-term and short-term experts, providing training in Japan, and hiring local consultants. It seemed that DLA was unable to decide itself and rather wanted JICA to decide on the cost sharing. The JICA Thailand Office found later in the proposal examination process that MOI gave top priority to this project over other project proposals from MOI and that MOI strongly endorsed it.

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[72]   For a brief explanation about the establishment of *sahakarn*, see Table 3-1 (Theme 2).

In the meantime, the terminal evaluation of Phase I was conducted. The evaluation report concluded in its section on recommendations that interlocal cooperation in Thailand had just begun with the development of the handbook, a major output of this project, and that continued JICA assistance in this sector would be of considerable significance in the context of making effective use of Japan's aid resources as well (JICA Thailand Office [2004]: 5). This report was submitted at the end of September. It helped JICA Headquarters to take a positive stance on the proposal for this project.

(2) Considering the project details (May - September 2005)

The project proposal was adopted by May 2005. A new process was started to consider the project details. The staff member in charge at the JICA Thailand Office had conducted an ex-ante evaluation and had R/D consultations since JICA's expert for phase I project had returned home.

In DLA, Mrs. Wattana Phaisurat, who was a group chief in the Local Government Development Affairs Division, DOLA, when this program was started, was promoted to the post of director of the Subdivision of Technical Cooperations. Moreover, two DLA officials, who had been studying at Kobe University and Kyoto University to which the professors had belonged, were sent back to this division to assume the posts in charge of this project.[73] Members of the Thailand-Japan Joint Research Team. The fact that all the officials at the section in charge of this project had been deeply involved in the program is a favorable legacy of JICA's activities in the past. These officials are most appropriate partners for this project.

Consultations over the project details dealt with the project implementation structure in DLA and inputs from Japan, two of the issues that had not been resolved in the proposal examination process.

DLA made the commitment to establish and operate a working group made up of not only the subdivision of Technical Cooperation but also other functions involved in the work of institutionalizing interlocal cooperation. This process is discussed in detail later.

(3) Design and framework of the project

The consideration process mentioned above have resulted in the formation of the design and a rough implementation framework of this project.

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[73] One official was transferred to the Office of the Secretary on November 1, 2006. The other remained in charge of JICA's activities as of December 2006.

The purpose of this project was to develop a set of guidelines on specific procedures for establishing and managing interlocal associations under a new local government code that was envisioned following Phase I.

The project was designed to attain three specific outputs: (i) For local authority stakeholders in the pilot sites to learn the procedures and problem-solving options with regard to the establishment and management of interlocal association by implementing pilot projects; (ii) To develop a set of guidelines on the establishment and management of interlocal associations by learning lessons from the pilot projects; and (iii) To define the roles and functions of DLA in promoting the establishment and management of interlocal associations.

With these three targets in mind, it was agreed that the Thai side would demonstrate greater commitment than in Phase I regarding the following two aspects.

The first aspect was the project implementation structure within DLA. In Phase I, the effective C/Ps were the subdivision of Technical Cooperation and one official at the Research Group of the Division of Organizational Structure Development and Research at the beginning of the project, as described in Subsection 3-2-1 (4). Later, other functions joined after the then director-general of DLA participated in the training program in Japan, which was implemented halfway into the project period. Phase II took advantage of this move to strengthen the implementing structure and form a working group comprising six functions of DLA, including the Bureau of Local Administrative Standards, the Bureau of System and Organizational Structure Development, the Bureau of Local Finance, the Bureau of Local Legal Affairs, and the Bureau of Social Economic and Public Participation Development.

The second aspect concerned the purpose of the pilot sites. In Phase I, the pilot sites (model sites) were designated to explore the possibility of interlocal cooperation projects in an informal manner under the existing laws. In Phase II, the pilot sites were designed to implement interlocal cooperation projects for a fixed objective, calling for greater commitment from the Thai side.

Among the inputs from Japan over a period of three years were, as in Phase I, a JICA long-term expert acting as a coordinator and a local consulting institution which would support the management of the pilot projects and draft the guidelines. Another Japanese input was a training program in Japan to be implemented every year, a hastily arranged component of Phase I in the middle of the project period. This input was to be complemented by the dispatch of officials at the Nagano Prefectural Government, the program host, and specialists on local administration as JICA short-term experts.

(4) Project launch: selection of the local consulting institution and the pilot sites (October 2005 - January 2006)

The Sukhothai Thammathirat Open University and Thammasat University had been identified as the candidates for the local consulting institution for JICA. Finally, Thammasat University was selected for two reasons. First, the then director-general of DLA highly evaluated the outcomes of the earlier study project by the university as have been discussed in (2) of this subsection. Second, Associate Professor Pathan Suvanamongkol at the Sukhothai Thammathirat Open University declined to serve as a local consultant, citing his tight schedule.

As the pilot sites, Kanchanaburi and Rayong were selected as a matter of course. This was related to the fact that Thammasat University had conducted the earlier study in these two provinces. Lampang was also selected since the province was home to a branch school of Thammasat University. Another major reason was that the mayor of the Ko Kha municipality in the province was a student of Associate Professor Nakharin Mektrairat at Thammasat. She was committed to environmental management in the form of, for example, a refuse separation project.

The Kanchanaburi municipality had already put in place joint firefighting services with neighboring TAOs.[74] The project decided to develop this activity into a systematic interlocal cooperation project. Rayong selected infrastructure development (mainly road development) as a major field for interlocal cooperation

Table 3-4 List of the Project Sites

Province	Pilot site	Distance from Bangkok	Cooperation modality	Field of cooperation
Rayong	Small local authorities in the coastal area (central area)	Two hours and a half by car	Cooperation among eight mid-sized local authorities	Infrastructure development
Kanchanaburi	Kanchanaburi municipality and its neighboring local authorities (western area)	A little more than two hours by car	Cooperation between the mid-sized municipality and two small local authorities in its vicinity	Firefighting
Lampang	The Ko Kha municipality and neighboring local authorities (north area)	11 hours by car, or one hour by air	Cooperation between the mid-sized municipality and three small local authorities in its vicinity	Solid waste management

Source: Compiled by the author (Kimata) based on a material produced by Mr. Shuichi Hirayama, a JICA Expert.

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[74]   Kanchanaburi had also been practicing interlocal cooperation in solid waste management apart from the JICA project.

### 3-3-2   Roles of Major Actors in this Project

Figure 3-3 shows the overall structure for implementing this project. The following paragraphs describe the roles of, and relationships among, the major actors in the project.

(1)   DLA

The working group of six functions of DLA has been organized under the initiative of the director of the Bureau of Local Administrative Development, who served as the project manager. The project manager reports to the project director (the director-general of DLA) and the deputy project director (a deputy director-general). This group monitors the progress of the project and serves as the de facto body that makes decisions on the project within DLA. The participants of the trainings in Japan are selected from the members of this working group. After participating in the training in August 2006, the director of the Division of Grant Allocation and Budget System Development of the Bureau of Local Finance, and the director of the Division of Law and Order of the Bureau of Local Legal Affairs increased their commitment to this project. They are now leading the group.

The members of the working group attend meetings in the pilot sites to assess the state of interlocal cooperation at the local level. They also provide the stakeholders in the pilot sites with valuable information on the institutional and financial aspects of the project and opportunities for

Figure 3-3   Implementing Units of Local Public Standards and Local Cooperation Project
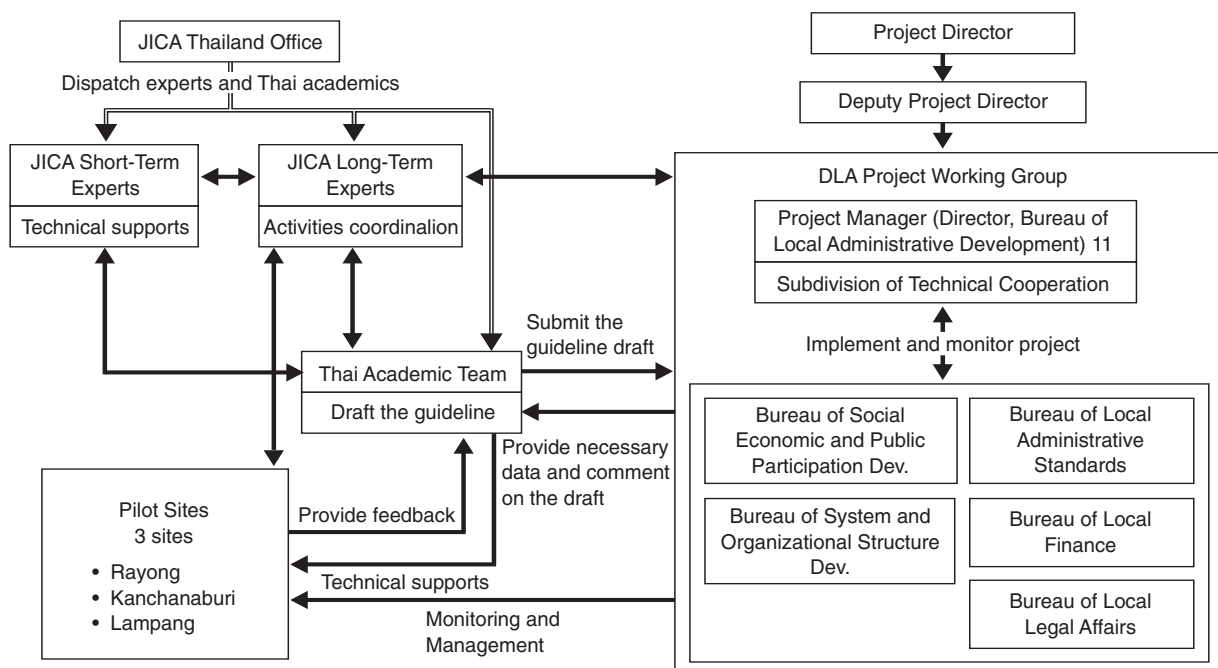
Source: "The Project on Local Management Cooperation: Phase II or the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards" R/D

assistance. The two parties are thus building trusting relationship, which in turn is expected to make the projects more effective.

(2)   Pilot sites at the local level

As has been identified earlier, the pilot sites are Kanchanaburi, Rayong, and Lampang. In each site, four to eight local authorities participate. A richer local authority takes the leadership to involve neighboring local authorities and organize a meeting for the pilot project in each site.[75] The meeting, chaired by the mayor or a deputy-mayor of the leading local authority, weighs the wishes and desires of the participating local authorities and selects the services for joint delivery. It is attended by deputy-mayors, officials in charge of planning and budgeting, and even local council members from the local authorities.

Apart from local authority stakeholders, a DLA official in the province participates in the discussion on the pilot project in Kanchanaburi as part of efforts to improve liaison and coordination between DLA headquarters and the pilot sites. What makes this project (Phase II) different from Phase I is that PAOs and provinces are not necessarily involved in the framework for interlocal cooperation due in part to the agenda of DLA.[76] In the project implementation phase, however, some local authorities in the pilot sites explored the possibility of closer coordination with PAOs,[77] while others asked a branch office of the central government for technical information.[78]

(3)   Local consulting institutions

The local consulting institutions also serve as facilitators that, by taking advantage of their networks involving Thai researchers in local authority, provides technical support for the implementation of pilot projects and suggests issues to be discussed by the parties concerned. They are also expected to serve as a go-between between DLA/JICA and the pilot sites at the local level, reporting to DLA officials and JICA experts on the discussions in the pilot sites and providing insight as to the future directions of the pilot projects.

The local consulting institutions try to guide the pilot projects in a productive direction with reference made to the information from Japanese resources as necessary. By learning lessons from the process, they plan to draft the guidelines.

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[75]   Although municipality (*Thesaban*) plays the leading role in Kanchanaburi and Lampang, Pluak Daeng TAO with a relative large budget takes the leadership in Rayong.

[76]   Interlocal cooperation led by PAOs is exemplified by waste management projects in Phuket and Chiang Mai, which are now in the implementation phase.

[77]   Rayong is ready to improve coordination with the PAO when the center activity settles down.

[78]   In Lampang, for instance, officials at the Ministry of Natural Resources and Environment (MoNRE) provided advice on the impact of a landfill on the surrounding areas.

(4)   JICA long-term expert

A JICA long term expert is primarily responsible for planning and controlling the input of appropriate resources from Japan in a timely manner by assessing progress on project activities. In reality, however, he also serves as an information service representative, answering questions from the Thai side on Japanese local government and complementing the information they obtained from the short-term experts and the training program in Japan.

In the first training program in Japan in July and August 2006, for example, the long-term expert temporarily returned to Japan and served as a mediator between the Japanese people involved in the program and the Thai participants, providing follow-up information for both parties. He shared with the participants the experiences and lessons learned from the program, including their agenda items identified in the process. He then reflected the experiences and lessons learned in the subsequent activities and input plans, a significant job indeed.

As an expert from Japan, he also participates in meetings of the working group in DLA and those in the pilot sites, providing information and his opinions as necessary.

(5)   Japanese resources

As mentioned earlier, this project capitalizes primarily on the human resources of Nagano Prefecture. A training in Japan becomes a systematic program for the Thai participants by providing information on the administrative aspects such as the prefectural government policies and the management of RU. This is complemented by theoretical analysis of this kind of interlocal association by researchers in local administration, with focus on its characteristics and its position in the context of the local authority system as a whole. The participants observe, with their own eyes, how Japanese local authorities deal with solid waste management and disaster prevention and mitigation, which are also major issues of interlocal cooperation projects in the pilot sites back in Thailand. It is significant for them to gain useful insights that they would not be able to obtain in the pilot sites.

The short-term experts to be sent to Thailand may be selected from officials at the Nagano Prefectural Government, those at interlocal associations within the prefecture, researchers in local administration, and Japanese researchers in Thai local authorities. A dispatch before the training program allows short-term experts not only to introduce the experiences of Nagano, including the lessons learned, but also to assess the state of interlocal cooperation in Thailand and change the program components to better accommodate the needs of the participants in an operation that is more like part of a preliminary study.[79] A dispatch

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[79]   In the dispatch in March 2006, the short-term expert from Nagano received questions from the Thai side on such issues as the factors for the progress in the merger of municipalities in Japan, the advantages and disadvantages of PA, and how to raise the awareness of local residents about the need to introduce a new system (Miyazawa, Muneo, and Kohei Nakamura. *Tanki Senmonka Gyomu Kanryo Hokokusho [Short-term expert mission completion report]* March 2006).

after the program expects short-term experts to provide advice on applying what has been learned from the program to the realities in Thailand.

3-3-3 Characteristics of this Project as Seen from a CD Perspective

(1) Ensuring local authorities' ownership of the project with MOU

This project is characterized by the requirement that a local authority in a pilot site sign an MOU before participating in a pilot project. A major difference between this project and Phase I is that the former is designed to implement pilot projects while the latter is aimed at only exploring the possibility of interlocal cooperation under the existing laws. This requirement originated from the practice of requiring an MOU in the earlier study by Thammasat University. It was introduced in the kick-off seminar at each pilot site under the leadership of this university. Table 3-5 shows the developments up to the signing of an MOU in each site.

Table 3-5 Developments up to the Signing of the MOU in Each Site

	Kanchanaburi Province	Rayong Province	Lampang Province
Zone (classification by MOI)	3	13	7
Date of determining the intention of participating in the project)	November 18, 2005	November 17, 2005	January 12, 2006
Kick-off seminar	February 2, 2006	January 31, 2006	February 6, 2006
Introductory seminar on MOU*	—	—	February 28, 2006
Notification of Amended MOU to each DLA office in each site	March 17, 2006	March 24, 2006	March 20, 2006
On-the-stop approval of MOU	April 3, 2006	May 22, 2006	April 13, 2006
MOU signing ceremony at DLA in Bangkok	June 21, 2006		

* In this seminar, the local consulting institutions explained the MOU to the key persons from the participating local authorities in Lampang Province as they had no experience in signing an MOU.

Source: *Project Progress Report* as amended by the author (Kimata).

Each local authority in the pilot sites amended the standard MOU distributed by Thammasat University and the local council approved the amended MOU before signing it at the kick-off seminar. Deliberation in the council was a major factor for the tremendous amount of time needed for the signing of an MOU.[80] It is also a process necessary for each local authority to make the pilot project its own. The joint MOU signing ceremony on June 22 for three pilot sites was reported by the media as "the ceremony for the signing of the first official projects of interlocal cooperation in Thailand."

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[80] Some local authorities in Rayong spent a tremendous amount of time in negotiating with the local councils because many local authority stakeholders and key council members lacked understanding of the project and had concerns about the signing of an MOU.

This MOU was signed by the head of each participating local authority, as well as by DLA, JICA, and Thammasat University as witnesses. This had two important implications. First, these pilot projects were characterized not only as cooperation projects with JICA but also as projects that were initiated by the local authorities themselves. From the beginning, DLA held the policy that it would not promote project activities without the signing of an MOU. In that sense, the signing of this MOU signified the launch of the project activity in the real sense of the term.

Second, the signing of an MOU by Thammasat University as a witness meant that this university was recognized as a counterpart for DLA and the local authorities in the pilot sites in the interlocal cooperation projects on top of being the local consulting institutions under contract to JICA. This in turn signified that regardless of its contract with JICA, Thammasat University was given a position to provide advice to DLA and these local authorities.

Prior to the MOU signing ceremony, Thammasat University and the project expert worked together and produced a handbook on interlocal cooperation planning. They distributed its copies among the heads of the local authorities at the ceremony. This distribution was timely because it came before the local councils debated the budget allocations and approved the projects, paving the way for a flawless launch of the subsequent project activities.

Since then, each pilot site has held meetings to discuss specific constraints on the implementation of interlocal cooperation projects almost monthly.[81] The participants have included the members of the DLA working group, academics at Thammasat University, and the JICA long-term expert.

The requirement of an MOU has had three positive effects from a CD perspective. First, the participating local authorities, which might otherwise have taken a passive attitude, have acquired a sense of ownership of the projects. Second, they have institutionalized the project activities, including project planning and budgeting, because of the MOU, which provides a visible and objective basis for these activities, rather than resorting to JICA. Third, the signing of the MOU by DLA and Thammasat University as witnesses has made it clear that the pilot projects are not merely those for interlocal cooperation but rather those that involve DLA, a central government department, and Thammasat University, an external resource. This represents the establishment not only of comprehensive management structures for the pilot projects, but also of an effective mechanism whereby DLA can develop the guidelines by drawing on the field experiences and lessons learned after these projects are completed.

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[81]   Each site has held such meetings three times by the end of August 2006. The main topic was strengthening organizational structures in the first meeting, budgeting in activity planning in the second, and strengthening the center structure in the third.
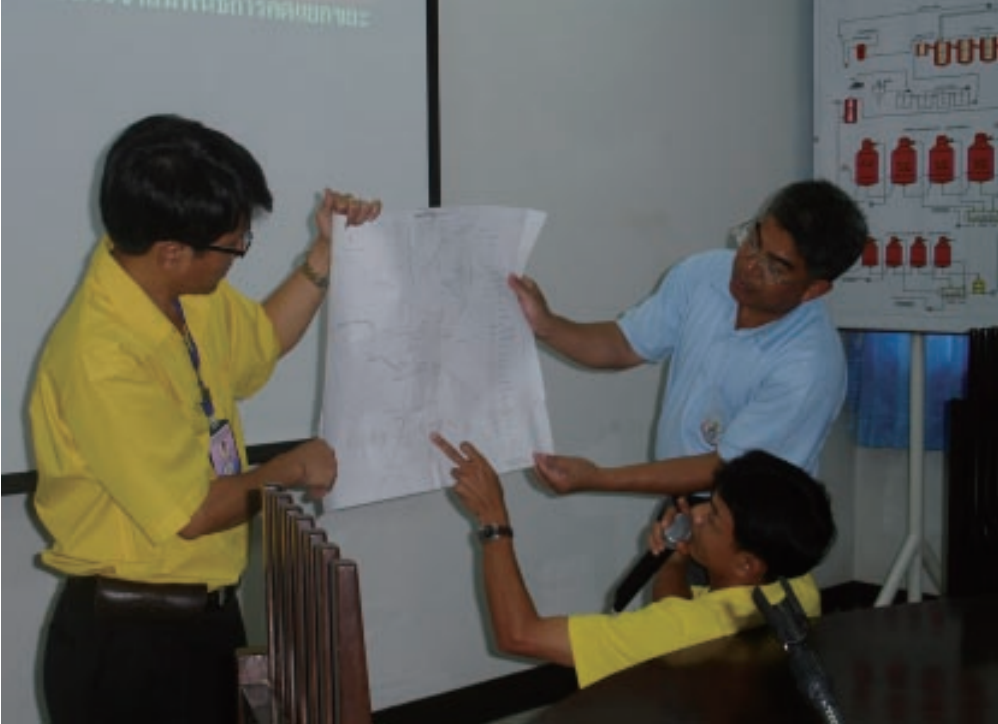
The meeting in Lampang

Waste treatment site supported by project

3-4   CD Assistance Mechanism of the Program as a Whole

As has been reviewed, the JICA Program on Capacity Building of Thai Local Authorities started with the launch in 2000 of the Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities. Under the program, the Project on Local Management Cooperation: Phase II or the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards is now in operation. Over these processes, DLA has developed its ownership of the program. Now, it is working on institution development in the form of drafting a local government code.

This section examines how the program as a whole has developed CD of the partner country.

3-4-1   Conceptual Description of CD Assistance under the Program as a Whole

JICA (2006) classifies JICA's approaches to CD assistance at the entry point into three types: (i) local society empowerment; (ii) core function development; and (iii) policy and institution development (for details, see Annex 2).

Figure 3-4 describes each project component of this program according to its type.

As Figure 3-4-1 shows, the JRP may be described as the *policy and institution development* type. Its entry point is set at support for policy development by DOLA. This project took an approach whereby the Thai members of JRT produced recommendations and submitted them to DOLA. This approach allowed the partner country to explore a policy or institution that accommodated the local conditions on its own initiative. In that sense, this project meets the criteria of this type.

Figure 3-4-2 and Figure 3-4-3 that both Phase I and Phase II of the Project on Local Management Cooperation are described as a hybrid between the local society *empowerment* type and the *policy and institution development* type. In both Phase I and Phase II, local authorities in the model or pilot sites explored the possibility of interlocal cooperation or implemented pilot projects for interlocal cooperation. The results and outcomes of these project activities were reflected in the interlocal cooperation guidelines developed by DLA. In other words, while the eventual output represents institution development at the central government level, the cooperation project to that end involved organizational strengthening at the local authority level. In Phase II (Figure 3-4-3), the participating local authorities in the pilot sites have signed an MOU, thus making the pilot projects their own. This means that organizational strengthening for interlocal cooperation has became the goal for them, while the development of the guidelines on such cooperation is the goal for DLA. The central government and local authority play mutually complementary roles in attaining these goals. JICA acts as a facilitator to promote CD, supporting strengthened complementary relationship between the central government and local authority.

**Figure 3-4   Conceptual Diagram of CD Assistance under the Program
on Capacity Building of Thai Local Authorities**

Figure 3-4-1   Thailand-Japan Joint Research Project: Policy and Institution Development
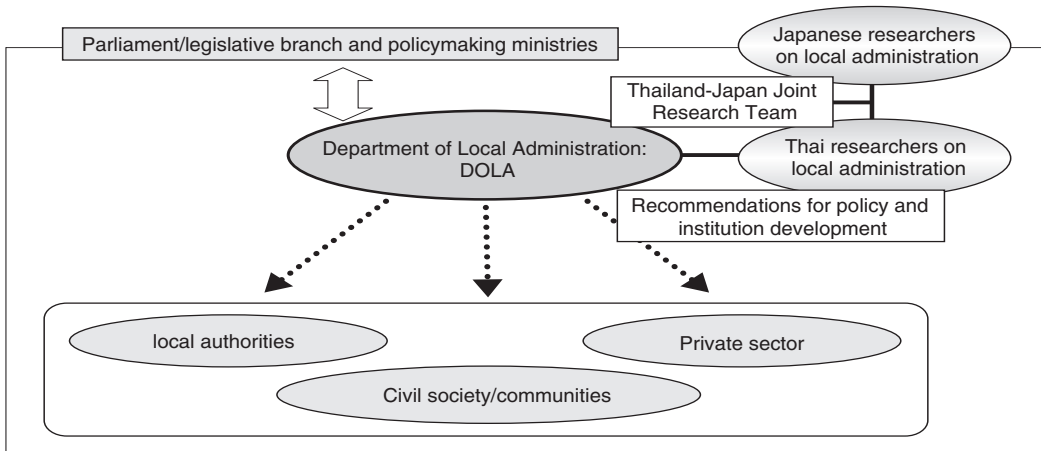

**Figure 3-4-2   Project on Local Management Cooperation (Phases I):
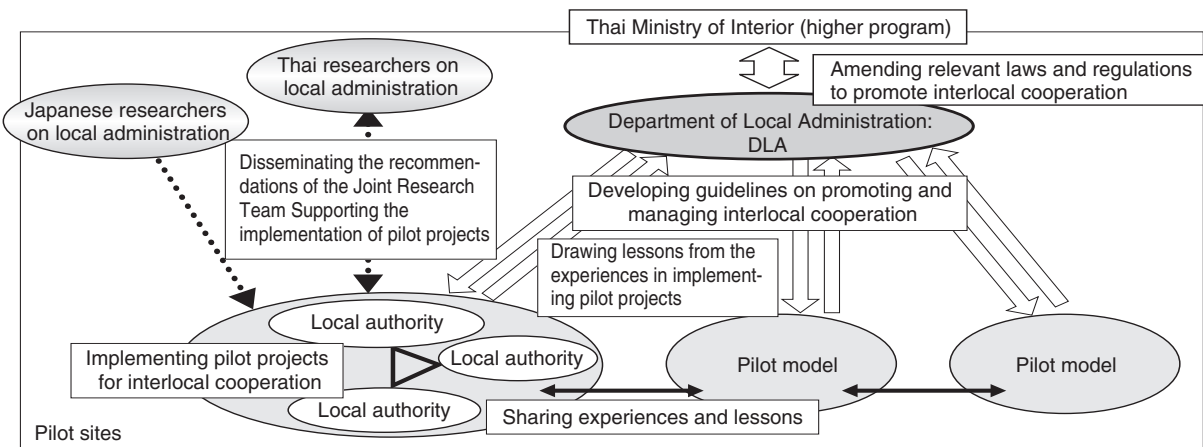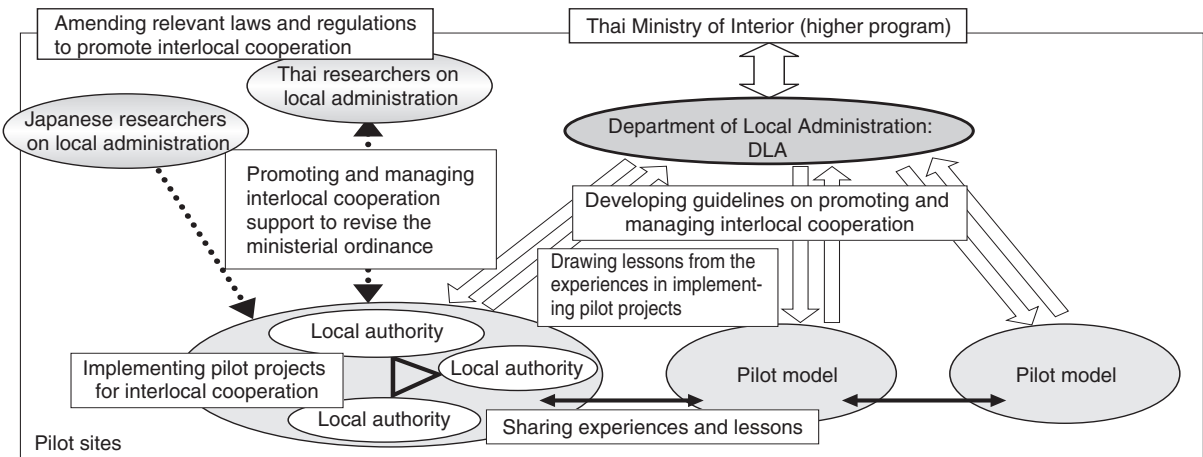Empowerment and Policy and Institution Development**

**Figure 3-4-3   Project on Local Management Cooperation (Phases II):
Empowerment and Policy and Institution Development**

Source: Compiled by the author (Kimata).

3-4-2 CD of the Central Government and Local Authority under the Program as a Whole

As the above diagram suggests, development assistance in local authority needs to develop the capacity of both the central government and local authority. Table 3-6 shows the capacity of these types of entities at the individual, organizational, and institutional/societal levels.

Table 3-7 shows in what aspect this program has contributed to capacity development at individual, organizational, and societal/institutional levels of the central government and local authority.

The JRP made policy recommendations to the central government on *institution development for capacity building of local authorities* (at the societal/institutional level), as represented by the circle in Table 3-7. The recommendations resulted in the launch of the Project on Local Management Cooperation.

Table 3-6 Capacity of Central Government and Local Authority Regarding Local Administration

Central or local / Three levels	Central government (DLA)	Local authorities (pilot sites)
Societal/institutional	Developing and improving the laws and policies for decentralization and institutional capacity building of local authorities	Building and improving the collaboration mechanism and trusting relationship with local communities
Organizational	Strengthening the organizational functioning of central government departments for the purpose of developing the institutional capacity of local authorities	Strengthening the service delivery framework and management system of local authorities
Individual	Enhancing the knowledge and skills of central government officials and employees engaged in local authority affairs	Enhancing the knowledge and skills of local authority personnel

Source: Compiled by the author (Kimata) based on Nagai, Ozaki, Konishi, and Yokota (2006).

Table 3-7 CD Assistance under the Program on Capacity Building of Thai Local Authorities
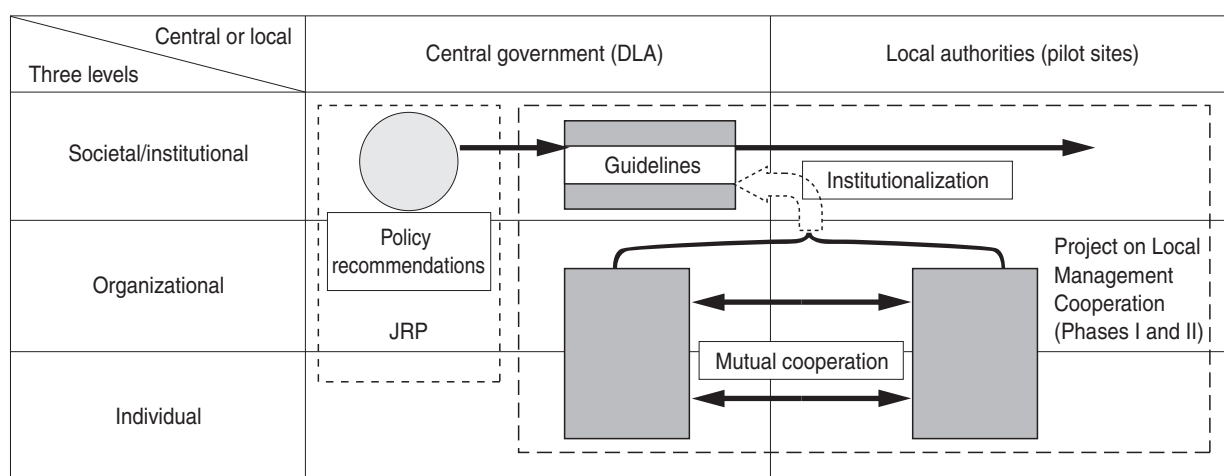
Source: Compiled by the author (Kimata).

This project aimed at the *strengthening of the structures for public service delivery at the local authority level* (CD of local authorities at the organizational level) through interlocal cooperation. In the process, it addressed *capacity building of local administrators* (CD of local authorities at the individual level) as well. The project also aimed at *strengthening of the capabilities of DLA to promote interlocal cooperation* (CD of the central government at the organizational level). In the process, it addressed the capacity building of DLA officials (CD of the central government at the individual level). This capacity building of both the central government and local authority at the individual and organizational levels had the major goal of development a sustainable institution for interlocal cooperation. The draft guidelines on interlocal cooperation, which were one example of efforts to that end, were fed back to the policymaking process, thereby contributing to further institution development (CD of the central government at the institutional level), as represented by the rectangles in Table 3-7.

The institution established in this way will support pubic service delivery by local authorities, which in turn will develop a trusting relationship between local communities and authorities. This represents a social impact in the provinces (CD of the local authority at the societal/institutional level).

3-4-3 Development of the Partner's Ownership under the Program as a Whole

The JICA Program on Capacity Building of Thai Local Authorities represents a gradual process of the partner's ownership being developed in each of its project components.

The JRP has two major characteristics. One is that the scope of the themes is relatively broad in consultation with DOLA. The other characteristic is that it was joint research involving researchers in local administration from both Japan and Thailand. As a starter, JICA first focused on joint research to consider a range of issues, instead of launching a TCP that addressed a specific issue.

Although there has been a gap of recognition between Japanese and Thai members, the progress of the joint research has helped the Thai members steadily deepen their understanding of their own issue. The directors of the sections concerned in DOLA and a deputy director-general of DLA attended meetings of the JRT as appropriate. These concerned Thai officials exchanged information and deepened their understanding of the issue in the process. The Japanese members of the team refrained from forcing their ideas. The Thai C/Ps produced the recommendations on their own. This allowed DOLA to address the issues as their own, not as an issue presented by another country. In that sense, the JRP succeeded in developing ownership on the part of the Thai side.

The next step this program took was to single out the specific issue of *interlocal cooperation* from the four themes and develop a project implementation structure that built on the commitment of the Thai side as much as possible.

In the Project on Local Management Cooperation that followed (Phase I), the director-general of DLA himself attended the field tour to Nagano. Enlightened by this study, the director-general took his strong leadership to make legislative amendments to accommodate interlocal cooperation. This represented the impact the program had on the institutional aspect.

In Phase II, or the Project on Capacity Building for Local Authorities through and Local Cooperation and Local Public Services Standards, DLA organized the working group, and local authorities in the pilot sites signed an MOU for their pilot projects, representing a heightened sense of ownership on the part of both parties. The members of the DLA working group took opportunities to attend the project formulation process at the sites and provided technical advice. The pilot projects provided a common ground where the central government and local authorities consider the new challenge of *interlocal cooperation* from their respective point of views. This process of sharing experience is expected to contribute to endogenous development in Thailand.

In this way the process of this program started out slow with a broad focus. When the Thai partners' levels of awareness and ownership reached a critical mass, arrangements were quickly made to allow for the highest possible degree of their ownership for a specific issue. Since local administration and decentralization are two of the sensitive issues that concern the partner country's governance, the program refrained from seeking the partners' strong commitment to a single project from the beginning. Rather, it expected the development of their ownership in the process of implementing each project under the program. This approach was a major feature of this CD assistance program aimed at policy advice and institution development.

Chapter 4   Lessons for the Implementational Aspect of CD Assistance in Local Administration

The preceding chapter has characterized CD assistance by each project and this program as a whole. This chapter tries to draw lessons that are useful in formulating and implementing JICA's TCPs, especially in the sector of local administration.

4-1   Clarifying the Positioning of JICA's Assistance

Ensuring the partner's ownership is an important part of CD assistance. CD assistance in the governance sector as highlighted by local administration needs special attention. Since the issue of local administration is closely related to the governance system of the partner country, CD assistance may not have a sustainable impact unless JICA builds its CD assistance on the partner's commitment and clarifies its positioning. JICA hence needs to identify the policy context of the issue, the agenda and capacity of the partners, and future prospects. Then JICA and its partner should share the understanding that the latter should primarily address the issue and that JICA should support its efforts only for a certain period of time.

Table 4-1 shows the key criteria for positioning JICA's assistance.

Table 4-1   Key Criteria for Positioning JICA's Assistance

Criteria	Key considerations	Key Question
"Why?"	Policy context	Which policy or program warrants the project?
		How does the partner country address the issue?
	Future directions of the project/program as a whole	What are the prospects after the project?
	Objective of assistance	What does the partner country obtain from the project?
"With whom?"	The functions of the departments concerned	What is the function of each ministerial department concerned?
	Target	With whom should JICA work to achieve the project objectives?
"What to achieve?"	The scope and level of the project	What should be addressed, the relevant policy itself or the specific issue within the relevant policy?
		Which form should institution development take, a new law, guidelines, or manuals?
"What should the Japanese side do?"	Division of responsibilities	What should the counterparts do to address the issues in general and in the project in particular?
		To what extent should JICA intervene and how?

Source: Compiled by the author (Kimata).

The following paragraphs expand on the key considerations in Table 4-1.

JICA has little choice but to select one department as the target of CD assistance ("With whom?" in Table 4-1). Although a CD project needs to consider the widest range possible of stakeholders, it is practically difficult to develop an implementation structure that transcends the ministerial and departmental boundaries (IFIC, JICA. 2001: 176). This suggests the need to define the main focus of the entry point project in light of the goal of CD assistance and the likely course of its development.

For the JICA Program on Capacity Building of Thai Local Authorities, the National Decentralization Committee (NDC) was a potential partner in the context of facilitating direct reflection of the project outcomes in the decentralization policy. Nevertheless, JICA chose to select the department responsible for capacity building of local authorities, that is, DLA. Coordination with other relevant organizations was not always maintained, although the first meeting of JRT invited representatives of these organizations. When dealing with a theme whose overall picture is difficult to grasp, like decentralization, this kind of coordination is especially important in the context of placing individual projects into perspective. In that sense, it may be advisable to hold a regularly scheduled communication meetings with other relevant organizations or organize a study meeting with the local consultants and JICA experts (IFIC, JICA. 2001: 176).

A project designed to support institution development as exemplified by the formulation of the guidelines on interlocal cooperation should ensure that the partner takes full charge of the work for institution development. It is important to limit the role of the Japanese side to providing necessary information and consultation.

In the Project on Local Management Cooperation, DLA was responsible for developing guidelines based on the draft by the local consulting institutions. JICA offered its experiences and expertise in interlocal cooperation in Nagano Prefecture using its schemes of dispatching short-term expert and training in Japan.

It is the sector that involves the governance system of the partner country that requires CD assistance to encourage the commitment of the partner and position itself properly.

4-2 Advantages and Requirements of the Joint Research Approach

Section 4-1 has stressed that JICA needs to build its CD assistance on the partner's commitment and clarify its positioning in a project that deals with the governance system of the partner country. The problem, however, is that the partner may not wish to demonstrate a clear commitment to a politically sensitive theme from the beginning.

JICA took stock of these circumstances and came up with the joint research approach. In this approach, researchers in the partner country and Japan organize a research team, which will produce policy recommendations subject to approval by the researchers in the partner country. This approach served as cushioning and cleared the way for ODA in this sector.[84]

The joint research approach had a number of advantages. For example, a JRP was able to take a rather neutral or independent stance because it was more of a joint activity by researchers from Japan and the partner country than an activity of cooperation between JICA and the C/P agency in the partner country government. The joint research approach contributed to improve research outputs because it allowed the researchers from both countries to share a variety of insights in the long-term process of studying the specific issues.

Another advantage was that the participating researchers were able to write papers in the capacity of researcher without being interfered with by DOLA.[85]

Yet another advantage was that the policy recommendations were made more acceptable to the Thai government because they were produced by the Thais, not forced upon them by the Japanese. As has been mentioned in Subsection 3-2-1 (4), DLA gained an adequate understanding of the constraints on interlocal cooperation and Japanese experiences in the relevant sector through the Joint Research. Moreover, the recommendations by JRT were perceived as indicating the course of action for DLA. For these reasons, DLA formulated the Project on Local Management Cooperation with a clear vision and ownership.

In short, the joint research approach has great potential for an entry point project because it allows resource persons from both countries to discuss even politically sensitive issues from a third-party perspective, and because respect for the partner's ownership will likely encourage partners commitment in the future.

The joint research approach may not work in other countries, though. For it to be effective, two major requirements need to be met. The first requirement is an adequate academic level in the partner country. It is essential to have researchers who are academically capable of conducting research on an equal basis with the Japanese C/Ps as a minimum condition. It should hence be noted that this approach is distinctively different from *research cooperation*, which provides guidance on research activities and methodologies.

The other requirement concerns the arrangements for joint research on the part of Japan. It is

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[84] A statement by Dr. Michio Muramatsu, professor at Gakushuin University, in an interview on July 5, 2006. Professor Muramatsu co-chaired the Thailand-Japan Joint Research Team.
[85] *Ibid.*

necessary to consider first whether Japanese experiences and expertise in the sector in question are worth comparing with those of the partner country. The participating researchers should be versed in that sector and relevant themes, knowledgeable about the partner country, and proficient in the working language. The JRT should preferably include a person who will coordinate the whole project.

These capacities and arrangements for both countries are vital for the joint research approach.

4-3   Involving Stakeholders at the Central Government and Local Authority Levels

An important consideration in sharing the outputs of technical cooperation in the sector of local authority is that the "partner" is not necessarily a single entity. In fact, these outputs are concentrated both in the central government and in the local authorities, the forefront of technical cooperation.

At the central government level, it is crucial to involve not only the division that serves as the focal point technical cooperation but also other key divisions in charge of legal affairs, finance, and planning. This is because the central government in the partner country is often involved in TCPs with respect to the institution development of local authorities.

In the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards, major bureaus responsible for institution building, including the Bureau of Local Legal Affairs, the Bureau of Local Finance, and the Bureau of System and Organizational Structure Development, have formed a working group that are tasked with everything from support for the pilot projects to the formation of the final version of the guidelines on interlocal cooperation.

At the local level, it is important to keep in mind when selecting project sites that local authorities may have little knowledge about planned cooperation projects with JICA beforehand because they are in a position to be asked by the central government to implement them, not vice versa. It is also important to conduct a preliminary study to assess the needs, relevance, and absorption capacity of the pilot site and share common awareness with the parties concerned. Otherwise, the pilot site might turn out to be uncooperative to JICA.[84]

It is also necessary to involve the local key person who will act as a facilitator for technical cooperation. The key person should be searched for from various angles, as the criteria for the right person may vary depending on the local situation and the given framework for the TCP. A provincial governor served this function in the Project on Local Management Cooperation. The Project on

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[84]   Institute for International Cooperation, JICA (2001) identifies three important factors in selecting the pilot site: (i) the objectivity and transparency of the procedures and selection criteria; (ii) the initiative by the recipient country; and (iii) regional differences in the recipient country.

Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards chose a local authority head as its key person.

It is of ultimate importance to ensure that local authorities implement cooperation projects as their own, not as a mere source of benefit they can depend on.

In the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards, DLA, JICA, and local concerned parties shared the view on the feasability as pilot sites based on information on local needs which had conducted an earlier study by Thammasat University, local consultants on the project. The key persons, who were often served by local authority heads, were involved in the process. The pilot projects were launched under their leadership. The signing of an MOU among the participating local authorities led to a clear common sense of ownership of the pilot projects.

The question is to what extent the stakeholders at the central government and local authority levels will be able to maintain contact with each other. In addition to being distant from each other physically, they usually have different levels of awareness, largely because they have different agendas. Coordination between the two parties is essential, though. The central government needs accurate assessments of the local conditions and constraints to develop substantive institutions. Local authorities crucially need information and technical support from the central government for successful pilot activities. Given these complementary roles of stakeholders at the central government and local authority levels, it is important to ensure articulation between the two parties from the viewpoint of project management.

In the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards, the members of the DLA working group attended the pilot site meetings to provide specific advice and find outstanding issues. By doing so, they are trying to make the pilot activity a success and make necessary institutional arrangements.

In conclusion, a system that allows for synergy between institution development at the central government level and organizational and operational strengthening at the local authority level provides a sustainable incentive for both parties.

4-4 Taking Advantage of Local Human Resources

As in the joint research approach, it is viable to use researchers and consultants in the partner country who are well versed in the theme in question. As a third party that is well informed of the local situation, they can act as a mediator between the central government and local authority in the partner

country, as well as between the partner country and Japan (Kimata. 2006: 165).

Facilitation in the local language is an important part of TCPs in the sector of local authority that works with local authorities, because local authority officials may not be capable of communicating in English. Local consultants can act as such facilitators in the local project sites by taking advantage of their expertise and human networks. This approach has three potential benefits: (i) promoting a better understanding in the local areas; (ii) facilitating networks among the different stakeholders; and (iii) enhancing ownership by the regions as a whole.

In the Project on Local Management Cooperation, the local consultant under contract attended the training in Nagano. This consultant reinterpreted Japan's knowledge in the local context, applying it to the model sites and reflecting it in the draft guidelines on interlocal cooperation from the perspective of an expert. These processes could not have been possible by the experts from Japan alone. As this example shows, local human resources have a crucial role to play in localizing Japan's knowledge, applying the localized knowledge to the project site, and transforming local knowledge gained from this application process into a set of guidelines for explicit knowledge.

Although local human resources are less costly and in a better position to provide information and expertise that are suitable to the local conditions, they are not always a panacea. Their capacity varies greatly. In that sense, managing their performance is crucial.

JICA overseas offices need to take stock of the local human resources available for development assistance and establish the criteria for selecting them from global-standard. They also need the managerial capacity to ensure that the local human resources under contract to JICA produce expected outputs and serve as a facilitator at the local level.

In short, JICA needs the kind of management that takes full account of the advantages and limitations of local human resources and makes the most of them accordingly.

4-5   Maximizing the Impact of Japan's Human Resources

If JICA positions itself to support the commitment of the partner as discussed in Section 4-1, then the role of Japan's human resources also becomes limited accordingly. In addition, a project on local governance may find it difficult to obtain human resources from the central government. In that case, it would be necessary to resort to prefectural governments or even municipalities. The problem is that local authorities do not necessarily consider international cooperation as part of their responsibilities. It may be difficult for them to dispatch human resources for that purpose on a long-term basis. All they can afford is to dispathch them on a short-term.

It is necessary to factor in all these constraints and devise ways to maximize the impact of the human resources from Japan.

One viable option is to take advantage of human resources in Thailand to complement those from Japan in an optimal combination of these resources. Local human resources are in a better position to provide knowledge and expertise that accommodate the local conditions. They also have a potential role to play in localizing Japan's knowledge. They could do this by participating in a study tour in Japan.

An optimal combination of Japanese and local human resources may be arranged by JICA long-term experts acting as coordinators, as described in Section 4-2: Advantages and Requirements of the Joint Research Approach. It is likely that local authority officials in Japan can be sent to Thailand on a short-term basis only. In that case, skillful arrangements hold the key to maximizing the impact of their dispatch in Thailand. They include the most appropriate timing of the dispatch and the preparation of appropriate information to be offered in Thailand. These arrangements are better made by experts from Japan versed in the sector concerned in both Japan and the partner country.

Another important role to be played by JICA long-term experts acting as coordinators is follow-up on the JICA schemes of expert dispatch and training in Japan, providing complementary information and encouraging further commitment from the Thai side. It is also important that they make arrangements to ensure an optimal combination of Japan's limited domestic human resources with these two JICA schemes.

As already mentioned in Subsection 3-2-2 (3), the Project on Local Management Cooperation originally planned to send two experts from JICA on a short-term dispatch three times during the project period. The number of these short-term experts was eventually reduced to one on the second and third dispatches. Instead, the project implemented a training program in Japan. The idea was to show interlocal cooperation at work to the stakeholders in Thailand, which had no experience in formal interlocal cooperation. The project planners thought that this program would allow them to have a clear picture of what interlocal cooperation was like and better understand what the central government and local authority should do. The program was attended by the director-general of DLA and the vice-governor of a model province.

As this example shows, a training program in Japan is important in two ways. First, it provides a valuable opportunity for the strategically selected stakeholders at different levels to share the same experience at once or on several occasions. Second, it allows key persons such as department director-generals to concentrate on the project free from their ordinary duties and even spend significant time to consider action plans for the model sites.

Short-term JICA experts may be dispatched before or after the training in Japan. JICA experts dispatched after the training can follow up on the training participants as they put what they have learned into practice, in the form of consultation with them. This provides fresh insight into Japanese experiences in the context of local conditions in Thailand. This kind of consultation in turn provides valuable hints for future training programs in Japan.

In conclusion, the JICA long-term expert, acting as a coordinator, assessed the progress on the project activity and accordingly coordinated the input of the limited human resources from Japan so that the short-term experts and the training program in Japan were provided in a most timely and mutually-complementary manner.[85] This held the key to maximizing the impact of the program and significantly promoted CD of the partner country.

4-6 Managing the Project Amid Political and Institutional Uncertainties

As discussed earlier, JICA needs to grasp the conditions of the issues of the partner country in the overall context and clarify its positioning in designing a project or program. The problem is that the more politically uncertain the issue is, the more possible the positioning of the issues or even the project itself will change after the project is launched. Since decentralization is a politically uncertain issue, a project to address this issue would be swayed by political and institutional uncertainties unless it embraces the CD approach that addresses three different levels: individual, organizational, and institutional/societal.

Then, how should JICA manage its projects amid political and institutional uncertainties?

Political uncertainly was a major concern of the Project on Local Management Cooperation. The scale of the local authorities was too small to deliver public services on their own. Their merger was considered a viable solution, at least in theory. This solution, however, was politically difficult in the face of strong opposition from local authorities because it would result in fewer local authority heads. Interlocal cooperation then emerged as a less controversial solution because it would leave the existing framework of local authorities intact. Even in the case of the eventual merger of local authorities, experiences in interlocal cooperation were expected to facilitate public service delivery by the merged local authorities. JICA therefore regarded interlocal cooperation as a relevant issue regardless of political uncertainties and formulated a TCP to promote it.

It is crucial that JICA select a project objective whose importance would not change or which would gain new relevance even amid political uncertainties.

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[85] These arrangements are detailed in Kimata (2006), which characterizes them as "mechanisms" for utilizing human resources from local authorities and collectively analyzes a "system."

Appendix

Appendix 1   On the JRP

Appendix 1-1   Concept Paper for Local Government Development

Situation and Major Problems	Objectives and Solutions	Assistance needed from the Japanese Government
According to the provisions of the Royal Thai Constitution B. E. 2540 (1970) and the decentralization policy of the Thai government, local administrative organizations must take over the responsibilities and have more duties in terms of local affairs. Moreover, as a result of economic crisis, a considerable number of population that used to earn their living and reside in metropolitan Bangkok and other major cities immigrate back to their born town in local areas. These areas are under the jurisdiction and administration of diverse types of local administration in provinces. Local administration in Thailand is composed of Provincial Administrative Organizations (PAOs, 75), Municipalities (1,129) and Sub-district Administrative Organizations (SAOs, usually mixed components between urban and rural areas, 16,747). The rapid increase of population in localities will exacerbate the existing problems of administration if no action is taken in time to resolve the problems. The major problems can be summarized as follows: 1. Inefficient administration and services of PAOs, Municipalities and SAOs because executives and officers lack knowledge and still have outmoded conception in urban development and management. 2. Less public participation in urban management because the public are not aware of their role and there is no encouragement from local administrative organizations. 3. No channel for the public to investigate and hold in check the administration of PAOs, Municipalities and SAOs. 4. A sense of distrust and suspicion among the public about the administration of local government agencies because they are not informed of its activities. 5. The unofficial establishment of local information centers for finance and local development; thus, created a shortage of compete and qualified personnal, efficient equipment and sufficient budget. If the pilot projects in selected local administrative organizations at all levels (PAOs, municipalities, SAOs) are carried out with success, other PAOs, Municipalities and SAOs will certainly be able to remodel after case by case.	1. Enhance the capacity of local administrative organizations (PAOs, Municipalities, SAOs) to the degree of self-sufficiency in providing services in response to the growing future needs. 2. Provide women and local groups (in PAOs, Municipalities, SAOs) with opportunities to participate in urban development in all facets. 3. Encourage women and local groups to play the leading role in raising public awareness and supporting public participation in urban management. Allow the groups to join the activates in informing the public on administration, services and activities of PAOs, Municipalities, SAOs. 4. Support the establishment of local information center and database for local development. The database can be used by both the governmental sector and the private sector as base information for the consideration of offering financial support for local projects in the future.	Rural Development Project Duration: 3years Plans for Support: Small Scale Projects Experts needed: 1) Experts on Local Government Development 2) Experts on Local Economic Development Related technical activities: 1. Study the possibilities of improving urban management and efficient service. 2. Study the possibilities of increasing and developing potential of women and local groups in PAOs, Municipalities, SAOs. 3. Study the possibilities of providing support and giving opportunities for women and local groups in PAOs, Municipalities, SAOs to participate in all aspects of urban development in their own area with the recognition of existing resources and other factors. 4. Study the possibilities of giving support to grassroots organizations such as women and other local groups as leading parties in raising awareness of public participation in urban management. Allow then to assist local administrative organizations in informing the public on services and activities of PAOs. Municipalities and SAOs. 5. Study the possibilities of mechanism that can be used by the public to investigate and check on local administrative organizations. 6. Develop guidelines for implementing and training in order to expand further studies in all local areas. 7. Organize seminars, workshops and field trips to Japan for representatives from the central administration and the local administration. The participants should also include reprehensive from the executive body of the local administration as well as women and local groups. 8. Develop pilot projects in PAOs, Municipalities and SAOs. 9. Monitor and evaluate pilot projects. 10. Study the possibilities of management information system (MIS), develop information network and supply localities the needed equipment, hardware and software.

Appendix 1-2 List of Academics Who Participated in the Thailand-Japan Joint Research Team

Joint Research Team (JRT) Name	Professional affiliation and position (as of then)	Area of expertise	Notes
Michio Muramatsu (co-chairperson)	Professor, Faculty of Law, Kyoto University	Pubic administration	Member of the Study Team for Government Decentralization Reforms in Developing Countries at the JICA IFIC (April 2000 - March 2001)
Masahisa Hayashi	Professor, Faculty of Social Sciences, Waseda University	Local finance	
Yutaka Katayama	Professor, Graduate School of International Cooperation Studies, Kobe University	Philippines politics	
Nobuki Mochida	Professor, Faculty of Economics, The University of Tokyo	Local finance	
Kengo Akizuki	Professor, Faculty of Law, Kyoto University	Pubic administration	
Fumio Nagai	Associate Professor, Faculty of Law, Osaka City University	Thai politics	
Noranit Setabutr (co-chairperson)	Associate Professor, Faculty of Political Science, Thammasat University	Political science	The co-chairperson representing the Thai members was a former rector of Thammasat University and a member of the 1997 constitution drafting assembly.
Niyom Ratamarit	Associate Professor, Faculty of Political Science, Ramkhamhaeng University	Political science	
Pathan Suvanamongkol	Associate Professor, School of Political Science, Sukhothai Thammathirat Open University	Political science	Advisor to the Office of the Civil Service Commission
Surasit Vajirakachorn	Assistant Professor, NIDA	Social development	
Charas Suwanmala	Associate Professor, Faculty of Political Science, Chulalongkorn University	Local finance/ pubic administration	Member of the National Decentralization Committee
Somkit Lertpaithoon	Associate Professor, Faculty of Law, Thammasat University	Public law/ local government law	Member of the 1997 constitution drafting assembly and NDC

Source: Nagai, Konishi, Ozaki, and Yokota (2006).

Appendix 1-3   Profile of the JRP

Project title: Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities

Project period: two years (August 2000 - August 2002)	C/P agency: DOLA, MOI.

Project purposes:
1. For Japanese and Thai academics specializing in local administration and finance to conduct research on the following themes and make policy recommendations to DOLA.
2. To encourage the Thai government offices concerned and JICA to use the research outcomes for policy and institution development, and technical cooperation activities, respectively.
   - Theme 1: Reviewing the criteria for classifying local authorities
   - Theme 2: Interlocal cooperation
   - Theme 3: Amalgamation of local authorities
   - Theme 4: Coordination of local development plans

Main activities:
1. DOLA and JICA work together to set the research themes.
2. DOLA and JICA set up the Thailand-Japan Joint Research Team (appointing six members from Japan and Thailand each and making other necessary arrangements)
3. The Thai members analyze the current situation in relation to the themes and identify the issues (the first meeting of the Team).
4. The Thai members define the scope of research for each theme in consultation with the Japanese members (the second meeting of the Team).
5. The Japanese members analyze the experiences of Japanese local authorities in relation to the issues and the scopes of research presented by the Thai members, and share the analytical approach with them. The Thai members analyze the information from field surveys and relevant literature and study solutions regarding the themes (the third and fourth meeting of the Team, and the interim reporting symposium).
6. The Thai members produce recommendations regarding the themes in consultation with the Japanese members (the fifth meeting of the Team).
7. The Team compiled a report on the four themes and disseminated the outcomes (the final briefing symposium)

Major events:
August 10 - 13, 2000	Study mission for consultation on project implementation (in Bangkok)
October 30 - November 2, 2000	Study tour of local authorities and PA in Shizuoka Prefecture
November 3 - 4, 2000	1st Team meeting (in Tokyo)
March 25 - 27, 2001	Study tour of local authorities and prefectural administrative bodies in Phuket and Chonburi
March 28 - 29, 2001	2nd Team meeting (in Pattaya)
November 23, 2001	Interim reporting symposium (in Bangkok)
November 24, 2001	3rd Team meeting (in Bangkok)
April 1 - 2, 2002	4th Team meeting (in Tokyo)
April 2 - 4, 2002	Study of local authorities, PA and RU in Saitama, Nagano, and Tokyo
August 25, 2002	5th Team meeting (in Bangkok)
August 26 - 27, 2002	Final briefing symposium (in Bangkok)

Major inputs:
Japanese members   6
Thai members   6
One project formulation advisor for one year (overall coordination and operational support of the Team, formulation of TCPs)
One JICA long-term expert for eight months (ditto)

Product:
The report titled "Thailand Japan Joint Research Project on Capacity Building of Thai Local Authorities" in English and Thai, published in August 2002
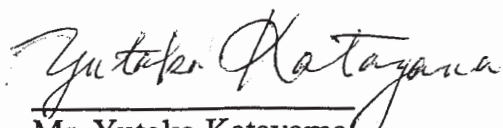
Appendix 1-4

Minutes of Discussions
Between
The Japanese Implementation Study Team of Japan International
Cooperation Agency
And
The Authorities of The Royal Thai Government
On
The Conduct of Thailand-Japan Joint Research Project
On
Capacity Building of Thai Local Authorities

The Japanese Implementation Study Team (hereinafter referred to as "the Team") and the Royal Thai Government concerned with the Project for Thailand-Japan Joint Research Project on Capacity Building of Thai Local Authorities in The Kingdom of Thailand (hereinafter referred as "the Project") had a series of discussions for the implementation of the Project.

As a result of discussions, both parties confirmed the items described on the attached sheets, and these confirmed items will be recommended to their respective Governments by each party.
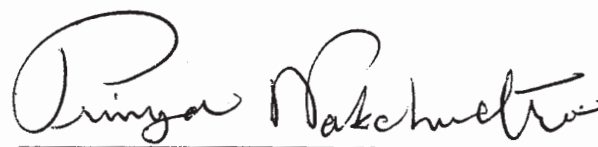
Bangkok, August. 17, 2000

Mr. Yutaka Katayama
Team Leader,
The Japanese Implementation Study Team

Mr. Parinya Nakchudtree
Director General,
Department of Local Administration,
Ministry of Interior

Project Title

The Project will be entitled the "Thai-Japan Joint Research Project on Capacity Building of Thai Local Authorities" (hereinafter referred to as "the Project"), which belongs to the Program "Capacity Building of Thai Local Authorities" (hereinafter referred to as "the Program").

Objectives

The objectives of the Project are:

1) To formulate policy recommendations for issues arising from the research activities of the Project.

2)To contribute to the formulation of technical cooperation projects between the Government of Thai and the Government of Japan.

Cooperation Period

The Cooperation period of the Project will be two years from August 2000 to August 2002.

Tentative Schedule

August, 2000 Launch of the Project after reaching an agreement on the research topics and implementation system of the Project among members of the working groups, Department of Local Administration (hereinafter referred to as "DOLA") and Japan International Cooperation Agency (hereinafter referred to as "JICA").

November, 2000 Invitation of Thai personnel concerned and holding of a seminar on Japanese experiences in decentralization and the role of Japanese local authorities.

August, 2001 Submittal of the interim report to the Joint Coordinating Committee through the Steering Committee.

August 2002 Holding of an open symposium and submittal of the final report to the both governments.

Subjects

The following subjects will be covered by the Project:

1) Readjustment of classification of local authorities.

2) Local management cooperation, focusing on cases such as solid waste management and waste water management.

3) Possibilities of amalgamation of local authorities in Thailand, while taking into consideration a subsidy system from the central government to local governments and a taxation system related to local revenues.

4) Coordinating of development plans among local authorities under the jurisdiction of districts and provinces.

Subjects will be added based on the results of discussion among the members of Joint Research Team. Subjects are to be authorized by the Steering Committee.

Implementation System

The project will be implemented as follows:

1) Working groups will be set up according to the research subjects for the purpose of promoting specialized research activities among academics and personnel from related authorities.

2) The Joint Research Team will consist of academics from the both countries. The project will be mainly carried out by a member of the Joint Research Team. Thai members will be assigned by DOLA and Japanese members will be assigned by JICA. The Joint Research Team will meet whenever necessity arises.

3) The whole working groups will meet at least once a year in Thailand or in Japan.

4) A Joint Coordinating Committee and a Steering Committee are to be established for the smooth implementation of the Project.

The Joint Coordinating Committee will meet in order to fulfill the following functions:

To coordinate the activities of the Joint Research Project and the Technical Cooperation Project under the Program; and

To review the overall progress of the Program and achievements of the Joint Research Project as well as the Technical Cooperation Project

Composition

(Chair person)

Director General of DOLA, Ministry of Interior

(Members)

- Representative from DOLA
- Representative from the Department of Technical and Economic Cooperation (DTEC)
- Representative from JICA, Thailand office
- JICA experts

(Observer)

Representatives from ministries concerned

The Steering Committee will meet in order to fulfil the following the functions:

To formulate the Annual Plan of Operation of the Project;

To review the progress of the Joint Research Project; and

To exchange views on major issues arising from or in connection with the Project.

Composition

(Chair person)

Director of Bureau of Local Government Affairs

(Members)

- Representatives from the divisions concerned in DOLA
- Representative from JICA, Thailand office
- JICA experts
- Thai academics assigned by DOLA
- Japanese academics assigned by JICA

(Observer)

Representatives from ministries concerned

5) The Director General of the Department of Local Administration and the Resident Representative of the JICA Thailand Office will undertake the role of coordinator for the successful implementation of the Project

6) To maximize its effect, the Project will be implemented in close cooperation and collaboration with concerned authorities, including other ministries.

<u>Measures to be taken by the Royal Thai Government</u>

For the implementation of the Project, the Thai Government is expected to take the following measures at its own expense:

1) to assign members of the working groups from Thai academics in the related field in terms of subjects;

2) to establish a Joint Coordinating Committee. The members of the Joint Coordinating Committee are listed in the implementation system:

3) to establish a Steering Committee. The members of the Steering Committee are listed in the implementation system;

4) to promote the participation of authorities concerned including other ministries with the Project:

5) to bear expenses necessary for the implementation of the Project according to the necessity; and

6) to secure permission from related authorities in Thailand for the members of the working groups to collect data and documents related to the Project.

<u>Measures to be taken by the Government of Japan</u>

For the implementation of the Project, the Japanese Government is expected to take the following measures at its own expense:

1) to dispatch Japanese members of the Joint Research Team to Thailand for the purpose of research and discussion with Thai personnel when necessary;

2) to invite Thai personnel concerned to Japan for the purpose of research and discussion with Japanese personnel, when necessary; and

3) to bear expenses necessary for the implementation of the Project according to the necessity.

Appendix 2   Interlocal Cooperation

Appendix 2-1   Outline of the Project on Local Management Cooperation (Phase I)

Project title: Project on Local Management Cooperation in Thailand	
Period of Cooperation: One year (September 18, 2003 - September 17, 2004)	Partner Country's Implementing Organization: DLA, MOI

Project Objectives:

Overall Goal

    To ensure that some local authorities will be able to deliver administrative and public services through interlocal cooperation that would not be possible by these authorities acting alone

Project Purpose

    To develop a set of detailed guidelines for promoting interlocal cooperation

Outputs

- A practical handbook on interlocal cooperation will be developed.
- Local authorities will deepen their understanding regarding the establishment and management of interlocal associations.
- DLA will develop a support system for promoting interlocal cooperation.

Major Activities:

1. Study and policy review
   - Review of DLA's current policies and systems and study of the government policies for promoting interlocal cooperation, including the revision of the local government law
   - Review of the outputs of the Thailand-Japan JRP
   - Organization of an introductory seminar aimed at assessing the current status and identifying improvement opportunities for interlocal cooperation
   - Selection of the workshop sites and conduct of a baseline survey at these sites
   - Introduction of the Japanese systems and experience regarding interlocal cooperation, and the study of viable approaches in Thailand
2. Information gathering at the model sites (Ayutthaya, Buri Ram, Songkhla provinces)
   - Organization of workshops aimed at exploring avenues to promote interlocal cooperation at each site
   - Identification of problems and the study of methods for promoting interlocal cooperation
3. Development of an interlocal cooperation handbook
   - Development of an interlocal cooperation handbook for local authorities
   - Organization of seminars to disseminate the outputs of the project

Major events:

Introductory seminar (for DLA officials)	Sep. 25, 2003	Bangkok
Interlocal cooperation workshops (For site officials)	Jan 16, 2004	Phitsanulok
	Jan. 20, 2004	Khon Kaen
	Feb. 17, 2004	Songkhla
	Feb. 19, 2004	Buri Ram
	Apr. 20, 2004	Songkhla
	May 13, 2004	Ayutthaya
	Jun. 18, 2004	Buri Ram
	Jun. 23, 2004	Ayutthaya
Site reports and joint consultations	Jun. 24, 2004	Bangkok
Joint consultations on the handbook contents (For site officials)	Aug. 20, 2004	Bangkok
Output dissemination seminar	Sep. 16, 2004	Bangkok

Main inputs:
- Three local consultants (academics, including a member for the Joint Research Committee)   1 year
- One long-term expert (planning, implementation support and progress management of the project)   1 year
- Two short-term experts (experts, including a member of the Joint Research Committee)   12 days in total
- Two short-term experts (local government officials well versed and experienced in broader-based local government through ichibu jimu kumiai or koiki rengo)   11 days in total
- Training in Japan (in Nagano)   8 participants   6 days

Activity implement period

Activities	2003								2004					
	8	9	10	11	12	1	2	3	4	5	6	7	8	9
1. Sign RD		*												
2. Dispatch expert														
2.1 long-term expert		▬												▬
- Development work coordination													▬	
2.2 short-term experts			▬											
- experts												▬		
- Broader-based municipal employee			▬											
3. Activities by Thai Expert				▬										▬
4. Training in Japan (in Nagano)							▬							
Component 1 Study and policy review			● Introductory seminar ▬▬▬▬▬▬											
Component 2 Information gathering at the model sites					Basic Survvey ←—— Work Shops ——→ ▬▬▬▬▬									
Component 3 Development of handbook										Output dissemination seminar ● ▬▬▬▬▬▬				

Appendix 2-2   List of DLA Functions Involved in Interlocal Cooperation

Name of function		Duties at DLA	Duties related to interlocal cooperation
Bureau of Local Administrative Development	Division of Technical Services and Foreign Affairs	• Support for research on capacity building of local authorities • Support, liaison, and coordination for international cooperation projects	• Progress management of international cooperation projects; and liaison and consultation with the organizations concerned and administrative procedures for project implementation
	Division of Local Development Planning	• Study and analysis of planning processes of local authorities • Support for the building of the planning capacity of local authorities (dissemination of knowledge, provision of advice and training, and the development of guidelines) • Support for planning coordination between local authorities and local administrative bodies	• Building of the planning capacity of local authorities • Proposal on the process of interlocal project planning
Bureau of System and Organizational Structure Development	Division of Organizational Structure Development and Research	• Research on local authority administration and on improving the efficiency of the administrative system, modality, and structure that are suitable for local authorities • Development and revision of public administration in accordance with the procedures provided for by the relevant laws and regulations • Development of means of cooperation among local authorities, and with government offices and quasi-public corporations • Coordination regarding power and relations among the central government, local authorities, and local administrative bodies • Coordination and liaison with the National Assembly • Support for cooperation and coordination between local authorities and government offices regarding the system, modality, and structure of local authorities	• Study of ways to promote interlocal cooperation • Study of institutions and relevant laws regarding interlocal cooperation • Coordination regarding power and relations among the central government, local authorities, and local administrative bodies
Bureau of System and Organizational Structure Development		• Research and knowledge dissemination on administrative standards for local authorities and on evaluation and monitoring that comply with administrative standards	Development of indicators on the performance of interlocal cooperation projects
Bureau of Local Finance		• Study of the budget system, the accounting system, revenues, and the procedures for receiving funds from local authorities • Support for the finance, fiscal affairs, budgeting, the procedures for receiving funds, and business management • Allocation of grants among local authorities	Study of the budget system, the handling of properties, and the procedures regarding revenues and expenditures in relation to the implementation of interlocal cooperation projects
Bureau of Local Legal Affairs		• Services related to laws and contracts for local authorities; and advice and other services on civil and criminal suits for local authorities • Establishment and amendment of laws and regulations regarding local authorities • Services in relation to petitions and complaints regarding projects by local authorities	Enactment and amendment of laws relevant to the implementation of interlocal cooperation projects

Appendix 2-3 The Project on Local Management Cooperation and the Project on Capacity Building for Local Authorities through Local Cooperation and Local Public Services Standards

Project Title: Project on Capacity Building for Local Authorities through Local Public Services and Local Cooperation	
Period of Cooperation: 3 years (October 18, 2005 - October 17, 2008)	Partner Country's Implementing Organization: DLA, MOI

Project Objectives:

Overall Goal

To ensure that Thai local authorities establish interlocal associations that allow them to share resources and deliver interlocal public services for shared benefits.

Project Purpose

To ensure that the DLA establishes standards of local public services and specific procedures and guidelines on interlocal cooperation to be adopted by local authorities based on the results of the pilot projects involving formal interlocal associations.

Expected outputs:

- Local authority stakeholders who have participated in a pilot project will learn the procedures and solutions regarding the establishment and management of interlocal associations.
- Thailand will establish a set of guidelines on the establishment and management of formal interlocal associations based on the lessons learned from the pilot projects.
- Building on the two outputs above, Thailand will clearly define the roles and functions of the DLA in promoting the establishment and management of formal interlocal associations.

Major Activities:

1. Implementation of pilot projects

    (Pilot sites: Rayong, Kanchanaburi, and Lampang provinces)

    1-1. Review of the current legal system regarding interlocal cooperation

    1-2. Identification of the pilot sites and sectors

    1-3. Organization of seminars designed to promote better understanding of interlocal cooperation

    1-4. Conducting baseline surveys

    1-5. Organization of workshops aimed at studying the establishment and management of formal interlocal associations

    1-6. Practicing interlocal cooperation at each pilot site

    1-7. Review of the practice of interlocal cooperation at each pilot site and analysis of the outputs and lessons learned

2. Development of guidelines

    2-1. Analysis of the outputs and lessons learned from the pilot projects to explore optimal approaches to interlocal cooperation

    2-2. Development of a set of guidelines on interlocal cooperation and the standards of local public services based on the findings of the analysis above

Main Inputs:

- Three local consultants (academics)   3 year
- One long-term expert (planning, implementation support and progress management of the project)   3 years
- Two short-term experts (a local government official and an academic, both of whom are well versed and experienced in broader-based local government)   One-time assignment   3 years
- Two rounds of training in Japan (in Nagano and elsewhere)   15 participants   3 weeks

Annex

Annex 1   Summary of the Report: Towards Capacity Development (CD) of Developing Countries Based on their Ownership

— Concept of CD, its Definition and its Application in JICA Projects —

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1.   Capacity Development (CD) of Developing Countries—Summary of the Concept and the Recent Debate

(1)   Why Capacity Development Now? (Chapter I, Section 1-2)

During the 1990s, when marked donor fatigue became apparent after the Cold War, it was often argued in the international aid community as to whether development cooperation had actually proven effective in making a difference. In parallel with the rising criticism of the effectiveness of structural adjustment policies thereafter, many donor countries and organizations as well as DAC of the Organisation for Economic Co-operation and Development (OECD) started to review and evaluate their technical cooperation activities.[86]

In its initiative on reforming technical cooperation, UNDP critically addressed this discussion. Its 2002 report pointed out that technical cooperation can actually be detrimental to the capacity of developing countries for a number of reasons: its donor-driven nature deprives the recipients of their ownership and potential; its disproportionate emphasis on improving the abilities of individuals and establishing new systems impairs the sustainability of the results; funding bypassing the recipients' normal budgetary processes distorts their policies; and different administrative and procurement procedures required for each donor increases their cost burden. The report drew the conclusion that technical cooperation should provide a means to support CD of developing countries and donors should collectively pool funds instead of carrying out projects separately.[87]

Such criticisms have mainly been directed toward an old type of technical cooperation, which had been adopted by Western donors. It is cited that such cooperation tended to depend upon the dispatch of foreign experts who took over the positions of local experts and the formulation of project implementation units (PIUs) independent of existing organizations. In recent years more and more weight has been placed on recipient-driven development, partnership and alignment to ensure relevancy with respect to the recipients' existing systems, as well as a more comprehensive approach incorporating the civil society and the privat esector. Japan is also in a position to review and reexamine its own experience and the comparative advantage it has in providing technical cooperation, which has taken a project-based approach.

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[86]   DAC (1991) *Principles for New Orientations in Technical Cooperation* and many other reviews made by donor countriesand agencies.
[87]   UNDP (2002) *Capacity for Development: New Solutions to Old Problems*

The discussion on the concept of CD provides JICA with the perfect opportunity to gain a broader perspective to seek the best way to maximize the effectiveness of cooperation outcomes and ensure their sustainability. JICA could review its project-based approach and its experience of technical cooperation provided to the public organizations of developing countries where JICA has concentrated its assistance. CD also presents a fresh perspective from which to examine the complementarity between JICA's technical cooperation and other modalities in the context of aid harmonization.

## (2) Definition and Characteristics of Capacity Development (Chapter I, Section 1-1)

CD refers to the ongoing process of enhancing the problem-solving abilities of developing countries by taking into account all the factors at the individual, organizational, and societal levels. Defining capacity as the ability of developing countries to solve problems on their own and considering it as a complex of elements including institutions, policies, and social systems, the concept of CD attaches great importance to proactive and endogenous efforts (ownership) on the part of the developing countries.

1) Complexity of Capacity

As the capacity required by developing countries to solve problems on their own is a complex of elements, its analysis must be conducted comprehensively. For example, the capacity required by a large city in a developing country in order to develop a sustainable and effective solid waste management system would not only be limited to the sufficient know-how possessed by the municipal government's sanitation department and its staff, but also extend to various other elements. These include a role-sharing mechanism that involves the private solid waste management sector, communities, citizens, and the government's sanitation department; an institutional setup that determines the standards, including those for waste separation and management, as well as the penalties; policies that set goals, including those for waste reduction; and a society that remains alert and sensitive to the issue of solid waste management (see Figure Annex 1-1).

Technical cooperation, conventionally considered as cooperation for human resources development, has long focused on improving the competence of individuals and organizations in the public sector. However, even if such efforts lead to success, without a mechanism and system enabling the continuation and improvement of such activities in the society, sustainable and effective outcomes cannot be realized. Capacity is formed by the interaction of various elements. Only by recognizing this as a fact and considering the concept of capacity from a broader perspective that transcends the individual and organizational boundaries is it possible to develop suitable strategies, such as which capacity should be given priority for improvement, to what extent is cooperation required, and who covers those areas where no cooperation is provided. The essence of the concept of CD reflects such a comprehensive understanding of capacity.

Figure Annex 1-1
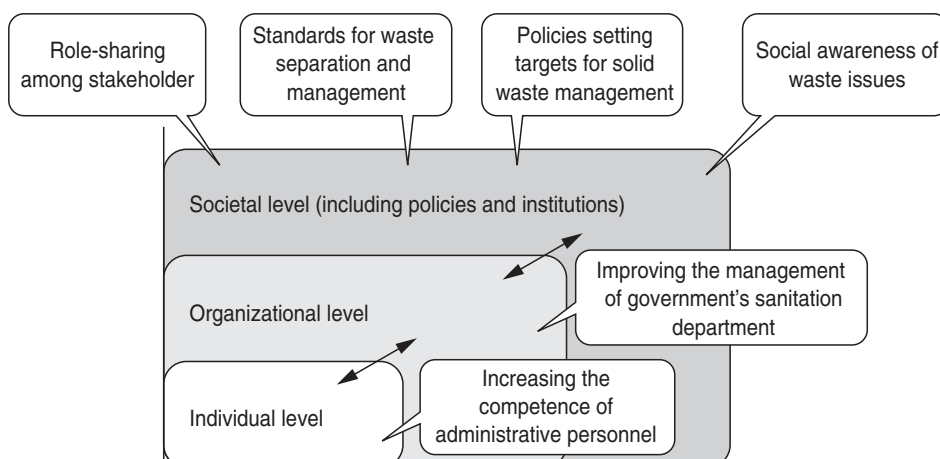
2)   Endogenuity of Capacity

Capacity has conventionally been considered as a type of capital that can be invested or transferred as in the case of infrastructures, technologies, and human resources. However, in the concept of CD, capacity is defined as the ability of developing countries to solve problems on their own. Capacity is not simply transferable and its sustainability is largely dependent on the initiative and ownership of the developing countries involved (see Figure Annex 1-2). With this inmind, it can be said that, instead of merely filling the gaps with systems designed in developed countries, the type of aid called for is one that fulfills the needs of developing countries in a catalytic way and facilitates their endogenous efforts, such as knowledge sharing that facilitates decision-making and actions based on the initiative of the developing countries. Some of the key elements that are critical in promoting the CD of developing countries are *ownership*, an *enabling environment* (with favorable policy and regulatory frameworks), *incentives*, and *leadership*. Donors are required to remain sensitive to the need for an understanding of the current status of each element and figuring out the most effective way of facilitating their improvement.

Figure Annex 1-2
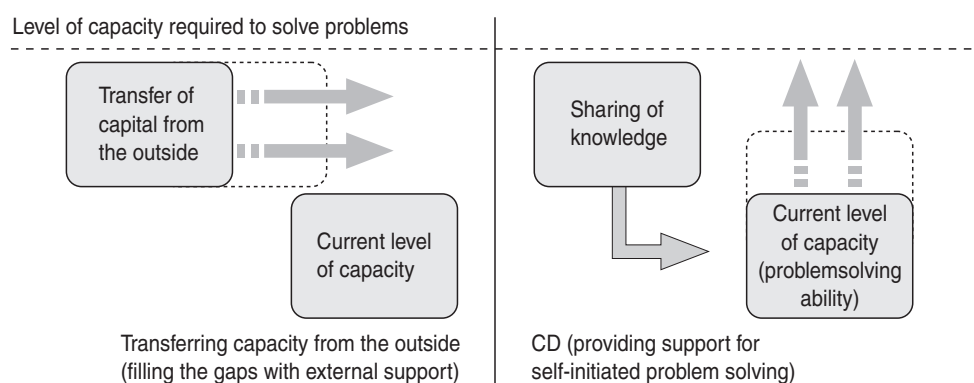
Reference

Technology transfer, which has been central to JICA projects and programs, was intended not just to inject technologies from the outside but to achieve technological adoption and diffusion among the recipient countries. However, JICA's activities that had mainly involved the training of individual C/Ps tended to put too great an emphasis on transferring Japanese technology. CD is fundamentally different from capacity building, a term often used within JICA to describe a type of cooperation project that focuses on the development of human resources and the functional improvement of C/P institutions. Unlike capacity building, CD is a process that the developing countries undertake, rather than an action taken by aid donors. The concept of CD suggests a facilitator's role for aid donors.

2. Findings from the Analysis of JICA Projects (Chapter II)

With regards to 'the possible entry points' (see Reference Document 2) that JICA should consider in initiating effective CD support in developing countries, there are three different options: (i) *local society empowerment*, which designates a specific spatial area suchas a community or local society to which CD support is provided; (ii) *core functiondevelopment*, which promotes human resources development, technological diffusion andR&D mainly in government operational sections; and (iii) *policy and institution development*, which involves the formulation, application, and improvement of the regulatory system orinstitutions, and specific policies that should be broadly applied, such as on a national level. Furthermore, recognizing that CD is a process requiring spontaneity on the part of developingcountries, there are three significant aspects: nurturing a sense of ownership of the recipientcountries; increasing the incentives for recipient countries; and ensuring the properacquisition of knowledge. Based on the perceptions provided above, the following four casesof cooperation projects, all with different backgrounds and approaches, were analyzed. As aresult, three findings were obtained.

JICA cooperation projects for which a case analysis was conducted

(i)   *Core function development* for a teacher training system: Projects on the training of science and mathematics teachers (Philippines, Kenya, and Ghana)

(ii) *Core function development* and *local society empowerment* observed in participatory rural development: Sokoine University of Agriculture, Centre for Sustainable Rural Development (SCSRD) project in Tanzania

(iii) Transition from *core function development* to *local society empowerment*, and to *institution development* : Small-scale irrigation projects in Ghana

(iv) Pilot experience of capacity assessment: Waste management sector

Three findings

(1) In order to increase the sustainability of the results, it is important to first identify the capacity required by the recipient country to achieve the overall goal, as well as the elements of capacity where their series of improvements are a priority. In doing so, JICA and its partner country should project the desirable course of action for the country to acquire such capacity, and then clarify the role and positioning of JICA's cooperation in such efforts.

(2) Developing the capacity required to solve problems reflected in the overall goal in a sustainable and integrated manner requires a long period of time for arrangements, such as building a collaborative relationship among stakeholders and institutionalizing a system experimented on as a pilot case. Therefore, it is important to think in terms of a program-oriented approach in selecting and combining different activities under the long-term vision. It also becomes necessary to identify potential risks and external environment factors, address them consciously in the program, and take appropriate measures for implementation.

(3) Aid providers that support problem-solving ability (capacity) are to remain as facilitators, making efforts to help seek the most acceptable and sustainable system and boost the ownership of partner countries as well as provide incentives that encourage their self-initiated actions.

3. JICA's Definition of CD and the Direction for the Improvement of its TechnicalCooperation (Chapter I, Section 1-4; Chapter III, Section 3-1)

As mentioned previously, the concept of CD suggests to JICA a facilitator's role in enhancing the endogenous problem-solving abilities of developing countries from a comprehensive standpoint. Based on the concept, looking beyond its focus on support for self-help efforts and human resources development, JICA can redefine its technical cooperation as follows:

- The objective of JICA's technical cooperation is to support 'the ongoing process of enhancing the problem-solving abilities,' that is CD, of developing countries by taking into account all the factors at the individual, organizational, and societal levels.
- JICA should adhere to the role of a facilitator that indirectly supports the CD of developing countries.

It is important for JICA as a CD facilitator to implement a strategic form of cooperation through an understanding of the current capacity of developing countries. A significant factor in this is to accumulate its institutional experience and know-how in enhancing the endogenous capacity of the

partner countries. Based on the concept of CD, the direction for improving JICA's aid management is summarized below.

(1) Aid Management Based on a Comprehensive Approach

1) Comprehensive Understanding of Capacity and the Development of a Strategic Scenario for CD (Chapter III, Section 3-2)

- A comprehensive capacity assessment should be conducted to draw a feasible cooperation scenario for each problem. The assessment consists of three major steps: (i) understand the current level of capacity; (ii) identify the elements of capacity required to solve the problem; and then (iii) develop a possible cooperation scenario, which takes into account the priorities of capacity which should be developed (entry points), the course of action, steps to be taken, and the time frame. Accordingly, JICA's cooperation should be strategically positioned within the entire CD framework of a developing country after clarifying the required capacity as well as the course of action to attain such capacity.

- When conducting an assessment to comprehensively understand capacity and develop a strategic scenario, it is useful to prepare a capacity checklist for each sub-sector so that JICA can work according to a standardized format. A capacity checklist can be obtained by first identifying and summarizing the elements of capacity according to the main stakeholders and relevant policies and institutions in the sub-sector. A pilot capacity assessment is currently under progress in the field of waste management, and is also being applied to areas of environmental management. Such a checklist will be an effective tool for C/P personnel to better understand the current situation and to help raise their awareness of the problems.

2) Flexible Management through a Program-Oriented Approach (Chapter III, Section 3-3)

- It is necessary to look beyond the traditional human resources development assistance and provide indirect support that encourages the establishment of a mechanism, institution, and policies necessary to continue and enhance individual and organizational activities. Attaining the overall goal has conventionally been left in the hands of the developing countries at project completion. However, in order to ensure that the changes brought about by cooperation are firmly established as sustainable systems, or the results of empowerment take root in the local society and are applied in other regions, it becomes essential to consider JICA's assistance as an organic component that is synchronized and harmonized with other projects and funding, support by other donors, and the initiatives of the developing countries themselves, which altogether constitute a program designed to achieve the overall goal.

- Various types of programs are possible. Instead of seeking a solution to specific development challenges only within the boundaries of JICA projects or Japan's cooperation, it is necessary to utilize aid coordination frameworks. After identifying the area of capacity that needs improvement, JICA's should link its projects with a local development program and sector program, and take a program-oriented approach to decide how to coordinate other donors as well as the self-help efforts of the recipient countries in order to implement a successful development program.

- Although management of assistance is to be based on each project, in order to make the above harmonization possible, outcomes should be considered in a medium- to long-term framework since the aim is to provide medium- to long-term assistance for the implementation of the recipients' development program. For this reason, it is important to identify the various risk factors that influence the outcome of medium- to long-term cooperation, such as support from other donors, efforts by the recipient countries themselves, the institutional setup, and relationships with stakeholders. Therefore, project management needs to be done with greater flexibility. If there are major and unexpected changes to the overall situation surrounding the project, certain aspects of the project should be redesigned, or in case of more serious changes, project implementation should be suspended or terminated to allow the development of a new scheme, or the entire program should be reconstructed altogether.

(2) Role of Aid Providers as CD Facilitators

1) Setting Progress Indicators of CD

- In order to monitor the progress of CD, appropriate indicators need to be set. The areas of capacity to be improved should be clearly defined by taking into account the proposed attitudinal changes of the counterpart personnel and the main recipients of development efforts, as well as organizations, institutions, and the society. In conducting an effective assessment, referring to a pilot case of waste management may be useful.

- In order to achieve the set CD objective, it is important to break down the necessary steps and clarify the key factors, such as the targeted outcome, the process and course of action to attain such an outcome, and the risks involved. Sharing such information will be vital in facilitating communication among the stakeholders. Using a checklist through capacity assessment as described in (1) above for monitoring purposes will also be beneficial.

2)   Sharing Know-how to Facilitate the CD Process

-    In accordance with the principles of conduct for experts, consultants, and JICA staff, through activities involved in the processes of consensus building and consultation, project/program formulation, planning and management, and evaluation, aid providers should strive to accumulate and share the know-how to help developing countries raise their awareness and motivation to solve problems. Considerable experience should have already been accumulated through the trial and error process of problem-solving between local C/Ps and Japanese experts.

-    Lessons learned and findings made through activities devoted to helping developing countries employ an autonomous funding mechanism and encouraging their self-help efforts for the enhancement of CD should be accumulated and applied in future cooperation projects.

4.   Future Challenges for the Improvement of JICA Projects

(1)   Improving the Methodology for Project Management including Capacity Assessment

In the course of making practical attempts, JICA must fully grasp the current level of capacity possessed by developing countries, work out a methodology in order to develop a strategic cooperation scenario (capacity assessment), and examine the direction of cooperation by taking a program-oriented approach at the field level. In addition, to ensure flexible project management, an effective decision-making process, such as that for risk management and project design adjustment, must be devised and proper indicators to monitor the CD progress in projects must be reviewed. These issues are to be discussed and studied further in the related research projects at JICA IFIC.

(2)   Flexible Project Management with a Program-Oriented Approach

JICA must review and redefine its cooperation programs. It is necessary to draw a general picture of the programs by considering such factors as the duration of the entire program, the time period for assessing the current situation and conducting preparatory activities, and the level of detail in the programs at the time of formulation. Based on a critical and realistic analysis of selected case studies, JICA must give proper definition to its programs. Especially called for is field-based management centered around JICA overseas offices and 'ODA Task Forces [88],' which should be discussed

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[88]   ODA Task Forces are comprised of members from the Japanese embassy and overseas offices of JICA, and the Japan Bankfor International Cooperation (JBIC) (and JETRO if an office exists). The ODA TaskForce aims to strengthen collaborative efforts for more effective and efficient policy making and implementation of ODA atthe field-level. Currently there are nearly 70 Task Forces in developing countries.

thoroughly. While looking into actual cases at offices where aid coordination is practiced, it is necessary to clearly define the roles of office staff and experts.

(3) Sharing of Know-how and Accumulation of Experience as Facilitators

The know-how in facilitating self-initiated CD efforts and flexible management can besystemized and accumulated within the organization by summarizing case studies of actualcooperation projects and past project experiences. The sectoral departments, issue-wise taskforces, and the research group of JICA need to enhance project analysis, share the results, anddiffuse them in the form of training materials for JICA staff and experts.

> ## Annex 2   Approach of JICA's Technical Cooperation in Terms of Entry Points for Aid (for Discussion)

In determining the most effective entry point for CD support that is extended to developing countries, JICA can categorize its technical cooperation into three different approaches:

(i) *Local society empowerment* : A specific community or local group is designated and support is provided to improve their problem-solving abilities. By carrying out activities in the designated spatial areas, the systems and mechanism necessary for such local actors as people, government bodies and so forth to deal with and solve problems on their own are established and cosolidated. The obtained know-how should be extended to other areas.

(ii) *Core function development* : Human resources development, technological diffusion, and research and development are carried out, mainly in government operational sections. The knowledge and expertise required to meet local needs are developed, and a sustainable mechanism to extend such know-how to the field is constructed.

(iii) *Policy and institution development* : Direct support is provided to develop, manage, and improve the regulatory system or institutions and specific policies that should be broadly applied, such as at the national level.

These three approaches are not mutually exclusive, but are in actual situations combined to extend cooperation in a holistic way. Furthermore, in implementing the aid approaches, it may be necessary to consider incorporating elements of various inputs, such as education (including learning abroad) and training, technology transfer from experts, provision of equipment, construction of facilities, and specific pilot activities.

The following summarizes each aid approach from the viewpoint of CD, providing its basic outline, characteristics, and issues and points for consideration.

1.   Local Society Empowerment Approach

(1)   Basic outline

The primary objective lies in developing and establishing the know-how, systems, and mechanisms required in order to empower a designated local society/community to deal with and solve such issues as rural development, poverty reduction, and other problems on their own initiative by

carrying out activities in pilot areas. This approach also supports the extension of know-how and successful experience gained through such activities to other areas. In general, this approach entails three processes: (i) development of the know-how, systems and mechanisms for problem solving in the pilot areas; (ii) consolidation of such know-how and systems; and (iii) the accumulation of successful practices and extension of the know-how to other areas ("scaling up"). Occasionally, (ii) and (iii) may involve processes of institutionalization.[89] The extension of successful practices may take a natural course, initiated by the actions of local people.

(2)   Characteristics

Capacities, or problem-solving abilities, required by developing countries are enhanced extensively by developing and establishing the know-how, systems and mechanisms for problem solving in pilot areas and extending them to other areas. Since the systems for problem-solving are developed through actual practice, unlike where the know-how of developed countries is simply transferred, it is possible to enable the local stakeholders to figure out their own way of effectively solving problems.

(3)   Issues and Points for Consideration

In order to ensure the sustainability of improved problem-solving abilities in local communities, not only is it necessary to provide support for the self-initiated activities of local people, but it is essential to develop capacities on various levels. Such capacities include access to financial sources that facilitate the activities initiated by local communities, close relationships with organizations (such as NGOs), local and central governments that support the mechanisms of such activities, and understanding and support of such stakeholders. Therefore, for the developed systems and mechanisms as well as outcomes of successful cases to take root and become sustained in pilot areas selected as beneficiaries, it is important to have local communities take the initiative to consider in advance the steps and environmental factors involved as well as the necessary coordination and cooperative relationships with the key stakeholders in taking such steps.

Furthermore, since the systems and mechanisms necessary to ensure the sustained improvement of the problem-solving abilities of local societies/communities vary according to the area, they cannot be easily transferred and extended to other areas. However, governments of the developing countries should strive to learn from successful cases and further disseminate the acquired know-how to those in areas other than the pilot areas so that ultimately the capacities of local societies are developed on

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[89]   Institutionalization may be either formal or informal (e.g. guidelines prepared to stipulate the sharing of responsibilities among the stakeholders).

Figure Annex 2-1 Local Society Empowerment Approach
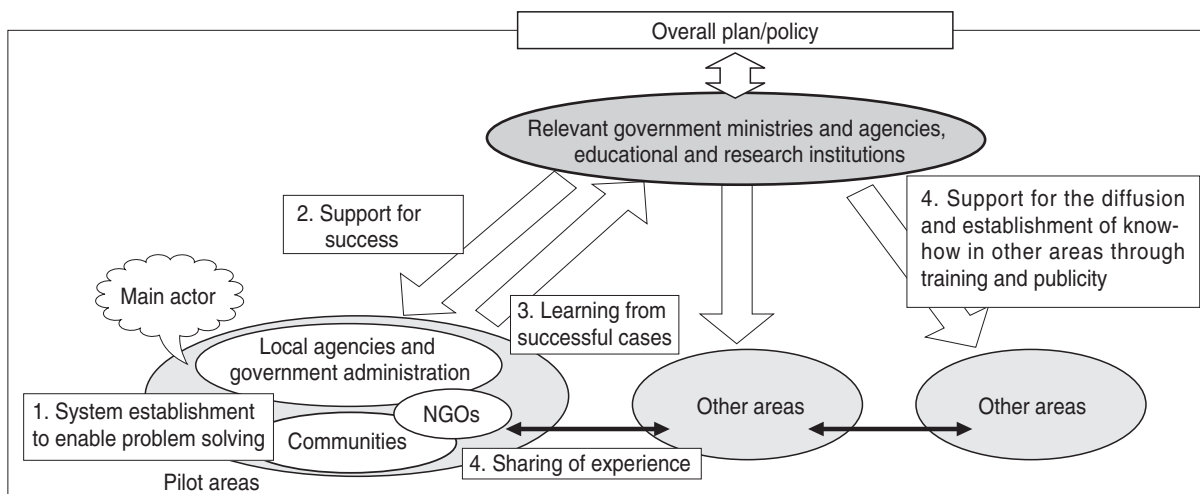
Source: Prepared by Mabuchi and Kuwajima.

a broad scale. To this end, it is also important to prepare frameworks supporting extensive development, such as those in which information on cases and practices successfully implemented in pilot areas can be accumulated by local governments and local agencies of the central government, experience of successes and know-how can be offered publicly to other areas, and other areas can apply in their new undertakings what they have learned from the successful pilot cases. Universities and research institutions may assume the role of theoretically summarizing the experience and know-how in each area and spreading such information.

2.   Core Function Development Approach

(1)   Basic outline

In this approach, the functions of delivering services concerning human resources development, technological diffusion, and R&D mainly in government operational sections are developed and improved. Knowledge and expertise required to meet local needs are developed, and a sustainable mechanism to extend such know-how to fields in need of such know-how is constructed to achieve the intended outcomes. Examples of such a sustainable mechanism are as follows:[90]

    (i)   Technological development and diffusion (e.g. diffusion of agricultural technology, support for entrepreneurship, in-service training of teachers)

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[90]   The approach is similar to, if not the same as, '*Hitozukuri* Cooperation' (cooperation for human resources development), which JICA has emphasized in its technical cooperation activities. However, as mentioned later, the CD perspective stresses the importance of improving institutional settings as part of the support for core function development, in addition to reinforcing organizations (e.g. the base for human resources development) and enhancing the training of trainers which are the focus of '*Hitozukuri* Cooperation.'

(ii) Human resources development (e.g. elementary school education, occupational training, technical and higher education)

(iii) Research cooperation (e.g. HIV/AIDS research institutions, agricultural universities)

Depending on the stage of cooperation, the focus of aid may be placed on research and the development of technologies instead of support for diffusion activities.[91] Some of the steps assumed to be incorporated in the core function development approach are (i) development of technology, know-how, and human resources development contents, (ii) construction of mechanisms for their extension and provision, (iii) institutionalization of such mechanisms for their extension and provision and their reflection in policies, and (iv) diffusion and use among wide-ranging end users.

(2) Characteristics

The core function development approach aims to create a larger impact and adopts such operational way as developing and diffusing practical technologies and know-how as well as educational contents. In many cases, this involves examination of the level and content of technologies required in the field, the systems and schemes that serve as models for extension and provision, and

Figure Annex 2-2 Core Function Development Approach
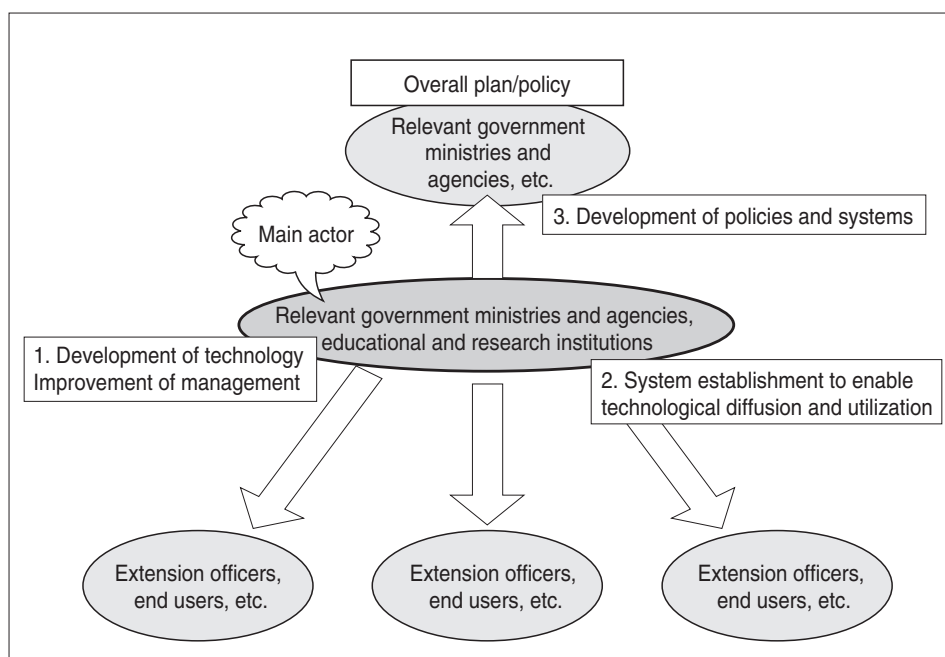
Source: Prepared by Mabuchi.

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[91] Taking the Project for Strengthening the Capabilities of Thailand's National Institute of Health (implemented from 1999 to 2004) as an example, in order to deal with emerging and re-emerging infectious diseases such as dengue fever and hepatitis, collaborative relationships among local laboratories, which were designated as reference laboratories that help improve diagnostic techniques, were emphasized as part of the cooperation activities, while measures to fight AIDS focused on further strengthening the analytical research structure of the National Institute of Health.

collaborative relations among organizations through pilot activities in model districts. In positioning the public organization that takes the leading role in carrying out such activities as the base, the objective is to construct and strengthen the core function that helps develop the mechanisms that ensure the sustainable and widespread service delivery associated with technological diffusion and human resources development.

(3) Issues

Technologies, know-how, and educational contents must all be developed in line with the needs of beneficiaries. In addition, the mechanism to extend and provide such intellectual knowledge must be widely applicable and sustainable and ensure the quality of the services provided. If the function is undertaken without properly positioning the organization responsible as the central actor that is granted with proper responsibilities, discretion power, or authority, it can be problematic in reflecting the research results in institutional operations and policies and ensuring the sustainability of the services themselves (especially in terms of financial and personnel arrangement). In addition, 'training centers' that have been isolated from the actual operation sometimes fail to meet the specific needs in the groundwork.[92]

Furthermore, as for technological development and diffusion, and human resources development, in order for the cooperation to produce specific and desired development outcomes, it is important to make sure that there exist proper incentives for utilizing the technologies, know-how, and educational contents provided and that the work environment allows trained human resources to be effectively put into use. It is also necessary to take appropriate measures so that the core function development leads to positive development effects, which include a system that monitors whether the activities are actually effectively utilized in the field, interventions with key persons so that end users systematically make use of the services, and the creation of incentives by making participation in training count toward promotion.

3. Policy and Institution Development Approach

(1) Basic outline

Direct support is provided to develop, manage, and improve the regulatory system or institutions and specific policies that should be broadly applied, such as on a national level. The possible steps

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[92] In the Package Cooperation for the Development of Elementary and Secondary Science and Mathematics Education in the Philippines, the activities were based on the Science and Mathematics Teacher Training Center constructed within the site of the University of the Philippines. The training tent to focus more on what was taught in universities, such as the operation of laboratory instruments, and significantly deviated from what teachers actually needed to know in order to teach students in the schools (JICA (2004)).

involved are as follows: (i) improving the capacity to develop policies and institutions; (ii) reflecting policies in the national plan/legislating by the assembly or legislative body; and (iii) improving the capacity to execute policies and systems.

(2) Characteristics

JICA has less experience of adopting this approach compared to the first two approaches.[93] Nonetheless, taking into account the considerable impact it has on development, the importance of this approach is not to be overlooked. It has been usual, within the framework of JICA's cooperation, for Japanese experts to work together or seek collaboration with the responsible professionals and staff in the developing countries to formulate policies and institutions that suit the local circumstances, while regarding what has been learned in other countries as alternatives. It can be said that, rather than actually developing policies and institutions, JICA has extensive experience with human resources development that supports the enforcement of adopted policies and institutions as well as with providing support for formulating operational rules and measures to supplement adopted policies and institutions.[94]

Figure Annex 2-3   Policy and Institution Development Approach
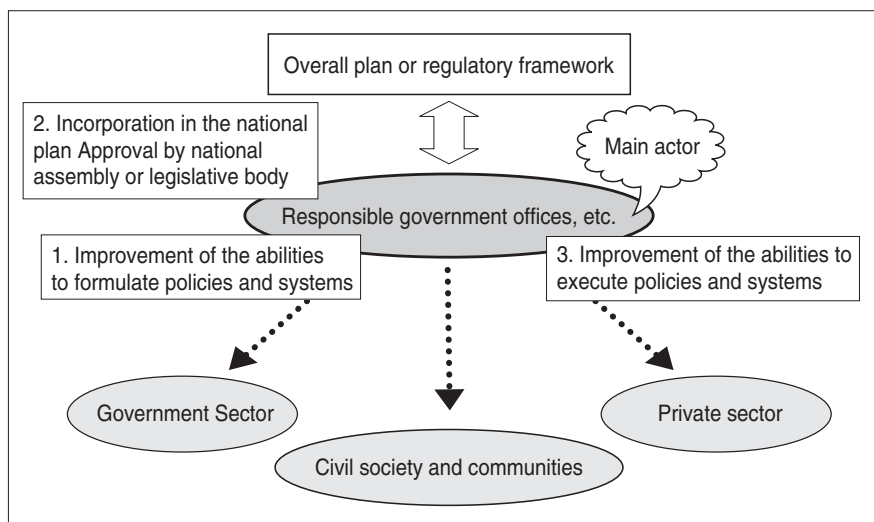
Source: Prepared by Mabuchi.

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[93] Some examples of support provided for policy formulation include studies to support the formulation of a rural development sector program in Tanzania and economic structural adjustment policies for several Southeast Asian countries, as well as studies on integrated regional development plans and economic development master plans. Examples of support provided for national level institution development include projects for legal development in Cambodia, Vietnam, and Laos. As for support in the process of policy formulation, experience is already accumulated in numerous development studies to prepare master plans for specific regions and sectors along with numbers of experts that provide policy advice.

[94] For example, there is less experience with providing assistance for the design of decentralization policies, but more with providing training and technical support to improve the administrative capacity of local governments.

(3)   Issues and Points for Consideration

Since the support provided is fairly direct, this approach carries the risk of impairing the capacities of the administrative personnel of developing countries if donors act on behalf of the developing countries in formulating the local systems and policies.[95]   In addition, policies and regulations never work effectively unless they are officially adopted as a national scheme.   It is also indispensable to promote conformity with the existing relevant regulations and systems, which often takes considerable time and effort.

In addition to designing policies and institutions, decision-making in national assemblies and legislative bodies or its reflection in state and budgetary plans requires a great deal of coordination among diverse stakeholders and related organizations and their execution and implementation demands various capacities on the part of governments, such as those pertaining to human resources development, rule setting (e.g. management particulars), strategy planning, and awareness raising within the government and the society.   This requires proper assessment of the awareness of the stakeholders and relevant organizations on newly adopted institutions and policies, their understanding by the political leaders, and the social situation as well as the proper intervention with key persons.

4.   Conclusion

The above provides three major approaches for JICA's cooperation in terms of possible entry points.   Regardless of which entry point is selected, in order to ensure that the acquired problem-solving abilities (capacities) continue to develop through the initiative of the developing countries, it is necessary to incorporate a mechanism that boosts incentives for the stakeholders or allows the serial development or expansion of the activities taking place within the network between actors at different levels.

Although the third approach, which supports policy and institution development that has a national impact, has been less often adopted, JICA's cooperation activities commonly combine two or three approaches.   For example, the first approach could bring about a nationwide extension model that takes into account and widely applies the shared know-how and systems obtained through pilot activities: the second approach could simultaneously provide support for human resources development and technological development and diffusion in order to execute policies and institutions adopted at a national level.   It is also considered desirable in some cases to adopt the third approach and launch fundamental legal development before taking the second approach, in which the core function for human resources development and technological diffusion is developed.

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[80]   It has been pointed out that the capacity of developing countries has been impaired due to experts from the developed countries taking the initiative in drafting the policies and institutions (Bossuyt, J., Laporte, G. and van Hoek, F. (2005)).

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Annex 3   Process of Analyzing and Studying Four Themes and Their Impact on the Thai Government

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JRT had intensive discussions over the four research themes in a total of five meetings between August 2000 and August 2002. The final product of the JRP was *Thailand Japan Joint Research Project on Capacity Building of Thai Local Authorities*. DOLA, MOI, Thai Government and Japan International Cooperation Agency, August 2002. This report was published in Thai, as well as an abridged version in English and Thai. Their copies were distributed among local authorities and other stakeholders throughout Thailand.

Until today, however, no substantial analysis has been performed officially on the series of discussions on the four themes leading up to the development of the final product, the responses of the Thai government to the recommendations of JRT, or how they influenced decentralization and local authority in Thailand. This report is about analysis of the JICA Program on Capacity Building of Thai Local Authorities and the lessons learned from the program. It is not about analysis and evaluation of the four research themes. Maintaining a minute record on all of the four themes is useful, however, to analyze what a mid- to long-term impact the JRP had on Thailand.

For the purpose of recording, the following paragraphs describe the five aspects of each theme: (i) the brief description and background to the theme; (ii) views of the Japanese members; (iii) the content of the discussions; (iv) comments from DOLA;[96] and (v) post-project developments.

(1)   Theme 1: Reviewing the criteria for classifying local authorities

Brief description and background

Thesaban and TAOs, the basic units of local authority, are minutely classified according to a combination of nearly 40 variables, including population, land area, and self-financing capacity. The former are divided into seven classes, and the latter into five classes. This classification facilitates the transfer of local authority officials between different local authorities and their promotion. The functions and posts are determined according to class. The classification also provides a basis for general grant allocations from the central government to local authorities. The recruitment and transfer of local authority officials was under the virtual control of DOLA, MOI and their transfer among local authorities was practiced regularly until the enactment of the Local Authority Personnel Administration Act of 1999. Under this act, local authorities have come to be primarily responsible for personnel management, and local authority officials are not transferred without approval by the head of the local

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[96] For comments from DOLA, see Ozaki (2002).

authority at each end of the transfer. It is believed that this new arrangement has many problems, especially for small local authorities like TAOs. Among the problems are few opportunities for promotion, and the often uncomfortable relationship between the officials and the local authority head. Under these circumstances, the Thai side proposed this theme because they wanted to review the existing classification of local authorities in Thailand in light of the Japanese C/P.

Views of the Japanese members

The situation in Thailand described above is quite different from that in Japan. The local government system in Japan has a simple two-layer structure made up of prefectures and municipalities. Local authorities are solely responsible for their personnel management. Intergovernmental fiscal transfers do not rest on the classification of local authorities. Local allocation tax grants, for example, are distributed based on a fixed formula. The Japanese side provided an introduction to the Japanese system of fiscal transfer from the central government to local government, with focus on the formula-based arrangement and the idea of unit cost in the local allocation tax system.

Content of discussions

The Team discussed a range of issues, including not only classification as a means of controlling personnel affairs, but also the relevance of the classification itself and the ideal design of fiscal equalization grants. The Thai side made two proposals: (i) DOLA's classification as a means of personnel management is outdated because local authorities now have statutory authority over personnel affairs; and (ii) the existing allocation system of equalization grants according to class should be replaced by a new system that builds on performance indicators that are calculated from data over a certain period.

The Japanese side did not directly comment on the proposals. Instead, they asked the Thai members to present convincing explanations or use milder expressions. On the second proposal, the Japanese side questioned the feasibility, relevance, and effectiveness of Associate Professor Charas' idea of introducing an intergovernmental fiscal adjustment system and monitoring of the productivity of local authorities, citing, for example, the difficulty in defining "productivity" of local authorities whose given conditions are different.

In connection with the second proposal, it was revealed that research data on Chonburi Province, which was described as a successful case, was unavailable especially on the public service needs and taxpaying capacity of the residents. This raised analytical problems, as highlighted by the inability to calculate the optimal scale of a local authority. Coordination and cross-referencing between the papers presented by Japanese and Thai members were inadequate due in part to the fact that Associate Professor Charas was sometimes absent from Team meetings. The final paper from the Thai side seems to have incorporated some of the views of the Japanese members.

Comments from DOLA

Given the significant disparities in capabilities among local authorities, the classification of local authorities is still relevant as a means of personnel management and monitoring. DOLA has no intention of abolishing the classification system for the time being, although the classification criteria and the number of classes need to be reviewed. Grant allocations should accommodate the needs and capacity of local authorities. Although DOLA agrees that the classification is a provisional system, the proposal in question calls for the introduction of a digital ranking system only. As long as its operational details are unavailable, DOLA has no intention of accepting the proposal.

Post-project developments

MOI of Thailand still uses the classification system of local authorities as a means of managing local authority personnel and allocating general grants. On the other hand, the classification has come to be somewhat simplified, bringing the number of classes for TAOs from five to three (large, middle, small classes). The Thai government has not taken account of the proposal by Associate Professor Charas on the grant allocation system, nor has it adopted the formula-based allocation system as suggested by the Japanese side.

(2) Theme 2: Interlocal cooperation

Brief description and background

As mentioned in Chapter 1, Thailand has a total of some 7,800 local authorities. TAOs, which account for more than 80 %, have a few full-time employees on average. The number is only around 10 for *Thesaban*, the basic unit of local authority in urban areas. Local authorities in Thailand are required by law to address such issues as solid waste management and sewage disposal. How should they address these issues, which may require interlocal cooperation? The central government has not taken adequate measures in this respect.

Although the *Thesaban* Act of 1933 provides for *sahakarn*, the Thai equivalent of PA in Japan, there has not been a single case of establishing the interlocal association. This is largely because a *Thesaban* rarely shared borders with another *Thesaban* before significant process was made in decentralization during the 1990s, falling short of meeting the conditions for establishing *sahakarn*. The establishment of TAOs in rural areas and rapid economic growth since the 1990s has resulted in environmental problems, especially those related to solid waste and sewage. Many parts of the country have experienced a "waste war" in which residents physically block the entry into their area of vehicles with garbage generated from another area. Despite these circumstances, the central government has not laid the groundwork for the establishment of *sahakarn*, repeating its argument that it should be initiated by local authorities.

The Team has decided to discuss interlocal cooperation, which might lead to the merger and

consolidation of local authorities and make specific recommendations, by learning from the vast experiences of Japan and France [97] in this sector.

Views of the Japanese members

The Japanese members had two major roles to play. One was to provide an introduction to the institutional framework for interlocal cooperation, with reference made to waste management and other cases in Japan and the Philippines. The other role was to make comments on the papers presented by the Thai members from different angles.

As part of their first role, the Japanese members introduced the institutional frameworks for PA and RU and presented the advantages and disadvantages of these interlocal cooperation systems. They also provided information on the roles of the central and prefectural governments in supporting these frameworks (by means of grants and local authority bonds, for example), decision-making arrangements, and a series of processes toward interlocal cooperation. As for the second role, the Japanese side suggested that the research should not only focus on the comparison of legal frameworks between Japan and Thailand and formal interlocal cooperation, but also encompass informal interlocal cooperation.

The study tours during the second and fourth round of meeting of the Team took the Thai members to some of the areas in Japan where interlocal cooperation was at work and inspected PA and RU. During the third round of meetings, the Japanese members visited a waste disposal plant in Phuket and a sewage treatment plant in Chonburi and interviewed some stakeholders there.

Content of discussions

The Thai members analyzed the inhibiting and contributing factors for interlocal cooperation in solid waste management in Chiang Mai and Phuket. They identified four inhibiting factors: (i) the absence of a clear central government policy or no policy at all; (ii) an inadequate legal framework (no provisions on *sahakarn* in the *Tambon* Council and *Tambon* Administrative Organization Act of 1994);[98] (iii) the non-cooperative attitude of local leaders; and (iv) local people's unfamiliarity with interlocal cooperation and failure to call for improved public services. They then presented three proposals: (i) clarifying the central government policy on interlocal cooperation; (ii) developing a set of guidelines on interlocal cooperation; and (iii) implementing a pilot project to demonstrate some of the advantages of interlocal cooperation.

Comments from DOLA

DOLA understands that interlocal cooperation will increase its importance as local authorities are too small in scale to take charge of the duties and power to be transferred to them. In fact, DOLA is

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[97]   Associate Professor Somkit prepared a paper on interlocal associations in France.
[98]   This problem was the prime reason that the government tried to compile the local government code and establish unified provisions on *sahakarn*.

receiving inquiries on how to establish interlocal associations from local authorities. The department wants to develop specific guidelines on interlocal cooperation based on the Committee's recommendations. In the process, DOLA wants continued support from JICA as well as the involvement of DOLA officials and officers and Thai academics (specifically Associate Professors Pathan and Somkit to make effective use of the research outcomes). DOLA wants to implement a pilot project for the purpose of developing the guidelines. In fact, it plans to ask JICA for such a project for 2003.

Post-project developments

Interlocal cooperation had the most significant impact among the four themes. As described in Chapter 2, the Team's policy recommendations for interlocal cooperation were translated into action in the form of TCPs of JICA (see Subsection 3-3-2 for details).

Significant progress was made with regard to the recommendation for a clearer central government policy for interlocal cooperation. For example, JICA and DLA worked together to produce the Handbook on Local Management Cooperation. DLA moved ahead with the zoning scheme (see Subsection 3-3-3 for details). Moreover, DLA expanded the scope of its activity to the legislative sphere when it presented a report on a local government code that included provisions for the establishment of formal interlocal associations.

The Team recommended that the Office of the National Decentralization Committee (ONDC) of the Office of the Prime Minister develop measures to promote interlocal cooperation projects, including grants for this purpose. When the recommendations were released, ONDC had little interest in this sector. It took no action for a while even after the JRP was completed. In July 2006, however, NDC took the first step when it set up a subcommittee on interlocal cooperation. Although the subcommittee just started discussion, its future developments deserves attention.

The Team also suggested that ONDC promote cooperation between the local administration line and the local authority line in the form of improving coordination in public service delivery between the local administrative bodies in PAOs and local authorities or promoting the exchange and sharing of experiences through mutual transfer of officials between them. ONDC, however, took no action to study institution development to that end. Nevertheless, an MOI ordinance of 2005 provides that the provincial development planning coordination committee, chaired by the PAO head, explore and pursue the possibility of the PAO or the provincial office providing support for public services that local authorities may have difficulty in delivering on their own.

The recommendations called for a number of activities useful for interlocal cooperation, including: (i) assessing the public needs for administrative services; (ii) developing guidelines with public participation; (iii) holding regional development seminars at the provincial level; and (iv) providing

project information to the residents from local authorities. Although DLA and local authorities have been working on these activities, there has been room for improvement toward capacity building of local authorities in Thailand both in public participation in local authority activities and in local authorities' provision of information to the residents.

Regarding pilot projects for interlocal cooperation, JICA is now implementing the Project on Local Management Cooperation: Phase II in northern and central Thailand. This project is aimed at developing an interlocal cooperation handbook based on the outcomes in the pilot sites and sharing these outcomes with all the local authorities in Thailand. This project is an attempt to act on the recommendations that call for local initiatives and the demonstration of the benefits of interlocal cooperation.

NDC and DLA are expected to promote policy and institution development further toward interlocal cooperation, raising the prospect for full-fledged interlocal cooperation projects in the future.

(3)   Theme 3: Merger and consolidation of local authorities

Brief description and background

As mentioned in the section on Theme 2 above, there are too many local authorities in Thailand. Most basic local authorities lack financial and human resources, making it difficult for them to deliver adequate public services. Some attempts have been made to consolidate local authorities, with little success. No policy measure is in place in the face of strong opposition from both local councillors and residents. Since the amalgamation of local authorities is a politically sensitive issue, there were concerns over whether it would ever be selected as a theme of JRT.

The Team then decided to learn from Japanese experience in the amalgamation of local authorities that has been accumulated since the Meiji Era, identify the needs for and constraints on such amalgamation, and produce mid- to long-term recommendations.

Views of the Japanese members

All the Japanese members noted that local authorities in Thailand are too small to benefit from economies of scale. They pointed out that local authority amalgamation will became a major issue as decentralization and intergovernmental transfer progresses and local authorities assume the responsibility of a wider range of more complex public services.

The Japanese side addressed four aspects: (i) the optimal scale of local authorities (the target scale should be determined based on the minimum population for essential service delivery); (ii) arrangements for the division of duties and tax revenue sources associated with the amalgamation of local authorities (more emphasis on local taxes); (iii) measures that the central government should take in relation to the

amalgamation of local authorities (the need for "carrot-and-stick" measures, including extending the term of office for local councillors, and increasing financial support); and (iv) the historical rationale for the amalgamation of local authorities in Japan. They stressed that the theme boils down to two issues: political values regarding local autonomy and economic efficiency associated with economies of scale.

The Japanese members highly evaluated the papers presented by the Thai counterparts on six case studies of referenda on the amalgamation issue. These studies were probably the first of their kind in Thailand and some of the best outcomes of the JRP.

Content of discussions

These papers analyzed the contributing and inhibiting factors for local authority amalgamation based on the case studies. Focus was placed on these factors.

The papers stated that the issue of the amalgamation of local authorities is put to a referendum. Japanese members noted that local residents usually oppose such amalgamation, not to mention local politicians. Some members raised concerns that the amalgamation of local authorities would undermine the community identity. Others stressed the positive aspects, saying that the amalgamation of local authorities may help create a new identity. A Japanese member stated that it may prompt the replacement of traditional-type political leaders. The Committee discussed other issues as well, including: (i) the roles of political leaders and parties and the central government in the amalgamation of local authorities; (ii) the importance of public relations campaigns for local residents; and (iii) the optimality of local authority amalgamation.

The Thai members raised a wide range of issues. Among them were: (i) the review of the optimal population of a TAO; (ii) the introduction of fiscal incentives for amalgamation of local authorities; (iii) the establishment of a TAO consolidation committee at the provincial and district levels; and (iv) the review of the criteria for TAOs.

Comments from DOLA

Although DOLA fully recognizes the importance of this theme, it is too politically sensitive to be addressed by DOLA alone. At the request of Prime Minister Thaksin Shinawatra, DOLA has established five committees under five themes each.[99] One of these themes, the appropriate scale and

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[99] Five committees were set up to discuss the following five themes for six months starting September 2002, with DOLA serving as a secretariat:

- The power of local administrative bodies and local authorities and their relationships; and the appropriate scale and classification of local authorities (TAOs, *Thesaban*, etc.)
- Evaluation of the arrangements by local authorities to assume new duties and power; and appropriate capabilities and devolution
- Improved efficiency of local authorities with the introduction of performance indicators and participatory monitoring of local authority services
- Guidelines on the appropriate intergovernmental fiscal transfer in accordance with the capacity of local authorities to deliver public services
- Guidelines on the intergovernmental transfer of human resources and ways to promote the change of status

capabilities of local authorities, relates to Theme 3. DOLA wants the Team to continue to mull over the study on the appropriate scale of local authorities in Thailand with reference made to the analysis by Professor Hayashi as well as the amalgamation issue. It also agrees with Professor Akizuki's comment (the comment on the 27th of August, 2002, which explained the correlation between the theme of the amalgamation of local authorities and that of interlocal cooperation). The amalgamation of local authorities will be placed on the national agenda in the future, as reported by Professor Hayashi and Professor Niyom. Meanwhile, DOLA intends to study both themes concurrently.

Post-project developments

The prediction that the amalgamation of local authorities would be a mid- to long-term issue proved to be right. In August 2002, when a final reporting session was held, the then ruling Thai Rak Thai party announced its plan for the merger and consolidation of local authorities.[100] A meeting was subsequently organized both in MOI and in the House of Representatives. These two meetings first referred to this JICA report, the only paper that analyzed the amalgamation issue in Thailand. The idea of consolidating local authorities waned in the face of strong opposition from local authorities. These developments demonstrated, as the stakeholders noted, that as decentralization progressed, the amalgamation of local authorities would be placed on the national agenda over the mid- to long-term.

The Japanese members' statement that the amalgamation of local authorities is linked with interlocal cooperation (Theme 2) seemed to be shared by the Thai side. In an interview with the authors in August 2006, the director-general DLA said that he hoped to see a reduced number of local authorities in 10 years as a result of progress in local authorities. His statement is quite important. In fact, MOI decided in 2003 to merge *Tambon* Councils with a population of less than 2,000 with neighboring basic local authorities (*Thesaban* or TAO) within the same district unless there was a compelling reason. This decision was largely realized with referenda. This shows that the benefit of economies of scale for local authorities is strongly felt within MOI.

(4) Theme 4: Coordination of local development plans

Brief description and background

Local administrative units in Thailand, including provinces, districts, and *Tambon*, are required by law to develop five-year and annual development plans. Likewise, local authorities to which power is transferred from the central government have the statutory responsibility for developing these two plans. The problem is that coordination of these development plans is inadequate between provinces/ districts and local authorities, and among local authorities themselves. Better formulation and

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[100] For details, see, for example, Nagai, Fumio. "Tai no Chiho Jichi (Saishukai): Tai no Chiho Bunken ha Do Katararete Kitanoka [Local government in Thailand (final part): How has decentralization in Thailand been described?]." *Bankoku Nihonjin Shokokaigisho Shoho* 495 (2003): 52-58.

coordination of development plans are important for utilizing limited financial resources more efficiently and effectively. The annual budget builds on the development plans. If a local authority wants to seek a specific grant for its project from the central government, it needs to enter the title of the project in its development plan. Yet local authorities have the freedom to decide their budget themselves, and the central government cannot order local authorities to formulate development plans. Formulation and coordination of development plans are lengthy and laborious processes if their preliminary phases are included. Local authority stakeholders have therefore little interest in coordinating development plans.

Views of the Japanese members

Thailand has a wide-ranging concept of development. It includes small individual projects as well. Local authorities in Japan do not have detailed five-year or annual development plans as the Thai C/Ps do. In other words, Japan has little relevant experience. The Japanese side first stressed the need to recognize this difference between the two countries. The issue of formulating and coordinating development plans in Thailand is too complex for the Japanese members who are not necessarily familiar with the local authority system in Thailand. In fact, they had difficulty understanding where the problem lies.

At the onset of the discussions, the Japanese members made it clear that Japan and Thailand shared a common problem. After reporting the planning processes at the municipal and prefectural levels in Japan, they first of all stressed the need to discuss why development planning is necessary in the first place. Second, the Japanese side noted that annual and other plans of local authorities in Japan are not always linked to their budget plan or grant allocations and that these plans are used for a variety of purposes, including community participation, negotiations over the budget, persuasion of local residents, in-house communication, and training for new recruits. Third, they suggested that Thailand place more emphasis on the benefits of planning that address informal and non-institutional aspects as well.

Content of discussions

The paper presented by Thai members focused on the present situation and problems associated with the Thai process of coordinating local development plans. They identified three major problems: (i) complexity of the planning process as a whole; (ii) the dual system of the central government line (the central government - provinces - districts) and the autonomy line (PAOs - *Thesaban*/TAOs); and (iii) the vaguely defined roles of PAOs, which should serve as a coordination center along the autonomy line, as well as their seemingly inadequate capacity for planning and coordination. Then the Thai side suggested that the planning period be shortened along the local administration lines and that the provincial governor plays the pivotal role in coordinating development plans.

The Japanese side saw more problems in the Thai paper and arguments on Theme 4 than in those

with other themes. First, the Thai paper analyzed only formal and institutional systems and frameworks. The paper seemed to dodge the fundamental issue of why development planning and coordination was necessary in the first place. Second, the Thai side refused to accept most of the comments that the Japanese side made, describing them as being beyond the scope of the research. (Also at the final reporting session, Thai side answered virtually no questions from the floor with the same reasoning.) Third, the Thai side had a mistaken perception of some facts regarding the formulation and coordination of development planning in Thailand. (For example, Thai side could not understand that a Regional Plan concerned a specific project and it did not provide a link between the National Social Economic Development Plan and a provincial development plan.) Although the Japanese side repeatedly reminded Thai side of their errors, Thai side failed to act flexibly or promptly to correct those mistakes.

In conclusion, the analysis and recommendations on Theme 4 were far from sharp, partly because Theme 4 is by nature a difficult top to discuss. Nevertheless, what the Japanese members noted drew favorable responses from the floor in the final reporting session, suggesting that the intention of the Japanese side could be accepted by Thais.

Comments from DOLA

DOLA regards training for local authority employees as an important issue. An advisory body to MOI plans to come up policy recommendations on this issue. The problem, however, is that the human resources of PAOs are quite limited. For this reason, the prime authority over coordination of provincial development plans rests with the provincial governor, who also chairs the provincial development planning coordination committee. The secretariat to the Team is served by the provincial office (the provincial branch office of the Office of the Permanent Secretary of MOI). This is only a temporary arrangement for a few years. DOLA plans devolution to PAOs as they developed their capacity.

Post-project developments

The JRP studied coordination of development plans between local authorities and local administrative bodies at the provincial level as well as among local authorities themselves. After the completion of the project, main amendments were made to the system of formulating local development plans as discussed in Section 1-2. The fact remains, however, that no significant progress has been made after JRT made the recommendations, highlighting the difficulty associated with coordination of local development plans.

The recommendations include one on the use of the Provincial and Local Prosperity Decentralization Plan (PLPDP), an umbrella framework for coordination of local development at the provincial level. PLPDP is placed under the provincial development strategy which began to be formulated in 2004. A dual structure has remained intact, however, where development plans are

formulated along both the provincial administration line and the local authority line. Integration of local development plans at the provincial level poses a major challenge for the provincial development strategy. The recommendations emphasized the importance of development plan coordination organizations at the provincial level. At present, two committees serve as such organizations: the provincial integrated administration committee and the provincial development planning coordination committee. Neither committee provides a framework for controlling and coordinating provincial administrative services and local authority services. The two committees cannot afford to have special capabilities at the moment. They have yet to set up subcommittees as recommended by JRT. However, they were downscaled to streamline their operations in line with the recommendations.[101]

On changing the development planning period as recommended to promote planning coordination, local authorities shorted the period by five months after the provincial development strategy was confirmed, although the period for developing the strategy remained unchanged.[102] The shorted planning period allows for a linkage with budget planning of local authorities, as well as requests for support from the PAO or provincial office with regard to projects for the year that local authorities have difficulty implementing on their own.

In relation to improving the process of coordinating development plans among local authorities, one of the major issues for JRT, an MOI ordinance provides for the following two processes before and after the development planning. The process before the development planning provides opportunities for local authorities to share their views on the development strategy. In the process, the provincial development planning coordination committee holds consultations and builds consensus on the provincial development strategy among local authorities. The process after the development planning provides opportunities for planning coordination for projects that local authorities have in implementing on their own. In the process, the provincial development planning coordination committee deliberates on these projects and considers asking the PAO to implement them or asking the provincial office for support. The post-development planning process allows for planning coordination between the PAO and a single basic local authority. On the other hand, planning coordination among basic local authorities and between two or more basic local authorities and the PAO is performed during the development strategy planning process. The development strategy planning comes before local authorities formulate their plans, making it virtually difficult for detailed consultation and coordination

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[101] The provincial development planning coordination committee reduced the maximum number of its members from 30 to 18 to make it easier to convene the committee and hold consultations. The committee consists of the chairman, who is served by the PAO head, three representatives from the PAO executive board (elected from the board members); three representatives from the provincial integrated administration committee (elected by the provincial governor), the director of the provincial office, the director of the provincial branch office of DLA, up to three academics, up to three representative from the private sector or the communities, a deputy head of the PAO (doubling as a secretary), and the director of the planning and budgeting section of the PAO (doubling as an assistance secretary), according to Mr. Tana Tantrakovit, Director, Division of Local Development Planning, Bureau of Local Administrative Development, who was interviewed by the author (Ozaki) on August 22, 2006.

[102] The same interview as above.

up to the project planning level. Moreover, consultations over a project that is too much for a single local authority in the post-development planning process focus on only two possibilities: implementation by the PAO, and request for support from the provincial office. The possibility of an interlocal cooperation project is not explored in this process as well. It is safe to conclude then that an institution framework has yet to be established for coordinating development plans among local authorities.

A clear intergovernmental division of services and responsibilities (especially between the PAO and basic local authorities) as suggested by the Team to facilitate coordination of local development plans has remained an outstanding issue for ONDC. This issue should be addressed soon both for facilitating coordination of local development plans and for promoting cooperation projects by two or more organizations.

In short, the Thai government, notably MOI, continues to work on policy reviews and development for the coordination of local development plans after the completion of the JRP. However, as long as the dual system of the local administration line and the local authority line remains in place even in the budgeting system, coordination of local development plans will continue to be a major challenge for Thailand. It will not suffice to change the planning process and review the composition and scale of the planning coordination committee, as recommended by JRT.

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