

Thailand

The Development Challenge: The United States and Thailand have a long history of cooperation on economic and social development issues. The United States has important political, economic, strategic, and security interests in Thailand. As a stable democracy in a tumultuous region, Thailand serves as both a model for development and democratization and a useful base of operations for USAID programs and activities in Southeast Asia. In addition, Thailand plays a valuable role as a responsible regional actor.

USAID formally ended its bilateral assistance program in September 1995 and closed its Regional Support Mission in Bangkok in September 1996. Since then USAID has managed discrete activities through regional programs in democracy and governance, environment, and HIV/AIDS. These activities were managed by USAID/Washington with support from USAID/Cambodia. Given the continued expansion of programs in the greater Mekong subregion, USAID has decided to re-establish a Regional Development Office (RDO) in Bangkok that will support and oversee this growing portfolio.

The 1997-1998 Asian financial crisis exposed the weaknesses of Thailand's economic systems, and resulted in the near collapse of the country's financial and capital markets, forcing thousands of companies to close, throwing millions out of work, and causing a significant drop in government revenues. Devaluation of country's currency stimulated exports in 1999 and 2000, enabling Thailand to contain inflation and restore some jobs, but also to delay needed fundamental economic governance reforms. Reliance on exports for growth also made Thailand more vulnerable to the worldwide economic slowdowns now being experienced in the U.S., Europe, and Japan.

Thailand's growing economy has contributed to rapid urban growth and industrialization, challenging national and local government's ability to respond to economic and health impacts associated with worsening air and water quality in most urban centers. Poor air quality and contaminated water supplies, and the impact of poor or non-existent solid waste management threaten the health and economic well-being of the Thai people and Thailand's long-term economic growth.

After being the epicenter of the HIV/AIDS epidemic in Asia for many years, Thailand's aggressive campaign to address the disease has resulted in a stabilizing of epidemic in recent years. However, the national adult prevalence rate of 2 percent remains among the highest in Asia, and about 750,000 Thai people are currently infected with HIV. In addition, the 1997-1998 Asian financial crisis resulted in decreased spending on public health in Thailand and also contributed to migration and population displacement in the region. As a result, poor and mobile populations experienced decreased access to healthcare services and information while behaviors favoring HIV transmission (e.g., sex work) increased. These events not only affected the HIV/AIDS epidemic in Thailand, but also the economic and political migrants/refugees that come to Thailand from Burma, Cambodia, China, Laos, and Vietnam. Since HIV/AIDS predominately affects the core part of the labor force (i.e. 15-45 age group), this disease has a direct impact on Thailand's and the region's economic and social development.

USAID regional programs provide Thailand with the technical support to continue economic governance reforms, improve environmental management practiced by Thai municipalities and industries, and limit the impact of HIV/AIDS and other infectious diseases on Thailand's people and economy and on the mobile migrant populations that fill many of the low-skill jobs. With migrant laborers playing a significant role in the economic development of Southeast Asia, their health and well-being is critical to development across the region.

The USAID Program: USAID does not have a bilateral program in Thailand. All current and planned activities are funded and notified under regional programs.

Other Program Elements: USAID has three regional programs that support activities in Thailand - the US-Asian Environmental Partnership Program (498-009), Stabilize Population Growth and Protect Human

Health (498-022), and Encourage Economic Growth (498-023). Plans and anticipated results are reported separately under each program.

Other Donors: World Bank, The Asian Development Bank, Japan International Cooperation Agency, the European Union, Australia, Sweden, Germany, World Health Organization/UNAIDS/other UN Agencies, and U.S. Department of Health and Human Services.

Thailand PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	0	1,000	1,000	3,000
Development Assistance	0	750	2,250	750
Total Program Funds	0	1,750	3,250	3,750

STRATEGIC OBJECTIVE SUMMARY

1/	493-WWW ANE Regional Encourage Economic Growth				
	DA	0	0	1,500	0
2/	493-XXX ANE Regional US-AEP				
	DA	0	750	750	750
3/	493-YYY ANE Regional HIV/AIDS Program				
	CSH	0	1,000	1,000	3,000

- 1/ USAID plans to obligate \$1,500,000 in FY 2004 under the regional Encourage Economic Growth program (498-023) for activities in Thailand.
- 2/ USAID plans to obligate \$750,000 in FY 2003 and \$750,000 in FY 2004 under the regional U.S.-Asia Environmental Partnership (498-009) for activities in Thailand.
- 3/ USAID plans to obligate \$1,000,000 in FY 2003 and \$3,000,000 in FY 2004 under the regional Stabilize Population Growth and Protect Human Health program (498-022) for HIV/AIDS activities in Thailand.

Data Sheet

493-001: No Summary and/or Pillar information entered for this SO.

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493-002: No Summary and/or Pillar information entered for this SO.

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493-006: No Summary and/or Pillar information entered for this SO.

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493-WWW: No Summary and/or Pillar information entered for this SO.

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493-XXX: No Summary and/or Pillar information entered for this SO.

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493-YYY: No Summary and/or Pillar information entered for this SO.