This action is funded by the European Union

**ANNEX II**

of the Commission Implementing Decision on the financing of the multiannual action programme in favour of the Asia region for 2019 part II and 2020 Part I

**Action Document for the ASEAN Regional Integration Support – Thailand Trade-Related Assistance (ARISE Plus Thailand)**

<table>
<thead>
<tr>
<th><strong>Annual Programme</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. Title/basic act/CRIS number</th>
<th>ASEAN Regional Integration Support – Thailand Trade-Related Assistance (ARISE Plus – Thailand) CRIS number: ACA/2019/041-127 financed under the Development Cooperation Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Zone benefiting from the action/location</td>
<td>Thailand Some activities will target neighbouring ASEAN countries to promote trilateral cooperation.</td>
</tr>
<tr>
<td>3. Programming document</td>
<td>Addendum to the Multiannual Regional Indicative Programme (RIP) for Asia for the period 2014 – 2020¹</td>
</tr>
<tr>
<td>4. SDGs</td>
<td>Main SDG(s) – SDG 8 Other significant SDG(s) – 1, 10, 12, 16, 17</td>
</tr>
<tr>
<td>5. Sector of intervention/thematic area</td>
<td>Prosperity - Jobs and Growth</td>
</tr>
<tr>
<td>6. Amounts concerned</td>
<td>Total estimated cost: EUR 3 000 000 Total amount of EU budget contribution EUR 3 000 000</td>
</tr>
<tr>
<td>7. Aid modality(ies) and implementation modality(ies)</td>
<td>Preferred option : Project Modality Indirect management with an International Organization (International Trade Centre - ITC)</td>
</tr>
<tr>
<td>8 a) DAC code(s)</td>
<td>33110 Trade policy and administrative management 33120 Trade Facilitation 33130 Regional Trade Agreement 33140 Multilateral trade negotiations</td>
</tr>
</tbody>
</table>

¹ C(2018)4741 of 20 July 2018
SUMMARY

The ARISE Plus – Thailand programme is aimed at supporting country-specific interventions to complement the ARISE PLUS Regional programme and the overall ASEAN regional integration process.

The programme will focus on the topics of Competition, Public procurement and trade-oriented organic agriculture, which were identified following extensive consultation with the authorities.

The overall objective is to support inclusive and sustainable trade growth and poverty reduction in Thailand, while contributing to economic integration in the ASEAN region.

Three specific objectives are:
1. A more transparent, predictable and competitive business environment achieved;
2. Efficiency of public expenditure and service delivery improved;
3. Organic agriculture practices enhanced and disseminated in Thailand and in selected ASEAN countries.

The project will be implemented in indirect management mode by the International Trade Centre (ITC).
1  **Context Analysis**

1.1  **Context Description**

Thailand has been one of the most successful countries in the Southeast Asia region in terms of social and economic development, having moved from a low-income economy to an upper-middle income economy in less than a generation. The real Gross Domestic Product (GDP) growth rate for 2018 is expected to be 3.5%. In the past years, Thailand has greatly benefited from strong global and regional trade, a more resilient domestic market, and an improved business enabling environment. Exports have far outstripped imports. Thailand has also been an example of improved governance, as recorded by the World Bank’s Doing Business Indicators. In this sense, Thailand has experienced a significant improvement in its ranking. Foreign Direct Investment (FDI) brought in USD 8 billion of external financing in 2017 and is a major motor in building competitiveness in the economy. Thailand ratified the WTO’s Trade Facilitation Agreement (TFA) in 2015. In this area, Thailand, together with Malaysia and Singapore, has achieved overall implementation rates of the TFA of over 80%, one of the highest in the ASEAN region.\(^2\) To sustain growth rates above 4 percent in the future and to further tangible economic development, Thailand will have to address its structural constraints, such as: an ageing population; environmental disasters and exposure to climate change risks, as well as challenges of governance and perception of corruption. Opportunities will be significant if the remaining bottlenecks in the business regulatory environment are addressed and the country continues its integration into the regional and global economy. A more balanced, inclusive and sustainable growth trajectory will contribute to the country’s efforts of eliminating poverty and boosting prosperity for all. This will be particularly important to support the transition of Thailand from middle to high income status.

1.2  **Policy Framework (Global, EU)**

**Global Policy framework**

Thailand is a founding member of the Association of Southeast Asian Nations (ASEAN) and since 1995 a member of the World Trade Organization (WTO). Thai economic and trade policies are aligned to commitments taken in these and other international fora. Thailand has laid out its long-term economic goals in its 20-Year National Strategy (2017-2036) for attaining developed country status through broad reforms. The Thai reform agenda focuses on economic stability, human capital development, equal economic opportunities, environmental sustainability, competitiveness, and effective government bureaucracies.

**Contribution to EU priorities in Thailand and the ASEAN region**

The ARISE plus – Thailand is a trade related assistance (TRA) programme contributes to the implementation of the Regional Multiannual Indicative Programme (MIP) Asia 2014-2020, which is the main framework for EU regional cooperation in Asia. In this context, EUR 85 million have been allocated to support ASEAN regional economic and trade integration. The main EU-funded initiative to support ASEAN is the ARISE Plus regional programme, which is complemented by ARISE plus - Thailand and other country-level ARISE Plus TRA programmes. The ARISE Plus regional and national programmes are closely aligned with the five pillars of the ASEAN economic community (AEC) Blueprint 2025 which provides a solid basis for trade related technical assistance in the region. The TRA programme for Thailand

\(^2\) UNESCAP (2017). Trade Facilitation in Paperless Trade Implementation in ASEAN.
will focus on selected elements of this Blueprint, particularly in the areas of competition policy, government procurement and agricultural practices. The TRA programme for Thailand conforms to the EU Aid for Trade (AfT) policy and the Communication "Achieving Prosperity through Trade and Investment", which is updating the 2007 Joint EU Strategy on Aid for Trade. Furthermore, this action is aligned to the objectives of the 2018 "EU Strategy on Connecting Europe and Asia".

The Thailand TRA programme is also relevant in view of a possible resumption of the negotiations for a Free Trade Agreement between the EU and Thailand. The negotiations were put on hold in 2014 as a consequence of the political crisis, and the Council conclusions on Thailand issued in December 2017 invited the Commission to “explore with Thailand the possibilities for resuming talks on an EU-Thailand Free Trade Agreement”, while the full resumption of negotiations may be pursued only with a democratically elected civilian government under the new Constitution. By promoting the implementation of a rules-based system for public procurement and competition, incorporating the principles of transparency and due process, the ARISE Plus – Thailand programme will contribute to good governance in Thailand, with positive impacts on public interest. This will also enhance the investment climate, creating incentives for European FDIs and supporting the creation of jobs and the sharing of best practices and know-how. The implementation of the new public procurement and competition frameworks recently adopted by Thailand are also likely to contribute to the country’s efforts on inclusive growth, allowing small and medium enterprises to be more competitive. The promotion of good practices in the field of organic agriculture has the potential to improve the quantity and quality of exports of agri-food products and thereby contribute to poverty reduction in the rural areas of Thailand.

1.3 Public Policy Analysis of the partner country/region

The reforms that Thailand is implementing are part of the 20-year national strategy (2017-2036) that focuses on six key strategic areas, including competitiveness enhancement, environmentally friendly growth and improvement of the business environment. Three focal areas have been identified for support through this action: competition, public procurement and trade-oriented organic agriculture. Two key related pieces of national legislation have been enacted in 2017: the Government Procurement Law and the Competition Law. Both laws provide greater powers of autonomy and relevance to their competent authorities, and aim to reduce the unpredictability of the past legal frameworks and practices thereunder, which resulted in a contested application of laws. The new laws are more comprehensive in nature and have been modernised in line with international best practices. This programme will be an essential tool to accompany Thailand in the enactment of secondary regulations and rules, yet to be issued. As a global major player in the export of agricultural products, Thailand enjoys a robust institutional framework to ensure that the trading of agricultural products complies with international standards. This programme will tackle some of the bottlenecks still faced by local Small and medium-sized enterprises (SMEs) in exporting to regional and EU markets, with a focus on organic agricultural products, therefore contributing to the country’s efforts towards poverty reduction.

1.4 Stakeholder analysis

In the public sector, the project’s primary direct beneficiaries will include the Ministry of Commerce (which will have a coordinating role between the different components), the Office of Trade Competition Commission (OTCC), the Comptroller General Department (CGD), the Ministry of Agriculture (MoA) and the National Bureau of Agricultural Commodity and Food Standards (ACFS). Some activities will target the State Enterprise Policy Office (SEPO). All these organisations face important capacity challenges and may need assistance for the implementation of regulations in line with best practices, as well as institutional support for their proper functioning. The Thailand International Cooperation Agency (TICA), a specialised agency under the Ministry of Foreign Affairs, will be instrumental in supporting trilateral cooperation activities (for component 3).

The project will enhance the involvement of the private sector and the business community in domestic and international trade, strengthen national-level mechanisms for consultations between the government and the private sector and raise awareness about the benefits and compliance obligations of the new laws and about sustainability practices. Support to ongoing policy dialogue from international business chambers, such as the European Association for Business and Commerce (EABC) will also be ensured in the framework of the project.

Furthermore, the project team will coordinate with other relevant developments partners: the Asian Development Bank (ADB), World Bank, OECD, UNCTAD, UNESCAP, UNDP, ILO, Germany (GIZ), Korea (KOICA), the Netherlands (CBI), Australia (Department of Foreign Affairs and Trade - DFAT), Japan (JICA), the United Kingdom (DFID and FCO), and the U.S. (USAID).

Finally, the project will liaise with other relevant Directorates General of the European Commission, (namely with TRADE, AGRI, COMP, SANTE and FPI), the EEAS as well as the EU Delegation in Jakarta (with an ASEAN regional work mandate).

1.5 Problem analysis/priority areas for support

Despite all the efforts and progress, Thailand still faces structural constraints which need to be addressed to ensure full participation of the country in the global economy and in the ASEAN economic space. Thailand embarked on a series of substantial reforms aimed at reducing corruption and improving good governance but there are still bottlenecks in the business regulatory environment which limit transparency and effectiveness of the public sector and erode competitiveness. Reducing or eliminating these constraints should boost Foreign Direct Investment (FDI) and increase economic integration. Another issue that Thailand is facing is the impact of climate change and pollution. Thailand's growth trajectory needs to be sustainable and inclusive. More sustainable production and consumption methods have to be promoted, including more environmentally friendly practices.

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5 The business community includes trade associations, Thai Chamber of Commerce, Board of Trade, Federation of Thai Industries (FTI) uniting different industry groups and SMEs, educational institutes, law firms, sector regulators, domestic consultancies.
For these reasons and following the discussions with the national authorities, three main areas for support have been identified to help tackling some of the problems faced by Thailand. The choice of priority areas for support has a rather precise focus with the aim to optimise funds and avoid overlap with national programmes or other ongoing activities funded by donors. In addition, these areas have been chosen because of the added value of the EU experience therein.

1st priority area: Competition:
On 5 October 2017, Thailand’s Trade Competition (TTC) Act B.E. 2560 (2017) came into force, replacing the previous competition regulatory framework. The new Act stipulates the inclusion of state-owned enterprises, a principle for consideration of businesses as a single economic entity, the introduction of administrative sanctions, and the establishment of the Office of Trade Competition Commission (OTCC) as an independent government agency with its own budget, personnel, and operation. The OTCC is preparing the administrative and the implementing regulations while the office is still being set up (several positions still have to be filled and commissioners are yet to be appointed). The OTCC will require intensive institutional strengthening, including its operational efficiency, human resource programme, capacity building for OTCC officers on evaluation, improving quality of industry statistics and Private-public partnerships (PPP) consultation mechanisms. A wide awareness campaign for the private sector needs to be launched both at national and provincial levels to prevent wrong interpretation, non-constructive disputes, and reputation loss. There is a strong interest in Thailand for exposure to EU and international experience in order to improve the application of the Competition Act.

2nd priority area: Procurement:
In August 2017 the Government of Thailand promulgated the Government Procurement (GP) and Supplies Management Act, B.E. 2560 (2017) with the aim to promote a more efficient public expenditure and reduce corrupt practices. A number of implementing regulations will accompany the application of the Act, to enhance transparency and accessibility to public procurement markets, and lead to more efficient use of funds. A mix of price and quality criteria (e.g. environmental aspects) has now been introduced into procurement requirements. Procurement in Thailand is decentralised, involving a wide range of government bodies and State Owned Enterprises. The Comptroller General's Department (CGD) of the Ministry of Finance is responsible for the implementation, the regulation and the budget disbursement of the central government. The CGD also manages the e-procurement platform, which is a centralised platform of all procurement notices throughout the country. The Department of Provincial Administration of the Ministry of the Interior is overseeing procurement by local government organisations, and the State Enterprises Policy Office (SEPO) of the Ministry of Finance is in charge of overseeing procurement by State-Owned Enterprises.

3rd priority area: Agriculture:
Organic agricultural practices have to be implemented and promoted. Thailand has taken the lead within ASEAN on organic standards and has requested support on certification. While organic farming is increasingly promoted by the Government of Thailand, accreditation of organic labelling, recognition and building local consumer awareness of the benefits of organic products remain low. Nonetheless, Thailand is more advanced than other neighbouring countries in the region with regards to good agricultural practices and exports of agro-food products. The proposed action will thus aim to benefit Thailand to further improve
its organic standards and will also seek to promote trilateral cooperation in the region which would showcase Thailand’s experiences and lessons learnt to other least developed ASEAN Member States (Cambodia, Laos and Myanmar). The ARISE Plus programme will support Thailand to promote organic standards for agricultural products and making production more sustainable.

2 **RISKS AND ASSUMPTIONS**

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political instability may cause disruption in the TRA delivery or change orientation of requests at higher political level</td>
<td>Medium</td>
<td>The EU will meet and engage on a regular basis at technical level with senior government officials. Project governance system will involve high level official to ensure country ownership all along.</td>
</tr>
<tr>
<td>The authorities do not agree to sign a financing agreement</td>
<td>Medium</td>
<td>Although the signature of the financing agreement has not been secured yet, the Delegation will continue to hold high-level discussions with the authorities to this aim.</td>
</tr>
<tr>
<td>Institutional and policy changes may take place after the general elections that took place in March 2019. While orientation of policy is not expected to change dramatically, there could be delays in project implementation</td>
<td>Low</td>
<td>Dialogue with ministries during inception (2019-2020) will help re-align the project as needed. Working not only with public institutions, but also with private organisations will also mitigate this risk.</td>
</tr>
<tr>
<td>Low interest by government officials in being trained in the areas identified by the TRA</td>
<td>Low</td>
<td>Generally, there is a strong demand for TRA programmes and for exchange of practices with the EU. These issues were pre-identified as important by all parties. During the inception phase a careful selection of training beneficiaries will be ensured.</td>
</tr>
<tr>
<td>Overlapping programmes with international donors in Thailand</td>
<td>Low</td>
<td>Coordination between international donors, and between the different programmes will avoid duplication risks. The volume of other ongoing or upcoming programmes is limited and this will reduce the risk of overlap and duplication.</td>
</tr>
</tbody>
</table>

**Assumptions**

- Commitment of the different Government agencies and departments to work with the project team is maintained throughout the entire duration of the Action.
- The momentum in Thailand and ASEAN for regional economic integration process and to harmonise standards is maintained.
- Political commitment to foster implementation of the new competition and procurement regulations is in place.
- There is buy-in and willingness by relevant key partners to develop new cooperation and standardisation alignment mechanisms.
3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

Whilst the EU has not had any specific country programmes in Thailand for a number of years, the country has taken part in several regional programmes to support ASEAN regional integration. Lessons have been identified from regional programmes and other initiatives and have either been applied during the formulation or will be applied during the implementation.

- **Long standing partnership:** The EU Delegation established good working relations with the relevant stakeholders, which were involved during the different phases of programme preparation.
- **Project approach:** Previous projects showed the need for: 1) a flexible and demand-driven approach, which enhanced the project’s ownership and commitment from beneficiaries; 2) a good access of the technical assistance teams to high level officials and key policy makers; 3) a strong engagement of business representatives, which facilitated policy dialogue. During the inception phase the implementer will be responsible, under the supervision of the EU Delegation, to adapt the work plans to the need of the stakeholders and to the recent evolution in the situation
- **Synergy and Complementarity:** Attention should be given to activities fostering synergy and complementarity, optimum allocation of resources within and among components, avoidance of delays in project management as well as management of cross-cutting issues. A consultation mechanism between donors is essential to avoid overlapping and ensure better targeted capacity building programmes for the authorities. Coordination with other EU funded projects as well as with projects funded by other donors has been discussed during the formulation phase to avoid overlap. This will be ensured during the implementation.
- **Sustainability:** Impact can be achieved by strengthening the capacities of beneficiaries. That is the reason why most activities are devoted to capacity building in order to promote self-sustainability of the initiative. Provision of training should target senior and middle management and a "training the trainers" system should be promoted for future sustainability.
- **Monitoring and evaluation:** Establishing a set of objectively verifiable indicators at the inception phase, as well as regularly measuring achievement and progress is imperative to ensure proper follow up and sound project implementation. An indicative set of indicators has been suggested during the formulation phase and will be revised during the inception phase.

3.2 Complementarity, synergy and donor coordination

Programmes funded by the European Commission: The ARISE Plus Thailand programme complements the ARISE plus regional programme in supporting the implementation of the AEC Blueprint 2025. Cooperation will be ensured with the regional ARISE plus dimension and with other national TRA programmes in ASEAN. The activities of the ARISE Plus
Thailand programme will also be coordinated with the regional programme "EU-Asia cooperation on sanitary and phytosanitary (SPS) and Food Safety Regulation" (FPI), the "Cooperation on competition in Asia" programme (COMP/FPI), "Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation" programme (FPI), the "Systematic Mechanism for Safer Trade (SYMST)" programme on pesticides for Thailand and Laos (DEVCO) and DG SANTE's "Better Training for Safer Food (BTSF)" initiative.

Programmes funded by EU Member States and other donors: Coordination will be set up with other ongoing programmes such as the Competition Law Implementation Program (CLIP) under the ASEAN-Australia-New Zealand Free Trade Area Economic Cooperation Support Program (Phase III, 2018 –19). The OECD-Thailand Country Programme (2018-20) will focus on 16 areas of cooperation, including Competition, and notably plans to provide assistance in capacity building, training of new commissioners and raising awareness of competition. The UNDP supports Thailand’s Comptroller General Department through a regional governance and peacebuilding programme (2018-21), under funding from the UK Prosperity Fund. GIZ has a large cooperation programme with support given to the private sector in the field of agricultural standards, and a trade facilitation project (multi-country programme) on food safety and SPS. GIZ also engages with the ASEAN Secretariat in its work programmes. In the field of competition, GIZ has a regional programme on competition law, to facilitate South-South learning and strengthen competition authorities in ASEAN member States. GIZ is implementing the country level ARISE Plus programme in Cambodia, focusing in part on rural development and the development of sustainable agricultural practices. ITC carried out a non-tariff measures survey in Thailand in 2016, to identify trade obstacles related to trade procedures and cross-border operations. In the region, ITC is implementing the country level ARISE Plus in Myanmar and Laos, focusing on trade policy, trade facilitation and private sector support, including in standards.

Despite the presence in Thailand of numerous international partners, the support provided to Thailand on trade-related issues remains limited. Strong coordination will be established to ensure complementarity with all relevant stakeholders.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objectives, expected outputs and indicative activities

The overall objective is to support inclusive and sustainable trade growth and poverty reduction in Thailand, while contributing to economic integration in the ASEAN region.

Three specific objectives are identified:

1. A more transparent, predictable and competitive business environment achieved.
2. Efficiency of public expenditure and service delivery improved.
3. Organic agriculture practices enhanced and disseminated in Thailand and in selected ASEAN countries.

The expected results of the proposed Action are directly aligned with the above specific objectives:

1. Result (Output) 1: Strengthened capacity of the Office for Trade Competition Commission (OTCC) for the application of the competition regulatory framework is in accordance with international best practices.
2. Result (Output) 2: Enhanced capacity of Comptroller General Department (CGD) for the application of the public procurement framework is in accordance with international standards.

3. Result (Output) 3: Enhanced understanding of policy frameworks for organic agriculture, in line with EU standards, in Thailand and in selected ASEAN countries.

**Indicative Activities**

The following represents an indicative and non-exhaustive list of activities for the three result areas, which may be revised and adjusted during inception and implementation in accordance with contingent conditions:

**Result 1: Strengthened capacity of the Office for Trade Competition Commission (OTCC) for the application of the competition regulatory framework in accordance with international best practices.**

- **Strengthening the OTCC operational capacity:** Activities should combine Training of Trainers (ToT) modules and direct learning programmes for OTCC staff and other stakeholders, including sectoral associations and relevant domestic consultancies. Areas covered may include (but should not be limited to) the new law implementation modalities, market definition, technical tools to gather evidence (i.e. big data, social media markets, e-commerce), investigation techniques, analysis of market dominance, mergers and acquisitions, State Owned Enterprises, as well as more general issues such as market studies, and awareness promotion techniques. On the job training will also be considered, especially in areas such as investigations, data collection and information management systems.

- **Ensuring compliance with competition rules amongst the business community:** Dedicated activities shall support the implementation of the law and raise awareness. The following subjects, among others, will be considered for investigation: Finding balance between law enforcement and advocacy; setting priorities in the efforts to reach out to specific business sectors and/or actors; ‘competitive neutrality’ framework as practiced by OECD countries. OTCC should mainly target Small and Medium Enterprises (SMEs) for advocacy measures, to improve knowledge and awareness on competition compliance among SMEs. The Action will support the development of specific awareness raising measures and toolkits to provide the focal groups with information on the basic principles of competition law, benefits of competition compliance, as well as guidelines on implementing an internal Competition Compliance Programme (CCP) in the ASEAN context.

**Result (Output) 2: Enhanced capacity of Comptroller General Department (CGD) for the application of the public procurement framework in accordance with international standards.**

- **Strengthening operational and technical capacity:** Activities will strengthen the CGD and provincial office’s institutional capacity to implement the regulations related to the government procurement Act. At provincial level, training workshops, on the job training, and technical assistance will be provided to procurement officers, to focus on best practices for competitive evaluations based on price, quality and sustainability criteria, as well as reference pricing data gathering. A “Train-the-Trainers” approach will be adopted. Dedicated activities will target the private sector and the operational constraints related to the procurement criteria. Best practices will be showcased for obtaining reference prices, and collecting information in overseas comparable markets. Adoption of the use of framework agreements in
the EU procurement system will be used as a best practice for rapid procurement deployment. Focus on inter-institutional cooperation, as well as support to decentralised operational structures, will be provided.

- **Communication and accessibility improvement:** Open procurement data could be extended to relevant sectors such as the pharmaceuticals and health sector. Specific activities will support SMEs in accessing government procurement markets (at the enterprise level but also at the CGD level to lower the barriers to entry). Support will be provided to balancing the system of registration of companies under privileged categories and the potentially negative competition consequences arising from this.

**Result (Output) 3:** Enhanced understanding of policy frameworks for organic agriculture, in line with EU standards, in Thailand and selected ASEAN countries.

- **Support to the Ministry of agriculture and relevant departments** on organic agriculture. Thailand has the objective of doubling organic food production between 2017 and 2022. The Action will facilitate ASEAN-wide consultations and provide technical support to strengthen alignment with EU organic standards.

- **Support to the private sector** (including support to rural SMEs) to enhance organic agricultural practices. Training to improve compliance of products and to raise awareness of new regulations will be incorporated in the activities, in complementarity with the regional SPS programme "EU-Asia cooperation on SPS and Food Safety Regulation" (funded by FPI).

- **Trilateral cooperation** between the EU, Thailand and other ASEAN countries: As Thailand is advanced vis-à-vis other countries in terms of research, adoption and certification of organic agricultural policies and practices, it can help promote the international and EU standards for organic agriculture and disseminate its own lessons learnt with other ASEAN countries. The Thailand International Cooperation Agency is expected to play an important role in coordinating the demand for trilateral cooperation. Finally, other areas can benefit from trilateral cooperation within organic agricultural standards.

**4.2 Intervention Logic**

The overall objective is to support inclusive and sustainable trade growth as well as poverty reduction in Thailand, while contributing to economic integration in the ASEAN region. This is based on the following assumptions:

1. By strengthening the capacities of the Office for Trade Competition Commission a more transparent, predictable and competitive business environment will be achieved, thus contributing to boosting the economy, reducing prices and improving quality. Thai companies will be better equipped in the global economy and EU businesses will also have more business opportunities in Thailand.

2. By enhancing the capacity of Comptroller General Department (CGD) the efficiency of public expenditure and service delivery will improve. Transparency and accessibility to public procurement markets should increase whereas corruption is expected to decrease.

3. By developing policy frameworks for organic agriculture in line with EU standards, export opportunities for Thai and ASEAN producers will increase, thus ensuring a more inclusive and sustainable trade growth and contributing to poverty reduction.
The first two result areas are highly complementary and aim at developing transparency, predictability and efficiency in the business, investment and trade environment, while the third area seeks to improving private sector competitiveness and promoting good practices for organic agriculture, with the aim to export globally. The Action will also significantly contribute to strengthen capacities within national institutions, to promote rule of law and improve good governance practices. Awareness promotion and an outreach Communication Plan should be envisaged in order to build credibility and share knowledge.

This regulatory framework benchmarking will be based on internationally accepted standards and best practices, as also reflected in the EU and ASEAN relevant frameworks, and it will include a comprehensive support to the institutions in charge of implementing the law. The Action will support the broader business and trade environment (macro level), intermediary bodies (meso level) and private sector engagement and development (micro level).

4.3 Mainstreaming

As competition policy and government procurement are cross-sectoral in nature, efforts to strengthen the interface between competition policy issues and other economic areas should be on the agenda, to better develop the competition and transparency culture across the wider community. As anti-competitive behaviour is a barrier to entry and growth for groups at the fringe of the business community, it is essential to prevent anti-competitive practices from occurring in the first place, and provide equal opportunities to specific business entities (such as SMEs) and/or actors (such as women and youth entrepreneurs) to achieve inclusive and broad based growth in the country. Dedicated activities of the ARISE Plus Thailand programme will target women (from the public and the private sector) and gender disaggregated data will be collected to monitor participation and involvement.

Constrained access to markets, particularly the public sector procurement market, is a limit to opportunities for certain groups of the business community. The programme directly addresses the issue of sustainable development and environmental protection, through targeted activities aimed at increasing the range of environmentally-friendly exports (organic agriculture) and at improving the domestic market base towards long-term sustainable and equitable structures. Protection of consumers through tighter control of anti-competitive behaviours, and improvement in government procurement efficiency and transparency are expected to have a clear, positive impact, on consumer welfare.

4.4 Contribution to SDGs

This Action is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 8 (Promote strong, inclusive and sustainable economic growth and decent work for all). The Action also promotes progress towards: SDG 1 (End poverty), by focusing on small-scale agriculture where poverty is still very much present; SDG Goals 10 (Reduce inequality within and among countries), SDG 12 (Promote sustainable consumption and production patterns), SDG 16 (Achieve peaceful and inclusive societies, rule of law, effective and capable institutions) and SDG 17 (Strengthen global partnerships for sustainable development) – its targets on trade and promoting a universal, rules-based, open, non-discriminatory and equitable multilateral trading system.

[12]
5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen that a financing agreement with the partner country will be concluded.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 42 months from the date of entry into force of the financing agreement. The indicative start date is January 2020. Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

5.3.1 Indirect management with an international organisation

This action may be implemented in indirect management with the International Trade Centre (ITC). This implementation entails the provision of technical assistance for the project as outlined above.

The envisaged entity has been selected using the following criteria:

- The ITC is an international organisation specialising in providing trade-related technical assistance and has all the expertise required for the delivery of the results expected under this project. ITC has implemented a large number of EU-funded projects in the past. In particular, ITC is implementing the national ARISE Plus programmes in Laos and Myanmar and is also the chosen EU’s implementing agency for similar projects in Afghanistan, Sri Lanka and Bhutan.
- ITC has specific expertise in the sectors covered by this Action and can ensure coordination with other UN agencies dealing with these topics.
- As a joint UN/WTO agency, ITC’s mandate combines a focus on expanding trade opportunities with the aim of fostering sustainable development and has strong experience in delivering gender and inclusiveness trade programmes.
- ITC has developed a depth of experience operating coherently at all levels from trade policy to practice and has a strong track record of connecting the public and private sectors.

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6 www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
• ITC’s distinctive feature is to offer integrated solutions combining institutional, managerial and entrepreneurial capacities simultaneously at government, institutional and enterprise levels.

• ITC has expressed interest to manage and implement the project and the implementation by ITC would ensure coherence with other ongoing programmes in the ASEAN regions and would favour trilateral cooperation.

The international organisation identified above, is currently undergoing an ex-ante assessment of its systems and procedures. Based on its compliance with the conditions in force at the time previously other indirect management actions were awarded to the organisation and based on a long-lasting problem-free cooperation, the international organisation can also now implement this action under indirect management, pending the finalisation of the ex-ante assessment and where necessary, subject to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation. The assessment is expected to be finalised in an estimated 6 months.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 5.3.2 below.

5.3.2 Procurement (direct management)

<table>
<thead>
<tr>
<th>Subject in generic terms, if possible</th>
<th>Type (works, supplies, services)</th>
<th>Indicative number of contracts</th>
<th>Indicative trimester of launch of the procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance (Specific objectives 1,2,3)</td>
<td>Service</td>
<td>1</td>
<td>Q1 of 2020</td>
</tr>
</tbody>
</table>

5.3.3 Changes from indirect to direct management mode due to exceptional circumstances

If indirect management with ITC is not possible due to circumstances outside of the Commission's control, the alternative implementation modality is direct management through a call for tenders to award one technical assistance contract as was the case for the regional and other national ARISE plus projects

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

a) With regard to the regional nature of this action, the Commission decides that natural and legal persons from the following countries having traditional economic, trade or geographical links with neighbouring partner countries shall be eligible for participating in procurement and grant award procedures: ASEAN Member States. The supplies originating there shall also be eligible.
b) The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 5.5 Indicative budget

<table>
<thead>
<tr>
<th></th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect management with an international organisation (ITC) (cf. 5.3.1)</td>
<td>2 850 000</td>
<td>0</td>
</tr>
<tr>
<td>Evaluation (cf. 5.8)(^7) Audit (cf. 5.9)(^8)</td>
<td>150 000</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>3 000 000</td>
<td>0</td>
</tr>
</tbody>
</table>

### 5.6 Organisational set-up and responsibilities

A project steering committee (PSC) will be established with responsibility for guiding the project and for approving work plans at the technical level. The PSC will meet twice a year and ad hoc, as required. The secretariat of the PSC will be the responsibility of the ITC project team.

The PSC shall be made up of at least:

- A representative from the EU Delegation to Thailand at Head of Cooperation level
- Ministry of Commerce (MoC)
- the Office of Trade Competition Commission (OTCC),
- the Comptroller General Department (CGD),
- the Ministry of Agriculture (MoA) and its department of Agriculture
- the National Bureau of Agricultural Commodity and Food Standards (ACFS)

Other relevant stakeholders, including business associations, as well as EU Member States or other donors may be invited.

Detailed Terms of Reference (TORs) of the PSC shall be elaborated at the outset of the project by ITC in full coordination with the EU and MoC.

### 5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

A baseline survey/data collection exercise will be conducted by the implementing partner during the inception phase and a final survey/data collection exercise will be conducted at the end of the project.

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\(^7\) Evaluation services may be contracted under a framework contract

\(^8\) Audit services may be contracted under a framework contract
During the implementation of the project the implementing partner will be responsible to collect data and every report shall provide an accurate account of the implementation of the action, detailing difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. SDGs indicators and, if applicable, any jointly agreed indicators, as for instance per joint programming documents, should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

### 5.8 Evaluation

Having regard to the nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission. A mid-term evaluation will be carried out for learning purposes, in particular with respect to the broader regional framework of the action to promote exchange of experiences among ASEAN countries. A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this action has to be inserted in the broader ASEAN framework.

The Commission shall inform the implementing partner at least 3 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

It is foreseen that evaluation services may be contracted under a framework contract.

### 5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

### 5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.
In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The Communication and Visibility Requirements for the European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.
APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

<table>
<thead>
<tr>
<th>Results chain</th>
<th>Indicators</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall objective (Impact)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To support inclusive and sustainable trade growth as well as poverty reduction in Thailand, while contributing to economic integration in the ASEAN region.</td>
<td>1. GDP</td>
<td>1. Thai government reports</td>
<td>• OTCC is fully staffed at start of project</td>
</tr>
<tr>
<td></td>
<td>2. Trade with ASEAN to GDP ratio</td>
<td>2. ITC TradeMap</td>
<td>• Willingness of the concerned Authorities and other GoT bodies to promote competition framework nationwide and to strengthen links with the private sector</td>
</tr>
<tr>
<td>Specific objectives (outcomes)</td>
<td>1. A more transparent, predictable and competitive business environment achieved;</td>
<td>1.1 Number of company disputes solved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1 Number of company disputes solved</td>
<td>1.1 Feedback from Chambers of Commerce, Sectoral Associations and other relevant bodies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.2 Number of Complaints received from operators</td>
<td>1.2 Reports of the OTCC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.3 Number of anti-competitive investigations concluded</td>
<td>1.3 Reports of the OTCC</td>
<td></td>
</tr>
<tr>
<td>Results chain</td>
<td>Indicators</td>
<td>Sources and means of verification</td>
<td>Assumptions</td>
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<tr>
<td>3. Organic agriculture practices enhanced and disseminated in Thailand and in selected ASEAN countries.</td>
<td>3.1 volume of certified organic agricultural export products (agriculture and agro-food sectors) 3.2 Number of companies obtaining organic certification in the product sectors targeted by the Action</td>
<td>3.1 AFCS report 3.2 Survey of the private sector</td>
<td>• Commitment of AFCS to work with the project team  • High-level adoption and consistent buy-in by all beneficiaries</td>
</tr>
<tr>
<td>Output 1.1 Strengthened capacity of the Office for Trade Competition Commission related to the competition regulatory framework.</td>
<td>1.1.1 Number of staff trained in competition law, investigation and data analysis (disaggregated by sex) 1.1.2 Number of studies, assessments conducted…</td>
<td>1.1.1 OTCC annual reports 1.1.2 project Progress reports</td>
<td>• Political commitment to foster implementation of the new competition regulations.  • Fruitful cooperation of international donors providing TA to OTCC</td>
</tr>
<tr>
<td>Output 2.1 Enhanced capacity of Comptroller General Department (CGD) related to international standards in public procurement.</td>
<td>2.1.1 Number of CGD employees at national and provincial level with improved technical skills (data split by gender) 2.1.2 Improved communication and accessibility framework in the pharmaceuticals, health sector, and for SMEs</td>
<td>2.1.1 CGD annual reports 2.1.2 Project progress reports</td>
<td>• Political commitment to improve procurement regulations  • Fruitful cooperation of international donors in this area</td>
</tr>
<tr>
<td>Output 3.1 Enhanced understanding of policy frameworks for organic agriculture, in line with EU standards, in Thailand and selected ASEAN countries.</td>
<td>3.1.1 Number of farmers and processors complying with organic standards (disaggregated by sex) 3.1.2 Surface of land devoted to organic farming</td>
<td>3.1.1. EU DG Sante and AGRI feedback 3.1.2 National/Global GAP records and annual Reports of ACFS</td>
<td>• Continued growth in demand for certified products  • ACFS commitment to pursue recognition process  • Willingness by farmers and processors to invest in certification.</td>
</tr>
</tbody>
</table>