

Country Development Cooperation Policy for the Kingdom of Thailand

February, 2020

1. Purpose of Development Cooperation

Thailand and Japan have established a close relationship with each other in a broad sense including politics, economy and culture, and interpersonal exchanges have been extremely active. Among these, the economic relationship is especially close; for Thailand, Japan is the number one country in terms of amount of investment and official development assistance (ODA); while for Japan, Thailand is the most important country as a production base helping Japanese corporations stay ahead and remain the center of the automobile and electronics industries, etc.

To support Thailand's efforts for social and economic development, Japan had provided approximately 2.8 trillion Yen to Thailand by 2018, by means of ODA Loan, Technical Cooperation, and Grant Aid for projects to build infrastructures including the Suvarnabhumi International Airport, subways, railways, and water purification plants.

Although Thailand has become an upper-middle income country, in order for the country to sustainably develop, there are issues to be dealt with such as industrial human resources development, capacity building of R & D for high value-added industry, quality infrastructure development, promotion of disaster management including flood control, and energy, environment and climate change, in line with the Sustainable Development Goals (SDGs). It is also necessary to address issues such as the aging society, support for the socially vulnerable, and the mitigation of disparity, as Thailand becomes a mature society.

Located in the center of the Indochina Peninsula and facing both the South China Sea and the Indian Ocean, Thailand occupies an important geopolitical position, plays a central role in the ASEAN Community and is a key country for the further development of the Mekong region in the Free and Open Indo-Pacific. Common issues in ASEAN countries to be addressed actively by cooperation between Thailand and Japan include strengthening ties among ASEAN countries, deepening economic integration and mitigating disparity.

In 2015, the prime ministers of both countries confirmed their willingness to maintain and strengthen the "Strategic Partnership" between the two countries and agreed to enhance their cooperation in the political, economic and human exchange areas as well as cooperation in regional and international arena.

In collaboration with Thailand as a donor and a development partner, developing cooperation utilizing both countries' strengths is effective from the aspect of establishing a model for development cooperation for upper-middle income countries as well.

2. Basic policy of Japanese ODA (overall goal)

Promotion of mutual benefit and independent regional development based on strategic partnership

With our strategic partnership based on the close political, economic and social relationship between Thailand and Japan, we expect to promote cooperation for mutual benefit and to contribute to balanced development for ASEAN and the Mekong Region.

3. Priority Areas (subsidiary goals)

(1) Sustainable development of economy and coping with maturing society

For the mutual benefit of the economy and society in Thailand and Japan, cooperation is undertaken for industrial human resources development, improvement of urban functions such as traffic congestion alleviation, quality infrastructure development such as distribution and ICT, promotion of disaster management including measures against water disasters based on the 2011 mega flood, and promoting international joint research, to provide the basis for sustainable development of economy and society. In addition, cooperation is undertaken on issues to solve as Thailand becomes a mature society, such as environment and climate change, the aging society, and support for the socially vulnerable, by utilizing Japanese knowledge and experience.

(2) Coping with common issues in ASEAN countries

Cooperation is undertaken in order to strengthen ASEAN connectivity, deepen economic integration, and mitigate disparity among ASEAN/Mekong countries. In particular, by supporting the unique efforts of Mekong countries, such as the realization of the ACMECS Master Plan, to promote initiatives that contribute to the independent growth of Mekong countries.

(3) Providing support for Third Countries

Cooperating with Thailand on issues in the ASEAN/Mekong Region and the international community, and further providing support for third countries of mutual interest. Particularly, under Japan's important policies such as the Free and Open Indo-Pacific (FOIP) and the Japan-Thailand Partnership Programme Phase 3 (JTTP3) revised in October 2019, implementing Third Country Training Programmes and dispatching experts to ASEAN countries and beyond, and pursuing new cooperation targeting third countries, such as co-financing for infrastructure projects.

4. Points to be considered¹

- (1) Closely following a trend related to the anchoring of a democratic government.
- (2) Cooperation with Thailand is expected to be a model for development cooperation with other upper-middle income countries. In addition, the successful outcome of such cooperation is intended to form the basis of cooperation with other countries such as those in the ASEAN Region, based on the theme of “Advancing Partnership for Sustainability” adopted by Thailand as Chair of ASEAN in 2019.
- (3) Based on the active roles played in Thailand by various Japanese stakeholders such as private companies, NGOs, universities, local administrations, and international organizations, including regional headquarters functions, collaboration among these stakeholders and the establishment of networks with Thai stakeholders are expected to be pursued by means of ODA to promote effective and efficient activities including non-ODA activities.
- (4) Since Thailand is now a country with a relatively high income level, and plays a role as a donor mainly in neighboring countries, cooperation with Thailand is planned and implemented via strategic utilization of Technical Cooperation, ODA Loan, and Overseas Investment Loan, etc. by assessing the assistance needs on the basis of selection and concentration.

[Annex: Rolling Plan](#)

¹ The country-focused ODA evaluation reports are available at the following link;
Country Assistance Evaluation (2012) , Available at:
<http://www.mofa.go.jp/policy/oda/evaluation/index.html>