

ISSUES PAPER

THAILAND: Land Settlements (493-0289)

1. Project Purpose:

A. The project concentrates on income production by providing financing for roads and water subprojects in addition to a small amount of technical assistance, research, and so on. As such, does it in fact contribute to improved land utilization or welfare of the settlers when it does not directly cover credit availability, land certification, or the provision of agricultural inputs?

B. Both land certification and credit availability are treated as assumptions (pp. 10-11) for achieving project purpose, and progress in achieving both is covered by proposed covenants. However, neither is apparently considered critical to project success since they are not part of the project per se. How will the project in fact contribute to achieving these ends?

C. Why is the provision of social services, including health and education, excluded from the project? Does USAID still consider the development of Nonformal Vocational Education (493-0295) as a companion project in FY 80?

D. The project paper avoids any implication that a secondary benefit of the project will be improved health status. The project will increase the availability of water for domestic use (generally believed to have a positive but not well documented effect on health status) but not ensure its cleanliness, although DPW extension activities will include programs on sanitation.

2. Infrastructure Subprojects:

A. Half of the proposed loan is for the local costs of road construction (and construction supervision) which are considered essential in order to assure settlers adequate access to markets and to agricultural inputs. Does the economic analysis justify this use of AID funds?

B. How is the AID-funded road building effort to be coordinated with the IBRD's large planned investment in roads as well as water?

C. Both a condition precedent to reimbursement for each subproject and a special covenant pertain to the RTG assuring proper maintenance for facilities constructed under the project during the life-of-project? What assurance does AID have that subprojects will be maintained by the RTG following project completion?

3. Evaluation:

The proposed \$100,000 grant to cover the costs of evaluation is not included in the FY 79 Thailand OYB but will presumably be included in the FY 80 OYB. Can we be assured the money will be available on time?

4. Management:

Presumably to enhance the "bottom-up" approach, the PP proposes an intricate management pyramid involving farmer level groups, settlement cells, and settlement operations committee, as well as regional DPW representatives. What are the implications of this structure for project efficiency, real access of farmers to RTG decision-making, USAID monitoring, and for the activities of Peace Corps volunteers and extension workers?

5. Environmental Assessment:

An EA was prepared and has been submitted to AID/W. It's results have been made available to and discussed with the RTG.

6. Conditions Precedent:

Initial CPs to disbursement require the development of an extensive set of plans without the benefit of expatriate technical advisory services. Can they be achieved within 90 days? What are the implications for USAID monitoring?