



such assistance will be made on a case-by-case basis subject to project progress and to the availability of funds at the time. (Originally, project proposals had contemplated substantial counterpart budget support; however, in the absence of Program Loans (counterpart) and reduced amounts of PL-480 generated local currency such assistance will necessarily be limited.) For the present, the USAID policy is to limit our assistance to planning and institutional assistance under contracts already funded in FY ~~1970~~ 1970. For this reason, it would be extremely difficult at this time to lay out a specific and integrated long-range plan of additional, Phase Two, action for USAID assistance. This may evolve over the next several years, with specific proposals subject to further USAID review and further documentation.

(b) PROP Methodology - Targets

In discussions with the IA Evaluation Officer, two different concepts of PROP methodology were noted. One would describe a project in terms of immediate and definable targets within a delimited frame of reference. In general, although not exclusively, the Mission has followed this pattern in its PROP's, feeling that such an approach is consistent with the unit-of-management concept and that it results in a work plan that is more specific, better defined, and less subject to proliferation of activity. The other approach would specify and quantify longer-range and broader goals and targets which would represent the ultimate achievements of the program. In an institutional project, for example, the first concept would define project targets as the development of specific institutional capabilities, whereas the second concept would seek to define the targets in terms of the eventual achievements and contributions to the economy of the institution, once established. The Mission believes that while the second approach has value in terms of overall rationale of why the institution or the project is being undertaken, the first approach is generally preferable since the broad, final end-product targets, even though specifically quantified, are in danger of being so remote from immediate project activities that they become ~~hard~~ unrealistic as measurements of progress or, more important, as guides to project work plans.

In this project, the material transmitted fits the second category of targets and goals more than the first, whereas the original PROP placed more emphasis upon the more immediate institutional-development aspects of the project (i.e. Phase I). It is suggested that if this additional material is read in context of the original PROP, perhaps a better perspective of the total project potential will be gained. For the time being, however, it is the intention of the Mission to focus primarily upon Phase I of the project.

It is therefore requested that this project be approved for Phase I only. Phase II will be subject to further review in the USAID and to the possible subsequent development and submission of more specific work plans, based upon the results achieved in Phase I.

BOONSTRA

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## ATTACHMENT TO TOAID A- \_\_\_\_\_

IV. PROJECT GOALS AND TARGETS

GERAN's general objectives, as already indicated, are the modernization of the sugar-agro-industry, the diversification of agricultural activities and land use, and the modification of the agrarian structure through land reform. GERAN will provide technical and financial support to sugar mills and cane growers which, to qualify for such assistance, are required to relinquish a portion of their land for the settlement of released workers, and to engage in diversified agricultural enterprises on land retained but not required for cane production. (For additional details concerning GERAN's operational strategy see TOAID A-122, section 5). Since GERAN will operate on a project by project basis, and since participation in the program is at the volition of the industry and of cane growers, the overall inputs of financial and technical assistance into industrial modernization, agricultural diversification, and the settlement of workers will depend upon the number of projects submitted within a given time period. For the same reasons the following general targets must be considered tentative, and are based upon the assumption that between 70 and 80 percent of the 103 sugar mills within GERAN's area of jurisdiction will participate in the program. It is further assumed that a substantial number of sugar cane growers (forneedores) who presently do not exploit their land resources efficiently will be offered incentives to cooperate with GERAN in its modernization and reform efforts.

TargetsA. Sugar Industry and Plantations

1. Complete plans and fully or partially implement sugar mill and plantation modernization programs for fifty to eighty projects by the end of 1975.
2. Reduce the total area planted to sugar cane from 515,000 hectares to 395,000 hectares, or approximately 34% for each project approved.
3. Reduce the labor requirements per ton of sugar cane produced from 3.6 man/days to 2.5 man/days within three years from implementation.
4. Increase cane yields per hectare by 80% within five years from the date each project is implemented.
5. Improve processing and extraction methods to increase the "rendimento" or sugar yields from 84 kilos per ton to 94 kilos within two years following mill modernization of each project.

6. Assure improved employment and living conditions of an estimated 160,000 workers and their families who will continue to be directly dependent upon the industry. The reforms involve:

- a. guarantees of adherence to labor regulations with respect to working hours, wage standards, and safety regulations.
- b. the provision of adequate housing for workers and their families.
- c. the provision of adequate health care and of essential medical facilities.
- d. guarantees of a minimum of four years of elementary education for all school-aged children of workers on or from usinas whose projects are approved.
- e. guarantees of adherence to other social norms specified by GERAN.

B. Diversification of Agricultural Activities

GERAN's program to encourage the diversification of agricultural activities in the sugar zone will be aimed at both, land retained by sugar growers and land released for colonization. Sugar growers, who presently own slightly over 1 million hectares of land in the sugar zone will release an estimated 200,000 hectares for purposes of colonization. Most of this X land will be devoted to diversified crop and livestock enterprises by small farmers. Land retained by sugar growers and not part of the sugar cane/fallow cycle and not used as forest reserve must also be used for diversified agriculture. As a result, an ~~xxx~~ estimated and initial 100,000 hectares will be used to expand the area of natural and improved pastures for livestock production. Thus, while the total area devoted to sugar cane will be reduced from 515,000 hectares, approximately 300,000 hectares of land will be devoted to diversified agricultural enterprises, resulting in a total annual increase in the gross value of agricultural production other than sugar cane of U.S. \$25 to 30 million. Because decreases in the amount of land devoted to sugar cane will be accompanied by improved and more efficient production techniques, the annual volume and value of sugar production will not be negatively affected.

C. Land Reform

Under this program an estimated 17,000 families will be settled on land of their own within a period of five years. The beneficiaries will be sugar workers released by the industry as a result of the modernization efforts. Settlers will be provided with housing, conditional property titles, essential training, and the physical and organizational infrastructure required to assure the viability of these projects. A substantial proportion of fixed capital investments will be reclaimed within five to eight years after implementation through the productive efforts of land reform participants.

**D. Human Resources Development**

The basic objective of the human resources program is to enable the rural sugar zone population to participate actively and efficiently in the process of development. In addition to energetic efforts to improve and expand existing primary school and public health facilities in the region, the GERAN program will provide for:

1. Adult Literacy training for sugar workers as well as land reform participants.
2. Interim employment for displaced workers in a wide variety of economic infrastructure and community development projects.
3. Adult vocational training, both for sugar mill workers and for displaced sugar cane workers who cannot be accommodated in the settlement program and who will need to be prepared for new agricultural occupations or for jobs in the industrial and services sector of the economy.
4. Community action to facilitate the organization and implementation of all human resource projects at the local level, to stimulate and coordinate community self-help efforts, and to develop leadership for union and cooperative responsibilities.
5. The capacitation, training, and organization of land reform participants to facilitate their progress toward economic independence and their contribution to the social and economic development of the region.
6. Intensive training and re-training courses to ensure the availability of needed high and mid level technical and management personnel.

For reasons already cited, precise targets cannot be established at this time, however, an estimated 200,000 ~~workers~~ workers will be affected by these program over a five to eight year period.