

AIRGRAM

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DEPARTMENT OF STATE

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FROM . CARACAS

SUBJECT . NONCAPITAL PROJECT PAPER (PROP)
-Human Resources Development

REFERENCE . Caracas 4554

NONCAPITAL PROJECT PAPER (PROP)

Country Venezuela

Project No. 529-013

Submission Date Sept. 1969 Original X Revision No. _____

Project Title: National Manpower Planning and Human Resources Development

U. S. Obligation Span: FY 1969 through FY 1972

Physical Implementation Span: FY 1969 through FY 1972

Gross life-of-project financial requirements

U. S. Dollars \$288,000(FY 1970)

U. S. owned local currency None

Cooperating country cash contribution US\$800,000*

Other donor Private Sector (pending)

OTHER AGENCY

State
Lab

attch LA 10/16/69 estimated.

Table (Tabulation of Planned Inputs)

Enclosures/HRE/DIV. Program Data CY 68 & FY 69 (1 and 2)

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NATIONAL MANPOWER TRAINING AND HUMAN RESOURCES
DEVELOPMENT PLANNING

I. Introduction - General

This project will be undertaken as a continuation of the USAID/V Human Resources Development Program of technical assistance initiated in 1963. The purpose of this PROP is to briefly outline and define: the situation, environment, goals, strategy and targets, and to present a general plan for implementation.

II. Summary Description, Including Tabulation of Planned Inputs

A. The Mission HRD project is designed to assist Venezuela in creating and strengthening democratic institutions, in developing highly professional and skilled manpower, and in expanding educational and employment opportunities -especially for youth- through mutually-conceived plans, and more effective coordination of human resources development program activities; to be carried out cooperatively with GOV, selected higher-educational institutions, the national training agency (INCE) and the private sector.

B. These cooperative projects will also:

1. Extend educational and employment opportunities through on-the-job and leadership training, upgrading and intensifying in-service education, high level skills training, job placement services, and directly attacking the causes of excessive student drop-out rate.
2. Assist MOE in planning, implementing and accelerating their educational reform program: through in-service and pre-service teacher education; modernizing curriculum; expanding and diversifying the bases of the educational system; and strengthening the MOE's recently-modified Vocational-Technical Division (DARINCO) programs and educational services such as Vocational Guidance and Counseling, Business Education, Nutrition/Child-Health Education, Agricultural Education, Industrial Arts Education, etc.

EDUPLAN: The focal point of MOE contact and coordination of activities continues to be the Office of Integrated Educational Planning (EDUPLAN). This office is emerging as a stronger entity, with broad administrative and coordinating authority, as well as budgetary influence and control.

Cooperative programs with EDUPLAN include advisory services for more efficient planning, improvement of administration budgetary processes, curriculum modernization, human resources development planning, and evaluation of education progress and output. Direct assistance to EDUPLAN based on MOE request, includes one full-time U. S. Advisor, seven short-term consultants in above-mentioned areas and training of several participants. (USAID/V costs estimated at US\$81,000 during FY 1970. Services to be continued through FY 71-72; hopefully, with 50% increase in U. S. contributions --contingent upon MOE progress and strong project support.)

CORDIPLAN: At the National level, HRD/Div. will provide limited high-level advisory and training services to CORDIPLAN'S Division of Human Resources Development. The Director of CORDIPLAN has requested one U. S. resident H. F. D. Advisor, several short-term consultants, and specific training in the U. S. for recently appointed H. R. D. staff members in the areas of educational/manpower planning, demographic studies, maternal and child health-welfare studies. CORDIPLAN has specifically requested that the Center for Human Resources Development Studies of the Ohio State University provide these services.

In terms of the overall funds to be committed to this project, USAID/V's contribution will be less than 1/3 of the total cost. Based on continuing discussions and informal commitments, USAID/V and CORDIPLAN anticipate the participation of the recently-established Center for HRD Studies and Investigations of the "Andrés Bello" Catholic University and financial support of this project by the private sector; see Input Table No. 2. (USAID/V costs estimated at US\$75,000 during FY 1970; services to be continued through FY 1971-72; hopefully with a 50% increase in U. S. contribution --contingent upon success of project and strong GOV/private sector participation and support).

The University of Carabobo: At the Regional level*, Mission plans to contribute limited financial support to the University of Carabobo Regional Development Project; these funds will provide approximately 25% of the total costs for: one (U. S.) resident advisor, several short-term consultants for Regional Seminar-Workshop, specific training in U. S. for the University's

(* For better administration and coordination of economic-social programs, the GOV has recently divided the country into eight geographical regions.

(Regional) Development Office staff members, and limited reference-library material/bibliographical services.

The University of Carabobo has developed, during the past several months, an informal institution 1 contract arrangement (including personnel exchange and cooperative working arrangements) with the Georgia Institute of Science and Technology, Atlanta. Also contemplated are limited Socio-Economic development studies and manpower/labor-market surveys for the states of Carabobo, Lara and Aragua. This area is one of Venezuela's most highly industrialized, and includes many U. S. companies. In terms of the overall project funds committed, USAID/V's contribution to this project will be less than 1/8 of the total cost. University of Carabobo officials concerned have assured USAID/V of the active participation and financial support of this project by the GOV and private sector, including: CORDIPLAN; the Institute for Productivity (INPRO); the Municipio of Valencia; the local Chamber of Commerce and other private-industry sources. (USAID/V costs estimated at US\$26,000 during FY 1970; amount to be increased by 50% during FY 1971-72, provided project is successful and the participating groups continue strong initiatives and inputs for U. S. service.)

Academic and Administrative Reform Project in Higher Education:
USAID/V assistance/support of this activity will be concentrated in the MOE's two Experimental Pedagogical Institutes, with the possibility of extending limited advisory/training services to the newly-created "Simón Bolívar" (official) University of Caracas (at little or no extra cost to Mission). Within these institutions, assistance will include post-graduate studies in the U. S. for selected staff; three resident U. S. advisors; consultant services for curriculum modernization, with special emphasis on national reform goals; MOE-sponsored short courses, seminars, and improvement of academic/administrative planning. The USAID/V supported Pilot Project for Pre-service and In-service Teachers of Vocational and Technical Education -- a pioneer effort in Venezuela -- already well under way at the Experimental Pedagogical Institute of Barquisimeto, will be continued, improved, and, hopefully, expanded to include the Caracas Pedagogical Institute. (Estimated USAID/V contribution to this project is US\$29,000 during FY 1970 -- less than 25% of total costs. A 25% increase in U. S. input is requested for this project in FY 1971; to be completed and phased out during FY 1972.)

Textbook Adaptation/Development; Establishment of Textbook Rental and Reference Libraries: This activity is an integral part of the qualitative improvement and educational-reform program. The Mission will continue to provide the services of a highly-qualified U.S. Library Development Advisor (US\$8,600; only 30% of one-year contract costs) who is responsible for RTAC Textbook-Rental Projects and provides advisory services to: both Pedagogical Institutes; the recently established, private postgraduate School of Administration (IESA); and, to the new experimental "Universidad Simón Bolívar". Subject institutions pay 70% of U.S. Advisor's contract costs, plus all local-support costs.

The preceding program areas of educational planning, curriculum and administrative reform, and pre-service/in-service teacher education, are all dependent to a considerable degree upon modern textbooks and improved educational materials for successful completion. With limited but effective USAID/V support, the GOV has become increasingly successful in implementing the "Free Textbooks" Decree No. 567. Evidently motivated by expanding needs and Mission suggestion that a more effective textbook development program would require a broader (L.A. Regional) participation, the MOE has recently entered into a cooperative arrangement with OAS for expansion of the Educational Materials Center at "El Macaro"; based on EDUPLAN's request, USAID/V has agreed to maintain a limited (short-term consultants) participation in this area, as a complement to MOE-OAS project efforts. Implementation of the new plan will begin in January of 1970, with one year assignment of four OAS technicians who will work on textbook adaptation/development in selected areas of elementary science and math. (Total USAID/V contribution to this project activity in FY 1970 is estimated at US\$15,000; same amount in FY 1971.

Support of Special-Opportunity and Miscellaneous Projects of the Labor Ministry, CTV and INCE: Although USAID/V has phased out formal project agreements with above organizations, there continue to be training requests from high-level officials and special-opportunity projects in which Mission's participation and support offers rare opportunities to promote U.S. interests/representation; examples are Inter-American Seminar-Workshops sponsored by INCE or private sector, with Mission participation limited to, communications, backstopping, RTAC publications and consultant services; training of labor leaders at Front Royal and other U.S. centers; observational visits to U.S.; and, special requests for high-level training -- such as E.T.V., programmed instruction, etc. in the U.S. In all such cases, Mission carefully evaluates proposals and local contribution-support of activity. (US\$25,000 reserved for such activities during FY 1970.)

Summary of Total USAID-GOV Inputs by Project Activity
FY 1970

	<u>USAID HRD/DIV</u>	<u>GOV and PRIVATE SECTOR</u>
<u>EDUPLAN</u>	US\$1,000	More than 75% of total project costs
<u>CORDIPLAN</u>	75,000	More than 65% " " " "
<u>UNIVERSITY OF CARABOBO</u> (Regional Development Center)	28,000	More than 80% " " " "
<u>REFORM PROGRAM - HIGHER ED.</u> (Experimental Pedagogical Institute)	29,000	More than 75% " " " "
<u>LIBRARY DEVELOPMENT & TEXT-BOOKS</u>	15,000	Approx. 75% " " " "
<u>SUPPORT OF SPECIAL OPPORTUNITY PROJECTS</u>	25,000	Approx. 25% " " " "
(Add Salary/allowances for one direct hire technician, Chief of H. R. D. Div. @	37,000	
TOTAL =	US\$288,000	US\$800,000*

(*) Estimated

III. Setting and Environment

A. The democratically-oriented political, social and economic environment which this nation has created and experienced since 1958 has presented special challenges and opportunities for Mission technical assistance programs in terms of establishing/developing free institutions, enhancing mutual respect and understanding between countries and increasing the effectiveness of self-help and cooperation. The recently-elected national government portends an even broader application and acceptance of USAID/V cooperative-assistance programs which, in turn, should further U.S. interests by supporting and strengthening a stable democratic government in Venezuela, peaceful and friendly to the U.S.

- B. The Mission-HRD cooperative program, since 1963, has been a limited but continuously-effective effort. Although USAID/HRD budgets have been substantially reduced, projects have expanded because of marked increase in Venezuela interest and contributions (See attachments No. I and II.) During last 5 years, this Mission has helped (1) provide Venezuela with increasingly-skilled manpower (approximately 1,300 participants have been trained in U.S. and third countries); (2) extend educational opportunity to more people (MOE budget/public school enrollment has almost doubled); (3) conduct manpower surveys, upgrade skills-training and administrative-organizational capability, and extend scope/effectiveness of placement services (INCE now training 90,000 workers annually); (4) provide in-country education for more than 5,000 teachers; and, (5) reorganize, upgrade and expand the Ministry of Labor's National Employment Service --now 18 field offices.
- C. The newly-installed GOV-Administration has listed educational priorities as (1) teacher education and curriculum modernization; (2) academic and administrative reform, including higher education, (3) decentralization of administration, coincident with regional development plans; (4) extension and diversification of educational opportunity, including training for out-of-school youth and (5) more efficient planning and organization to better serve the economic and social development needs of the nation.
- D. GOV interest in and contribution to Mission/HRD educational and training resources have steadily increased. The latest program planning and financing negotiations have resulted in a marked input by GOV in personnel, cash contribution and materials. Venezuelan financial participation is now approximately 50% of the total direct costs for U.S. advisory and training services. When indirect project support is summed up, the Venezuelan contribution rises to more than 75% of overall cooperative project costs. Mission believes that this is concrete proof of effectiveness and viability of cooperative programs, and, if general economic conditions remain stable or improve, GOV will continue their substantial cash outlay/participation in cooperative projects.

IV Strategy

All cooperative projects proposed by GOV and private sector, including participant training, have been carefully reviewed and screened in light of Mission policy, goals and objectives. On a continuing basis, USAID/V has stimulated

Interest and actively elicited project proposals consistent with Mission guidelines and financial limitation which tend to stimulate the economy, support the development of strong, democratic institutions, and provide broader educational and employment opportunities. In general, Mission delays approval/support to new projects until the Venezuelans indicate the activity to be of high priority and clearly state they need, and are prepared to pay for, technical assistance from the U. S.

The usual course of action, following "hard-nosed" negotiations between USAID/V and the various public and private institutions requesting cooperation and meeting stated criteria, has been for the Mission to respond as rapidly as possible with limited/continuing technical assistance --contingent upon strong Venezuelan leadership, and substantial contributions for U. S. services.

Although USAID/V's austere budget and personnel limitations present a special challenge for planning and supporting a clearcut and cohesive human resources development program, the selected project activities are closely related and mutually-supporting; U. S. advisory/training services and selected materials are included with all projects.

V. Course of Action, Method of Approach

In order to continue the on-going mutually-planned programs, USAID/V believes that every effort must be made to encourage Venezuela to continue and accelerate the strong self-help action/support of cooperative projects. The GOV now has an implicit policy of contributing cash support to a wide variety of USAID-HRD projects with CORDIPLAN, MOE-EDUPLAN-Pedagogical Institutes and other institutions.

Given the present substantial Venezuelan self-help efforts and direct cash contributions for U. S. services, if the limited but effective USAID assistance to Venezuela is to be promptly "phased out" -- as has been advocated by some other sources --what are the implications of strong national self-help, with regard to continued U. S. assistance to other Latin American countries? In terms of progress and development potential, Venezuela is "out in front"; surely it is in the U. S. A.'s interest to continue limited bets on one almost-sure winner in the race for social-economic development in Latin America. Consideration should also be given to the fact that U. S. private investment in Venezuela is almost double that of any two other L. A. countries.

Mission received, in June of 1969, several informal requests from participating GOV agencies for approximately US\$200,000 for additional project funds to be used on a matching basis; however, time was insufficient to formalize and transmit to AID/W a request for additional funding. The substantially-increased Venezuelan contributions and commitments to cooperative national development projects which the Mission is supporting, will do much to insure continued success/follow-up on the priority projects to which we are now committed. Mission firmly believes that Venezuelan performance has been remarkable in this sector. Annual CIAP review and recommendations on Venezuelan progress and development give high priority to Human Resources Development factor.

VI. Project-Activity Targets

In all Mission-supported projects listed above, the specific objectives and activity targets have been clearly indicated and/or generally described. However, since negotiations are continuing in some areas --especially for private sector participation support-- and because of limited Mission staff, and necessity for the presence and active participation of several U.S. Advisors now being contracted by USAID/V, it is requested that AID/W permit Mission to submit this necessary, detailed Targets section of PROP at a later date --before January 1970. Prompt provisional AID/W approval of projects is requested to permit rapid assignment of HRD contract staff and to expedite initiation of new projects.

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7. Tabulation of Planned Inputs .

Table 1		NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN \$000)							PROP DATE	9/18/69			
COUNTRY: Venezuela		Project Title:							Original Rev. N°	X			
									Project N°	529-013			
Fiscal Years	Ap	L/G	Total	Cont ^{1/}	Personnel Serv.			Participants		Commodities		Other Costs	
					AID	PASA	CONT	U.S.	CONT	Dir.	CONT	Dir.&	CONT
								Ag.		US Ag.		US Ag.	
Prior through Act. FY (AG	G	3,416	1,633	527	74	1,515	967	-	49	81	160	37
Oper. FY 70	AG	G	288	103	35	-	170	60	-	-	-	15	8
Budg. FY 71	AG	G	300	114	38	-	170	68	-	-	-	16	8
B +1 FY 72	AG	G	275	108	35	-	151	68	-	-	-	16	5
B + 2 FY __													
B + 3 FY __													
All Subs.													
Total Life			4,279	1,958	635	74	2,006	1,163	-	49	81	207	58

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Table 1

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Project No 529-013

Fiscal Years	AID-controlled <u>Local Currency</u>		Other Cash Contribution Cooperating Country	Other Donor Funds (\$ Equiv.)	<u>Food for Freedom Commodities</u>		
	U.S.- owned	Country- owned			Metric Tons (000)	CCC Value & Freight (\$000)	World Market Price (\$000)
Cummulative Since FY 62 Prior through Act. FY 69			Approximate \$3,200,000	Private Sector Estimated Contributions			
Oper. FY 70			930,000 ⁺	\$ 60,000			
Budg. FY 71			930,000	65,000			
B + 1 FY 72			930,000	65,000			
B + 2 FY __							
B + 3 FY __							
All Subs.							
Total Life			\$5,990,000	\$ 190,000			

* =75% total cost GOV-USAID/V-HRD Programs

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