

AIRGRAM

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DEPARTMENT OF STATE

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UNCLASSIFIED CLASSIFICATION

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TO - WASHINGTON TOAID A-100 X

DATE RECD.

DATE SENT December 17, 1971

DISTRIBUTION ACTION

FROM - CARACAS

INFO

SUBJECT - NONCAPITAL PROJECT PAPER (PROP) FOR CODESUR PROJECT

REFERENCE -

NONCAPITAL PROJECT PAPER (PROP)

COUNTRY: Venezuela PROJECT: 529-013

SUBMISSION DATE: December 16, 1971 REVISION NO. 2

PROJECT TITLE: National Manpower Training & Human Resources Development

U.S. OBLIGATION SPAN: FY '72

GROSS LIFE-OF-PROJECT FINANCIAL REQUIREMENTS

U.S. DOLLARS: \$100,000 (FY 1972)

U.S. OWNED LOCAL CURRENCY None

COOPERATING COUNTRY CASH CONTRIBUTION: Approx. \$100,000*

OTHER DONOR None

* Represents direct payments for proposed U.S. services; GOV will also provide for essential materials, equipment, counterparts and other local support costs.

PAGE 1 OF 6

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UNCLASSIFIED CLASSIFICATION

PROJECT NO: 529-013REVISION NO: 2

I. INTRODUCTORY STATEMENT

The purpose of this revision is: (a) to amend the original goal statement of the National Manpower Training and Human Resources Development Project, and (b) to propose a new cooperative sub-project which would provide limited assistance to the GOV's Commission for Development of the Southern Region of Venezuela, referred to as the CODESUR Project.

The idea for this new, cooperative activity is based on discussions and agreements between Presidents Richard Nixon and Rafael Caldera during the latter's White House visit, June 4, 1970.

II. THE GOAL: For National Manpower Training and Human Resources Development Project.

a. Goal Statement (revised)

To assist the GOV and private sector in developing and supporting strong, democratic educational institutions and training programs, responsive to the needs of the people and capable of effectively planning, developing and utilizing human and material resources of the nation in a dynamic, efficient manner that will promote social progress, economic development and political stability.

The limited US advisory, training, accessory services and materials to be provided are based on critical development-resource requirements for inputs not readily available or non-existent in Venezuela; these (U.S.) inputs are primarily of a catalytic nature and are focused on the mutually-selected, jointly-financed projects of high priority.

b. Assumptions of Goal Achievement

Substantial progress toward the accomplishment of the project goal, within the framework of a democratic free society, should increase educational and employment opportunities, expand national production and strengthen the fabric of friendship and cooperation between the countries concerned.

III. THE PROJECT PURPOSE

a. Statement of the Purpose of the CODESUR Project

The purpose of this cooperative project is to accelerate the exploration, development and productive exploitation of the vast and potentially-rich natural resources of the southern half of the nation by providing CODESUR with limited, but urgently-needed advisory, training and other technical

PROJECT NO: 529-013
REVISION NO: 2

services/materials -- not readily available in Venezuela -- which are of critical importance to a successful effort.

b. The following yardsticks may be applied to measure project achievements:

- 1) Number of persons graduated or given special training -- especially in areas where there are critical needs for high-level professional, technical or skilled manpower.
- 2) Number of viable training programs and institutions established, expanded or strengthened -- for support of project objectives -- through cooperative project activities.
- 3) Number of communications centers established, access roads, highways/bridges built -- in comparison with previous years.
- 4) Waterways opened or improved; barges, pontoon landings and communication equipment installed for development use.
- 5) Number of jobs, contracts and other employment opportunities made available through project development.
- 6) Amount, type, duration and nature of productive capital investments made -- both governmental and private sectors -- as a result of cooperative project activities.
- 7) Number and type of new industries initiated for the productive exploitation of agricultural, mining, mineral, forestry and other resources of the region.

IV. PROJECT INPUTS

a. Statement of Project Inputs:

Pursuant to a recent conference of Embassy/MILGP/AID representatives with high-level officials of CODESUR, a preliminary, written request for USAID (and a verbal request for MILGP* equipment and civic-action type) assistance has

* See COMUSMILGP VEN Message to CNO info Secstate DTG 021500Z Dec. 71

been received from the Executive Director of CODESUR as follows (U.S. inputs, jointly financed by USAID and GOV on approximately 50-50 basis of actual cost for services provided):

1) Six to twelve months of specialized training in the United States at post-graduate level for one or two CODESUR's key employees (\$10,000); 2) Short-term training, observation trips, participation in seminars, conferences, etc., of approximately two to four weeks duration in the United States; five or six visiting groups during the year -- for selected CODESUR employees (\$12,000); 3) Short-term visits of high-level US technical-consultants in certain areas of special interest such as geological exploration, ecology and resource-development specialists (\$10,000); 4) possible assistance to CODESUR in the fabrication/assembly of special pontoon barges and Anmi bridges which may be purchased from the United States by the GOV in connection with this project (\$5,000); 5) other possible assistance yet to be agreed on; channeled through IAGS (cost not known); 6) Assistance in arranging for special sample analysis in the U.S., either in official laboratories or through universities -- two or three samples each month during the year (\$5,000); 7) provision of technical materials, films, books, pamphlets, etc., directly related to project development (\$8,000); and 8) other assistance/critically-needed materials based on evolving necessities; to be arranged by subsequent, mutual agreement (\$50,000). Total estimated cost above services is \$100,000.

2) Reference request also states that, quote: "Above requirements are generalized and exploratory; the idea is to produce concrete program for coming year; CODESUR is prepared to pay part of costs for technical assistance." end quote.

b. Cooperating Country Inputs

In addition to the above U.S. inputs, it is understood that CODESUR will provide physical facilities, Venezuelan counterparts/orientation for U.S. consultants, equipment, and logistical support necessary for successful in-country cooperative project activities.

c. Other Donor Inputs - None

V. TARGETS (OUTPUTS) OF THE CODESUR PROJECT

a. Statement of Anticipated Outputs:

PROJECT NO: 529-013REVISION NO: 2

- 1) Long and short-term special training and observation-study visits in the United States should provide increased professional, technical and managerial competence of key Venezuelan project personnel.
- 2) Advisory and consulting services of U.S. specialists should result in more effective organizations, program planning and expedite the analysis/solution of technical problems.
- 3) The participation and backstopping of selected U.S. institutions and/or agencies will facilitate the effective application of science, technology and research techniques -- such as use of the Earth Satellite Resources Survey System -- which accelerate the exploration-development processes.
- 4) Arrangements for accurate and rapid sample analysis should provide a sound basis for decision making, reduce overall costs and speed up the exploration-development.
- 5) The provision/accessibility of selected scientific, technical and professional publications and other reference materials will support staff training and make vital information more readily available.
- 6) The (possible) GOV purchase from U.S. sources of certain special equipment (bridges and pontoons) for CODESUR project and the (possible) training services related to the installation of this equipment should expedite the exploration/development process.

VI. PATIENCE

The exploration, development and productive exploitation of the southern frontier region of Venezuela is a complicated, expensive, long-term process which presents a tremendous challenge on the one hand, with great opportunity and potentially rich rewards on the other, to the GOV and private sector, since much of this vast, virgin-territory is completely uninhabited and inaccessible, except by air (helicopters or small planes), on foot, horseback or river waterways. The region includes rugged mountains, flood plains and almost impenetrable forests and jungles. The lack of roads, bridges and communications centers, coupled with the rugged terrain, the dangers of malaria and seasonal flooding, presents formidable obstacles to the rapid exploitation of the potentially-rich mineral deposits, agricultural and forest resources.

While the GOV, through CODESUR, is beginning to marshal the active participation and support of various official and semi-autonomous organizations (such as the Ministry of Communications, Mines and Hydrocarbons, Education, Agriculture,

PROJECT NO: 529-013REVISION NO: 2

INCE, the Armed Forces, etc.), the rapid development of potential resources can be accelerated only through a sustained, well-planned, coordinated effort, and the application of modern science, research and technology (by the Government) which must focus initially on making the region accessible to private industry and individual initiative. Until this is accomplished, the huge investments, high risks and prolonged waiting period for potential profits offer little incentive to private investors -- the most effective vehicle for development.

VII. THE COURSE OF ACTION

a. Implementation Plan

- 1) There has been little time and opportunity, as yet, to develop detailed plans of action for the implementation of the cooperative aspects of this Project. Other areas of possible cooperative action are being considered by all concerned, within the limitations of personnel and funds available at this time.
- 2) Present plans call for the rapid completion of initially-required Project documentation, i.e., Project Agreement, Project Implementation Orders, performance contracts and/or PASA Agreements (U.S. participating agency service agreements).
- 3) The target date for initiating cooperative activities is the earliest possible date in calendar year 1972 -- hopefully in January.
- 4) Project Agreement will be for one year -- subject to extension if funds and personnel are available.

b. Narrative Description

- 1) This is an abbreviated PROP; a more detailed description of anticipated project activities and requirements will be incorporated in subsequent project documentation -- as other critical project needs evolve and are mutually agreed upon.
- 2) A major difficulty of this Mission at present is the very limited budget and personnel available for planning, documenting, and supporting/backstopping this Project.

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