

USAID/OTI Venezuela Field Report

Apr-June 2007

Program Description

In August 2002, USAID initiated a program in Venezuela to provide assistance to maintain democratic stability and strengthen the country's fragile democratic institutions. The program operates out of the U.S. Embassy and is part of a larger U.S. Government effort to promote democracy in Venezuela. The current FY 2007 budget for Venezuela is \$3.3 million, which includes \$1.6 million in Economic Support Funds.

The Venezuela program has two main objectives: (1) strengthen democratic institutions and promote space for democratic dialogue; and (2) encourage citizen participation in democratic processes. USAID supports five implementing partners: Development Alternatives, Inc. (DAI), which focuses on dialogue, public debate, citizen participation, and training for democratic leadership; the International Republican Institute (IRI) and the National Democratic Institute (NDI), which offer technical assistance for political parties; Freedom House, which provides technical support to human rights practitioners; and the Pan-American Development Foundation (PADF), which provides support to civil society.

Country Situation

RCTV Closure – President Hugo Chavez carried out his promise made in January not to renew the broadcast license for RCTV, Venezuela's oldest and highest-rated public TV channel. The President had accused RCTV of supporting the coup in 2002, although no charges were ever brought. In shutting down RCTV, the Chavez government seized RCTV transmitting equipment in order to broadcast the government-run channel that took its place (TVes). The RCTV closure provoked large protests from student groups throughout the country. The protests lasted for more than a month and students rallied around the demand for freedom, seeking their basic rights as Venezuelan citizens, which include freedom of expression. Protests have continued sporadically during the recent university break.

Oil Contracts – On May 1, President Chavez forced multinational oil companies operating in Venezuela to renegotiate their contracts. Two companies, ExxonMobil and ConocoPhillips, refused the terms offered by Chavez and will cease operations once they reach an agreement with the government on compensation for their equity. There is concern that the operations of the state oil company and the overall health of the oil industry in Venezuela may be affected by the departures. Venezuela maintains that it produces 3.3 million barrels of oil per day; however, press reports indicate the actual figure may be lower.

Political Consolidation – It has been reported that more than 6 million Venezuelans have joined the United Socialist Party of Venezuela (PSUV), the new united party established by President Chavez. Questions have been raised about the pressure Chavez has put on employees of the state as well as members of the military to join the PSUV.

President Chavez announced that he will reorganize the political map of the country, and several scenarios are being discussed. According to news accounts, one proposal would reduce the number of states, condensing Venezuela's 23 states into 8 much larger jurisdictions. Another proposal would create a vice president position for each state. The vice presidents would be appointed by the president and would operate in tandem with the state governors. These changes are likely to appear in the proposed constitutional reforms.

The growth of "communal councils" has continued during the quarter. These groups, which are formed locally, function at the same level as municipal governments and report directly to the president's office. The councils are designed to have far-reaching responsibilities, including community banking, community policing, citizen oversight, and project management. President Chavez has continued to increase funding directly to the communal councils, which has caused some consternation among local governments throughout the country.

In April, Chavez called on the military to salute to the slogan "Motherland, Socialism, or Death!" The slogan, which is used by the Cuban military, has created much debate in Venezuela over the role of the military in society.

Constitutional Reform – The most significant and controversial of President Chavez's agenda points is constitutional reform. The reform essentially involves rewriting the Venezuelan Constitution, which was initially written by a constituent assembly in 1999 under Chavez's leadership. Although the proposed changes have not been made public, the reform is expected to be extensive and include changes to laws that encompass the definitions of private property, basic human rights, and private enterprise. One highly anticipated change will remove presidential term limits. The constitutional reform will create a framework in which the other "motors" of the revolution can deepen their impact and accelerate the rate of change. Recently, Chavez has said that he would like the constitutional reforms to be approved by December 2007.

Ambassador Brownfield ended his 3-year tour in Venezuela on July 4. His successor will be Patrick Duddy, who is scheduled to arrive in late August.

OTI Highlights

A. Narrative Summary

USAID/OTI programming in the second quarter operated on a limited basis. Through the DAI program, a number of small but important activities in citizen participation and civic education have been approved. During the quarter, PADF worked to identify new partners in a variety of project areas.

NDI and IRI continue to work with political parties to improve their capabilities in areas such as constituency outreach and institutional development. For example, IRI enlisted members of the Concertación of Chile (Coalition of Parties for Democracy) to address political parties about the importance of working together. The event was open to all Venezuelan political parties.

B. Grants Activity Summary

USAID/OTI, through implementing partner DAI, has approved 360 grants totaling \$8,575,509 over the life of the project. In addition to these funds, USAID/OTI has leveraged \$3.5 million in local contributions. Currently, there are 17 active grants.

PADF has committed \$937,079 to support the activities of 14 Venezuelan nongovernmental organizations (NGOs). Two new grants were signed during the quarter: the first supports compliance with international environmental protocols, while the second focuses on health care.

C. Indicators of Success

Although funding is limited, USAID/OTI program partners are leveraging volunteer efforts and funding from other sources to carry out activities. One example of this type of leveraged activity includes a conference on decentralization planned for August 2007. Fifty mayors, coming from jurisdictions across the country and representing the entire ideological spectrum, are expected to participate. The ability of local groups to plan and conduct these types of events has been enhanced through their work with USAID/OTI-funded programs.

PADF grantees have concluded the analysis phase of their studies focused on key democratic issues. Toward the end of the quarter, PADF began to prepare for the presentation stage, establishing an agenda that includes forums and workshops to be held across Venezuela. To date, the project has generated more than 500 articles detailing the areas in which Venezuelan organizations are working. It is hoped that this groundwork will facilitate the distribution and increase the impact of the final reports.

Program Appraisal

The Venezuela program is similar to USAID programs in other countries in this hemisphere and around the world in that it seeks to strengthen democracy and its supporting institutions. The program in Venezuela is designed to strengthen civil society and political parties, the key components of a healthy democracy and the channels through

which citizens often express their desires, needs, and concerns and find ways to collectively address them.

The partnerships formed between NGOs and citizens eager to participate democratically in their own governance attest to the success of this program. Similarly, the number of ordinary citizens stepping up to assume leadership roles demonstrates that USAID/OTI is filling an important need that is laying the groundwork for a sustainable democratic future.

One area that needs increased emphasis is human rights training; specifically, efforts to reach out to the networks of citizens not formally engaged in the promotion and protection of human rights are needed. Should USAID/OTI receive additional funding, it will move to fill this gap.

Next Steps/Immediate Priorities

USAID/OTI will continue its work in the areas of civic education and citizen participation. In addition, USAID/OTI will continue to support human rights defenders as they improve their abilities to research, report on, and present cases of human rights abuses.