

# USAID/OTI Venezuela Field Report

July - September 2006

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## 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 democratic stability in Venezuela. The FY 2006 budget for Venezuela is \$3.8 million.

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 National Democratic Institute (NDI), which offer technical assistance for political parties as a means to strengthen democratic institutions; 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

**Difficult working relations between the US and Venezuelan Governments** – The antagonistic relationship between the U.S. Government and the Government of Venezuela continues to define the working environment. As an example, President Chavez continuously portrays the December 3rd presidential election as a contest between himself and President Bush (aka "Mr. Danger" and "El Diablo"). Those who support the opposition are accused of being in league with USG-supported forces. President Chavez continues to rail against the U.S. for its purported invasion plans, assassination plots, and campaign to prevent Venezuela from assuming one of the rotating seats on the UN Security Council.

A law introduced over the summer for discussion by the National Assembly would severely limit the ability of local NGOs to operate independently from government control. It would require all NGOs to register with the government and for any assistance to them to be approved by the government and to be routed through the government. Many organizations - both domestic and international - have mobilized in opposition to the law. Several Venezuelan NGO representatives attended international fora where they had the opportunity to speak about the law. To date, however, partner organizations (primarily NGOs) continue to demonstrate a willingness to accept USAID financial and technical support.

President Chavez has traveled extensively for the past six months attempting to shore up his support for a seat on the U.N. Security Council. He has traveled to Iran, Belarus, Russia, and Vietnam, among other countries, to sign oil deals to secure UN votes for Venezuela.

After months of discussions between the leading opposition presidential candidates, the opposition has agreed on a unity candidate - Manuel Rosales. There has been a noticeable decrease in opposition calls for voter abstention despite what many perceive as a deeply flawed electoral system, including a national electoral council with a majority viewed as openly sympathetic to the government.

On the economic side, the ongoing flood of pre-electoral spending by the government is expected to worsen Venezuela's already high inflation rate, currently to the highest in the Latin America region. Decreasing oil production, combined with a recent drop in oil prices, and Venezuela's multi-billion dollar (and growing) international commitments, all loom as clouds on the economic horizon.

## OTI Highlights

### A. Narrative Summary

PADF signed three grants during this reporting period. These grants will support effectiveness and access to government micro-finance projects, human rights, and women's political rights. This brings the total number of grants provided through PADF to seven and uses all grant funding available to PADF at this moment.

Freedom House sponsored a seminar in Chile which brought together 20 Venezuelan human rights practitioners and 3 Chilean human rights organizations to work on improving their reporting systems. This was followed up by an in-country visit by the Freedom House Information Technology team to work with Venezuelan NGOs on a national database to track human rights abuses. These activities were in addition to seminars / exchanges in Costa Rica, Washington DC, and Mexico - and periodic visits to Venezuela staff by Freedom House staff.

USAID's national program to increase citizen participation in government at the local level through 1) support for citizen participation in municipal and community planning councils and 2) training for democratic leadership ("Democracia Entre Nosotros") is now active in 43 municipalities (27 governed by the ruling party) and has trained over 4,000 local leaders, a majority of whom are government sympathizers.

During this reporting period, both NDI and IRI continued their programs of providing training for young political party leaders at the state and municipal level. This training supports the overall objective of renovating political parties from the grassroots up given the intractable nature of much of the Caracas-based political leadership. In addition, NDI continued to provide occasional technical assistance to a domestic electoral observation NGO in the lead-up to the December presidential election.

### B. Grants Activity Summary

USAID, through implementing partner DAI, has approved 342 grants totaling \$8,104,000. In addition to these funds, USAID has leveraged \$3.1 million in local contributions. Currently there are 82 active grants in 20 of Venezuela's 23 states.

### C. Indicators of Success

The small-activity component managed through DAI is achieving its objective of providing a neutral space for supporters of both the government and the opposition to work together to resolve shared issues. A recent evaluation of what, if any, social capital is being created by these opportunities demonstrated that each project generates lasting relationships between organizations and individuals, frequently irrespective of ideological barriers, countering the commonly held perception of political polarization that characterizes Venezuelan society.

Of the five modules of "Democracia Entre Nosotros" ("Democracy Among Us"), the one that generates the most discussion among participants concerns the constitutionally-mandated separation of powers. This is further demonstration of the keen interest that Venezuelans have in understanding the underpinnings of democracy - and shows the success of the program module which is based on the premise that adults learn best through discussions based on what they already know. (Note: USAID is in the process of carrying out an informal evaluation of this program and that of citizen participation in local government to compile lessons learned.)

A small NGO that has been working for nearly two years in conflict resolution / dialogue in low-income neighborhoods of Caracas (with USAID funding) was recently asked by a group of citizens to organize a city-wide network of people interested in working on local government accountability. To date, over 400 individuals are participating.

An encouraging outcome of the Freedom House program was the rapid mobilization of a network of human rights practitioners in Bolivar State in response to the deaths of 6 miners (and another 4 who drowned) at the hands of the military. Another Freedom House partner organization will formally launch in November a Latin American network of human rights organizations working in the prison sector. Additionally, the reception by the human rights community to the availability of a new national database to report on human rights abuses has been met with universal appreciation (which has been complemented with computer equipment for 15 of the smaller NGOs).

## **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 is reaching the original goals set out nearly four years ago. They include reducing of political tensions within Venezuelan society and supporting efforts to bring the country to a point of democratic stability, although Venezuela remains a fragile democratic state, where free speech, rule of law, and civil society are under threat.

The program in Venezuela is designed to strengthen civil society and political parties, the key components to a healthy democracy. Both groups are channels through which citizens express their desires, frustrations and concerns and find ways to collectively address or advance them.

For the past four years, USAID has focused on increasing dialogue between the opposition and the supporters of President Chavez to reduce societal and political tensions, and to strengthen democratic institutions. Since the program started, USAID has facilitated over 1,500 meetings, forums or workshops, directly involving over 100,000 people.

## **Next Steps/Immediate Priorities**

The immediate priority is to get through the election period, giving as much support as possible to support a democratic process, as opportunities present themselves. Post-election, USAID will revisit its strategy in light of the outcome.