

# ORINOCO magna reserva



Year 4, Number 11, december 2014



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**ALBA-TCP**



**PDVSA**



## ZUMAQUE 1

# A HISTORY OF IMPERIALISM, REVOLUTION AND HOMELAND

The Zumaque 1 oil well was the starting point for the oil industry in our country 100 years ago. The industry grew out of the plundering of our resources by transnational corporations in complicity with the governments of that time. Today, with the New PDVSA, Zumaque 1 stands for a Venezuela that took the reins of its oil industry.

- More than 800% growth in social investment
- More than 94% of gross income per barrel stays in the country
- We have the largest crude reserves in the world



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Editorial

# Deepening the revolution

The process of construction of socialism in the homeland of Bolívar will be a vital task in 2015. The revolution, initiated under the guidance of President Hugo Chávez, will be subjected once again to the scrutiny of the Venezuelan people in the upcoming National Assembly elections.

Since the electoral win of December 1998 to date, progress has been made in regard to civil rights, sovereignty over our natural resources, a more egalitarian distribution of oil revenues, education and healthcare. However, important goals still remain.

There are tasks related to key political, social and economic issues in the country that must be faced with the urgency and efficiency that citizens expect.

The Bolivarian Revolution has powerful enemies both externally and internally. Their goal is to go back to the past, which they long for. To fulfill that objective, we see old

and new faces; they resort to legal and illegal means, peaceful or violent. And they have large amounts of financial resources, no doubt!

An economic war does exist! There are paramilitary operations in the country! There is a mafia led by the oligarchy which takes subsidized products by the state across the border for profit. We need to be clear about this.

We must focus on the difficulties we face day by day, always following the guidelines left to us by our Commander Hugo Chávez.

A positive perspective on what is happening in our society is important for the strengthening and progress of the Bolivarian Revolution. We must ensure the success of all of our endeavors this year. It is the only way to guarantee the peace and welfare of our people and the Latin American and Caribbean region.

## Credits

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EDITORIAL BOARD  
Rosarys Ysturiz  
Natalia Merchán

LAYOUT AND GRAPHIC DESIGN  
Mirna Mieneses

COLLABORATORS  
Alfredo Carquez Saavedra  
Jorge Fanartizoglo  
Nora Martínez  
Zulia Mora

Ángel Pirela González  
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Consolidation of a multipolar world

# BRICS – CELAC – UNASUR: a trilogy for peace and sustainable development

by Jorge Fanartzogloo



*The strengthening of Latin American regional integration and South-South cooperation are a legacy of the Bolivarian foreign policy, devised and implemented by Commander Hugo Chávez, with the aim of securing our independence and autonomy from the hegemonic centers*



Recent trips to Latin America and the Caribbean made by the President of the People's Republic of China, Xi Jinping, and the President of the Russian Federation, Vladimir Putin, together with the celebration of the Sixth BRICS Summit in the Brazilian city of Fortaleza, and their subsequent meeting with the Heads of State and Government of the Union of South American Nations (UNASUR) and the quartet of the Community of Latin American and Caribbean States (CELAC), have paved the way for the establishment of closer relations between the emerging powers and this rising region, which contributes to the remodeling of world geopolitics.

Unlike the subordination or subjugation strategies that have been implemented by the power centers, particularly the United States and Western Europe, against Latin America, accompanied by attitudes of contempt and disdain towards their proposals in the international arena, Beijing and Moscow are strongly supporting the capabilities and potentialities of the 33 countries located in the central-southern part of the American hemisphere. This position is shared by India, the other Asian giant, which has also been establishing closer relations with the Latin American and Caribbean countries in the past few years.

These South-South meetings are largely redefining the future of political, economic, commercial and financial relations globally, while at the same time introducing mestizo America in the balance of power in the next decades of the 21st century.

### **Sixth BRICS Summit in Brazil**

The 6th Summit of Heads of State and Government of BRICS was held in the city of Fortaleza, capital of the state of Ceará, in northeastern Brazil, on July 15, 2014. BRICS comprises, as its acronym indicates, five major emerging economies: Brazil, Russia, India, China, and South Africa.

The meeting focused on a discussion about a new monetary and financial order, that serves as a counterweight to the old institutions established in 1944 at the Bretton Woods Conference, such as the International Monetary Fund (IMF)

and the World Bank. These institutions are under the strict control of the United States and the European Union that use them to interfere in the internal affairs of the rest of the countries of the world, and impose financial conditions attached to the interests of the imperial capitalist system that they represent.

Therefore one of the main decisions taken in Fortaleza was the establishment of the New Development Bank (NDB), in order to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging and growing economies. The NDB will try to strengthen cooperation among its five founding countries and will complement the efforts of multilateral and regional financial institutions for global development, thus contributing to the collective commitment to achieving a strong, sustainable and balanced growth.

The NDB shall have an initial authorized capital of USD 100 billion, while the initial subscribed capital shall be of USD 50 billion, equally shared among the founding members.

Demonstrating the practice of equality among its members, the first Chair of the Board of Governors will be from Russia; the first Chair of the Board of Directors will be from Brazil; and the first President of the Bank will be from India. The headquarters of the Bank will be located in Shanghai, China, while the New Development Bank Africa Regional Center will be established in South Africa.

Another major economic measure was the establishment of the BRICS Contingent Reserve Arrangement (CRA). The initial total committed resources of the CRA will be USD 100 billion. This arrangement will have a positive precautionary effect since it will help countries forestall short-term liquidity pressures, promote further cooperation among BRICS countries, strengthen the global financial safety net and complement existing international agreements.

This decision is a milestone for the provision of liquidity to the five countries, in response

to short-term actual or potential balance of payment pressures, mainly from Western developed countries and their financial institutions and banks.

BRICS also expressed in Fortaleza their disappointment and concern with the non-implementation of reforms at the International Monetary Fund (IMF) agreed in 2010, which negatively impacts on the IMF's legitimacy, credibility and effectiveness. The IMF reform process is based on high-level commitments, which should lead to the modernization of its governance structure so as to better reflect the increasing weight of the emerging market economies and developing countries (EMDCs) in the world economy.

BRICS also reaffirmed the need for a comprehensive reform of the United Nations (UN), including its Security Council, with a view to making it more representative, effective and efficient, so that it can adequately respond to global challenges. China and Russia reiterated the importance they give to the status and role of Brazil, India and South Africa in international affairs and support their aspiration to play a greater role in the UN.

### **Meetings with UNASUR and CELAC**

A day after the Sixth BRICS Summit, there was a meeting of this group with the member countries of the Union of South American Nations (UNASUR), in which participants called for the "consolidation of a common position in international forums against interventionism and interference in the internal affairs of States, and the defense of the premise of a change in global institutions in favor of multipolarity."

They studied the possibility that the New BRICS Development Bank could fund infrastructure projects in Latin America. A first proposal made by China, and for which a committee will be appointed, is the construction of a train to connect the Atlantic and the Pacific oceans.

At the meeting, Chinese President, Xi Jinping, offered USD 35 billion of their own resources to finance projects in Latin



America. In this regard, Brazilian President, Dilma Rousseff, said that Beijing specifically proposed “the launch of a USD 20 billion fund for infrastructure plans, which will begin with an initial capital of USD 10 billion.” She also said that China “proposed to do so immediately, so that it is ready to operate in 2015.”

Rousseff said that China also offered “an additional line of credit for CELAC countries that could amount to USD 10 billion, and a Chinese-Latin American cooperation fund of USD 5 billion for investment in areas to be agreed later.”

According to international experts, with these initiatives China underpins its interest in investing heavily in the region, on the basis of respect and equality, gradually displacing the United States as the main financial and commercial partner of the countries located in this geographical area.

#### **South-South financial alliance**

During the BRICS-UNASUR meeting, the President of the Bolivarian Republic of Venezuela, Nicolás Maduro, proposed an alliance between the Bank of the South and the newly created NDB. It is his belief that these institutions “have the same goal: the

construction of a new financial architecture that benefits economic development under equitable conditions for our countries, in which the speculative financial capital that loots our economies will be over and where productive investment which creates employment and wealth is promoted.”

The creation of the NDB “will mark a new era and raise the cause, supported for decades, of establishing a new international economic order that works differently”.

The Venezuelan president also said that the meeting between the two blocs is

## **China and Venezuela strengthen their alliance**

Upon the recent visit of Chinese President Xi Jinping to Caracas, the 13th China-Venezuela High-Level Joint Committee was held. It aimed at strengthening the integral alliance that exists between the two nations. The presidents of both countries signed 38 new cooperation agreements, fostering development in the following areas:

#### **Financial**

- A 4 billion dollars financing for the Chinese-Venezuelan Joint Fund
- Financial cooperation between EXIMBANK and PDVSA

#### **Industrial**

- Creation of the socialist joint venture AGROCHEM for the production of fertilizers and agrochemicals
- Launching of a new cement plant
- Setting up of a joint venture for the production of fiber cement panels
- Exploration of mineral reserves in Venezuela and development of the Sifontes Sur gold and copper mine located in the southeastern state of Bolívar.

#### **Construction**

- Building of 4 thousand 512 new housing units as part of the Great Housing Mission Vivienda Venezuela (GMVV)

#### **Energy**

- Products and crude supply contract
- Financing for the development of projects between PDVSA and SINOSURE

#### **Transportation**

- Acquisition of 1,500 new Yutong buses
- Purchase of 10 thousand Chery vehicles for school transportation

#### **Technology**

- Development of the program for the production of the third remote perception satellite



Investments of China in Latin America, upon the tour of President Xi Jinping (July 2014)

Country visited	Amount offered (MMM US\$)
Brazil	8.2
Argentina	18.5
Venezuela	5.6
BRICS Fund	20.0
Other cooperation agreements and credits	15.0
Total	67.3



“an extraordinary opportunity to advance towards the establishment of an alliance of regions focused on vital issues, such as: a financial, an economic, and an energy accord”. Additionally, he said: “this is the germ of a great agreement among the five emerging powers and South America which, as a bloc, is finding its own way ... It is a win-win partnership of former dominated countries that are now developing countries and blocs.”

It should be noted that at the 46th Presidential Summit of the Common Market of the South (MERCOSUR), held last July 29 in Caracas, Venezuela, it was agreed the opening of the Bank of the South, as well as its cooperation with the BRICS Development Bank, in order to reduce dependence on the major financial power centers and strengthen economic and productive complementation among participating countries.

### China-CELAC Permanent Forum

As had been announced at the CELAC Summit held in January of this year in Havana, Cuba, and acting on the initiative

of the Beijing government, the establishment of a permanent forum between the Asian power and the 33 member countries of this regional cooperation mechanism was discussed again.

The meeting was attended by the presidents of China, Xi Jinping; Costa Rica, Luis Guillermo Solís; Cuba, Raúl Castro Ruz; and Ecuador, Rafael Correa; as well as the Prime Minister of Antigua and Barbuda, Gaston Browne, who currently compose the so-called CELAC quartet. Also present were the presidents of Colombia, Juan Manuel Santos; Chile, Michelle Bachelet; Guyana, Donald Ramotar; Suriname, Dési Bouterse; Uruguay, José Mujica; and Venezuela, Nicolás Maduro.

This forum will serve to strengthen the cooperation and the coordination of positions on international affairs and common issues. It is expected to be formally established by the end of 2014 in Beijing, in a meeting of Latin American and Caribbean foreign ministers with their Chinese counterpart. ♠

From Zulia state to Los Andes

# A 217-kilometer colossal pipeline to open in Western Venezuela

by Nora Martínez / Zulia Mora

*The products pipeline will reinforce and strengthen the activities related to transport and supply of “white” products, such as 91 and 95 octane gasoline, diesel for automobiles, A-1 jet fuel, and –in the future- liquid petroleum gas*

The Falcón-Zulia Supply Project (SUFAZ), 217 kilometers long, will pass through the heart of the Paraguaná Peninsula, in the state of Falcón, and will reach Zulia state. It will become an energy conduit connecting the Paraguaná Refining Center (CRP) with the western region of the country.

This infrastructure with state-of-the-art technology will reinforce and strengthen the activities related to transport and supply of “white” products, such as 91 and 95 octane gasoline, diesel for automobiles, A-1 jet fuel, and –in the future- liquid petroleum gas. These products will be distributed to Bajo Grande Refinery, located in the municipality of San Francisco, and the plants

of San Lorenzo, in the eastern coast of Lake Maracaibo, and El Vigía, in Mérida state.

The first part of SUFAZ is an underground 24 inch diameter pipe, from the CRP to its connection with the Products Pipeline for the Andean Region (Sumandes), already in existence in the area of Ulé (Simón Bolívar municipality of Zulia state).

With a progress of 82%, the work executed by PDVSA Engineering and Construction, a PDVSA affiliate, is intended to maximize the value of hydrocarbons to redistribute the wealth they bring and place it at the service of the people, while ensuring an efficient fuel management.

## FALCÓN – ZULIA SUPPLY PROJECT (SUFAZ PRODUCTS PIPELINE)

Major fuel supply project in western Venezuela

### Location

Underground products pipeline from CRP-Cardón in Punto Fijo (Falcón state) to its connexion with the SUMANDES products pipeline in the area of Ulé (Simón Bolívar municipality of Zulia state).



### Reach

- Products pipeline 24 inch diameter and 217 km long
- 20 sectioning valves
- Pumping station and electrical substation
- Fiber optic and connection to ICO Project
- Microwave telecommunication
- Connection with Sumandes Products Pipeline

### Execution

The products pipeline was built in 5 sections:

- Section A**  Ulé - Mene Mauroa  53 km
- Section B**  Mene Mauroa - Buena Vista  73 km
- Section C**  Buena Vista - Río Seco  59 km
- Section D**  Río Seco - Tiguardare  25 km
- Section E**  Paraguaná Refining Center (CRP)  7 km
- D/P**  Distribution Plan Sumandes Products Pipeline

The pipe from the sections A, B, C and E is being laid down 1,20 meters below the surface. Section D is being laid down 1,80 meters below the sea floor in the Coro Gulf, with a concrete layer.

### Savings for the nation

With the products pipeline, coastal trade (tanker transport) will be completely eliminated.



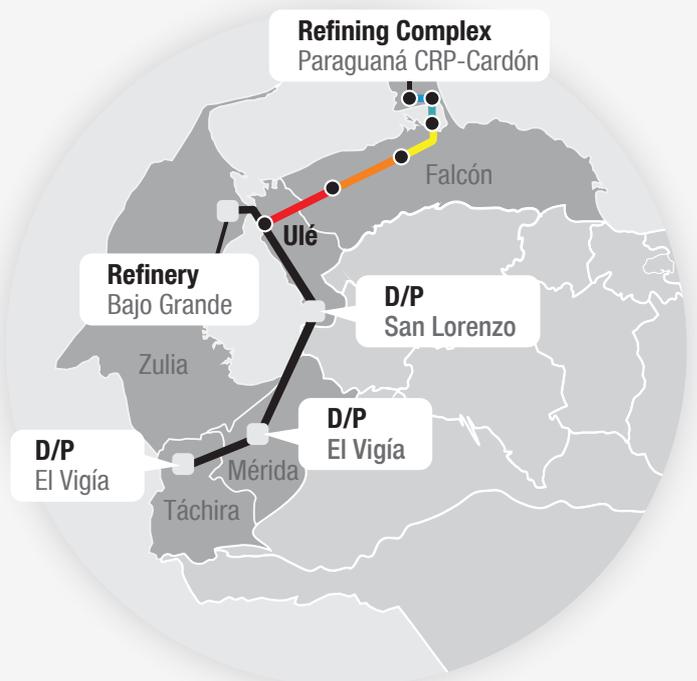
### Investment

761 million dollars  
Jobs (construction phase)  
Direct: 2,000  
Indirect: 7,000



### All resistant coating

The pipe used for the products pipeline has a coating known as three-layer, which extends its durability with anticorrosive and mechanical protection and resistance to high temperatures





## Benefits

Mechanical works should be completed by March. After that, prestart and startup tests will be performed. These tests will be carried out by members of the staff of the Supply and Commerce and Domestic Marketing departments and a team from the SUFAZ Project.

During these assessments, control loop, monitoring, control and power systems are refined. Once this process is completed, the first phase of the filling of the pipeline starts with 400 thousand barrels of oil, an amount equivalent to the cargo volume of two and a half oil tankers in order to test proper operation with a volume higher than its pumping capacity.

When the products pipeline starts operating, it will transport 240 thousand barrels of gasoline per day, an amount that matches the capacity of a tanker. It takes three days and a half for it to reach the loading racks and the supply plants. This implies a cost reduction and the decrease of the time spent

in permit paperwork. At the same time, it is a much safer transportation system, with minimal environmental impact.

In order to generate the least possible impact during the construction phase, the PDVSA affiliate was able to ensure that the pipes in the lake were laid down at 4 feet below the sea floor with a cathodic protection system that is suitable to the standards and thickness that ensure a perfect operation for more than 20 years.

These pipes also have a three-layer coverage to prevent corrosion and in the area of the Coro Gulf have a 3-inch concrete layer, to provide greater security for the sea flora and fauna.

Likewise, an inspection with an instrumented gauge throughout the pipeline is due to be undertaken. It will allow a detailed analysis of the pipes in order to locate anomalies and plan the use of corrective actions.

This construction represents a major contribution to the strategic regional

security, since it allows greater control of fuel transportation and supply by PDVSA and the State. As a result, the Venezuelan political process would be protected from damaging situations such as the oil sabotage between December 2002 and February 2003. The focal point of the sabotage was the disruption of petroleum products transportation by oil tankers.

## Cutting-edge technology

The SUFAZ Project will have an electrical substation and a main pumping station, located in CRP - Cardón. It will also have sectioning valve stations every 12 kilometers or so, on its entire length. These valves stations can block the transport of fuel in case of any incident that poses a risk to the products pipeline.

Fiber optic will be installed along the pipeline. It will allow the implementation of a telemonitoring system, including digital video recording, a perimeter intrusion detection system and a paging/messaging system via speakers, which



will allow security staff to receive an early and safe alert against possible attempts of unauthorized access to the facilities.

Thanks to the cutting-edge equipments, all products pipeline operations (leaks, pressure and density of each product) may be monitored and controlled in real time from the Bajo Grande refinery premises.

Additionally, the optical fiber will facilitate telecommunications in the metropolitan areas of the capitals of the states of Zulia and Falcón.

In line with the technological advances to be implemented, there will be a network of high-tech telephones in strategic areas, particularly in the valve stations, control

rooms, telecommunication buildings and the Security Control Room.

### **Operational savings**

The construction will clearly involve great savings for the country: while the payment for the coastal trade system or transport of fuel in tankers in the western region of the country amounts to USD 121 million per year, SUFAZ's project management estimates that the investment related to the operation of the system will reach USD 2 million per year.

The clearance of the CRP dock in Cardón and of Pier 1 in Bajo Grande will be another SUFAZ contribution. It will significantly reduce vessel traffic in the area. It will also

allow a 600 thousand barrel fuel reserve in Bajo Grande refinery.

According to PDVSA Engineering and Construction, one of the greatest achievements of the project is to have gathered a qualified group of 40 PDVSA workers and 47 workers hired by the inspection consultants, who have been at the forefront of the work, and have provided comprehensive solutions for this infrastructure of great strategic value and high economic impact for the country.

Nearly 9 thousand people, including direct employment (2,000 people) and indirect employment (7,000) work in the construction phase of the project. They have been hired through the Employment Democratization System (SISDEM). 

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1. The technological platform used by PDVSA for the allocation of temporary jobs.

Celebrating his 60th birthday

# The legacy of Commander Hugo Chávez *is strengthened every day!*

by Jorge Fanartzogloo

*The social achievements of the Bolivarian Revolution are reflected in Venezuela's inclusion in the category of countries with a high Human Development Index (HDI). Venezuela now ranks 67th among 187 countries*



To talk about Hugo Chávez Frías is to talk about Venezuelan and Latin American history in the past 20 years. His appearance on the political scene on February 4, 1992, is one of the most influential and definitive events in the contemporary evolution of Bolívar's homeland. No one can deny that this development marks a before and after, because this South American country was no longer the same, although we still had to wait seven years to witness the first changes of a pseudo-democratic, anachronistic and deeply corrupted regime.

The phrase "for now", uttered at that time by Chávez, would become the banner of millions of Venezuelans, who saw in the military rebel the rebirth of a hope severely dishonored by the traditional political parties and the privileged groups of the Venezuelan oligarchy, especially after the massacre against the people during the tragic days of February 1989, when the wave of protests and riots known as the infamous "Caracazo" occurred.

As a historic leader of the Bolivarian Revolution, it can be said that Chávez has several dates of birth: the natural date of birth: On July 28, 1954, in his beloved land of Sabaneta de Barinas; on February 4, 1992, as eminent representative of the fight for national dignity; and on March 5, 2013, when he is definitely rooted in the soul of

the people who love him, and follow him, for his infinite dedication and loyalty to the land where he was born, that now shelters him as one of its beloved sons.

During the recent celebration of his 60th birthday, the Venezuelan people expressed again their gratitude and paid tribute to the eternal Hugo Chávez, whose ideas are still guiding the daily efforts of millions of people to build a more just society.

Without pretending to make a comprehensive balance of his legacy, it is worth remembering the importance and validity of some of the seeds sown by the leader of the Bolivarian Revolution in the most diverse areas of our life, both nationally and internationally.

### **Political awareness of the Venezuelans**

One of the main characteristics of Venezuela's Fourth Republic was the "demobilizing" effect that the model of representative democracy had on the people. In fact, the Venezuelan people were considered as mere electors that gave legitimacy to a government formed by an elite group of usurpers, who repeatedly ignored the will of the people and altered the election results when they did not favor them.

Between 1959 and 1998 the people were never involved in the decision-making process, because the elite considered that the "masses"

were very ignorant and should be controlled. This situation led to the most flagrant abuses and violations of human, political, social and economic rights of the whole population, particularly the most vulnerable, marginalized and excluded groups.

The electoral victory of Hugo Chávez in 1998 dramatically changed this situation, since one of his first actions was to convene, through a referendum, a Constituent Assembly with the task of writing a new Constitution, which was overwhelmingly approved by the popular vote. Since then, the people have remained organized and mobilized in defense of this legal framework that has been the basis for the construction of a more just social order.

The socio-political activism manifests itself in bodies such as community councils, which are "forums for participation, coordination and integration between the various community organizations, social groups and citizens, enabling the people to engage directly in the management of public policies and projects aimed at meeting the needs and aspirations of communities in the building of a society of equity and social justice" (Article 2 of the aforementioned law).

Chávez founded the United Socialist Party of Venezuela (PSUV) in March 2008, to replace



the Fifth Republic Movement (MVR) as the main political apparatus of the Bolivarian Revolution. Since its inception, the PSUV has gradually established itself as a reference of democratic exercise and brought together more than 7 million and a half members, representing more than a third of the Venezuelan electorate.

### Chávez and Kirchner honored by MERCOSUR

At the end of the 46th Presidential Summit, held in July 2014 in Caracas, Mercosur declared the Commander of the Bolivarian Revolution, Hugo Chávez, and former Argentine President, Néstor Kirchner, distinguished citizens of this South American bloc. This was recognition for their commitment and struggle for Latin American and Caribbean unity, and for their political careers aimed at improving the quality of life of our peoples.

The PSUV has just held its Third Congress, which agreed, among other things, to proclaim the thought and work of Hugo Chávez as the essential political doctrine

of the PSUV; to speed up and intensify the revolutionary process; strengthen People's Power; reinforce the civilian-military nature of the Revolution; strengthen the social missions; fight corruption and inefficiency; support crime prevention and the fight against violence; include "Hugo Chávez" Battle Units in the fight against economic war and in the efforts to build a productive Venezuela; and ratify the condemnation of imperialist aggression and the respect for the sovereignty of the peoples.

### Social missions: an ongoing effort in the fight against poverty

The social missions, created in 2003 by Commander Hugo Chávez, have become one of the most effective mechanisms that have been implemented worldwide to fight poverty. Its success has been recognized by UN organizations such as FAO, UNESCO, UNDP, ECLAC and WHO. In fact, Venezuela is in the group of developing countries that has achieved positive results in health, education, nutrition, housing, and gender equality, which exceed the levels specified in the so-called Millennium Development Goals.

The social legacy of Chávez has been continued and expanded by President Nicolás Maduro. In the past year and a half, seven missions have been added to the 28 original social missions. The primary care

areas, the geographical scope and the number of beneficiaries have increased considerably. The Venezuelan government has even created a mission to care for abandoned pets.

These achievements of the Bolivarian Revolution are reflected in Venezuela's inclusion in the category of countries with a high Human Development Index (HDI). Venezuela now ranks 67th among 187 countries. The HDI measures the average achievements in three basic dimensions: a long and healthy life, access to education and a decent standard of living. Venezuela has made significant progress in these parameters in the last decade.

### Oil sovereignty and a multipolar world

The sovereign control over natural resources was a fundamental principle during the 15-year period of Chávez's government, particularly in relation to the huge base of hydrocarbon resources. This has been the main cause of the constant attacks of international imperialism against the Bolivarian Revolution, as demonstrated by the coup d'état of April 2002, the oil strike-sabotage in 2002-2003, the street barricades dubbed "guarimba" and the relentless economic conspiracy against Venezuela.

Based on the Hydrocarbons Organic Law, adopted in 2001, Chávez proceeded to



## The Homeland Plan, a guide to the Bolivarian Revolution

Commander Hugo Chávez's last written legacy was the Second Socialist Plan for Economic and Social Development of the Nation 2013-2019, known as the Homeland Plan, which was signed into law by the National Assembly on December 3, 2013.

This political will, inspired by the Anti-Imperialist ideology of our Liberator Simón Bolívar, contains the key strategic directions that will guide the Venezuelan people and government in the transition to the Bolivarian Socialism of the 21st century, which will be based on five major historical objectives, namely:

- *Defend, expand and consolidate the most treasured asset we have reconquered after 200 years: National Independence.*

- *Continue building the Bolivarian socialism of the 21st century in Venezuela, as an alternative to the destructive and savage capitalist system and ensure "the highest possible social security, political stability and happiness" for our people.*

- *Turn Venezuela into a social, economic and political power as part of the great emerging power of Latin America and the Caribbean and ensure the creation of a peace zone in Our America.*

- *Contribute to the development of a new international geopolitics in an increasingly multicentered and multipolar world, which would bring about the equilibrium of the universe and ensure global peace.*

- *Preserve peace on the planet and save the human species.*

As President Nicolás Maduro said, "this Homeland Plan is the meeting point of all the struggles that our people have had for centuries. It was possible to structure thanks to the maturity of an extraordinary and outstanding leader that Venezuela had and still has, because undoubtedly, the principles and values that Commander Chávez has bequeathed to us continue to guide the heart of most of our people and govern the fate of our homeland ... This plan represents a socialist, democratic, popular, Bolivarian, nationalist and revolutionary model".

dismantle the Apertura Petrolera (Oil Industry Opening-Up Policy), implemented by the governments of the Fourth Republic, which sought to give away Venezuela's oil wealth to transnational companies.

Hugo Chávez was the main ideologist and promoter of the new wave of regional integration based on what he himself called "diplomacy of the peoples", which seeks to benefit all the members of our societies through economic, trade, technological, cultural and knowledge exchange, and not just benefit business people, as occurred in the traditional cooperation processes.

Since he took office in 1999, Chávez began a crusade for a more just world, in which the principles of sovereignty, integrity and self-determination of the peoples are respected. He also fought for fair trade, for a trade in which the hegemonic centers cease to take advantage of the asymmetries in their relations with the world's poorest countries.

Chávez was able to rescue the role of the Organization of Petroleum Exporting Countries (OPEC) in defense of a vital resource for the world economy, by creating awareness of its strategic value and its rational use versus the excessive consumption by the industrialized countries.

At the hemispheric level, Chávez prevented, together with other historic leaders such as Néstor Kirchner and Luis Inácio "Lula" Da Silva, the establishment of proposals that violated our sovereignty and independence, such as the Free Trade Area of the Americas (FTAA), sponsored by the American empire. Instead, he promoted real integration agreements such as the Bolivarian Alliance for the Peoples of Our America – Peoples' Trade Treaty (ALBA-TCP in Spanish), whose foundational pact was signed in Havana, Cuba, in December 2004.

In the field of regional energy integration, Chávez created Petrocaribe, an oil initiative,

in 2005. Through this mechanism, Venezuela supplies crude oil and petroleum products under special financial conditions to meet 46% of the demand of the 18 signatory countries.

Commander Chávez was also the driving force of the Community of Latin American and Caribbean States (CELAC), whose founding summit was held in Caracas, Venezuela, in December 2011, with the presence of the other 32 Heads of State and Government of the region. Since then, the CELAC has become the main forum for addressing issues pertaining to its member countries.

Chávez was also a participant in the consolidation of the Union of South American Nations (UNASUR) and the Common Market of the South (Mercosur), whose agendas have since adopted a more human and social aspect. ♠

Macro project at the Orinoco Oil Belt

# El Aceital del Yabo: a pilot plan that honors the memory of Chávez

by Ángel Pirela González

*Neighborhood organizing is remarkable at the town bordering the states of Anzoátegui and Monagas. Public works by the joint venture Petromonagas are a telling evidence of the New PDVSA*





Juana Aray holds a shovel and removes the sand left by the backhoe on the road. Her forehead is covered with beads of sweat. The sun is blazing and Juana is working hard. Nevertheless, the face of the 25-year-old woman lights up with a smile. She is part of a group of workers installing sewage pipes in her town, El Aceital del Yabo.

There is a reason for Juana's smile, a mother of four: "I am working for the government. A year ago, the Great Housing Mission Vivienda Venezuela, gave me a house. My dream is for all my neighbors to have the same thing I have".

When Juana came to El Aceital del Yabo 15 years ago, it was a gloomy town with dusty streets, lost somewhere in the countryside. "I was ten years old. We were under the rule of the bad governments from the Fourth Republic and there was oil everywhere around here, which was then described as bitumen by the US multinationals. The whole picture was very disheartening".

She is motivated by her children. "I'm a single mother. I have had a very difficult life. I have four children aged 10, 8, 5 and 2 years old. I do whatever it takes for my children, even strenuous work. Thank God, one day Commander Hugo Chávez came and gave us the happiness that a drop of oil

can deliver. Now we can enjoy the wealth that belongs to all the Venezuelan people."

### **Changes with a face of Revolution**

El Aceital del Yabo is a town located in the Mamo district, Independencia municipality, in southern Anzoátegui state. The Yabo River, with its golden waters, is a few meters away from the village. It winds through the "Moriche" palms (*Mauritia flexuosa*) that mark the border with Monagas state.

The town is in the heart of the Orinoco Oil Belt, in the Carabobo Area (one of four exploration and production blocks, together with Ayacucho, Junín and Boyacá). The joint ventures Petromonagas, Petrolera Sinovensa, Petroindependencia and Petrocarabobo surround this community in the middle of Morichal district.

Upon the nationalization of the Orinoco Oil Belt, Petromonagas (a joint venture between PDVSA and BP) took over the operations from the former Cerro Negro Operator (OCN), a subsidiary of ExxonMobil and made a difference in neighboring communities, particularly in El Aceital del Yabo, located just 15 minutes from Petromonagas' Operation Center (COPEM).

For the past year, a working multidisciplinary team from Petromonagas' Sustainable

Development Management, moved to this town to build a pilot city – which was a dream of the Eternal Commander- and ensure basic services such as housing, education, health, electricity, a commercial zone, recreation and security.

Adelaida Yáñez, a community council housing spokeswoman, who has lived in Aceital del Yabo for over 20 years, recalls how difficult it was for OCN to meet their requests.

"The community lacked access to many areas. It was almost impossible to reach. It was like a US embassy. After the nationalization (of the Orinoco Oil Belt), a lot of doors were opened. PDVSA reached out to the communities and helped us solve our problems", she said.

Adelaida explained that the first major project executed in El Aceital del Yabo by PDVSA, through Petromonagas, was the construction of a police substation and they have not stopped ever since.

### **At the service of the homeland**

Yáñez said that the nationalization of the Orinoco Oil Belt had other positive results. "Thanks to Commander Chávez, PDVSA leaders deal with us directly. They always



answer our phone calls. It is a closer and more fluid relationship”.

“Chávez asked managers to reach out to the communities and learn about their needs. Now I can speak proudly about PDVSA workers. You used to have to go through like three people to reach the managers. That’s in the past”.

Adelaida said that she is experiencing firsthand the benefits from social change in her community. “You go to the institution, you ask for support, and they respond”.

The noise of a spinning cement mixer can be heard all over the block. Workers come and go, sticking cement blocks together, rendering walls and laying tiles on the floor. The hectic pace ruled for a month the construction of an outpatient care facility in El Aceital. The objective? Healthcare for 550 families.

Giovanny Rincón, an Aceital del Yabo Community Council Economics Spokesman, followed closely PDVSA.

“In the days when the gringos were around here, there was no social investment. The notion of sustainable development is the spearhead for the development of Orinoco Oil Belt’s communities and it is the fulfillment of one of the things that our Commander used say: Joyful Living”, he said.

Rincón has lived in the community for 17 years. He had never seen so much construction simultaneously: the school cafeteria, housing,

## A history of campesinos

According to the records of the community council, El Aceital del Yabo was founded on July 14, 1965 by Luis Aguilar, who began to plant yucca, plantains, taro and bananas in these lands.

The first house of the town was built with mud and sticks. The trunk road was built in 1962.

The community took its name from local trees known as “aceite de palo” (“wood oil” trees). Hence, the name of El Aceital (from Spanish: “aceite” or oil). “Yabo” comes from the town’s river: the Yabo.

sewage pipes and the restoration of a preschool.

### A new national, popular and revolutionary vision

Rincón, who is popularly known as “the Commander”, has carried cement, bricks and stones to construction sites in El Aceital. He was involved in the construction of the school cafeteria. This is why, he says with great conviction, this is just a small part of what is yet to come.

“We will have a bank, a Bolívar town square. This has a far-reaching significance for me. As a leader, I wish to educate the people so that they learn to love the revolution’s achievements that were left to us by our Commander Chávez”, he pointed out.

Rincón is concerned that there are people who do not understand the true meaning of President Chávez’s ideals. “He awakened our consciousness; he made us realize the power we have as a community. This is why we cannot be content with what the

government gives us. We are also obliged to be actively involved in the change”.

He emphasizes that neighbors can also generate the funds needed for the community economy. “We want projects to be self-sustaining, for the projects to grow. As the government played its part, it is up to us now to carry forward”.

He also said that, reflecting this new national, popular and revolutionary vision, the El Aceital del Yabo Community Cement Block Factory was created. “They are making cement blocks for the Great Housing Mission Vivienda Venezuela, for housing construction here and in neighboring communities. This is something we should protect and love”.

He says proudly that the El Aceital communal council has always had a positive financial balance, as a result of hard work. “Now, we have two new bus units (donated by PDVSA Petromonagas) that are generating funds which are deposited in the community

## El Aceital del Yabo, organizing at its best



Population: **1,515** •



Area: **107,41** hectares



### Completed projects

- Internal roads asphalted (3,965 tons of asphalt)
- Construction of the R2 module at El Aceital School
- Extension of the Teachers House
- Construction of the police substation
- Construction of 20 single-family houses, SUV1 type (substitution of shack with standard housing) through Great Housing Mission Vivienda Venezuela
- Modular ambulance and two 32 seat buses
- Street electrification
- Outpatients public rural clinic type II of El Aceital



### Projects currently underway

- Construction of a sewage system
- Waste water treatment plant
- 200 thousand liters elevated metallic tank
- Construction of a cafeteria for the school Concentrada El Aceital
- Terrace earthwork for 150 homes



### Projects in contracting phase

- Grid maintenance
- Sports court's roofing and maintenance
- 200 thousand liters elevated metallic tank
- Construction of four elementary school classroom modules (2 R2 and R3)
- Building of a module for initial education

SOURCE: PDVSA INDUSTRIAL

INFOGRAPHY: DIEGO GÓMEZ

bank. These funds are used to make repairs. If a tire is damaged, we no longer need to go to the Mayor's Office or to Petromonagas".

Workers that do not quit, high spirits, people working simultaneously in different parts of the town, community leaders that get involved in the construction of public works. This is the new, socialist PDVSA that Chávez envisioned and that President Nicolás Maduro continues to support. It boosts the development of this town that left behind its anonymity to become a model community at the Orinoco Oil Belt. 🇻🇪

## The Orinoco-Apure Axis Project

El Aceital del Yabo is located in the midst of the Orinoco-Apure Axis, which is a Bolivarian Government project to establish a new economic hub in central and southern Venezuela. It encompasses most of Táchira, Barinas, Apure, Portuguesa, Cojedes, Guárico, Anzoátegui, Amazonas, Monagas, Bolívar and Delta Amacuro states.

This project promotes the sustainable use of the area's vast potential in mining, agriculture and livestock, fishing, forestry, and tourism, as well as the development of river navigation.



Solar and wind electricity sources

# Alternative, *clean and renewable energy*

by Karina Depablos Díaz

*PDVSA Industrial, a PDVSA affiliate, contributes to the preservation of the environment and the diversification of the national energy matrix, through the use of natural resources*



The Venezuelan Renewable Energy Unit (UNERVEN), located in Punto Fijo, Falcón state, is a company with 100% PDVSA Industrial capital. Since 2012 it produces photovoltaic solar modules and low-power wind turbines, which use green energy to supply electricity to isolated rural and indigenous communities, border areas, and strategic military, oil and civil facilities for the socialist homeland.

UNERVEN contributes to the power generation plan through solar and wind energy, which are alternative, clean, renewable and environmentally sustainable sources.

The Venezuelan Renewable Energy Unit has two production lines: one for the manufacturing of low-power wind generators, with an installed capacity of 200 wind turbines per year in a work shift, and another for the assembly of photovoltaic solar modules, with an installed capacity of 62,500 modules per year in three work shifts.

The PDVSA Industrial affiliate started operations with a total of 85 direct jobs and

288 indirect jobs. It currently has 176 direct jobs and 548 indirect jobs, and benefits the surrounding communities, since most of the personnel were nominated by the 32 community councils in the area.

Part of the workers in the unit have successfully completed the theory and practical training, which they received in the assembly plant of photovoltaic solar modules, located in Pinar del Río, Cuba, and at the Bornay company of Spain.

With the manufacturing of low-power wind turbines and photovoltaic solar modules, UNERVEN complies with the Venezuelan state policy aimed at promoting and contributing to energy saving, and creating alternative sources for the production of renewable energy in our country.

### **Green energy generated in the Mérida state paramo**

In July 2013, in line with the Fifth major historical goal of the Homeland Plan 2013-2019, which provides for the building of an eco-socialist economic production model to preserve life of the planet and

save the human species, PDVSA Industrial, through its UNERVEN affiliate, embarked on a program of electrification with green energy in Paramo Los Conejos, located in Campo Elías municipality, Mérida state, at 3,576 meters above sea level.

The project included the installation of five low-power wind turbines and seven photovoltaic systems with four solar modules each, benefiting about 60 people living in the 12 most remote houses of this paramo, of difficult road access. This equipment preserves the environment and does not affect the Andean ecosystem, because it reduces carbon dioxide emissions dramatically.

Ramón Vilchez, UNERVEN's Production supervisor said that the installed power stations have a battery that supplies electricity to the houses for seven consecutive days.

"With an average consumption of 1.5 kilowatt-hour, every home can use a refrigerator, a 21" TV set, a radio, a washing machine, a DVD, and 18 watt energy saving light bulbs," he said.

### What is a low-power wind turbine?

A mechanical device driven by a wind turbine activated by the wind that generates electricity

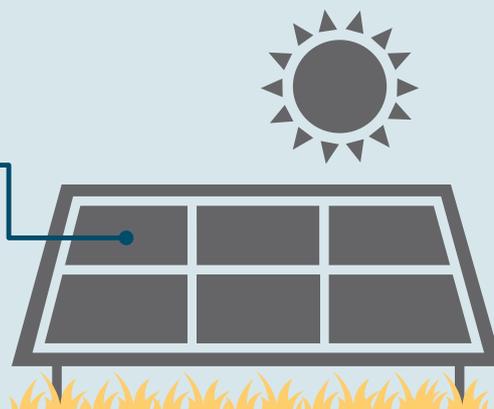
- Low-power wind energy. It has a horizontal axis with blades rotating on an axis parallel to the ground 
- Just **1** provides electricity for up to **3** homes 
- Since 2012 Unerven produces modules with capacities of **600**, **1500**, **3000** and **6000** watts 
- Unerven produces **200** wind turbines per year 
- They can be installed in desert areas, arid hillsides, or very steep hillsides 



### What is a photovoltaic solar module?

A semiconductor made up of a set of silicon cells that convert sunlight into electricity

- Capacity of **180** and **195** watts peak 
- Composed of silicon wafers of **1.26 m<sup>2</sup>** and **14.4 kg** 
- Unerven produces **62.500** modules per year 
- **20** modules cover a single home's daily energy needs
- They are also **used** in cars, public telephones, lamp posts, traffic lights, computers, airplanes





In order to significantly improve the quality of life of the people of the area, who for decades got by with candles or oil lamps and expensive gasoline-powered generators, UNERVEN started the installation of green energy equipment (solar and wind systems) in these houses. They were chosen taking into consideration the difficult road access, and the geographical location of Paramo Los Conejos.

None of the people of Paramo Los Conejos will forget the month of July 2013, when for the first time they lit a light bulb, tuned in the radio, enjoyed a movie or powered on the refrigerator. The life of these low-income families changed dramatically with the advent of the Bolivarian government, through PDVSA Industrial and its UNERVEN affiliate.

To have electricity was a dream come true, said Germán Rojas, a resident of the paramo, who expressed his gratitude to Commander Hugo Chávez and President Nicolás Maduro for this benefit that has improved the quality of life of all his family.

"We used to get by with candles and went to bed very early because there was no

electricity. We always went to bed with the chickens. With no light, there was nothing to do. It was very difficult to light the house, because candles went out rather quickly. Later, we started using generators that run on gasoline, but it was difficult to bring the fuel up here. The noise was very annoying and we were affected by the smoke. When we had gasoline, the generator did not work properly and when the generator was in good working order, we had no gasoline," he said.

According to Mr. Rojas, there were several accidents in the area when people tried to light the kerosene lamps and unfortunately ended up burnt by the fuel.

Rafaela Alarcón, wife of Germán Rojas, said that before the installation of the green energy generation equipment by UNERVEN, life was difficult. They struggled to settle in with their 7-year-old son in a mud house with a straw roof.

"When we did not have gas, we had to cook with firewood. We have always stored food in aluminum trash cans, and in those used for washing. Now I am very happy, I feel a great happiness, after so many years without electricity. This is like a dream," she said.

Rafael Rojas Santiago, a member of one of the oldest families in Paramo Los Conejos, said that all his family, from a very early age, have dedicated themselves to planting, cattle, and trout farming to meet their basic needs.

"I have lived here for 20 years. I live at my house with my wife Clara Matheus, who is also from the paramo, and my two children, Yasmín and Elvis. A little truck brings food every 15 days. Life is good here now. Electricity makes a difference. A candle was 2 thousand bolivars and we had no money. Now we feel good. People here are very happy with the arrival of electricity," he said.

With over 60 years in Paramo Los Conejos, Miguel Matheus, a well known local resident, said that the aid of the Bolivarian government has brought hope to this humble community which, since 1903, decided to overcome adversity and move to this area located more than 3,500 meters above sea level.

"First, I want to thank God, our Father, who is in heaven. I'm very grateful and pleased that we now have electricity here," he said. ♣



# ALBA-TCP: 10 years of successful integration

by Martha Ortega Peraza

*The significant social progress achieved by the countries of the Alliance is due to the priority given to health and education. Authorities have made great efforts to improve the quality of life of their populations*

The Bolivarian Alliance for the Peoples of Our America – People’s Trade Agreement (ALBA-TCP) is a platform for Latin American and Caribbean integration focused on the need to honor human life and dignity, under the principles of solidarity, complementarity, justice and cooperation.

ALBA-TCP encourages and promotes the principle of sovereign equality of the states and is actively involved in the construction of a new multipolar and multicentric world order, without empires or hegemonies and with broad and diverse relationships among the states.

ALBA-TCP was established on December 14, 2004 in Havana, Cuba, with the signing of a Joint Declaration by Commanders Hugo

Chávez Frías, President of the Bolivarian Republic of Venezuela, and Fidel Castro Ruz, President of the Council of State of the Republic of Cuba, in contrast to the Free Trade Area of the Americas (FTAA), which sought to increase the power and dominance of capital, through transnational corporations, at the expense of the sacrifice and exploitation of the population.

Currently, there are nine members of ALBA-TCP: Antigua and Barbuda, Cuba, Bolivia, Dominica, Ecuador, Nicaragua, Saint Lucia, Saint Vincent and the Grenadines and Venezuela.

## **Potential for economic growth**

ALBA member countries cover, as a whole, an area of more than 3 million



square kilometers, including the exclusive economic zones; 49.5% of this area is comprised by forests and 6.73% by farmed land.

Despite the world economic crisis that broke out in 2008, the combined gross domestic product of ALBA members increased by US\$ 82.39 billion in the period 2005-2012, going from US\$ 248.3 billion to US\$ 330.7 billion. Noticeably, ALBA-TCP's labor force was 35,544,000 people by 2012<sup>1</sup>.

As for energy resources, ALBA members account for approximately 20% of the world oil reserves and 71.6% of proven gas reserves in Latin America and the Caribbean, equivalent to approximately 7 billion metric tons. Also, the Alliance has a significant mining production of primary aluminum and iron (Venezuela); lead ore,

zinc ore, silver, lithium, tin ore, refined tin (Bolivia); and nickel ore (Cuba and Venezuela)<sup>2</sup>.

In the industrial oil sector, ALBA countries control about 24% of installed refining capacity in the Latin American and Caribbean region [Venezuela (19%), Cuba (2%), Ecuador (2%), and Bolivia (1%)<sup>3</sup>].

### **New financial architecture**

Within the framework of ALBA-TCP, the ALBA Bank and the Unified System for Regional Compensation (SUCRE) were created in 2008 as the foundation of a new financial architecture.

The ALBA Bank was created in order to strengthen the full sovereignty and the economic and financial independence of member nations. The financial institution is characterized by financing projects that

focus on social development, without any type of exclusion. Bank members are: Bolivia, Cuba, Dominica, Nicaragua, Saint Vincent and the Grenadines and Venezuela.

The SUCRE is an international payment mechanism for the trading operations among member nations. It was created as a first step towards the establishment of a common currency unit. It is based on the use of a virtual currency, the SUCRE, to keep a record of operations among the central banks of the member countries. To date, a total of 5,657 payment transactions have been registered in the amount of, XSU 2.01 billion, equivalent to US\$ 2.51 billion.

### **Fighting poverty and social exclusion**

With regards to the development of joint social policies, the countries of the Alliance have given priority to issues such as health and education, because they are

1. Cifras CEPAL 2012  
2. Cifras OLADE 2010  
3. Cifras OLADE 2013

key factors in fighting poverty. They have also prioritized the social inclusion of the most vulnerable sector of the population. This is a distinctive element of the Alliance and other integration initiatives, such as Petrocaribe, which foster development and aim to eliminate social inequalities.

Major healthcare achievements are: the implementation of Miracle Mission, which has benefited 3,482,361 people affected with eye diseases; the Foundation of Dr. Gilberto Rodríguez Ochoa Latin American Children's Cardiology Hospital in Caracas where 8,000 surgical procedures have been performed; and the creation of ALBAMED Regulatory Center for Medicines.

With regards to education, a total of 3,815,092 people have been made literate with the method Yes I can ("Yo sí puedo") and 1,174,312 people have completed basic education, as part of the post literacy process. Antigua and Barbuda, Bolivia, Cuba, Nicaragua and Venezuela, are illiteracy free territories, soon to be joined by other member nations.

Higher education is a key issue for the members, particularly the training of skilled healthcare workers. To date, 21,075 integral community physicians have graduated from the Latin American School of Medicine (ELAM) while 1,590 have completed their postgraduate studies, contributing to an increase in the availability of doctors per capita in the region.

According to the available data, only in the first four years of ALBA-TPC, the average number of inhabitants per medical doctor decreased by 28.2%, from 1,626 inhabitants per doctor in 2004 to 1,166 inhabitants per physician in 2008. Cuban physicians have played a significant role as they have been actively involved in healthcare.

A focus on health and education rights explains the significant social progress achieved by ALBA members. They have worked very hard and invested in improving the quality of life of their residents

### Social Integration for the liberation of the peoples

The Alliance is the only integration initiative that expressly includes the participation of social movements, which shows the



progressive politics of the members. The Heads of State and Government have encouraged the active involvement of collectives, social organizations and social movements, thus becoming an engine for social participation.

This unprecedented effort with regard to the participation and integration of the peoples includes the Social Movements Council of the ALBA-TCP, which is the result of what is known as peoples' diplomacy, as it channels requests from grassroots organizations, indigenous, farmers, and workers' organizations even from countries that are not members of the Alliance.

ALBA-TCP has become a unifying and dynamic force to achieve the Bolivarian dream of regional unity, the scope of which transcends governments, and encompasses peoples and their existence, in harmony with the Pachamama, creating a consensus around environmental defense, human rights, keeping and restoring peace and

the self-determination of the peoples, and against interventionism and war.

### A growing geopolitical

ALBA-TCP faces new challenges, and one of them is the creation of the Complementary Economic Zone, along with Petrocaribe and Mercosur, with the aim of boosting its political and economic relations, with a complementary, fair and balanced trade that responds to the development of the peoples.

The creation of this economic zone will strengthen regional integration under humanist principles and will play a strategic role in the fight against hunger and poverty in the region.

Similarly, it will facilitate new spaces for the participation of social movements and the emergence of a new dynamic of cultural exchange between the peoples of Our America.

The complete synergy among ALBA-TCP, Petrocaribe, Mercosur and CARICOM, will



## ALBA-TCP contributions in health care

### **Miracle Mission:**

Free care to patients with eye diseases. A total of 3,482,361 people have been operated on.

### **Integral care for people with disabilities:**

Genetic and psychosocial clinical study of people with disabilities. A total of 1,285,089 people have been treated. Prosthetic and orthotic devices and services have been provided to 864,678 people and there have been more than 2,030,000 medical consultations.

### **Dr. Gilberto Rodríguez Ochoa Latin American Children's Cardiology Hospital:**

Medical care for patients aged 0-18 years old with heart malformations liable to cardiovascular surgeries, hemodynamics, electrophysiology and non-cardiovascular surgery. More than 8,000 surgeries have been performed.

### **ALBA-TCP (ALBAmed) Regulatory Center for Medicines:**

A regulatory agency which provides a central registry for medicines. A total of 489 essential medicines have been identified, which may be acquired through joint purchasing.



## ALBA – TCP contributions to education

### **Grand-National Project on Literacy and Post-Literacy**

It provides universal primary education. To date, a total of 3,815,092 people have been made literate, with the method Yes I Can ("Yo sí puedo"). As part of the post literacy process, a total of 1,174,312 people have completed basic education.

### **Agreement on the Official Recognition of University Degrees among ALBA-TCP countries:**

Official recognition of university degrees among ALBA-TCP member countries, thus promoting the granting of scholarships as well as academic and work exchanges.

### **Latin American School of Medicine (ELAM):**

Founded in Cuba in 1999 and in Venezuela in 2007, ELAM trains community physicians committed to society with high scientific, technical, ethical and humanistic standards. To date, 21,075 integral community doctors have graduated from ELAM while 1,590 have completed their postgraduate studies.

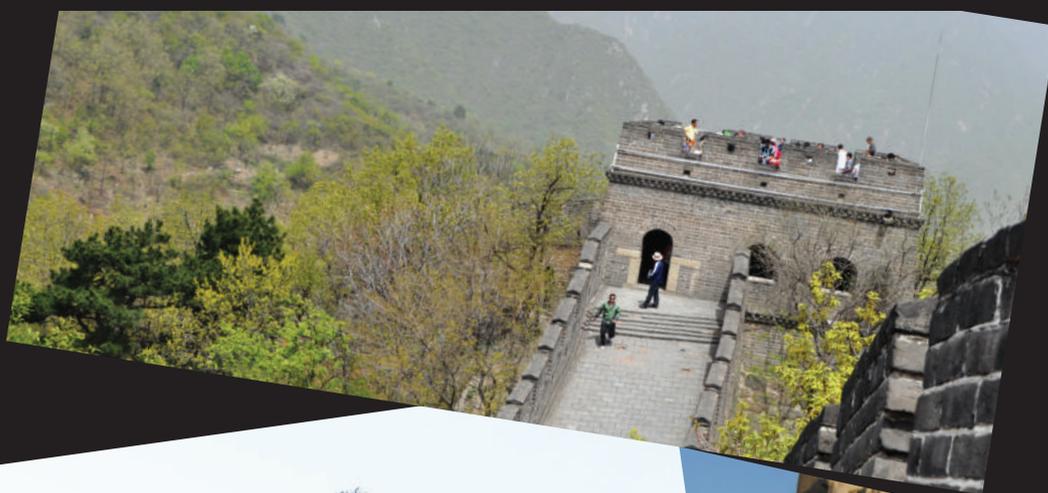
pave the way to a broader and stronger political and economic bloc, to encompass the recently created Community of Latin American and Caribbean States (CELAC), thus keeping alive the thinking of Commander President Hugo Chávez: "ALBA is a geopolitical space that will continue to grow" . ♣



# Beijing,

between skyscrapers and oriental traditions

*by Wendy Beltrán*





Main entrance of the Imperial Palace in Beijing. Picture taken from Tiananmen Gate to enter the Forbidden City, which served as home of the emperors from the Ming dynasty to the end of the Qing dynasty.



Wangfujing Street is one of the busiest avenues in town, with over 100,000 visitors per day.



The Great Hall of the People is the meeting place of the full sessions of the National People's Congress of the PRC. It is located at the western edge of Tiananmen Square.



Night view of Beijing.

After years of an impressive economic development, the People's Republic of China became the world's largest net importer of oil. The Asian country became a worldwide economic power, which has led to growing energy consumption.

Since the advent of the Bolivarian Revolution, Venezuela has strengthened relationships in several areas, as part of the effort to create a multipolar world. Cooperation between China and Venezuela has encouraged confidence and promoted closer links, and has also fostered mutual knowledge of their peoples as well as an appreciation of their cultures and habits.

Beijing, the cultural, political and economic center of the country, is the capital of the People's Republic of China (PRC). It has 20 million people. Its rapid growth process, which is the result of the economic boom of the Asian superpower, has made Beijing a city of contrasts, where modernity and tradition meet to offer a wide range of picturesque architectural proposals, in which innovative designs show a respect for its ancestral culture.

Although archaeological evidence shows that there were human settlements near

Beijing at least 1000 years BC, its beginning as a city traces back to the 11th Century, when Mongol invaders destroyed Zhongdu, the capital of the Jin dynasty, and rebuilt it as the Great Capital, near the main city of the Jurchen Jin dynasty. Emperor Kublai Khan, who established the Mongol Yuan dynasty, proclaimed the capital to be Daidu, since it was located closer to the center of power in Mongolia.

The current Diaoyutai State Guesthouse is an example of Beijing's architectural heritage. The first China rulers to use this building were stated by the Jin dynasty emperors, in the 12th century. It continued to be used as an imperial retreat during the Ming and Qing dynasties, until the Manchus rebuilt it with the intention of turning it into a hideout to avoid the rigidity of the Court. There are several old trees in the area. They are more than 800 year old and maybe they witnessed the first imperial fishing. In Diaoyutai, ancient rivers still meander through the gardens.

Another of the architectural masterpieces of the Chinese capital is the Temple of Heaven, built in the first half of the 15th century (1420). In the 674.6 acres of the Temple of Heaven and its typical structures

of the oriental tradition, the Ming and Qing dynasties practiced human sacrifices for a good harvest. The complex includes the Imperial Vault of Heaven, the Hall of Prayers for Abundant Harvests and the Circular Mound Altar.

The contrast between tradition and modernity is evident in the streets and avenues of Beijing. For instance, in the area of Quianmen Dajie, rural alleys or "hutong" have gone on to become a renewed pedestrian shopping street, in which national and foreign tourists visit the new renovated shops; but behind these façades, there are still alleys crowded of popular bazaars and ancient courtyard houses. In the past, Quianmen Dajie was the central axis crossing the southern part of the walled city of Beijing.

The Great Wall cannot go unmentioned in this short Beijing travel blog. Limestone, sand, clay bricks and granite were some of the materials used in the fortification of doors, the development of steep slopes, as well as the construction of watchtowers and barracks that make up this 5,500 mile long fortification, located at 980 meters above sea level. ♠



View of the National Museum of China (the former Museum of Chinese History and the former Museum of Chinese Revolution) from the Tiananmen Square.



The presidential villa of the Diaoyutai State Guesthouse is a complex that the Chinese government has used to house visiting foreign Heads of State. During his official visits to the Asian country, Eternal Commander Hugo Chávez used to stay in that house.



The guesthouse was open in 1959 to host the visiting heads of state and government who were invited to take part in the 10th anniversary of the founding of the People's Republic of China. Diaoyutai has several royal gardens with a remarkable historical and cultural tradition.



A Chinese torii located in front of the main entrance of the main office of the China National Petroleum Corporation (CNPC), in Beijing. The origins of the torii, a traditional gate, are unknown and although there are many theories in several Asian countries involving a relationship with Buddhism, it is widely accepted that it marks the transition from the profane to the sacred.



Beijing is also a city of modern skyscrapers with stunning designs, and other buildings with touches of oriental architecture.

# PDVSA Intevep

*promotes efficient solid waste disposal*

*by Marcela Fica*

*The method may cut down up to 84 times the land area used for conventional treatments and can reduce costs between 40 to 50 percent*

"For centuries, humankind did not use oil. We can live without gold, but without water there would be no life on the planet". This is a quote from President Hugo Chávez in 2005 during a visit to the Guanipa Plateau, one of the largest aquifer systems in Venezuela. He was reflecting on the paradigm of development and the impact of the oil industry on the environment.

"There is something important under (the Guanipa Plateau) . There is a lot of oil and gas, but there is something more valuable than oil: water worth more than oil, and more than gold," Chávez said at that time.

The Orinoco Oil Belt, which is now named after Hugo Chávez, since the Venezuelan head of state was responsible for its rescue, is the largest hydrocarbon reservoir in the world, with 1.43 trillion barrels of original oil in place. It is considered the most

dynamic scenario for the oil industry that exists today and it constitutes a challenge for new exploitation models that can preserve the natural environment of this vast region in the heart of Venezuela.

By 2019, the Belt's production target is 4 million barrels of oil per day, which involves the drilling of about 10,000 oil wells and building some 500 cluster drilling pads. Drilling operations will generate a high volume of waste. Therefore, Petróleos de Venezuela, S.A. (PDVSA), the Venezuelan state-run oil company, is evaluating and testing different procedures to meet its operational goals and protect the environment.

## **A conscientious development**

The need for a harmonious relationship with the environment, is mandated by the Venezuelan Constitution, and is also reflected in the 2013-2019 National Plan,

which in its fifth objective mandates the preservation of life on the planet and the salvation of the human species.

At Petróleos de Venezuela, S.A., the right to a healthy environment is addressed through seven strategic guidelines, among them the design of technical mechanisms for the implementation of sanitation and restoration activities, as well as the early inclusion of the environmental factor in all projects, in order to minimize risks and the impact of operations.

In line with this mandate, José Contreras-Quintero, Carlos González and María Sandra Vieira, from PDVSA Intevep's Environmental Management, developed a preliminary geological study for the injection of wastes in the Orinoco Oil Belt. This is one of the most promising environmental projects of the Venezuelan oil industry.

1. By 1972, total groundwater reserves were estimated at 7.7 trillion cubic meters in the area north of the Orinoco River that surrounds the Aquifer System of the Guanipa Plateau, located in northeastern Anzoátegui State, with a volume of about 1.26 billion cubic meters.



The underground waste injection is based on the environmental strategy that has been proposed to complement the technological options used by PDVSA for the treatment and disposal of the drilling and production waste (fluids, cuttings, sand and production water). PDVSA technical standards governing this process were adopted in 2011. They clearly distinguish between waste that can be injected and waste that can have other uses such as recycling or reuse, and waste that definitely cannot be injected.

The stratigraphy, geology and hydrogeology carried out by Contreras-Quintero, González and Vieira, aims to identify the rocks which by their characteristics could receive waste, and the ones that could be used to protect aquifers, {a continuación dos opciones para decir "que son las rocas sello"} that is a waterproof impermeable bedrock o which are base rocks, as well as those rocks that contain usable aquifers.

"It is important to visualize the development of the Orinoco Oil Belt in a comprehensive way so that is consistent with Venezuela's National Plan, particularly with objectives 3 and 5, which are geared toward promoting the country's energy development and the preservation of the environment. This is essential for the protection of life on the planet", Contreras-Quintero said.

In the case of the Orinoco Oil Belt, with the largest reserves of crude oil in the world, it is necessary to protect the largest aquifer system in Venezuela, which is the Guanipa Plateau, located beneath the FPOHC .

2. FPOHC: Hugo Chávez Orinoco Oil Belt

### Safe and efficient design

"We are injecting waste in order to protect the environment", he explains. There is an offshore technical project already underway, as well as active injection wells in Morichal, north of Carabobo Division, at the Orinoco Oil Belt. There are other projects in Junín and Boyacá Areas, including the Bare field in the Ayacucho Area. Additionally, several local geological surveys for the identification and construction of injection wells for waste disposal are being carried out in traditional areas such as Anaco, Lake Maracaibo, Furrial and Punta de Mata.

For geological engineer Contreras-Quintero, it is important to visualize the design and construction of wells for thermal methods so that the materials used, such as cement and casing, are appropriate for the thermal processes. Wells may present significant risk as they connect an oil reservoir with a usable aquifer.

According to Mr. Contreras-Quintero, environmental efficiency translates into operational efficiency, as rig downtime caused by excess drilling waste is reduced. It also translates into economic efficiency. Based on the results from the Jobo injection well, this methodology can reduce surface waste treatment costs between 40 percent and 60 percent. This is very significant as "a quarter of the state oil company's environmental budget is dedicated to waste treatment", based on data from the Social and Environmental Management Report 2013 of PDVSA.

However, costs are not only monetary. Damaged soil is also an environmental

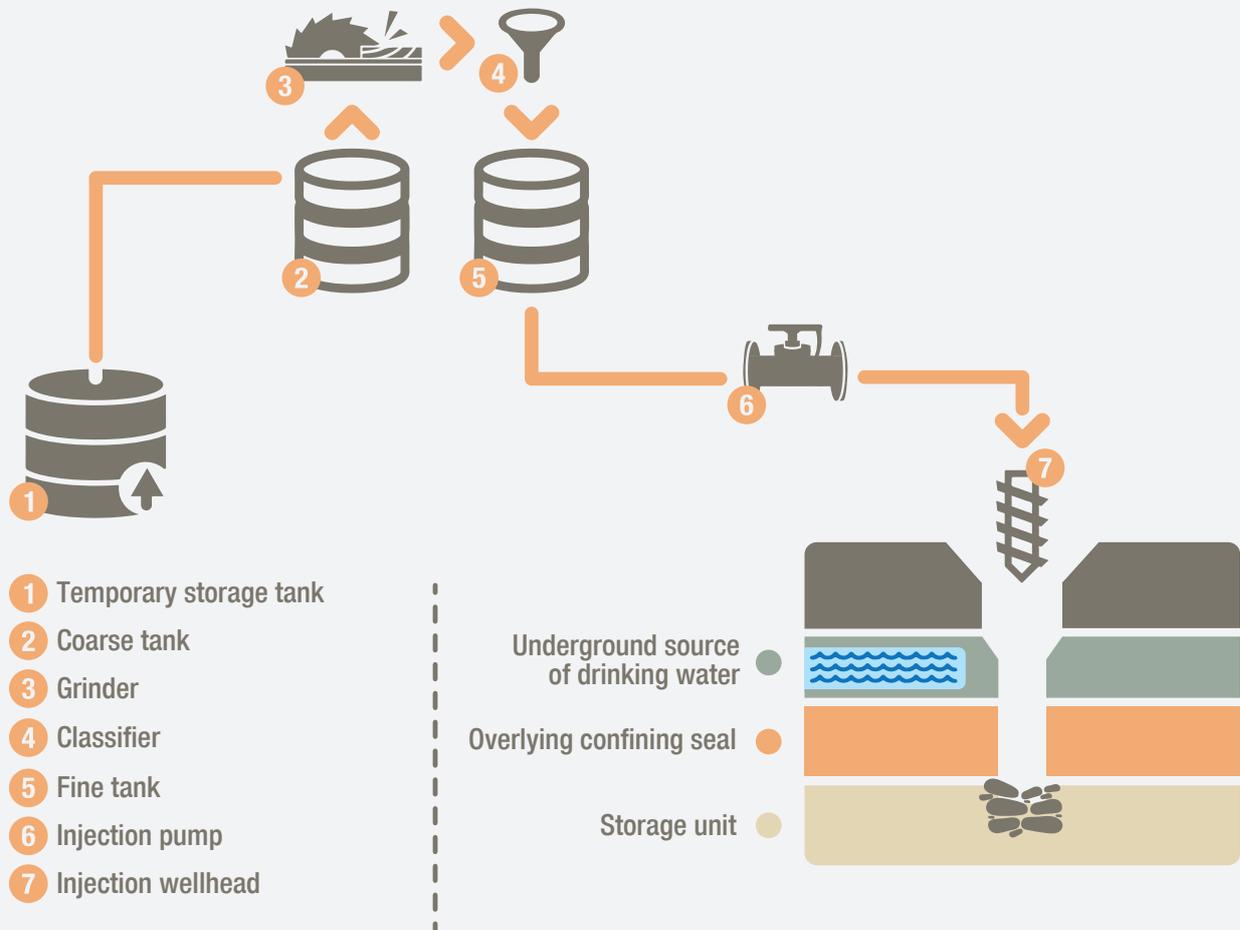
heritage cost for communities and ecosystems when soil is used for waste treatment. This method can reduce up to 84 times the amount of soil to be used in waste treatment areas. Therefore, it is a more effective means of environmental conservation, Contreras-Quintero said.

When waste is treated on the surface level, an area of soil remains polluted and restoration work must be performed. Also, there are costs associated with environmental liabilities.

This project started in 2007 with Magna Reserva. The injection of waste has a longer story. This methodology was used for the first time in South America in 1993, in the Monagas Este oil field in Monagas state. Later, in 2000, the country's largest waste injection process was developed in Lake Maracaibo, with five injection wells through which two million barrels of waste were disposed of. These operations were suspended during the Oil Sabotage . Intevep resumed waste injection in 2006 and included this process in PDVSA's environmental strategy.

"We are currently expanding and strengthening the methodology, by increasing the supply of waste that can be disposed of through the injection wells," says Contreras-Quintero. In Jobo, Morichal, they handle mostly fluids and production water but they want to include drill cuttings. They are developing a test designed for this area specifically. Fortunately, since January 2014, a PDVSA-wide instruction was issued to implement waste injection throughout the Venezuelan oil industry. It led to the creation of PDVSA's Injection Technical Team.

## Underground Waste Injection Process



SOURCE: PDVSA INTEVEP

INFOGRAPHY: DIEGO GÓMEZ

### Methodology

The injection process begins by collecting drill waste (drill cuttings from drilling operations). This waste enters a surface system consisting of tanks for rough and fine sediments and a classifier with the appropriate grain size, according to the petrophysical properties of the {a continuación dos opciones para decir "roca receptora" host recipient rock.

Coarse fragments are crushed and transported to the tank where depleted drilling fluids and production water are added. Viscosifiers that increase viscosity and prevent solids from settling can also be included. When the mixture reaches the required rheological properties, it is conveyed to a pump and injected into the well, and into the subsoil rock.

Depending on the type of waste, different decisions can be made. Cuttings impregnated with oily fluids or with hydrocarbons are used for injection. In the Orinoco Oil Belt, {gravel / cuttings} impregnated with water-based fluids do not need to be injected because they can be reused to restore areas affected by borrow pits, which are non-ferrous materials taken for the construction of the locations. It creates a sort of scar that can be successfully addressed with this technique.

For Contreras-Quintero is a privilege to belong to the team of PDVSA Environment and support the challenge of becoming a global energy power, inspired by one of the objectives of the National Plan, which is the preservation of life on the planet. This should motivate every human being.

"Future generations need water from the aquifers. The Venezuelan oil industry has been around for a century. We have acquired a century of knowledge and all lessons learned will be applied to the Belt. Consequently, at INTEVEP we promote operational efficiency, economic efficiency and environmental efficiency. Our comprehensive waste management strategy encompasses three technological approaches: borrow pit disposal, facilities for the recovery of materials and underground waste injection. As Venezuelans we should promote this strategy and submit it to an active social comptrollership", said Mr. Contreras-Quintero. ♠

3. In December 2002, PDVSA's managers locked out the workers and sabotaged operations. They tried to shut down oil production for two months. This event is known as the Oil Sabotage.

4. The rheological properties refer to the viscosity, consistency, and elastic properties of fluids submitted to a mechanical load.



Caracas Rueda Libre

# Building a bike culture in the city

by Natalia Merchán

*Cycle tracks offer healthy recreation and enjoyment and represent a new form of urban mobility based on ecosocialism and the use of clean energy*

On March 25, 2012, Luis found another way to spend Sundays with his family in Caracas. The Mayor's Office had launched a program for children, teenagers and adults. They rode bicycles, walked and jogged along boulevards – the "Sistema Urbano de la Nacionalidad"- from Las Tres Gracias Square to the Comptroller's Office. They joined group dance workouts known as "bailoterapia" and just enjoyed themselves in the company of their loved ones... Caracas Rueda Libre was born.

For more than two years this program has consistently offered city dwellers exercise and relaxation every Sunday. Community integration is strengthened with their active participation.

Caracas Rueda Libre has grown and extended to different parts of the city. There are currently four routes: Los Símbolos Square, Los Caobos Park, O'Leary Square and Cuartel de Catia. They connect to Fuerzas Armadas and Nueva Granada Avenues through dedicated public bus

lanes from the Bus Caracas system, courtesy of the Ministry of Transportation and Communication which banned bus traffic on these lanes on Sundays.

The program comprises 14 kilometers dedicated to the community, offering various recreational activities on the weekends. In addition, there are 3.5 kilometers of cycle tracks from the Bolivarian University to Los Andes student housing building at Venezuela Square and along Bolívar Avenue.

This is an initiative from Caracas Mayor Jorge Rodríguez, who has always wanted to recover space from the city for the recreational use of its residents. Urban cyclist organizations created the proposal, which was immediately approved and implemented by a team of over 150 people from the Mayor's Office. They were deployed over four routes.

Municipal government staff, policemen, nutritionists, and healthcare workers support these weekly activities which

## Bicygenerator

The Imdere is currently designing an energy generating bike, a project that will enrich the bicycle paths thanks to the use of the energy produced by the body as a source to power up electronic devices that users need to operate.

The use of bicygenerators is another way to help meet the Millennium Development Goals and the fifth goal of the Plan of the Homeland and promote an efficient use of energy leading to a harmonious relationship between man and nature, contributing to the preservation of natural resources.



include: road closures, security, hydration, medical supervision, coordination and entertainment. "The level we have currently achieved is worthy of one of the greatest cities of the world. It is a national reference," said Carlos Díaz, the program coordinator and president of the Municipal Institute of Sport and Recreation (Imdere), which is responsible for these activities.

The program has been carried out for more than 130 Sundays and every weekend is revamped and enriched with new spaces, such as the skating plaza for extreme sports in Los Símbolos, and the emergence of new social and sport activities, together with other social movements, sister institutions or missions, such as the Nevado Mission, the Child Protection Council, the National Nutrition Institute, the National Office Against Drugs, among others.

### Efficient energy in two wheels

That Sunday, Luis and his sons had no bikes, but there were 400 atomic bicycles available for rent in that route. These bicycles are manufactured in the country thanks to the Venezuela-Iran Agreement, promoted by President Chávez in 2008. This agreement offers cheaper prices for bicycles thanks to the Productive Venezuela Plan.

From the smaller bicycles to the typical 26-inch rim, 650 atomic bikes are currently part of the Caracas Rueda Libre. This program, with its four cycle tracks, is a free service to Venezuelan families and comprises kilometers and kilometers.

The bicycle route begins with the registration process: the user hands the identity card to an official, gets a ticket and takes the bicycle. Before riding the bike, the cyclist must check his/her blood pressure, as a preventive

measure; to this end, the plan has a health assistance team ready for any emergency.

There are no excuses not to take advantage of this activity. Those who don't know how to ride a bicycle can attend a bicycle school. So far, it has served over 500 thousand users in all the city routes.

Besides, as part of the upcoming innovations in the Caracas Rueda Libre program, the Caracas Mayor's Office is expected to speed up the loan of bicycles thanks to an automated system through a website, where the user registers and prints a form to take the bike. This will give users an immediate access to the bike and speed up the process.

In this continuous reinvention, there is a hidden and constant work in which the staff of the Mayor's Office plans the logistics for every



1. It was the name given by President Chávez to the bicycles built in Tinaquillo, Cojedes state, through an agreement with Iran. Chávez mocked the accusations that Venezuela was using the factory as a front to enrich uranium to build nuclear weapons.

2. A plan promoted by the Ministry of Industry and state banks, for the purpose of selling many goods at fair prices to the Venezuelan people, thanks to the elimination of middlemen.



weekend and proposes new projects. One of the most recent plans is to connect San Martín Avenue with the sports complex located in the area thanks to several bicycle paths that converge in the O'Leary Square.

### Energized districts

The communities that have benefited from the Barrio Nuevo, Barrio Tricolor (New Neighborhood, Tricolor Neighborhood Mission) have also joined the Caracas Rueda Libre program, with district initiatives carried out every Saturday by the Social Cabinet of Caracas Mayor's Office, thanks to which the bicycle path is taken directly to the district.

"It is amazing what the organized community can accomplish. The same road corridors of New Neighborhood, Tricolor Neighborhood take the community bicycle lane to its people.

They go hand in hand with the Mayor's Office. It is a plan related to a social initiative," Díaz said.

The possibility of extending this program to other Caracas districts and integrate them to the urban mobility plan promoted by the mayor of Libertador municipality, is a new step towards the establishment of a culture of urban cycling, which has been promoted for several years by many collective movements such as Bicimamis, Cicloguerrilla Urbana, Te Quiero Caracas, among others. This ideal has gradually become a reality that aspires to become a habit.

"The idea is filling the city of Caracas with bike lanes. We have set a standard, and we are carrying out urban planning and traffic impact studies to build cycle paths throughout the capital, and other Venezuelan cities", the program coordinator added.

The integration of districts and the ongoing consultation with the cyclist collective movements have nourished the initiative and are creating a significant environmental awareness. The use of bicycles has increased 80%, the road corridors are full of cyclists, and the Caracas Rueda Libre program has about 2 million users.

In this confluence of responsibilities - from the official who registers the users to the one who hydrates, provides security, planning, recreation, or medical assistance - time passes each Sunday in the Caracas Rueda Libre program. Marathon runners, joggers, athletes, children, adolescents and senior citizens take advantage of clean energy to live in the city in harmony with the environment. It is a program in which the city and its citizens nourish one another. 🌱



SOURCE: INSTITUTO MUNICIPAL DE DEPORTES - IMDERE

INFOGRAPHY: DIEGO GÓMEZ

3. It is a mission that seeks the integral transformation of Venezuelan neighborhoods by its own residents, and promotes opportunities for the development and the comprehensive well-being of communities.



Caring for Our Seniors Citizens Mission

# Senior citizens: happy to live the revolution

by María Alejandra Rivas

*The Bolivarian Government strengthens its commitment to the welfare of the Venezuelan people through its social policy. Social inclusiveness is the result of the work of former president Hugo Chávez*



Venezuela is the leader of a revolutionary and socialist movement seeking the welfare and quality living for its people. At the basis of this process are the state-run social programs, known as missions, established by the Bolivarian Government.

Thanks to the futuristic vision and to the social inclusion policies promoted by Hugo Chávez, the leader of the Bolivarian Revolution, the Venezuelan government established three years ago the Caring for Our Senior Citizens Mission, a social program for the assistance of seniors excluded by the governments of the Fourth Republic.

On December 13, 2011 President Chávez led a ceremony at the Teresa Carreño Theater to launch this social mission, through the enactment of the Decree-Law No. 8,694, which provides the right of the elderly to receive a monthly pension, through the Venezuelan Institute for Social Security

(IVSS), with an amount equivalent to the national minimum wage.

For many years, the Venezuelan population lived in extreme poverty due to the mismanagement of the governments of the Fourth Republic. They kept people away from benefits and resources.

All this changed with the advent of the Bolivarian Government; social class equality became the flagship of its state policy. Social investment, amounting to US\$ 623.51 billion from 1999 to 2014, is higher than the amount invested by the rest of the South American countries. Sixty four percent of the country's public revenue is allocated to education, health, sports, social security and food, according to Héctor Rodríguez, current People's Minister of Education, during his speech at the South American Seminar on Social Inclusion which took place that year.<sup>1</sup>

1. <http://venezuela-us.org/es/2014/03/27/inversion-social-venezolana-es-la-mayor-de-suramerica/>



## Venezuela's National Plan

The second objective of the National Plan states as follows:

“Continue building the Bolivarian socialism of the 21st century in Venezuela, as an alternative to the savage and destructive capitalist system and ensure the ‘highest possible social security, political stability and happiness for our people’.”

Within this second objective, there is a specific National Objective that provides that in the new phase (2013-2019) an egalitarian and fair society must continue to be built. This requires the development of a prevention, protection and social security system that will lead to a new

political quality and become the most powerful tool for a joyful living.

Additionally, there is a specific objective (2.2.3), which reads as follows:

“Consolidate the Great Socialist Missions as a valuable revolutionary tool to further strengthen the construction of social justice, as it is the case with the Children of Venezuela Great Mission and the Caring for Our Senior Citizens Great Mission”.

### Requirements for the Caring for Our Senior Citizens pension

- Women 55 years of age or older.
- Men 60 years of age or older.
- Household income below the current national minimum wage.
- Foreign nationals must have 10 years of legal residence in Venezuela to be eligible for the program.

The effective distribution of oil revenues constitutes the main platform for the social inclusion of the elderly in Venezuela, creating and fostering a respectable quality of life for everybody.

#### Before the Bolivarian Revolution

Venezuela has a population of 28,946,101 people, according to the preliminary results of the last census conducted by the National

Statistics Institute (INE) in 2011. Out of that total population, 2,774,786 people (9.85 % of the total) are elderly, defined as people 65 years of age and older.

In 1998, the IVSS reported merely 387,007 pensioners. More than half of the population 60 years of age and older was not protected by any social security system. A small group of Venezuelan state pensioners, about

300,000 people, were only paid a quarter of the minimum wage (which was VEB 110), that is, they only received VEB 20 or VEB 23 per month, and some services were discounted from that amount. More than 100,000 people spent four years or more waiting for the payment of their first pension.

Currently, there are more than 2,551,000 pensioners in Venezuela.

Hugo Chávez was a humanist committed to social justice and to a people that clamored attention from their governments. Since coming to power in 1999, he fought for the empowerment of the marginal and vulnerable in society, such as the elderly. Commander Chávez had a deep love and respect for old people who, in the Fourth Republic, fought to get a pension increase and were victims of abuse and repression.

It was an intolerable situation for the leader of the revolution. Therefore, with the establishment of the Caring for Our Senior Citizens Mission, the government included not only the payment of the pension but several benefits, such as financial assistance in health, education, housing and recreation. The idea is to make this stage of life a peaceful and satisfying one. 🕯

## SENIOR CITIZENS NATION WIDE 60-70 AND OLDER

2011 Census



1	Zulia: • 137,986 • 168,314 = 306,300	14	Monagas: • 31,895 • 35,541 = 67,436
2	Miranda: • 124,417 • 157,683 = 282,100	15	Portuguesa: • 33,265 • 33,114 = 66,379
3	Capital District: • 99,711 • 139,500 = 239,211	16	Guárico: • 30,961 • 31,772 = 62,733
4	Carabobo: • 90,719 • 106,390 = 197,109	17	Barinas: • 30,863 • 28,855 = 59,718
5	Lara: • 70,708 • 87,952 = 162,660	18	Yaracuy: • 24,629 • 25,795 = 50,424
6	Aragua: • 71,276 • 86,142 = 157,418	19	Nueva Esparta: • 21,085 • 25,598 = 46,683
7	Táchira: • 55,207 • 62,957 = 118,164	20	Vargas: • 16,534 • 20,048 = 36,582
8	Anzoátegui: • 54,318 • 62,808 = 117,126	21	Apure: • 15,546 • 14,589 = 30,135
9	Bolívar: • 48,777 • 51,463 = 100,240	22	Cojedes: • 12,049 • 11,639 = 23,688
10	Sucre: • 41,704 • 48,233 = 89,937	23	Delta Amacuro: • 12,049 • 11,639 = 10,070
11	Falcón: • 37,491 • 44,940 = 82,431	24	Amazonas: • 3,582 • 3,523 = 7,105
12	Mérida: • 38,350 • 43,520 = 81,870	25	Dependencias Federales: • 56 • 44 = 100
13	Trujillo: • 33,689 • 39,549 = 73,238		

# PDVSA counts on the private sector for economic development

by Johan González

*New technologies produced by the Venezuelan state oil company create opportunities for the private sector which can develop applications domestically and overseas*

Josefina Salazar, president of PDVSA Intevep, the technology branch of Petróleos de Venezuela, S.A. (PDVSA), talked about the major projects from this affiliate dedicated to the research and development of technologies aimed at providing comprehensive solutions in activities such as exploration, production, refining and industrialization. She also explained the involvement of the National Industrial Oil Conglomerate (CNIP) with Intevep projects.

#### **What are the major projects currently undertaken by PDVSA Intevep?**

- Among the most important technology programs by PDVSA Intevep, is one carried out in the eastern city of Puerto La Cruz, related to the implementation of the HDH technology, which allows the refining of heavy crude and turn it into finished

products. When we talk about finished products, we are speaking about products such as gasoline, diesel, jet A-1. In this way, we do not take the crude to an upgrader but it goes straight to a refinery with HDH technology, which was created in Venezuela.

At this point, we are undertaking the last engineering phase, what we call the EPC, which includes procurement and construction. We are developing the EPC together with allied foreign companies, but due to the scope of the project, the CNIP companies may also participate.

#### **What is the relation of PDVSA Intevep with the oil industry private sector?**

- There is a Management and Quality Assurance Department at Intevep, which is responsible for audits aimed at

improving the performance of the national business community. This department has always been closely linked to the private Venezuelan industrial sector related to the oil industry. Likewise, we support the national business community in their efforts to get the ISO 9000 certification. This quality standard raises the quality level of the companies, so to speak, thereby contributing to their competitiveness.

Furthermore, when we develop a new technology that is to be implemented in our country, opportunities are created which include the Venezuelan business sector. Oftentimes when technology comes from abroad, it is tied to foreign-made inputs and products. With Venezuelan technology there are greater chances that our businessmen engage and work with us.



### **How do PDVSA Intevep's projects relate to CNIP?**

- Our projects are aimed at developing technologies for PDVSA. Many of them are related to basic engineering concepts to be applied in the industry. It is precisely in this area where we anticipate the participation of the CNIP, in the production of equipment and the aptitude you have to have to create new technology; therefore, it is very important that we are able to count on the national industrial sector.

Other technical products developed by Intevep are related to products such as drilling fluids, well cementing, catalysts and additives used in refining. For these we also need the union with the CNIP to license our technologies, so that they are made in Venezuela and be put at the service of the oil industry. At the 4th Comprehensive Congress on Hydrocarbons and the 24th Latin American Petroleum Show (LAPS), held in Maracaibo and the 3rd World Heavy Oil Congress, held in Porlamar, we signed agreements with companies that are interested in being licensed.

The president of Intevep said that the products developed by PDVSA have a patent that protects the intellectual property right, at a global level. The main goal is

for the national business and industrial community to use those products. "Through this license, businesses make these products and use them in the oil industry. Without the research work done by Intevep, these products could hardly be produced in the country."

"Intevep is like a bridge between PDVSA and the business community in order to develop a series of products adapted to the requirements of the oil industry, since our fluids are tailored to the different operational areas: the Orinoco Oil Belt, the Eastern Division, and the Western Division, since each has particular characteristics regarding the crude oil and we know them. We also know the problems that may arise in each area, which not anyone can solve easily."

### **What are the main advantages of the CNIP for the oil industry?**

- One of the main advantages of the CNIP is that it has at its disposal a group of companies that are aware of PDVSA's needs and look for a way to meet those needs. The Conglomerate will

include the Siembra Petrolera Plan (the Venezuelan oil industry plan for the next 15 years) and everything we have in our portfolio. Therefore, it should be prepared to meet these requirements.

For instance, if we have to lay several miles of pipes in different parts of the country, make production tubing for our wells, or if we are going to need fluids, cement and everything related to increasing production



and the implementation of the Siembra Petrolera Plan, and – at the same time – we have a group of companies partnered with us that know what we need, this will allow them to be prepared to meet all our needs. The companies that are part of the Conglomerate will have a series of advantages. That is, those that are allied with the CNIP will be a step ahead.

PDVSA has projects in other countries. If we support our business community so that they can export what we make here,

we will contribute to bringing foreign currency. I definitely think that this is a great opportunity for the business sector.

#### What does Intevep expect from CNIP?

- What Intevep and the entire PDVSA expect from the Conglomerate is to have a national productive sector that can help us implement the Siembra Petrolera Plan. If the business sector does not know our needs, it can hardly meet them. However, if the business community knows what we need today and in the future, we will be

able to make tactical alliances to carry out everything we need and, in turn, it may be prepared to meet the demand.

I think the effort made by PDVSA to complement our activities and promote the work in Venezuela is very important. If we develop more products in our country, we will be able to offer more jobs and, in this way, we will not only support PDVSA but the whole country. 🇻🇪

## Development technologies

The private industrial sector can also be included in the development of the oil industry through license agreements for the use of technologies developed by PDVSA Intevep, so that they are made in the country and be placed at the service of crude production.

The granting of licenses by PDVSA Intevep to manufacturing and commercialization services companies and/or use and application, require the interested organizations to comply with the following requirements:

1. The company must send a written request to PDVSA Intevep, addressed to the Technology Portfolio Management, through which it expresses its interest in signing a license agreement, and include the following legal requirements and supporting documents: office addresses (headquarters and plants), Articles of Incorporation, fiscal address, telephone numbers, photocopy of the (valid) identity card of the person signing the agreement, photocopy of the Fiscal Information Registry (RIF) and the Taxpayer Identification Number (NIT), information regarding the company (description, activities carried out, and other relevant information), contact information of the point person between the service company and Intevep (email, landline, fax number, cell phone number and address), copy of the registry for activities that can degrade the environment (RASDA) for the companies applying for environmental technologies, issued by competent authorities, and copies of current contracts with PDVSA.

2. Once all documentation received is in order, PDVSA Intevep's Technology Portfolio analyst proceeds to review

and verify the legal requirements and supporting documents submitted by the service company.

3. Afterwards a visit is made to the service company (plant, laboratory and storage center), along with staff from the Quality Management Department, in order to verify compliance with a quality management system and if it has the technical capacity to manufacture or apply the technological products for which they have requested licenses.

4. A request is made before PDVSA Intevep's Committee of Planning, Protection and Operations for the authorization of the signature of the license agreements contracts for manufacturing and commercialization and their non-exclusive use and/or application, for a three-year period, at a national level.

5. If the application is approved by the Committee of Planning, Protection and Operations, the contract is first drafted at the Legal Advisor's Office.

6. Once the contract is drafted, it is reviewed, approved and signed by both parties.

7. The service companies and PDVSA Intevep set the dates for the start of technology transfer.

8. PDVSA Intevep's Technology Portfolio Management will monitor the compliance with the obligations under the terms of the license agreements.



# Sovereign-debt negotiations and vulture funds

by Álvaro Silva Calderón

Foreign investments are generally desirable, because they are expected to contribute to the development of the countries that receive them, but their presence frequently creates problems of all kinds; among them, the tendency of foreign investors to get more favorable terms than those granted to domestic investors, and the circumvention of the jurisdiction of the courts and laws of the host countries.

When investors act within the sphere of a State, they do it freely and consciously, after considering all favorable circumstances for them. Logically, they must submit to any adverse circumstances and to the legal framework of such State.

A longstanding position of international law assumed that States had a kind of birthright to defend the interests of their nationals

abroad. Foreign investors took advantage of this to make the States from which they came from act either via diplomacy or by force against the States that were recipient of their investments.

This position was long ago surpassed by the well-known Calvo Doctrine, formulated by the eminent Argentine international lawyer Carlos Calvo, who postulated that the rights of foreigners must be claimed by the petitioners in the courts of the State in which the investment is located, and under its law.

According to the Drago Doctrine, no State has the right to use force against another State to collect debt owed to their citizens. It was proposed a century ago by the Argentine Minister of Foreign Affairs Luis María Drago, on occasion of the use of armed force by England, Italy, and Germany

against Venezuela, at the beginning of the last century, for the collection of debts owed to some of their citizens.

The above mentioned doctrines were well received by international law and were recognized by many Constitutions and laws in the world, including Venezuela, as with the Calvo clause.

With the rise of neoliberalism and globalization, investors regained their breath and strength with their traditional tendency to try to circumvent the jurisdiction of national courts and have been pushing so that the settlement of claims and disputes against the investment recipient countries must take place in foreign courts or through international arbitration, with the aggravating factor that the latter procedure has been so deeply distorted that it is used more as a means of



threat and coercion for disproportionate and unreasonable claims against the States, than as a mechanism to administer justice.

In the past few weeks, Argentina has suffered the attack of the vulture funds. This case has gone over the top because the claims of foreign investors against the investment recipient countries are resolved outside their courts and beyond the scope of their laws, including those of public law.

The vulture funds cannot even be classified as investment funds, since they do not make a real contribution to the economy of the nations. On the contrary, by taking advantage of the severe economic circumstances of those countries, they execute purely speculative operations such as the purchase of sovereign bonds at bargain price with the clear intention of obtaining excessive profits.

In the case of Argentina, these vulture funds are relying on a foreign court, which has

surely acted according to commercial law rather than public law practices, to try to obtain not only the full payment of bonds purchased at bargain prices plus interest, making an usurious profit, but also to destroy or seriously undermine a public law operation carried out sovereignly by a State. This was the case of Argentina and the restructuring of its debt which was agreed upon by almost all of its creditors.

The homeland of Calvo and Drago, two eminent Argentine lawyers that laid down international doctrines to protect the sovereignty of the States against the claims of foreigners for the collection of alleged debt using the courts or the power of their States of origin, is under attack today with procedures that are internationally repudiated as contrary to basic principles of law, such as good faith, fairness, justice, and respect for the sovereign actions validly adopted by the States.

This situation, just as the situation that

existed at the time of Calvo and Drago, also deserves an international doctrine similar to what they created, in order to protect the States from vulture funds. This doctrine, that can now be better supported by international organizations, could be based on the following considerations: On the basis of the universal principles of sovereignty, justice and equity, public debt negotiations made by States in situations of economic distress with a plurality of their creditors, shall be equally applicable to all their creditors, and neither of them nor others, can counter, undermine or disrupt such negotiations through actions or court or arbitration proceedings, national or foreign, or by the request of intervention of other States, or by any other means, and any judgment, ruling or decision, issued or adopted, that intends or may lead to such a consequence, shall have no validity whatsoever, and therefore, may not be executed internally in the State subject to the negotiation or in the sphere of any other State. ♣

# Venezuela Illustrated

by Manuel Loaiza



# The Gas Revolution in the path of Chávez!



# 1.2 billion

cubic feet of natural gas

Petróleos de Venezuela, through its subsidiary Corporación Venezolana del Petróleo (CVP), ENI (Italy) and Repsol (Spain), agreed to jointly participate in the phases of operation of the gas field Perla 3X to fulfill the historic goal of keeping Venezuela as an energy superpower and develop the Rafael Urdaneta project to promote the legacy of Hugo Chávez with President Nicolás Maduro.

