

June 22, 1966

TO: Board of Directors  
ACCION International

FROM: Executive Director

Subject: Report on Activities

Since the last Board Meeting of January 25, 1966 all Members should have received the following reports: Minutes of the Board Meeting, Report on Survey Trip to Brazil (March 25); Quarterly Report of ACCION International activities, including annexes on Administration, Fund Raising, Recruiting and the Annual Audit 1965 (April 1); Interim Progress Report on Brazil (May 31).

This report will be a brief summary of activities since the April Quarterly Report and will present the major issues to be decided at the Board Meeting of June 27, 1966.

#### I. ACAO COMUNITARIA DO BRASIL

##### Rio de Janeiro

The Brazilian program is progressing steadily. At this date a Brazilian organization, Acao Comunitario do Brasil, has been legally registered and incorporated in Rio. The Board is being formed by Mr. Haroldo Poland, President of the National Economic Council, who has continued to spearhead the launching of the program. He is forming this board from among those who have taken a genuine interest in the program and are, so to speak, "committed". These include Israel Klabim, one of Brazil's largest industrialists; Candido de Paulo Machado, the President of the Banco de Boa Vista, Joao Monteiro,

a Director of the Rio Light Company, a subsidiary of Brazilian Traction Light & Power Company of Canada, and a Director of the American Chamber of Commerce; William Sweet, President of Liquid Carbonic and a long time resident of Brazil. There are several others whom Mr. Poland intends to draw into the movement once the initial board is formed. The organization has offices, as well as secretarial and administrative help, provided by the Brazilian GASBRAS Company at Rua Sao Jose 90, 17th floor.

Miss Virginia Lampe has been contracted to assist in administrative matters, and to arrange the preliminary studies for the favela work. She will coordinate with the other agencies in the field and will program the training for community action workers.

Several candidates have been interviewed for the position of Brazilian Project Director, but none has been seen by the Board as yet.

In general the interest is keen in this program, and we can draw upon a great deal of talent and favela experience to carry out the work.

I will return to Brazil for the months of July and August to help select the project director, to involve more board members, to work on recruiting of Brazilians and to launch the fund campaign. The local organization will soon be able to receive funds and will need them in order to support the organizational phase of the program. It would be very helpful if the Board of ACCION International would write to their own representatives in Brazil and request that a contribution to the Brazilian program be made locally in Cruzeiros. The Council for Latin America has agreed to publish a bulletin or newsletter explaining the Brazil project and recommending that its member companies support the operation locally.

Sao Paulo

I have spent much less time in Sao Paulo than in Rio. However, many high level industrialists have seen the ACCION film and have demonstrated a genuine interest in the program. Paulo Ayres Filho continues to promote the program, and his organization, IPES, has decided to hire a person to collect all the available information and experiences on the favela problem of Sao Paulo. Once this study is finished, presumably in July, they have contracted with ACCION International to have Miss Lampe work out a concrete ACAO Comunitaria program for Sao Paulo. A Board and organization will then be formed and a staff picked to recruit and train organizers to work in the favelas and slum areas. Meanwhile IPES has given office space and substantial secretarial and administrative help.

II. C.A.B.E.

By all reports, both from the Council for Latin America and from the attached report sent to ACCION International from the C.A.B.E. staff, the program is getting results and proving to be a successful undertaking.

III. ACCION EN VENEZUELA

The two pilot projects for technical and vocational training centers are completed and classes should start shortly. A recent grant by the Venezuelan Government to one of the ACCION EN VENEZUELA projects, the first grant of its kind under a new "job corps" type of program demonstrates government backing of the program.

The community action work continues at a good pace and the Executive Committee has decided to concentrate on fewer areas of the country and to reorganize the zone structure with fewer field workers concentrating on less barrios. It is hoped that this will give depth, in the sense of "remodeling" barrios, and will also help during the financial

squeeze the organization is in now.

Fund raising in Venezuela is, as usual, going better than the year before, but the rapid expansion of the organization has put them on a week-to-week financial basis. Should the organization continue in this situation it could be detrimental to the health of ACCION EN VENEZUELA just at a time when their Board is ready to push for a program of small industry development.

The 1965 budget squeeze has made the Executive Committee call for fewer foreign recruits this year. There is every reason to believe that more funds will be raised, and that the budget can be cut so as to give ACCION EN VENEZUELA a brighter financial position. Meanwhile, however, I suggest that ACCION International make a contribution of \$5,000 to ACCION EN VENEZUELA to help them launch the small industry program this year and to help defray living expenses of those who are to work on developing the small industries in the barrios. The reasons for recommending the grant are as follows:

a. in terms of staff and field workers, and level of work in the barrios, it is timely that ACCION EN VENEZUELA start the program this year;

b. it represents a potential income-producing element for ACCION EN VENEZUELA, in that more industrialists will get involved in barrio projects which entail small industries;

c. there has always been a latent feeling that the incorporation of ACCION International represented a pulling away from ACCION EN VENEZUELA, and that ACCION International might divert funds otherwise available to Venezuela or that the Venezuelan program might not receive further help. I believe that a grant at this time would help cement

relations and assure Venezuelan sponsors that ACCION International has been set up to assist and support rather than distract from the work of the Venezuelan organization;

d. the promotion of the Brazil project and our current financial position make the contribution possible at this time;

e. several contributors have given to ACCION International with expressed intention of having their donations help ACCION EN VENEZUELA rather than ACCION International's general operations.

#### IV RECRUITING

Ten candidates are currently receiving a two and a half week orientation course at the Fletcher School of Law and Diplomacy in Medford, Massachusetts (see annex). Five more, three of them from Great Britain, will go to Venezuela in September. We hope to recruit an additional five for September from among the current applications, bringing to twenty the total recruited for the Venezuelan program this year. The Brazil program will draw on experienced Accionistas already working in Venezuela, who will sign for a second contract on a salaried basis.

#### V. ADMINISTRATION

A. At the Board Meeting of November 30, 1965 it was decided that the bookkeeping would be handled by a person to be hired to work full time on this alone. This was done and the audit was completed. The current administrator, Mr. Weiss, is leaving ACCION to take an assignment with the Council for Latin America in Bogota.

In seeking his replacement I recommend that we hire one person to both keep the books and handle administrative detail. This is acceptable to Mr. Brown of Price Waterhouse. He has agreed to have Price Waterhouse review the books every month and if they are not satisfactory to inform us so that we can return to the system of having an outside bookkeeper.

B. I suggest that the Vice President for Recruitment and the Assistant to the Director be added to those who sign checks drawn on the Operations and Payroll Accounts, since both Mr. Crossley and the Executive Director are often traveling.

#### VI FUND RAISING

The report on corporate fund raising is attached. Approximately fifty percent of the 1966 goal has been raised. Board help would be greatly appreciated in contacting those firms where a request is currently pending, and in making contact with new companies, especially among those companies with interests in Brazil.

In the foundation field, Mrs. Nolde has submitted requests to Rockefeller Brothers Fund for \$50,000; to Gulbenkian Foundation for \$40,186 and to the Donner Foundation for \$40,186. All decisions are currently pending. She has also made contact with key people in the field for the purpose of identifying and defining program areas suitable for major fund requests, and has established procedures with Caracas for putting together and submitting ACCION EN VENEZUELA's foundation proposals.

## VII BOARD ORGANIZATION

The following names were previously submitted and are still pending Board decision:

Sol Linowitz

Fred Foy

John Loeb

Henry Sargent

Mrs. Mary P. Lord

Berent Friele

Forrest D. Murden

## VIII FILM

The English sound track of the ACCION EN VENEZUELA film is ready and was recently shown at the meeting of the Council for Latin America in Washington. The Board previously expressed the desire to give a luncheon for foundation officials and trustees, at which the film could be shown to create greater interest in the program. This luncheon is now timely and the staff is anxious to start in the planning of this and other such events for September.

## IX EUROPE

Due to the need for continued presence of the Executive Director in Brazil, Miss Winifred Marich, former Assistant to the Director of ACCION EN VENEZUELA, substituted for Mr. Blatchford in making the trip to Europe. She interviewed seven candidates who had previously been screened in Great Britain and chose three. She visited Paris, where she met with Mr. Milton Rose and his associates and called on the UNESCO offices which had been promoting ACCION

program. In Spain, she had an outstanding reception and was asked to stay on for another week. She will stop in Switzerland on the way back to Yugoslavia where she is residing during her leave of absence.

The purposes of the trip were to spread information about the program, to recruit potential field workers, and to find out which European companies have interests in Latin America. Tentative arrangements for a trip by the Executive Director later in the year will be based on Miss Marich's reports. Generally speaking the response in Europe, especially in Spain, was very good, both for future recruiting of Europeans and for fund raising. ACCION International should foresee expanded activities in Europe this coming year, especially since Shell has donated £1,000 especially for the purpose of setting up our London office.