

**RECOMMENDATIONS OF THE OAS STAFF COMMITTEE
REGARDING THE PROPOSED PROGRAM-BUDGET FOR 2012
AND ITS POSSIBLE IMPACT ON THE ORGANIZATION**

Executive Summary

The Staff Committee of the Organization of American States present, to the Secretary General and the Assistant Secretary General, observations and recommendations with regard to the Proposed Program Budget 2012, in order for them to be considered in the framework of the negotiations that take place in the Committee on Administrative and Budgetary Affairs.

Faced with the proposal to eliminate 36 posts in the Organization (18 from the regular fund and another 18 from Indirect Cost Recovery), and the possibility that it will be necessary to resort to involuntary terminations in order to achieve this goal, the Staff Committee:

- Urges the Secretary General to make these cuts with respect for the existing rules and adjusting the number of trust positions to the 8% provided for in the rules – which would result in a savings of US\$ 3.6 Million.
- Appeals for the suspension of new trust appointments and the reduction to the necessary minimum of any other hiring financed by the regular fund until such time as the Organization's situation stabilizes.
- Calls for stimulating the internal mobility for filling posts of a higher responsibility, considering that it involves lower costs than other types of actions.

The practice of yearly systematic personnel cuts will inevitably lead to a weakening of the Organization. Accordingly, the Committee is convinced that the short term decisions that are taken should be accompanied by long term processes. As such, the Committee appeals to the corresponding decision-makers to explore alternatives, such as revisiting quotas in order to compensate for and make the statutory increases sustainable, and without damaging the organization; as well as to adjust mandates in such a way as to allow a reduction of the structure of the institution in an efficient manner.

With respect to the lack of funding in the Proposed Program Budget assigned to attend to processes such as competitions, post audits and competitions for continuing contracts, the Committee considers that it is imperative to ensure respect for the existing rules in the General Standards and the Staff Rules, considering that the cost of not complying with them significantly exceeds the cost of regularizing them.

The Committee and the staff in general are aware of the serious budgetary context that the Organization currently faces, and hopes that the negotiations that take place have as little impact as possible on personnel and their acquired rights, or on the historical memory and institutional strength of the Organization.

A. INTRODUCTION

1. Pursuant to Article 53 of the General Standards to Govern the Operations of the General Secretariat, the Staff Committee —the executive organ of the Staff Association—raises in this document matters that are of common interest to the staff members or that affect their well-being, including their working conditions.
2. Although the Committee has held meetings with the Secretary General, the Assistant Secretary General, the Secretary for Administration and Finance, and the Department of Human Resources on both general and specific aspects of the Proposed Program-Budget for 2012, it considers that there is an urgent need to reiterate its observations and recommendations so that the Secretary General and the member states can take informed budgetary decisions which take into account the context in which the staff does its work and the possible legal and financial repercussions thereof for the General Secretariat.
3. Neither the Committee nor the staff as a whole are oblivious to the difficulties resulting from the economic crisis experienced by some of the member states and that have an impact on our Organization. Nevertheless, we are convinced that in this difficult context it is necessary to ensure full respect for the rules in force regarding new hiring and the separation of staff, competitions to convert Series A contracts into Series B contracts, competitions for reclassified posts that receive subsidies for special duties, audits, competitions for continuing contracts and contracts for positions of trust. Such respect is essential to protect the rights of staff members as required by the Staff Rules, the General Standards, and the rulings of the Administrative Tribunal, as well as to ensure continuity in the services that the General Secretariat provides for the member states.

B. COMMENTS ON THE PROPOSED PROGRAM-BUDGET FOR 2012

The Staff Committee wishes to share some general observations on the Proposed Program-Budget for 2012 (PPP) currently being discussed in the Committee on Administrative and Budgetary Affairs (CAAP) of the Permanent Council. It should be noted that the following comments focus exclusively on those proposals that have a marked direct effect on the staff and which the Committee considers to be within its remit.

1. Reduction in positions financed by the Regular Fund

1.1 According to information furnished in the PPP (page 10), the budget cut in 2012 will entail a reduction of 18 positions financed by the Regular Fund (from 489 to 471). The Committee readily acknowledges the effort made by the Secretary General to ensure that, as far as possible, the reduction in positions is effected by voluntary separations or by the freezing of positions vacated due to mandatory retirement or early retirement. However, there are now few remaining staff members close to retirement.

- 1.2 In the course of 2011, a large number of separations have been negotiated or reported and positions financed by the Regular Fund have been transferred to other funds. In that context, and given the large number of further cuts envisaged for budget year 2012, the Committee foresees that it will be difficult to meet the 2012 target of 471 staff positions on a voluntary basis. It therefore expects a scenario of compulsory separations.
- 1.3 It is also important to point out that separations generate financial costs for the Organization, which vary according to type of contract. The elimination of 18 positions financed by the Regular Fund will have a substantial budgetary impact due to the high cost of separations of staff with long-term (Series B) contracts, continuing contracts, or career contracts. Appendix 1 describes these expenses as detailed by the General Standards and the Staff Rules and does not include the additional legal costs that could arise in the case of non-voluntary separations or separations not conducted in accordance with the rules in effect.
- 1.4 Further, the Committee wishes to convey to the CAAP the staff's deep concern at the cutting of positions year after year: a concern shared by the Board of External Auditors in its latest report to the Permanent Council¹ as well as by the General Secretariat itself. Figure 1 on page 10 of PPP 2012 shows how 111 positions financed by the Regular Fund have been cut since 2001. Of them, 76 positions have been cut in the past three years, without there being any concomitant contraction of the structure of the Organization or in the number of mandates assigned to it.
- 1.5 This situation has had direct repercussions for the staff of the Secretariat, who have had to assume additional responsibilities, which sometimes correspond to posts higher than the one they hold and which have led to further pressure on the effectiveness and quality of their work. As a result of these new tasks and responsibilities, there has been a significant increase in the number of posts that need to be audited in order to determine what grade level they are at. Potentially, that would lead to further reclassifications of posts. On top of that, in recent years the staff has endured considerable uncertainty, not only due to the lack of job stability, but also to the difficulty staff members face in enjoying acquired rights, such as competitions, audits, or reclassifications. That is why we urge the General Secretariat to ponder in a holistic manner the high monetary cost of eliminating staff positions, as well as the intangible impact that that measure has had and will have on the historical memory and institutional foundations of the Organization.

2. Nonexistence of a budgetary allocation for audits and reclassification of posts (Article 38 of the General Standards²)

- 2.1 As mentioned above, a reduction of staff not only increases the burden on the remaining staff members; it may also increase their responsibilities, which in

¹For more information, see document OEA/Ser.S/JAE/doc.41/1 (page 13).

² "The Secretary General shall issue the administrative provisions for the classification of posts in the professional and general services categories in accordance with the resolutions of the General Assembly and the nature of the pertinent duties and responsibilities. The Secretary General shall include in the proposed program-budget the necessary funds for an audit of classifications of all posts, which shall be conducted at least once every four or six years and completed no later than six months prior to the Preparatory Committee's review of the proposed program-budget for the following fiscal period."

some cases may surpass the level of the post they currently occupy. According to Staff Rules 102.3 and 103.7, the performance of additional duties for more than six months results in an audit to review the post and in its possible reclassification. Despite that, it transpires from the information furnished in PPP 2012 (Chapter 10) that no budget allocation is contemplated for the audit or reclassification processes under way or for others that might arise in the course of the year.

2.2 Nor does the PPP for 2012 indicate whether funds are earmarked to finance competitions for posts already reclassified, the audits requested, or possible reclassifications. The same applies to the costs of allowances on account of special duties³ in recently reclassified posts. The lack of any provision for these items triggers even more uncertainty and concern among staff members, given that the assignment of new duties without the corresponding compensation contravenes the rules in force.

3. Elimination of positions financed by Indirect Cost Recovery (ICR)

3.1 The projected reduction of at least 18 positions financed by ICR, in addition to the proposed elimination of 18 Regular Fund positions, means that the Organization would lose another 36 positions in 2012. That cutback directly impacts the quality of work, the responsibilities assumed, and the achievement of expected results. The cut in positions financed by ICR will have an undeniably adverse effect on the operation and execution of projects and programs financed by specific funds, as well as on the routine administrative and financial work of the General Secretariat. A continuation of this practice of systematic reductions of personnel will inevitably weaken the Organization.

C. RECOMMENDATIONS

1. Increased quotas

1.1 The OAS is reacting to inflation and mandatory cost increases by cutting personnel. To adopt increases in country quotas, it does not apply the mechanism provided for in Article 55 of its Charter⁴; instead it resorts to consensus. This practice differs from that of the United Nations, where quotas are periodically adjusted in line with inflation.

1.2 Unless strategic decisions are taken and the necessary long-term measures adopted, it is clear that within very few years the staff will be so reduced that it will only be able to operate at a minimum level. This will have adverse consequences not just for the historical memory and institutional foundations of the Organization but also for its ability to make a difference and contribute its specialized knowledge and cooperation in the region.

³ See Staff Rule 103.7

⁴ "The General Assembly shall establish the bases for fixing the quota that each Government is to contribute to the maintenance of the Organization, taking into account the ability to pay of the respective countries and their determination to contribute in an equitable manner. Decisions on budgetary matters require the approval of two thirds of the Member States."

1.3 Based on the debates that the Staff Committee has witnessed over the past two months in the CAAP, it appears unlikely that the member states will decide to increase quotas to cover the mandatory cost increases. Nevertheless, the Staff Committee espouses and supports the Secretary General's proposal to the member states that they review quotas and explore options for dealing with those increases.

2. Adjustment of the percentage of positions of trust to the regulatory 8% and suspension of new appointments

2.1 As of June 2011, there were 60 positions of trust in the General Secretariat financed by the Regular Fund. That amounts to 12% of the 489 positions financed by that Fund and approved in the 2011 Program-Budget. Over the past five years⁵, the reduction of personnel with other types of contract and the restructurings of the General Secretariat⁶ have led to a four percentage point excess in the number of trust positions, or approximately 20 positions more than there should be. This percentage exceeds the ceiling established in Article 21(b)(v) of the General Standards, which establishes that trust positions shall not exceed 8% of the posts financed by the Regular Fund.⁷ It should be stressed that any reduction in Regular Fund posts, such as that posited in the PPP, will result in an even higher percentage of positions of trust.

2.2 Were the General Secretariat to address this situation immediately, the result would be a saving of approximately US\$3.6 million.⁸ Moreover, an additional saving would result from the elimination of these excess positions in the sense that the severance costs are much lower than for other types of contract, such as career, continuing, or long-term contracts (see Appendix 1).

2.3 The Staff Committee is aware that taking these steps would require revising the structure of the Organization in order to adapt it to budget constraints and the efficient use of resources to implement mandates. The Committee is likewise convinced that abiding by the rules in force regarding trust positions and reversing the current state of affairs would reflect a genuine willingness to adopt fairer and more equitable austerity measures.

2.4 A further concern of the Committee is that the General Secretariat is exploring the possibility of holding competitions to fill the posts that are, and have for the past six years been, designated and filled as "positions of trust." It is worth recalling that, according to Article 21(b) of the General Standards, trust personnel are appointed by the Secretary General and those appointments shall last as long as

⁵ According to the data available, there were 56 positions of trust in 2008, 60 in 2009, 59 in 2010, and 60 in June 2011.

⁶ For example, the 2006 Program-Budget envisaged an organizational structure comprising 8 Secretariats, 5 Departments, and 22 Offices. The proposed Program-Budget for 2012 includes 11 Secretariats, 20 Departments, and 4 Offices.

⁷ "As a general rule, no person shall be appointed to a trust position below the P-4 level. Exceptions may be made for staff assigned to the Secretary General's Office and household and the Office of the Assistant Secretary General. The number of trust appointments funded by the Regular Fund should not exceed 8 percent of the posts financed by that Fund."

⁸ Estimate based on the scale of remunerations and pensions for professional staff as of April 2011. It is understood that there are 60 trust positions financed by the Regular Fund, 53 of which are at the P-4 to D-2 level. Of those 53 positions, 6 are either continuing contracts or career service contracts. The remaining 47 trust positions cost approximately \$8.4 million a year (an average of \$180 thousand each). Note that this estimate does not include other personnel-related costs, such as allowances for special duties, education, dependent allowances, health insurance, and home leave.

the Secretary General is in office and the appointees enjoy his/her confidence.⁹ Even though this practice was pursued last year, the proposal to bring in more staff in this manner would be unjust and costly, and it would be seen as running contrary to the austerity needed.

2.5 Given the current budgetary plight, the Staff Committee suggests that new external appointments of staff to positions of trust be suspended and that the number of trust positions be reduced to the mandatory 8%. Since trust positions have been relatively stable for the past five years, it is other types of posts that have been subject to systematic cuts. That has created a divide in the treatment of persons holding trust positions and persons who do not.

2.6 Along those same lines, the Staff Committee deems it necessary to reduce to a bare minimum all hiring financed by the Regular Fund. Such a step offers only a partial, short-term reprieve for the Organization's chronic budget woes. For that reason, we urge that a sincere process of reflection regarding them be initiated, with a view to exploring long-term solutions.

3 Observance of existing rules in order to minimize expenses arising from lawsuits

There are still ongoing violations of rights acquired by the staff that could exacerbate the budgetary crisis if the staff members involved should opt to resort to existing legal remedies. Judging by the queries filed by staff with the Staff Committee, these situations fall under the following categories:

3.1 Differences in treatment depending on the type of contract

The provisions governing the competitions needed to transfer from Series A to Series B contracts have been applied inconsistently, depending on the source of funding.¹⁰ Although the Secretariat fills Series B vacancies financed by the Regular Fund through competition, it does not do the same for posts financed by specific funds or ICR, unless the vacancy derives from a reclassification. This gives rise to a dual inconsistency in the application and interpretation of the rules. On the one hand, and depending on the interpretation used, a distinction is made between those who would be entitled to Series B contracts based on financing source; while, on the other, in the case of positions financed by funds other than the Regular Fund, a distinction is made based on whether or not the positions are or were reclassified. It is important to recall that Article 44 of the General Standards to Govern the Operations of the General Secretariat establishes that *“a post filled by a staff member under a Series B contract financed by other funds is not exempt unless the competition requirement is deemed inconvenient.”*

⁹ *“Staff members in positions of trust are appointed at the discretion of the Secretary General to hold the posts that these General Standards define as positions of trust. Trust appointments shall last as long as the Secretary General is in office and the appointees enjoy his/her confidence.”*

¹⁰ Series A and Series B contracts are fixed-term contracts. The former are renewable for up to three years. Before the end of the third year, the vacancy must be filled via competition. B series contracts result from those competitions and may last from one to five years. After five years, staff members holding those posts financed by the Regular Fund are entitled to compete for a continuing contract.

It is also worth mentioning that in the recent past some Series A contracts financed with funds other than the Regular Fund were converted into Series B contracts without the need for competition. This practice based on criteria that were not properly disclosed further exacerbates the differences in application and interpretation of the rules and gives rise to additional inequalities among personnel financed by specific funds and Indirect Cost Recovery (ICR) funds.

3.2. Non-compliance with Article 19 of the General Standards (Continuing Contracts)

According to Article 19(c) of the General Standards¹¹, the target percentage for continuing contracts must be kept at between 40% and 50% of the staff financed by the Regular Fund. Currently, the percentage with continuing contracts is only 34%¹² and would be much lower in 2012 following the planned separations. Since 2009, the Staff Committee has repeatedly requested a list of the staff members eligible to compete for continuing contracts, so as to reach the regulatory 40%. According to the rules in force¹³, this list must be published twice a year. However, and despite the Committee's insistence, neither of the two situations has been regularized.

According to the Staff Committee's estimates, there are currently at least 29 places available for continuing contracts to be awarded by competition. The delay in taking corrective measures constitutes a violation of the provisions of Article 19 of the General Standards and of Staff Rules 104.3.

3.3. Non-compliance with Article 20 of the General Standards (Personnel Appointed under Fixed-Term Contracts)

It is undoubtedly in the best interests of the Organization to hire or retain, through competitions, the staff best qualified to perform the tasks assigned to the General Secretariat by the member states. However, there is a substantial backlog of internal and external competitions that need to be held to fill vacancies for Series B contracts. According to the rules, staff members that have worked for a period totaling three years under Series A contracts may not continue serving the General Secretariat under that form of contract without being selected by means of competition. At the current time, there are at least 50 staff members who have not

¹¹ “*The Target Percentage: The target percentage shall have a range of between 40% and 50%. The target percentage is computed by dividing the number of staff members with career appointments and continuing contracts by the entire number of staff members financed by the Regular Fund under Articles 17(a)(i) – (iv) of these General Standards: Career Service personnel, personnel on continuing contracts, personnel on fixed-term contracts, and trust personnel. No staff member shall be awarded a continuing contract if it will cause the target percentage to exceed 50%, and the General Secretariat shall maintain the target percentage so that it does not fall below 40% by way of the process of appointment described below.*”

¹² According to data available at June 2011, there are 97 continuing contracts and 70 career service contracts, which divided among the 489 Regular Fund position, amount to 34%.

¹³ Article 19(b) of the General Standards and Staff Rule 104.3(b) establish that “*The General Secretariat shall maintain a list of all eligible staff members by order of seniority. The order of seniority shall be based on length of continuous service from the date the eligible staff member was first appointed by competition to a post under a fixed-term contract financed by the Regular Fund. The General Secretariat shall regularly review and modify the list to add new eligible candidates and remove those who have since become ineligible, and it shall provide copies of the current list to interested staff members upon request.*”

competed for their posts¹⁴. The Staff Committee requests that this situation be regularized as soon as possible.

4 Encouragement of promotion and internal mobility

4.1 From both a professional point of view and based on cost-effectiveness considerations, the Committee attaches importance to deepening and promoting the advancement of staff within the Organization, so that staff may access higher positions as they become vacant. That would not only motivate staff. It would also be vital for retaining the staff members best qualified to occupy positions of greater responsibility in the Organization. It would enable them to pursue a career within the institution, strengthen their commitment to their work, enhance the quality of outcomes, and reinforce and maintain the Organization's institutional memory.

4.2 On the other hand, the Staff Committee requests the elimination of the discretionary, selective and unregulated “*career path*” that has been implemented in the Secretariat in recent years, and that transfers and promotion of staff members abide by the rules in force.¹⁵ We propose, too, that transfers and promotions to positions of greater responsibility be carried out via competition and after being audited, to ensure that the staff members who fill vacancies possess the training and experience required for the post. This option, while granting personnel the possibility of increasing and sharing their knowledge for the benefit of the Organization, constitutes a less costly form of promotion.

On behalf of all the personnel working in the Organization of American States, the Staff Committee expresses in advance its appreciation of a prompt resolution of situations that contravene the rules in force today. It would appreciate consideration of the recommendations put forward here when it comes to decisions on the budget.

The Committee expresses its willingness to work with the Secretariat and the member states to explore short- and long-term measures to be implemented in a transparent, just, and equitable manner, at the least cost, and for the benefit of the Organization, while, at the same time, reiterating the staff's unwavering commitment to the Organization and its objectives.

¹⁴ At this time, only contracts financed by the Regular Fund are being computed. No consideration has been given to putting posts financed by specific funds or ICR up for competition. If the latter were to be included, the number of overdue competitions would increase to around 80.

¹⁵ Staff rules 105.1 and 105.2 establish the pertinent procedures and requirements.

Appendix I

PAYMENT OF INDEMNITIES FOR MANDATORY SEPARATION FROM SERVICE					
(Articles 57-63 of the General Standards and Chapter X of the Staff Rules)					
<i>Type of contract/Benefits</i>	<i>Trust appointments</i>	<i>Career service personnel</i>	<i>Personnel with continuing contracts</i>	<i>Personnel with fixed-term appointments - Series B (long-term)</i>	<i>Personnel with fixed-term appointments - Series A (short-term)</i>
<i>Advance notice/notification period</i>	Minimum notice of 7 days and maximum of 60 days or salary days + benefits	Minimum notice period of 60 days or salary days + benefits	Minimum notice period of 60 days or salary days + benefits	Minimum notice of 7 days and maximum of 60 days or complete salary days + benefits. Note: If the person received a long-term contract before January 1, 2000, payment is the same as for a Career Service or Continuing Contract.	Minimum notice of 7 days and maximum of 60 days or salary days + benefits.
<i>Indemnity for separation from service</i>	N/A See art. 64(d) General Standards and Staff Rule 110.7 (d)(iii).	One month of basic salary for each year of service, up to a maximum of 9 months.	One month of basic salary for each year of service, up to a maximum of 9 months.	Only for staff with more than 3 years of service. One week of basic salary for each year of service. Note: If the person received a long-term contract before January 1, 2000, one month of salary is paid for each year of service up to a maximum of 8 months.	Only for staff with more than 3 years of service. One week of basic salary for each year of service.
<i>Repatriation Grant</i>	Only for professional category staff with a G4 visa and more than one year of service. Weeks of basic salary according to years of service and whether or not the staff member has dependents See Staff Rule 110.8.				
<i>Repatriation Travel Allowance</i>	Only for professional category staff with a G4 visa and more than one year of service. Weeks of basic salary according to years of service and whether or not the staff member has dependents See Staff Rule 110.8. For staff members with more than one year of service-- but less than two: Lump sum of \$4,350 (without dependents), \$5,800 (with one dependent), \$7,250 (with two or more dependents) For staff members with more than 2 years of service: Lump sum of \$6,000 (without dependents),				

	<p>\$8,000 (with one dependent), and \$10,000 (with two or more dependents). See Staff Rule 103.22.</p> <p style="text-align: center;">Note:</p> <p>If a staff member began service prior to 04/01/2003, he or she may choose between a lump sum or transportation of household goods, air fare, one day's per diem and terminal expenses. At least \$20,000 is estimated for staff members who choose the latter option.</p>
<i>Last day of work</i>	Only for professional category staff with a G4 visa and more than one year of service. One day of salary + benefits
<i>Accumulated leave</i>	Accumulated hours of leave not taken Salary + benefits
<i>Merit award</i>	<p>Staff who joined before January 1, 1971 and who had accumulated hours of sick leave at that date.</p> <p style="text-align: center;">Weeks of salary + benefits</p>
<i>Final compensation</i>	<p style="text-align: center;">Staff joining the Organization before January 1, 1971</p> <p style="text-align: center;">One week of basic salary for each year of service prior to January 1, 1971</p> <p style="text-align: center;">If a repatriation grant is applicable, the larger of the two benefits is paid, but not both.</p>