

## FOLLOW UP ON AUSTERITY MEASURES

As a follow up to the memorandum issued by the Assistant Secretary for Management dated March 21, 2000, please also find the budget execution levels by subprogram within the established ceiling of **\$70,500.0**.

This Department is in the process of updating allotments at the new level for the entire year. However, be reminded that allotments in object 1 – Personnel, are exclusively to absorb recurring payroll expenses."



Date: 03/22/00  
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**To:** Executive and Assistant Secretaries, Units, Departments and Office Directors,  
Coordinators and Office Chiefs

**From:** James R. Harding, Assistant Secretary for Management

**Subject:** 2000 Regular Fund budget austerity measures

The Regular Fund financial situation at the beginning of the current year showed a negative Fund Balance of about \$4 million dollars brought forward from the 1999 budget execution. What this represents is that quota collections did not reach the level of the expenses and obligations incurred by the end of last year. In short, we began the year in the “red”.

The Regular Fund budget for 2000 was approved at a maximum level of \$78.0 million. At the time of approval, the estimated financial resources were made up of: Quota from Member States, \$73.7 million; Administrative and Technical Support \$1.5 million; Rental Income \$1.2 million and Other Income \$1.5 million. As its well known, the World Bank opted to move to its own building in December 1999. This represents a shortfall of \$1.2 million that the General Secretariat would not collect from rent in 2000. Similarly, the Voluntary Fund contribution to the Regular Fund has diminished as Member States paid pledges have been reduced.

The Secretariat for Management’s best financial estimates to finance the 2000 Regular Fund budget is based on the experience of 1999 pattern of quota payments from Member States. In fact, we have no reason to believe that the total quota collections will significantly improve in 2000. Added to this reality is the fact that other sources of finance are no longer at anticipated levels because: a) there is no rental income; and b) interest income can only be generated to the degree that the Secretariat has financial resources invested. Today we do not have financial resources to earn interest at the budgeted levels.

The Secretariat’s estimates indicate that for the first half of the year income will be in the vicinity of \$37.4 million and in the second semester the estimate is \$33.1 million for a total of \$70.5 million. On the other hand, expense estimates for the first semester will run at about \$36.9 million, while in the second half the total could reach \$36.5 or \$73.4 million by the end of the year. If no preventive action is adopted early, cash shortfall, by the end of this year, may be of about \$3 million dollars. Considering that the 1999 Fund Balance was a negative \$4 million, it is of the utmost importance to develop an austerity plan to prevent actions that would contribute to worsen the situation.

In view of the above, and in compliance with Article 93 of the General Standards, the Administration considers it advisable to reduce the level of the budget execution to match the expected revenue on a provisional basis. Should the situation improve in the course of the year, funding budgets will be released accordingly. In this regard areas are urged to revise their own plans to conform to the adjustments that follow:

	<u>Approved budget</u>	<u>Adjusted level</u>	<u>Reduction</u>
Total	<u>\$78,000.0</u>	<u>\$70,500.0</u>	<u>\$ - 7,500.0</u>
Personnel	\$44,922.0	\$41,914.2	\$ - 3,007.8
Non Personnel	\$33,078.0	\$28,585.8	\$ - 4,492.2

Areas are advised to ensure enough funding budgets for all fixed non-discretionary expenses that would guarantee the basic operations of their own, as well as conference services to the Political bodies. It is further suggested that goods and services be acquired exclusively for the current year and that no financial obligations be made beyond December 31, 2000.

Accordingly, proportional reduction on the funding budgets will be applied to all areas of the General Secretariat. Details will be released shortly.

2000 Regular Fund Budget  
Austerity Measures

Chapter 1 / Subprograms	MODIFIED Approved Budget 2000			Revised tentative budget levels at \$70,500.000		
	Object (1)	Object (2-9)	Total	Object (1)	Object (2-9)	Total
	Personnel	Non-Personnel		Personnel	Non-Personnel	
10A - General Assembly	0	180,600	180,600	0	156,038	156,038
10B - Administrative Tribunal Sessions	0	79,900	79,900	0	69,034	69,034
10D - Board of External Auditors	0	164,000	164,000	0	141,696	141,696
10E - Secretariat of the General Assembly, the Meeting of Consult	1,004,500	216,730	1,221,230	937,199	187,255	1,124,453
10G - Secretariat of Conferences and Meetings	3,870,300	1,162,758	5,033,058	3,610,990	1,004,623	4,615,613
10H - Inter-American Drug Abuse Control Commission	0	173,400	173,400	0	149,818	149,818
10K - Meetings of the Inter-American Council for Integral Developpr	0	144,400	144,400	0	124,762	124,762
10L - Regional and subregional programming meetings	0		0	0	0	0
10N - Non-permanent Specialized Committees	0		0	0	0	0
10O - Inter-American Commission on Human Rights	2,106,300	1,027,440	3,133,740	1,965,178	887,708	2,852,886
10P - Inter-American Juridical Committee	0	446,900	446,900	0	386,122	386,122
10Q - Inter-American Court of Human Rights	0	1,114,900	1,114,900	0	963,274	963,274
10V - Inter-American Committees	0	83,000	83,000	0	71,712	71,712
10W - Programmed OAS conferences	14,000	286,100	300,100	13,062	247,190	260,252
10X - Unprogrammed	0	85,200	85,200	0	73,613	73,613
<b>TOTAL CHAPTER 1</b>	<b>6,995,100</b>	<b>5,165,328</b>	<b>12,160,428</b>	<b>6,526,428</b>	<b>4,462,843</b>	<b>10,989,272</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 2 / Subprograms	MODIFIED Approved Budget 2000			Revised tentative budget levels at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
20A - Inter-American Defense Board	0	2,159,200	2,159,200	0	1,865,549	1,865,549
20B - Inter-American Children's Institute	1,232,800	295,500	1,528,300	1,150,202	255,312	1,405,514
20C - Inter-American Commission of Women	480,600	488,709	969,309	448,400	422,245	870,644
20D - Pan American Development Foundation	0	173,500	173,500	0	149,904	149,904
20J - Inter-American Telecommunications Commission	423,700	284,741	708,441	395,312	246,016	641,328
<b>TOTAL CHAPTER 2</b>	<b>2,137,100</b>	<b>3,401,650</b>	<b>5,538,750</b>	<b>1,993,914</b>	<b>2,939,026</b>	<b>4,932,940</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 3 / Subprograms	MODIFIED			Revised tentative budget levels		
	Approved Budget 2000			at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
30A - Office of the Secretary General	1,906,900	264,157	2,171,057	1,779,138	228,232	2,007,369
30B - Office of the Assistant Secretary General	939,800	78,097	1,017,897	876,833	67,476	944,309
30C - Department of Public Information	1,306,000	838,756	2,144,756	1,218,498	724,685	1,943,183
30D - Department of Legal Services	813,500	77,845	891,345	758,996	67,258	826,254
30E - Office of the Inspector General	524,000	200,533	724,533	488,892	173,261	662,153
30F - Museum of Art of the Americas	495,300	160,606	655,906	462,115	138,764	600,878
30G - Columbus Memorial Library	822,200	298,062	1,120,262	767,113	257,526	1,024,638
30H - Protocol Office	441,600	28,458	470,058	412,013	24,588	436,601
30I - Official Functions	0	53,300	53,300	0	46,051	46,051
30J - Department of External Relations	293,400	53,044	346,444	273,742	45,830	319,572
30K - Office of Summit Follow-up	254,800	101,845	356,645	237,728	87,994	325,722
<b>TOTAL CHAPTER 3</b>	<b>7,797,500</b>	<b>2,154,703</b>	<b>9,952,203</b>	<b>7,275,068</b>	<b>1,861,663</b>	<b>9,136,731</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 4 / Subprograms	MODIFIED			Revised tentative budget levels		
	Approved Budget 2000			at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
40A - Trade Unit	1,054,100	742,578	1,796,678	983,475	641,587	1,625,063
40B - Foreign Trade Information System (SICE)	210,900	241,122	452,022	196,770	208,329	405,099
41C - Unit for the Promotion of Democracy	1,598,800	2,020,223	3,619,023	1,491,680	1,745,473	3,237,153
42D - Intersectoral Tourism Unit and Caribbean Tourism Organizat	532,900	230,741	763,641	497,196	199,360	696,556
43A - Executive Office of CICAD	1,429,900	331,755	1,761,655	1,334,097	286,636	1,620,733
44E - Unit for Environment and Sustainable Development	1,337,900	219,740	1,557,640	1,248,261	189,855	1,438,116
46F - Unit for Social Development and Education	1,246,600	214,932	1,461,532	1,163,078	185,701	1,348,779
47G - Office of Cultural Affairs	478,900	120,594	599,494	446,814	104,193	551,007
48H - Office of Science and Technology	831,800	188,974	1,020,774	776,069	163,274	939,343
49M - Department of Fellowships				0	0	0
<b>TOTAL CHAPTER 4</b>	<b>8,721,800</b>	<b>4,310,659</b>	<b>13,032,459</b>	<b>8,137,439</b>	<b>3,724,409</b>	<b>11,861,849</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 5 / Subprograms	MODIFIED			Revised tentative budget levels		
	Approved Budget 2000			at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
50A - IADC-Office of the Executive Secretary/Director general	320,400	9,311,072	9,631,472	298,933	8,044,766	8,343,699
51A - IADC-Division of Promotion of Coopertion Development	933,500		933,500	870,956	0	870,956
52A - IADC-Division of Cooperation for the Development of Humar	716,300		716,300	668,308	0	668,308
53A - IADC-Division of Management and Coordination for Prograrr	726,400		726,400	677,731	0	677,731
54A - IADC-Division of Administrative and Budgetary Services	258,700		258,700	241,367	0	241,367
55A - Office of the Executive Secretary for Integral Development				0	0	0
56A - Division of Operations and Technical Support Services				0	0	0
57A - Division of Planning and Evaluation				0	0	0
58A - Division of Program and Project Coordination				0	0	0
<b>TOTAL CHAPTER 5</b>	<b>2,955,300</b>	<b>9,311,072</b>	<b>12,266,372</b>	<b>2,757,295</b>	<b>8,044,766</b>	<b>10,802,061</b>



2000 Regular Fund Budget  
Austerity Measures

	<b>MODIFIED</b>			<b>Revised tentative budget levels</b>		
	<b>Approved Budget 2000</b>			<b>at \$70,500.000</b>		
	<b>Object (1)</b>	<b>Object (2-9)</b>	<b>Total</b>	<b>Object (1)</b>	<b>Object (2-9)</b>	<b>Total</b>
	<b>Personnel</b>	<b>Non-Personnel</b>		<b>Personnel</b>	<b>Non-Personnel</b>	
<b>Chapter 6 / Subprograms</b>						
60G - Offices of the General Secretariat in the Member States	5,089,200	1,209,200	6,298,400	4,748,224	1,044,749	5,792,972
<b>TOTAL CHAPTER 6</b>	<b>5,089,200</b>	<b>1,209,200</b>	<b>6,298,400</b>	<b>4,748,224</b>	<b>1,044,749</b>	<b>5,792,972</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 7 / Subprograms	MODIFIED Approved Budget 2000			Revised tentative budget levels at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
70A - Office of the Assistant Secretary for Legal Affairs	355,300	66,925	422,225	331,495	57,823	389,318
70B - Department of International Law	814,700	176,904	991,604	760,115	152,845	912,960
70G - Secretariat of the Administrative Tribunal	173,600	29,587	203,187	161,969	25,563	187,532
70H - Department of Legal Cooperation and Information	376,100	48,302	424,402	350,901	41,733	392,634
<b>TOTAL CHAPTER 7</b>	<b>1,719,700</b>	<b>321,718</b>	<b>2,041,418</b>	<b>1,604,480</b>	<b>277,964</b>	<b>1,882,444</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 8 / Subprograms	MODIFIED Approved Budget 2000			Revised tentative budget levels at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
80M - Office of the Assistant Secretary for Management	535,600	33,590	569,190	499,715	29,022	528,737
80N - Department of Financial Services	1,795,800	239,408	2,035,208	1,675,481	206,849	1,882,330
80P - Management Analysis, Planning and Support Services	1,942,300	181,362	2,123,662	1,812,166	156,697	1,968,863
80Q - Department of Technology and facility Services	2,853,100	190,090	3,043,190	2,661,942	164,238	2,826,180
80R - Department of Human Resources Services	1,531,300	112,966	1,644,266	1,428,703	97,603	1,526,306
80S - Department of Management Systems and Information	0	0	0	0	0	0
80T - Office of Procurement Management Services	852,200	41,281	893,481	795,103	35,667	830,769
<b>TOTAL CHAPTER 8</b>	<b>9,510,300</b>	<b>798,697</b>	<b>10,308,997</b>	<b>8,873,110</b>	<b>690,074</b>	<b>9,563,184</b>

2000 Regular Fund Budget  
Austerity Measures

Chapter 9 / Subprograms	MODIFIED			Revised tentative budget levels		
	Approved Budget 2000			at \$70,500.000		
	Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
90B - Computer Equipment and supplies	0	411,500	411,500	0	355,536	355,536
90C - Equipment and Supplies	0	45,400	45,400	0	39,226	39,226
90D - Building Management and Maintenance	0	1,953,873	1,953,873	0	1,688,146	1,688,146
90E - General Insurance	0	250,500	250,500	0	216,432	216,432
90F - Post Audits	0	125,000	125,000	0	108,000	108,000
90G - Recruitment and Transfers	0	168,800	168,800	0	145,843	145,843
90H - Terminations and Repatriations	0	976,400	976,400	0	843,610	843,610
90I - Home Leave	0	192,600	192,600	0	166,406	166,406
90J - Education and Language allowance, medical examinations	0	127,000	127,000	0	109,728	109,728
90K - Pension for retired executives and Health and Life Insurance	0	1,801,600	1,801,600	0	1,564,688	1,564,688
90L - Human Resources Development	0	121,400	121,400	0	104,890	104,890
90M - Contributions to the Staff Association	0	10,000	10,000	0	8,640	8,640
90Q - Management Systems	0	216,900	216,900	0	187,402	187,402
<b>TOTAL CHAPTER 9</b>	<b>0</b>	<b>6,400,973</b>	<b>6,400,973</b>	<b>0</b>	<b>5,538,547</b>	<b>5,538,547</b>

2000 Regular Fund Budget  
Austerity Measures

		MODIFIED Approved Budget 2000			Revised tentative budget levels at \$70,500.000		
		Object (1) Personnel	Object (2-9) Non-Personnel	Total	Object (1) Personnel	Object (2-9) Non-Personnel	Total
1	GENERAL ASSEMBLY AND OTHER ORGANS	6,995,100	5,165,328	12,160,428	6,526,428	4,462,843	10,989,272
2	SPECIALIZED ORGANIZATIONS AND OTHER ENTITIES	2,137,100	3,401,650	5,538,750	1,993,914	2,939,026	4,932,940
3	EXECUTIVE OFFICES OF THE GENERAL SECRETARIAT	7,797,500	2,154,703	9,952,203	7,275,068	1,861,663	9,136,731
4	UNITS AND SPECIALIZED OFFICES	8,721,800	4,310,659	13,032,459	8,137,439	3,724,409	11,861,849
5	EXECUTIVE SECRETARIAT FOR INTEGRAL DEVELOPMENT	2,955,300	9,311,072	12,266,372	2,757,295	8,044,766	10,802,061
6	OFFICE OF THE G.S.IN THE MEMBER STATE	5,089,200	1,209,200	6,298,400	4,748,224	1,044,749	5,792,972
7	SECRETARIAT FOR LEGAL AFFAIRS	1,719,700	321,718	2,041,418	1,604,480	277,964	1,882,444
8	SECRETARIAT FOR MANAGEMENT	9,510,300	798,697	10,308,997	8,873,110	690,074	9,563,184
9	COMMON SERVICES	0	6,400,973	6,400,973	0	5,538,547	5,538,547
	<b>TOTAL FUND</b>	<b>44,926,000</b>	<b>33,074,000</b>	<b>78,000,000</b>	<b>41,915,958</b>	<b>28,584,042</b>	<b>70,500,000</b>