

Speech

Organization of American States



**LUIGI R. EINAUDI, ACTING SECRETARY GENERAL OF THE
ORGANIZATION OF AMERICAN STATES
TO THE STAFF OF THE GENERAL SECRETARIAT OF THE
ORGANIZATION OF AMERICAN STATES
December 3, 2004 - HALL OF THE AMERICAS**

DECEMBER 3, 2004

"Rumors of the Organization's impending collapse are highly exaggerated:
Serving North, South and Central America and the Caribbean well"

[Print this page](#)
 [Email this page](#)

REFERENCE

[Press Releases](#)
[Latest News](#)
[Speeches](#)
[OAS's website](#)

Good morning! Thank you all for joining me.

We are meeting during what is clearly a very turbulent time for the Organization of American States and for the world in which we live. However, I want to tell you that I believe that the Secretariat will emerge from this period stronger, more respected, and more effective in its important work. I have asked you to join me this morning to tell you why I believe that is so.

During these seven weeks that we have had a chance to work together under the new circumstances, I have been impressed again by the quality and the commitment of you, the people with whom I am working. We have tremendous responsibilities as international public servants, and without your continued dedication and professionalism, the General Secretariat would not be able to acquit itself of its responsibilities in the way I think it can. So, I start by saying that what I now say is based on the fundamental assumption that I am counting on you.

From e-mail messages which I have received and from personal contact, I know that many of you have important concerns, that this has been a very hard period for you, and that these concerns really cover the waterfront: internal matters to the OAS in terms of employment, salaries, visas, contracts; and our acceptance by and relationship with the world outside. So, let me take these two sets of problems in that order: internal matters and external ones.

Let me start with Executive Order 04/01, restructuring and the budget. The Executive Order that was issued on September 15 by former Secretary General Rodríguez had a very clear purpose: to create a truly integrated structure that would ensure that we would function as one institution and speak with one voice. I am confident that once amended (and by that, I mean changed beyond the corrigendum 1 that was circulated on October 13, since there are a number of changes that I have asked the department directors to make available to me, and I myself am in the process of deciding a number of changes) that Executive Order will result in a revitalized and strengthened Secretariat. I am committed to it and believe that the reform is a move in the right direction. The issue before us is to iron it out and make it work.

In this connection—since there are those who think that we are paralyzed and that in this period of interregnum, nobody of note or worth will join the Organization—I am really very pleased to announce the imminent appointment of two individuals to key positions in the Secretariat. One of them is Dr. Brian Stevenson, a citizen of Canada, who will be the Director of the Department of Integral Development. Dr. Stevenson is the Vice Provost of the University of Alberta, a man who is bilingual and bi-national in many ways, given his youth in Mexico, and Mr. Raúl Lago, a citizen of Uruguay, as the Director of an office in the Department of Democratic and Political Affairs. Raúl Lago is a former ambassador; he is currently the Minister of the Presidency in Uruguay and in

charge of the sensitive political transition that is underway there. I have every confidence in both of these outstanding individuals who have joined us fully aware of the risks that they are taking by coming at a time when the next elected Secretary General could, with a stroke of a pen, put an end to their trust positions.

A number of other appointments, some of them from within the Secretariat, from among our numbers, and perhaps a couple from without, are still in process, but I have every confidence that ultimately, we will have an effective team in place. Let me tell you that on the basis of the cabinet meetings that we have been having regularly, it will be an integrated team. It takes time to pull everything together, but I think we are going to succeed.

Now we all know that the Organization continues to experience financial difficulties. Toward the end of the Gaviira Administration, significant efforts were made with some key contributors to obtain an across-the-board increase of three percent in quota contributions. That effort failed, at least in part, and unfortunately so, because other key contributors felt that our personnel costs are too high. So, that is where we are today. We have a stagnant budget that reduces the purchasing power of the General Secretariat, and that is nothing new. It has been the case for nine years now. What is new is that like termites, the costs have eaten away at our programs. I have spoken to some of you who have commented that it makes little sense to sit at a desk without the funding to even make a long-distance telephone call.

Executive Order 04/01 was the product not just of a desire to create one Organization, as I said, but also of a desire to begin to attack this long-term budgetary problem in a systematic manner. Unfortunately, the resignation of Miguel Ángel Rodríguez forced upon us a change, in effect, at least a delay in the full implementation of the plan that Dr. Rodríguez and his aides had developed. However, the changes did not spring fully from his team; they also sprang from the Deloitte & Touche Management Study, which, as you will remember, did recommend very substantial changes in our structure and operations.

The changes that have been made so far, should generate about US\$1.8 million in savings, and that, in turn, should cover the expected budgetary shortfall for this year, 2004, and well into 2005. These savings, as you know, have been generated essentially from the reduction in grade of senior managers, in effect the elimination of the D-2 grade here at the OAS, and from senior positions that were vacated through the realignment detailed in the Order. This has put us in a position that enables me and management not to suspend UN parity salary adjustments. In fact, general services staff here at headquarters will be receiving a salary adjustment of approximately three percent retroactive to September, and just to nail in the point, it should be reflected in the December paychecks.

While they have not so far responded to appeals to alter and improve the quota system, our member states have approved mechanisms for salary adjustments for those general services staff who are in duty stations where there is no UN presence. That doesn't mean just that the OAS is more important there, which it is; it also means that the statistics are not available for calculating the cost-of-living adjustments. I'm talking about seven Caribbean countries. The measures that have been approved will ensure that those staff will receive their appropriate adjustments in an automatic and timely fashion.

So the issue that we have before us now is in a sense a double one. It is how to ensure that the Secretariat will have some program funding for 2005, not just the question of meeting salaries, but also how to make up the shortfall expected in 2006. We estimate that that shortfall essentially will be based on two things:

- * cost-of living increases, since we are not—repeat—not abandoning the UN scale at this point and since your staff association has not really resumed any discussion on a freeze, and

- * increased health insurance costs, which is another major issue that we have to face.

The shortfall is going to be \$1.9 million for 2006, and the savings that we have

made that we think will take us through 2005 will simply not cover that shortfall, so other savings, obviously including possible personnel cuts, will have to be found during the execution of the 2005 budget. If they are not, the cuts that will need to be made in 2006 will be quite draconian and could create a real crisis, as opposed to the difficult times that we are experiencing now and which, as I have said, we will survive.

I think that member state quotas need to be adjusted. We need an absolute adjustment or increase in the quotas in order to enable us to have the program funds to meet the important mandates that we have been assigned. I think we need some sort of inflation adjustment mechanism so that we can put an end to the termites. Without such a mechanism (and the UN does have an automatic adjustment for inflation in their quota system) it will be increasingly difficult to carry out our mandates. Let me remind you that the next General Assembly will be in Fort Lauderdale, Florida and the next Summit meeting will be in Mar del Plata, Argentina, both of them next year, so that this is a key moment to demonstrate our capacity.

So we have changes that we need and that we need to impress upon the member states. I and your Staff Association leaders will be discussing these issues again in due course, and we will be talking to you. I think that we will need to enlist you, the General Secretariat staff, to make the point to the member states that we have been bled dry and that there are no secret pockets of money hidden away in reserve, and that our work is such that serious quota increases are necessary.

From that standpoint, let me say that though no outcome is certain here, the report that has just been submitted to Secretary General Kofi Annan on Threats, Challenges and Change, including restructuring of the United Nations, makes very clear that, even with the extra privileges it has in relation to us, the United Nations cannot cope with the current world scene without major reforms, and that among these reforms have to be increased responsibilities for regional organizations like the OAS. That is why the Chair of the Permanent Council and I have invited IDB President Enrique Iglesias, who was a member of the High-level Panel, and its Secretariat Director, Professor Stephen Stedman, to address the Council a week from today on this issue. I think that we must defend ourselves internally by doing a good job externally and understanding how we stand, not just in the Hemisphere, but in the world community.

Let me say that one of the interesting facts that you should keep in the back of your mind is that one of the foreign ministers with whom I have had a chance to speak in recent weeks, commented to me that on most issues of significant interest to the countries of this hemisphere, the OAS is and should be understood to be more important than the UN to our member states. That is an astonishing statement, because all of us grew up in a world in which we looked to the idea of world order, and somehow our imagination missed the fact that the world order can only be built on the basis of its components of effective regional order.

Contracts: As a result of very efficient work done by a working group that we created, I have directed that:

- * positions held by staff members who have short-term contracts funded by posts that are contained in the 2005 program-budget and which have reached the statutory three-year limit will be opened to competition;
- * other short-term contracts for posts funded in the 2005 program-budget and that are expiring will be extended as short-term contracts when requested by the corresponding department director;
- * long-term contracts for which provision has been made in the 2005 program-budget may be extended to December 31, 2005, again, as requested by the corresponding department director;
- * the Office of Human Resources will establish a matrix to ensure proper remuneration levels for CPRs, and I have requested the development of an alternate employment mechanism that could be used to employ individuals as staff members in lieu of CPRs.

On the question of appointments generally, I want to reiterate my commitment to the stipulation in Article 120 of the OAS Charter, that:

". . . in selecting personnel of the General Secretariat, first consideration shall be given to efficiency, competence, and integrity, but at the same time, in the recruitment of personnel of all ranks, importance shall be given to the necessity of obtaining as wide a geographic representation as possible".

This is an inter-American organization, and our strength can only be in the inter-American quality of both our staff and our leadership.

Workplace issues: I am committed to instituting a workplace harassment policy. Proposed modifications to the Staff Rules and a draft Executive Order on the subject have been prepared by a staff working group. In my meeting yesterday with the Staff Committee, the Association President gave me a copy again, just to make sure that I was not going to let this fall between the cracks, and the fact is that I will not let it fall through the cracks.

In a related vein-and please do take this seriously, because I think this is something in which all of us should participate-there is a special program for the promotion of dialogue and conflict resolution of the Department for Democratic and Political Affairs, worked out together with the Office of Human Resources. It's a workshop series related to conflict resolution and workplace communication.

I had an experience last night and this morning with an Ambassador and one of our staff, who happens not to be here today, who just didn't communicate. Something was submitted that looked so different to the recipient from what the sender intended, that a very avoidable misunderstanding was created. Effective workplace communication is therefore essential. The workshops are designed to prevent conflict and improve your efficiency. That ultimately means our efficiency. I really think that all should attend. They are good workshops, from the reports I have had.

Also, the Office of Human Resource Services is organizing a showcase of work done by OAS staff over the last five years, since 1999. It will be mounted on April 14, 2005, Pan American Day, the Staff Awards ceremony day. We will be circulating information on that.

If we don't tell our own story, nobody will tell it for us. I am old enough now to remember the old story of the prime minister who was asked, "Please, tell us how Schleswig-Holstein came to be." And the prime minister said, "Ah, yes, yes, yes. Only two of us knew the full story: the king, and he is dead; and I, and I have forgotten." So if we are going to be proud of the work we do, let us try to record it, maintain it, and showcase it.

The remodeling of the Libertador Simón Bolívar Room has taken a long time. Interestingly enough, none of the funds spent are funds that could have been saved for your salaries or your health insurance. It has some real benefits. It will restore this building, which is a jewel, closer to the appearance of the original building. It has been done really very carefully and very well, and it will be done in a way that will enable the Permanent Council, when it moves back in there, to receive modern technological support. I am told that this work should be completed by July 1, 2005. At least that is the current target date.

Coming to the present, with all the changes that are taking place, not just in the 2005 Budget reformulation that we have to do and that Jim Harding has been coordinating with his usual efficiency, we also clearly are going to have to move people. There is going to be adjustment in office space in order to reflect these changes, in order to make things more effective. But we are trying to deal with the budget first. In the week of December 13, we will start in Cabinet, taking seriously the question of the reallocations so that we can have implementation beginning over the Christmas period. I would rather not be forced to think of this headquarters as subject to events similar to land invasions that have plagued some of our member states. Unauthorized occupancies will not be accepted!

Let me end on the internal with something that is very important. It's actually

one of the reasons I called this meeting. When people are worried, every scrap of information is worried over, and sometimes it is blown up. Henry Kissinger, who is really a wise man, used to say it's impossible to stop radio pasillo: "After all, even paranoids have enemies." So everybody is right to worry, and you are right to worry, but not too much.

Let me just say that my policy and the policy of my Chief of Staff, Sandra Honoré, who you should all by now know is my Chief of Staff, is to follow the rules, work hard, and try to be fair, and try, if possible, to reward good performance. So you should relax, and unlike what I said two days ago to the Washington Post, I really am not Scrooge.

Let me turn to the external activities for a minute, because our ability to make our case to our member states depends on what we do and how we do it, and how we provide services that others cannot provide. So let me talk about some of the things that have happened.

I assumed my responsibilities as Acting Secretary General on Saturday, October 16. The very next day, Sunday, in this room, the Permanent Council met in an emergency meeting requested by the presidents of Central America, and the Chair of the Council and I, ably supported by Jean-Michel Arrighi, and later joined in Managua by Santiago Murray, were on our way. It was an incredibly rapid response. The presidents asked on Saturday, we met here on Sunday and landed before noon Monday in Managua. It had an extraordinarily calming effect on what was a very troubling situation in one of our member states, and it demonstrated clearly our utility and our impact when we respond effectively and well. And interestingly, in Costa Rica at the Ibero-American Summit recently, I found myself among a group of Central American presidents who thanked the OAS for the speed of its response.

I already mentioned the importance to us and to the Hemisphere of the upcoming Summit, and as probably a number of you are fully aware, certainly not just in the Summit Office, which is an office that needs the support of everybody here, we had a SIRG meeting in October that provided the first opportunity for the Argentine paper, the concept paper on the Summit theme of creating jobs to confront poverty and strengthen democratic governance. It was also the first occasion that a number of civil society groups had had to comment.

We have made a major effort to respond in a new, better way to the extraordinary set of disasters that have affected the Caribbean. In the case of Grenada, in spite of our own lack of resources, we have been able to work with the rest of the Inter-American system in particular, and I have attempted to argue--and I think this is important for you, too--that when we don't have money to throw around, when you don't have resources to make those long-distance calls, what you substitute for that is a combination of hard work and imagination.

One of the things that we're trying to do in disaster relief is to ensure that since we're dealing with a problem that affects many of our member states and even affects important states of our biggest contributor, the United States, we should be looking for responses that facilitate mutual cooperation and sub-regional integration.

With the help of my staff and the Peace Fund, I have managed to continue to work with the governments of Belize and Guatemala on attempting to resolve their dispute. "Dispute" is a horrible word, but there is a serious difference of view that limits development for both countries, and, in effect, for Central America as a whole and even for Mexico, which shares a border. I think that the work we're doing there--and I did manage this summer to go to the little office that we've managed to build right between the border posts, in an area that we've identified in our agreements as the Adjacency Zone--is very important work. What is interesting is that on both sides, the local people are very supportive of our work. It's hard to imagine people being more supportive, people who otherwise would feel left out, perhaps, by some of their own authorities.

Haiti continues to be a very major problem, for us, and for me personally, but let me say that we are at an extraordinary moment. On November 3, exactly

one month ago, after a process that had begun in June, I signed a Memorandum of Understanding with the United Nations on cooperation in the running of the upcoming elections in Haiti. Our task is electoral registration. We have received a significant sum, \$8.7 million, from the United States. Tomorrow afternoon, we are going to have a ceremony at which Canada will provide C\$5 million for this electoral process. I expect significant sums from the European Union as well.

I am a little bit cynical. After all, I am old enough to have earned the right to be cynical. If one lives long enough, one sees all sorts of nice dreams not working. I do not want the OAS to be associated with nice dreams that don't work.

What we will try to do in the Haitian case is to develop, and to have those of you who work on this, devise ways to have the voter registration process contribute to the longer-term institutional development of Haiti. And what we are trying to do is ensure that voter registration ties in to the improvement and strengthening of a civil registry. A lot of people, particularly those who are citizens, as I am, of a reasonably developed society, find it hard to realize how hard it is to live if you don't exist legally, and it's a very demoralizing and very difficult problem. I think that we can make a serious, long-term difference by the way we're approaching this in Haiti.

I'd like to refer to another interesting long-term institutional development: We were able to sign last month with the Government of Mexico a technical cooperation program to fund scholarships focused primarily on needy states in the Caribbean and Central America and some of the needy states in South America as well. The amount that Mexico is putting into this fund--\$120 million Mexican pesos, which is more than US\$10 million--is also a signal that Mexico believes in you and believes in the capacity of the OAS Secretariat to perform with integrity and efficiency.

I think that people often do not assign sufficient value to the OAS as the engine of inter-American contact and communication. I am irritated, and my own staff knows it because they feel the brunt of my annoyance many times, when in response to the question: "Well, what did you do?", people say: "We met." A meeting that does not achieve something is not very high on my list of priorities.

On the other hand, if you're providing a forum for the Inter-American Commission of Women (CIM) to identify ways in which propositions on the economic role of women can be brought into the planning and thinking of the presidents for the Summit in Argentina, or when you provide, as we are providing and have been for some years now, a venue for the states discussing with indigenous representatives the pioneering draft Declaration on the Rights of Indigenous Peoples, let me tell you that is not a small achievement.

And it's not a small achievement that last month we managed to also pull together the 19th Pan-American Congress on the Child.

The Inter-American Forum on Political Parties (FIAPP), is a way of correcting something that sometimes we contributed to in another era, too much attention to nongovernmental organizations (NGOs) and too little attention to political parties. Governments cannot be organized democratically unless there are good political parties.

Again, in preparation for the Summit, for the first time ever and with the leadership of the OAS Secretariat, and in this one there is no doubt that without us, it never would have happened--we pulled together a meeting of the Ministers of Science and Technology, and it was a really inter-American meeting.

One of the most important things that we're doing is also one of the most dangerous, risky, and complicated. It's the attempt to assist disarmament in Colombia. John Biehl, the Director of the Department of Democratic and Political Affairs, was in Colombia trying to evaluate the situation and interestingly enough, we are moving into an extremely complicated area. Four hundred and fifty-two members of the AUC paramilitaries disarmed. Our Mission is working with the Government of Colombia to try to verify the disarmament and assist in their reintegration into democratic civilian life. The risk in areas where there is a lot of violence and a lot of people armed, where there have been abuses of major kinds, where life is uncertain, (far more uncertain than anything we face

here) is extremely difficult, but again, I am advised that we will be receiving nearly \$1 million from the U.S. Government next week, and we are proceeding. And let me say something: we are doing this. No other organization is doing so. It's a drop in the bucket, but it's the beginning, because in a terrible situation facing Colombia, it is one of the things that gives us all hope.

Finally, let me end with one other thing. We all speak about the inter-American system. In fact, in recent years, that's all we ever did about it, except, of course, before we got the 18th Street building fixed up, we all used to whine and moan that the IDB had such a beautiful building and the right facilities, and we did not, and we have become the poor cousins, and all the rest. In fact—and Miguel Ángel Rodríguez and I were in total agreement on this—strength comes from unity. If it's three of us or four of us working on the problem together and we are serious about it, we are going to have a much better chance of being able to defend ourselves and make an impact. And it is perfectly obvious that if we can get a more coordinated inter-American system response, we can do what the bureaucrats like to worry about, and correctly, which is avoid duplication and improve delivery.

Let me tell you I have been meeting with Enrique Iglesias, Mirta Roses, and Chelston Brathwaite on a regular basis, and it has reached the point where it's not just a formal meeting we ask staff to organize, but we are picking up the phone and communicating on a regular basis. At Enrique Iglesias's suggestion, I have instructed the directors of the Units of the General Secretariat in the Member States to convene regular meetings of the representatives in country of the different entities of the inter-American system. I think that that can have all kinds of benefits. One of them might be esoteric, but even if it happens only in a couple of countries, it will make a difference to our budget, cost savings in terms of getting the different units of representation of the inter-American system under one roof.

Finally, it is hard to overemphasize the importance to us of the Summit process. When I was ambassador here, there was no Summit process. There was a small committee of ambassadors. I think it was chaired by Guatemala most of the time, as I remember. It was trying to revive the idea of some day having a Summit. Well, we have a Summit process now, and in fact, the tenth anniversary of the first meeting of the modern Summit process is next week. I think it is a process that has given new life to the OAS. And perhaps new headaches for us; new unfunded mandates for us. Some have said that it seemed as though the Summit process was a subversive act designed to prove that we're incompetent, because it was giving us tasks that we couldn't possibly do. But having said that and realizing that there are always troubles, I think we would be much worse off without a Summit process. I really do ask everyone to be aware of that and not to lose an opportunity.

© Copyright 2005. Organization of American States. All Rights Reserved.
Headquarters: 17th Street & Constitution Ave., N.W., Washington, D.C. 20006, USA
Tel. (202)458-3000 / Email: multimedia@oas.org

Designed by the Office of Public Information - Multimedia Unit.