

TERMS OF REFERENCE
THIRD-PARTY COMPREHENSIVE REVIEW OF THE
ORGANIZATION OF AMERICAN STATES

(Adopted by the Permanent Council at its regular meeting held on September 20, 2023)

Introduction and mandate

The General Assembly of the Organization of American States, through resolution AG/RES. 3011 (LIII-O/23), dated June 22, 2023, mandated that a:

“...third-party comprehensive review of the Organization of American States should be carried out by a multinational consulting firm with divisions in several of the areas to be defined within the terms of reference.”

Background/Context

The Organization of American States (OAS) was established in order to achieve among its Member States -as stipulated in Article 1 of its Charter- "an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity, and their independence." The OAS has the intention to bring together all [independent states](#) of the Americas and constitutes the main political, juridical, and social governmental forum in the Hemisphere. In addition, it has granted [permanent observer](#) status to 70 states, as well as to the [European Union](#) (EU). The Organization uses a four-pronged approach to effectively implement its essential purposes, based on its main pillars: democracy, human rights, security, and development.

The OAS has a governance structure to arrive at decisions, defined by the [OAS Charter \(Organizational Chart\)](#).

The Committee on Administrative and Budgetary Affairs (CAAP) was instructed, through the aforementioned resolution dated June 22, 2023, to prepare the terms of reference for the third-party comprehensive review to submit for approval by the Permanent Council, no later than August 15, 2023. The Chair of the CAAP communicated on August 15, 2023, that the CAAP required an extension for the preparation of the terms of reference until September 20, 2023. The terms of reference were presented to the Permanent Council and approval was granted at its meeting held on September 20, 2023.

AG/RES. 3011 (LIII-O/23) instructs that the terms of reference be two-part and include an Operational Review and a Governance Review:

“Operational: A review with recommendations of the OAS organizational structure; staff compensation and benefits; personnel structure and staffing levels; finances; risk assessment; telework policies; real asset management (to include a detailed analysis of current space utilization based on in-office staffing requirements); internal processes of the Secretariats; detailed analysis of the OAS health plan/benefits and alternative options; In addition, the review shall identify strengths and areas for improvement in the organization, seeking to increase the organization’s capacity to be more effective and with the purpose of improving efficiency and cost effectiveness in implementing the Organization’s mandates, or other alternative sources; accountability and communication between the Secretariats and Member States.”

“Governance: A review with recommendations of the entire OAS governance structure to include the Councils (Permanent Council and the Inter-American Council for Integral Development), the General Secretariat, all OAS committees and working groups with a view to streamline and improve effectiveness of governance structures, processes, decision making, communication, and flow of information.”

Scope of the review

The General Assembly concluded that there is a need for a comprehensive review of the Organization, with the objective to realign the governance and operational side in a more efficient way.

The operational aspects and the governance aspects will be reviewed separately and shall ultimately be reviewed in relationship to each other, without delaying the presentation of either component.

Due to the financial constraints of the Organization and lack of consistent contributions from all Member States it is essential that the review focus on how the organization can maximize efficiencies, avoid duplicity and modernize to create a productive and effective workflow.

The Third-Party Comprehensive Review is to be based on the current situation of the OAS, including recommendations of the Audit Committee, taking into account the OAS Permanent Representative Retreat (2023), and may also consider the work of previous assessments of the OAS, namely the Management Study of the Operations of the General Secretariat, prepared by Deloitte & Touche (2004), and the Strategic Plan for Management Modernization, prepared by consultant Julian Murray (2014). However, empirical analysis and data will be required for the last five to ten years.

Establishment of a Project Steering Committee (PSC)

A Project Steering Committee shall be established to guide the work of the consultancy and the production of deliverables and reports. The PSC shall be chaired by the Chair of CAAP and be comprised of:

- One (1) member from each of the respective Regional Groups (United States, Canada, CARICOM^{1/}, SICA^{2/}, Group of 10^{3/})

1. [CARICOM](#)
2. [SICA](#)
3. [Group 10](#)

Supporting entities to the Committee:

- The Secretary for Administration and Finance shall serve as the Secretariat
- A representative of the Department of Legal Services
- The Vice Chairs of the CAAP as well as the Chairs and Vice Chairs of the Working Groups
- The Audit Committee
- The Office of the Inspector General

The PSC shall serve as the Contracts Award Committee for the purpose of the procurement exercise for the consultancy.

The PSC will be the point of contact for all matters for the consultant during the implementation of the consultancy.

Methodology

1. The consultant has two areas to focus on i.e. the organizational aspect and the governance aspect, which will include the interaction between those two. For purposes of budgeting and operational efficiency the consultant should first focus on the organizational aspects (especially some stand alone issues such as the Health Program, Pension Plan, Cost of Living Adjustment) and present recommendations. During a second phase the governance aspects have to be the focus, including the interaction between those two. The consultant is allowed to work simultaneously as long as this will not delay the recommendations of the first phase.
2. The consultant is expected to conduct an anonymous workforce survey, with the aim to gain a broad understanding of how the workforce members are with their roles, their experience, and the workplace and organizational culture. This should include whether they have the necessary tools to fulfil their responsibilities, are working in a harassment free environment, receive appropriate IT support, sufficient management support and leadership, and have a clear understanding of their roles and responsibilities.
3. The consultant will conduct interviews with the workforce and Member States –or regional groups- to gain their perspective on all matters pertaining to the Organization. This can be conducted through written comments from Member States or in-person interviews.
4. The consultant shall present as part of their proposal, how they expect to fulfill the discovery of information, to ensure they gain as broad an understanding of how workforce members are with their roles, their experience, and the workplace and organizational structure.
5. Accordingly, in addition to the methods included in items 2 and 3, the Consultant can include any other methodology or tools that the Consultant deems appropriate.
6. The OAS Headquarters are located in Washington, DC. The consulting firm is not expected to travel to conduct their evaluation of other OAS Offices. However, the

consulting firm can access external offices and obtain information through remote means.

Deliverables

Based on the analysis conducted, this report shall provide evaluations/assessments and recommendations to assist the OAS in streamlining and improving the effectiveness of its operations and governance. The report shall also provide risk assessments of its findings, listing recommendations in order of priority and clearly stating the impact and consequences of not implementing each recommendation.

The Third-Party Comprehensive Review must provide an inception report and work plan for consideration and approval by the CAAP within **10** business days of the commencement of the consultancy. Subsequently, it is expected to provide results in the following areas:

I. Operations

The assessments shall be based on identifying strengths and areas for improvement in the organization, seeking to increase the organization's capacity to be more effective and with the purpose of improving efficiency and cost effectiveness in implementing the Organization's mandates, accountability and communication between the Secretariats and Member States:

1. OAS General Secretariat organizational structure and internal processes of the Secretariats.
 - a. Optimization of OAS operational structure
 - b. Undertake an assessment of the OASCORE Business Modernization Program and make recommendations for its expeditious implementation, as well as possible improvements that may be undertaken.
 - c. Propose a pathway and cost estimates for the fulsome (organization-wide) implementation of International Public Sector Accounting Standards (IPSAS) with timelines.
2. Human Resources
 - a. Staff compensation and benefits
 - (1) Conduct an assessment on staff compensation policies, including cost-of-living adjustment (COLA), taking into account current practices at other international organizations.
 - (2) Conduct a review of costs of the GS/OAS Health Program to include a comparative analysis of the self-funded model currently utilized by the OAS versus adoption of other health insurance models.

- (3) Conduct a review of all OAS Pension Plans, including relevant criteria, and ex-gratia payments.
 - b. Personnel structure and staffing levels to evaluate rightsizing of office staffing levels based on office workload.
 - (1) Review telework policies, to include a review of technology advancements to ensure productivity, based on evidentiary studies of telework systems and policies from a representative sample of public and private sector organizations.
 - (2) Provide comparative analysis and recommendations related to the Performance Evaluation System (PES)
 3. Finances

Assess the operational status and conduct an operational cost analysis of the Offices of the General Secretariat in the Member States (National Offices)
 4. Real asset management (Provide list of documents available)
 - a. Provide recommendations and analysis aimed at addressing the Organization's critical maintenance issues.
 - b. Provide recommendations based on an analysis of OAS current and future space requirements, taking into account the future of workplace environments, telework, and innovative workplace solutions to include hoteling and other innovations utilized by private and public sector organizations to reduce space requirements.
 - c. Provide recommendations on other assets that are not real estate.

II. Governance

The assessments provided shall be designed to assist the OAS in streamlining and improving the effectiveness of governance structures, processes, decision making, communication, and flow of information between the Secretariats and Member States.

1. Review the entire OAS governance structure including the Councils, the General Secretariat, all OAS committees and working groups and provide recommendations for improvement.
2. Provide recommendations to identify funding for member driven mandates based on a comparative analysis of methodologies utilized by a representative sample of other international organizations.
3. Provide recommendations for the methodology for calculating the scale of quota assessments to finance the Regular Fund, aiming for an equitable mechanism based on

objective and applicable criteria for all Member States. The study must be based on a comparative analysis of methodologies utilized by a representative sample of other international organizations, including those organizations' policies and procedures for ensuring timely payment of quota assessment, including automatic inflation adjustments, and take into account the particularities of the OAS.

4. Assess the status of each of the Offices of the General Secretariat in the Member States (National Offices) and conduct an analysis on the benefits.

Reports

The Third-Party Comprehensive Review shall provide the following additional reports to the CAAP:

- Inception Report and Work Plan (within 10 business days after the commencement of the consultancy.)
- Preliminary Report (executive summary) and recommendations with respect to the main Organizational aspects (within 50 business days after the commencement of the consultancy.)
- Preliminary Report (executive summary) and recommendations with respect to the main Governance aspects (100 business days after commencement of the consultancy.)
- Final Report (120 business days after the commencement of the consultancy, at the latest.)

Professional qualifications

Given the fact that the OAS operates in four languages, of which English and Spanish are used most often, the team of the consultant must be fluent in both languages.

The OAS at its operational level is a technical organization, but at its governance level it is often a political organization with distinct regional groups. Given its four main pillars of democracy, human rights, security, and development, the consultant should have a team which is multidisciplinary and multinational.

The consultant team should have recent and relevant experience (preferably dealing with similar international organizations); which would allow them to operate with clear understanding of the complexity of the issues the OAS deals with and the fact that it often conducts its functions at the highest international and national level. As the minimum, the consultant team capabilities should include legal experts and experts in the areas of international relations and international politics. In addition, we expect that the consultant team also includes relevant and qualified expertise in financial, human resources, procurement, project and other applicable operations.

Payment Schedule

The payment schedule shall correlate with outputs and deliverables.

PERCENTAGE	PAYMENT DUE UPON
10%	Signature of contract
10%	Presentation of inception report
30%	Presentation of preliminary report on main organizational aspects
20%	Presentation of preliminary report on main governance aspects
20%	Presentation of final report
10%	Approval of final report

The PSC shall approve all the reports. Payments shall be approved by the Chair of CAAP and the Secretary for Administration and Finance.

