

**BILATERALES/BILATERAL AGREEMENT/ACORDOS
BILATERAIS/ACCORDS BILATERAUX**

Clasificación: 56-2022
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Fecha de Ingreso: September 29, 2022
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Date D'entrée:
Data de Admissão:

Nombre del Acuerdo:

Name of the Agreement: Cooperation agreement between the General Secretariat of the Organization of American States and the United States Department of State for the establishment of a panel of expert auditors to increase transparency and accountability in public procurement and health expenditure in Latin America and the Caribbean.

Nom de L'accord:
Nome do Acordo:

Materia:
Subject: Create a framework to facilitate anticorruption technical assistance to Latin America and the Caribbean governments on public procurement relating to health expenditure to the formation of a panel of expert auditors

Sujet:
Materia:

Partes: SG/ United States Department of State

Parties Involved:
Parties:
Partes:

Referencia: United States Department of State
Reference:
Référence:
Referência:

**COOPERATION ARRANGEMENT
BETWEEN
THE GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES
AND
THE UNITED STATES DEPARTMENT OF STATE
FOR
THE ESTABLISHMENT OF A PANEL OF EXPERT AUDITORS TO INCREASE
TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC PROCUREMENT AND HEALTH
EXPENDITURE IN LATIN AMERICA AND THE CARIBBEAN**

The General Secretariat of the Organization of American States (hereinafter "GS/OAS") and the United States Department of State (hereinafter "U.S. State Department"), (also referred to as the "Participants"),

CONSIDERING:

That the Organization of American States (OAS) is the world's oldest regional organization, dating back to the First International Conference of American States, held in Washington, D.C., from October 1889 to April 1890. The Organization was established in order to achieve among its member states—as stipulated in Article 1 of the 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." Today, the OAS brings together all 35 independent states of the Americas and constitutes the main political, juridical, and social governmental forum in the Hemisphere. The Organization uses a four-pronged approach to effectively implement its essential purposes, based on its main pillars: democracy, human rights, security, and development;

That, with the aim of contributing to more effective, transparent, and participative government for the "effective exercise of democracy" (Articles 2, 4, 6 of the Interamerican Democratic Charter), the GS/OAS works in the area of transparency and integrity in Public Administration which is mainly directed to integrate efforts to promote transparency, integrity and responsibility in public administration in countries of the Americas. This objective, which now is prominent in the political agenda of OAS Member States, is based on the belief that promoting these values is the cornerstone for democratic governance contributing to improve the relationship between State and citizens, and also to combat corruption and increase accountability in public institutions;

That while Latin America and the Caribbean (LAC) continue to build resilience to COVID-19, health sector corruption continues to undermine long-term positive health outcomes for the region. These issues are not new; corruption in the public health and social security sectors have long damaged the region's economic development, and a viable proposal to work to reduce health sector corruption must provide new added value, work through regional bodies with appropriate missions and capacity, build on existing regional efforts where possible, and resource the initiative in a sustainable manner; and

That taking into account the challenges the region faces in the public procurement and health sector, the U.S. State Department and the GS/OAS seek to facilitate the provision of anti-corruption technical assistance to LAC governments on public procurement related to health expenditure through the formation of a panel of expert auditors that those governments can consult on a voluntary basis,

HAVE come to the following understandings:

SECTION I PURPOSE

1.1 The purpose of this Arrangement is to create a framework with respect to facilitating the provision of anti-corruption technical assistance to LAC governments on public procurements related to health expenditures through the formation of a panel of expert auditors with the goal to increase the transparency and accountability of the health systems of the region.

SECTION II THE PANEL OF AUDITORS

2.1 The U.S. State Department intends to support the GS/OAS in the formation of a health procurement technical assistance and government auditing panel (hereinafter, the "Panel") comprised of expert auditors.

2.2 The U.S. State Department intends to cooperate with the GS/OAS, its personnel, consultants, and contractors for the optimal formation of the Panel.

2.3 The Participants understand that the Panel is to function separately and independently from the GS/OAS and the U.S. State Department. To carry out its functions, including matters of audit selection, scope, procedures or report content, the Panel is to remain free from interference by the Participants and all OAS Member States, to permit maintenance of the necessary independence and objectivity. Expert auditors of the Panel are expected to be selected and retained consistent with the norms and procedures of the GS/OAS and may include government employees of an OAS Member State if the expert is authorized in writing by his/her government to accept the contract proposed by the GS/OAS and the audit is not for the country that employs the individual.

2.4 The Participants acknowledge that the Panel is expected to follow GS/OAS rules and procedures regarding administrative matters necessary for the GS/OAS to house the Panel and provide it with administrative and technical support.

2.5 The Panel is expected to exercise the functions of financial, administrative, and operational auditing, for the purpose of determining the level to which the government subject to the audit (hereinafter the "Requesting Government") achieves the objectives of diverse health programs and the efficiency, economy, and transparency with which public resources on

health purchases are used, as well as to issue recommendations to improve management of the Requesting Government.

2.6 To achieve the purpose mentioned in Section 2.5 above, the Panel is expected to work to create guidelines in order to guide its work and internal auditing procedures that reflect international best practices, to confirm implementation of the applicable standards and regulations, through critical, systematic, and impartial examination of health procurements and expenditures related to the public resources administered by the Requesting Government.

2.7 The Panel is expected to be comprised of five (5) expert auditors who are to report to the GS/OAS.

SECTION III TECHNICAL ASSISTANCE TO LAC GOVERNMENTS

3.1 The Participants understand that the technical assistance to a Requesting Government through the Panel mechanism is to be provided consistent with the following provisions:

- a. Participation by a Requesting Government is intended to be voluntary in nature.
- b. Panel audits are expected to be flexible, with the ability to be tailored to the Requesting Government's specific needs. The goal of the Panel is to share expertise by working side-by-side with the Requesting Government personnel, building skills through practical, hands-on assistance.
- c. A Requesting Government that wishes to participate is expected to submit a written request to the GS/OAS, clearly identifying its needs and the scope of the work.

Once the GS/OAS and the Requesting Government have determined the scope of work of the Panel, the Requesting Government is expected to sign a cooperation agreement with the GS/OAS prior to the start of the audit and containing the applicable conditions for the audit, including, for example, an audit plan, a budget, and appropriate confidentiality, or non-disclosure provisions.

SECTION IV FINANCIAL PROVISIONS

4.1 For the formation and housing of the Panel, and subject to the availability of funds, the U.S. State Department intends to provide funding to the GS/OAS via a grant or grants, with the amounts to be disbursed and terms and conditions of such grant(s) to be determined by the Participants.

4.2 The Participants intend to work together to identify additional sources of funding for the Panel, including multilateral donor assistance.

**SECTION V
COORDINATION AND NOTICE**

5.1 Within the GS/OAS, cooperation under this Arrangement is to be coordinated by the Office of the Secretary General. Communications for the GS/OAS under this Arrangement may be directed to:

General Secretariat of the OAS
Gonzalo Koncke, Chief of Staff of the Secretary General
1889 F Street, N.W.
Washington, D.C. 20006
United States of America
Tel.: (1-202) 370-0300
Electronic Mail: gkoncke@oas.org

5.2 Within the U.S. State Department, cooperation under this Arrangement is to be coordinated by the Office of the Under Secretary of State for Economic Growth, Energy and the Environment. Communications for the U.S. State Department under this Arrangement may be directed to:

U.S. Department of State, Under Secretary of State for Economic Growth,
Energy and the Environment
Beeta Ehdaie, Senior Advisor
2100 C ST N.W.
Washington, D.C. 20520
United States of America
Tel: (1-202) 320-2734
Electronic Mail: Ehdaieb@state.gov

5.3. Communications under this Arrangement are expected to be in writing, whether by mail, facsimile, or electronic mail.

5.4. The Participants intend to notify each other promptly in the event that the coordinating entity or communications preferences noted above should change.

**SECTION VI
CONSULTATIONS**

6.1. To the extent there is any question of interpretation or implementation under this Arrangement, the Participants intend to address such issues through consultations.

**SECTION VII
GENERAL PROVISIONS**

7.1 The Participants intend to observe the highest ethical standards and administrative transparency in all actions and activities related to this Arrangement.

7.2 Modifications to this Arrangement may be made through the mutual written decision of the Participants.

7.3. This Arrangement is intended to become operative on the date of the last signature of the Participants and is intended to remain operative for five (5) years. The Participants may extend the duration of this Arrangement by mutual decision in writing.

7.4. Either Participant may cease cooperation under this Arrangement at any time. In such event, it is the intention of the Participants to provide thirty (30) days prior written notification of the same.

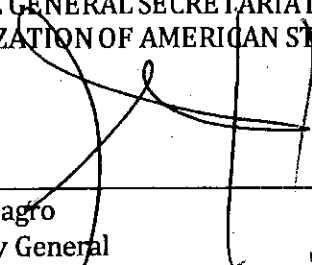
7.5. All cooperation contemplated under this Arrangement is subject to the availability of funds and is to be consistent with all applicable laws.

7.6. Nothing in this Arrangement constitutes an express or implied waiver by GS/OAS of its privileges and immunities under the laws of the United States of America.

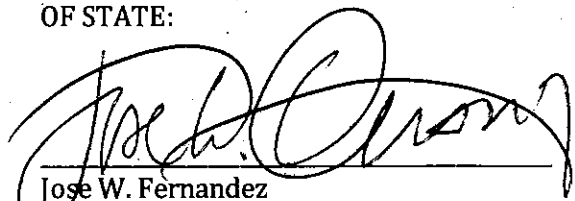
Signed, in duplicate, in the English language.

FOR THE GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES:

FOR THE UNITED STATES DEPARTMENT OF STATE:



Luis Almagro
Secretary General



Jose W. Fernandez
Under Secretary of State

Date: _____

Date: _____

Place: _____

Place: _____