

EXECUTIVE SECRETARIAT FOR INTEGRAL DEVELOPMENT/ INTER-AMERICAN AGENCY FOR COOPERATION AND DEVELOPMENT

Under Article 98 of the Charter of the Organization, the Executive Secretariat for Integral Development (SEDI) is entrusted by the Inter-American Council for Integral Development (CIDI) with programs, projects, and activities in partnership for development. The Inter-American Agency for Cooperation and Development (IACD) is a subsidiary body of the CIDI, which determines the IACD's policies and guidelines at its regular and special meetings and at the sectoral meetings at the ministerial or equivalent level in its areas of competence. The IACD was established by the General Assembly in June 1999 and was launched in January 2000. Its purpose is to promote, coordinate, manage and facilitate the planning and execution of programs, projects and activities in partnership for development in the OAS, in accordance with the Strategic Plan for Partnership for Development.

In 2002, the IACD continued its unflinching efforts to enable the Agency to implement high-caliber development projects that meet the member States' vital development needs, that are able to attract outside funding, and that make more resourceful and effective use of their resources, all in order to further development efforts in the region.

This period's main thrust is reflected in the following activities: the successful initial phase of the Educational Portal of the Americas, to bring distance learning opportunities to the poorest and most under-served rural areas of the Hemisphere; expansion of the Training Fellowships Program as the number of fellowships increased from 1176 in 2001 to 3721 in 2002; consolidation of the Government Best Practices Program, whose purpose is to encourage multilateral cooperation among the governments of the region; and strengthening of the Special Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI), which will become a focal point for meaningful integration of IACD operations and for implementation of the policy mandates adopted at the meetings of ministers or high-ranking authorities in CIDI's sectoral areas.

Important efforts were made to strengthen FEMCIDI in order to make it a more effective development grant fund with a real multiplier effect in the region. One of the Agency's chief concerns was the real significance of CIDI as the OAS Development Council, with a mandate to focus on integral development and partnership. While the Strategic Plan for Partnership for Development lists eight areas in which activities can be undertaken, it instructs the IACD to integrate its approach. The Agency also has to integrate its various instruments, the development grant fund, its fellowship and training resources, and its effort to widen application of best practices. Because its emphasis is development grants rather than loans, FEMCIDI is the logical instrument for achieving that integration.

Since its establishment, the IACD has adopted a number of measures to make FEMCIDI a more effective development fund. In 2001, measures were adopted to allow it to finance multi-year projects based on development objectives (rather than confine itself to one-year projects). Early in 2002, the Board approved setting aside a portion of the reserve fund for evaluating projects, a move that was essential to gain credibility with sources of financing. While these measures substantially strengthened FEMCIDI as a development fund, steps still need to be taken to reduce the large number of projects that the member States are presenting to the Fund and to change the criteria so that FEMCIDI can better serve the Hemisphere's priority development needs.

In May and June 2002, two regional programming meetings were held -one in the Caribbean and the other in Central America- to discuss the idea of establishing multi-year regional priorities in which FEMCIDI grant resources could be used more effectively for intra-regional cooperation, to promote more

effective cross regional cooperation and as a seed fund using FEMCIDI to attract co-financing. The two programming meetings were held jointly with the subregional development banks, the Caribbean Development Bank and the Central American Bank for Economic Integration. Cooperating with both meetings were the Caribbean Community (CARICOM), the Secretariat of the Organization of Eastern Caribbean States (OECS) and the Central American Integration System (SICA).

These changes will bring significant collateral benefits for the Agency's management and its role in the OAS. Agency staff will be able to focus on a handful of major fields and develop relevant expertise to help the countries improve their projects, collaborate on a multinational basis, and apply relevant best practices that were successful in other regions. Under the current system, the Agency's small staff is required to analyze projects over such a wide array of subjects that they are unable to cultivate a meaningful core of expertise and take advantage of their presence in Washington, close to the World Bank and the IDB, to provide needed professional assistance to the countries. It will also serve as a centripetal force, more effectively drawing in the expertise of the OAS substantive units.

The IACD is proceeding cautiously and prudently with the countries in examining the best ways to make this approach useful to them. The Secretariat is optimistic that the member States will fine-tune the approach in the coming months and that it will come up with new approaches to present to the Management Board in the year ahead, in its desire to enable the OAS to become a more useful instrument with which to meet the ever-evolving challenges that development poses for it.

To further the objective of enabling CIDI and the IACD to act as facilitators of greater collaboration among the Hemisphere's development agencies, a network of restricted sites was completed and put into operation. It links the Management Board with the other development agencies in each member State.

In another area of responsibility, related to development policy, the IACD continues to work with the OAS' independent units in their shared commitment to provide services to the ministerial meetings within CIDI's area of competence. The Agency took active part in the preparations for and staging of CIDI's regular meeting and the Meeting of Ministers and High Authorities of Culture. The Agency has also been deeply involved in the study and recommendation of new approaches to meeting the tremendous pressures that the member States are under, particularly in connection with follow-up on the Monterrey Development Financing Conference. The IACD has worked hard to involve other important inter-American organizations in this undertaking, like the IDB and ECLAC, as well as civil society and the private sector. Based on these joint efforts, the IACD is optimistic that both ECLAC and the IDB will be receptive to invitations to participate in the CIDI meetings to help put together joint recommendations within OAS/IACD.

Concerning administrative and accounting matters, the observations made by the external auditors are in the process of being corrected. Work on the first recommendation has been completed, which was to integrate the trust funds managed by the Agency in the countries into dollar accounts and a single Washington-based combined financial process using the Oracle financial management system of the OAS. The second recommendation, which has to do with the management reporting of the Trust Fund for the Americas, has also been implemented. Nevertheless, the Agency staff responsible for managing the IACD's funds is small, which raises the concern that problems could recur for reasons having little to do with the substance of the financial management. The Agency is therefore negotiating a broader agreement with the General Secretariat to manage all its financial transactions using the Oracle system.

TECHNICAL COOPERATION

A. Special Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI)

- FEMCIDI 2002

The FEMCIDI programming cycle for 2002 received 232 project profiles. As of May 31 -the deadline for the member States to make their contributions and to specify how they were to be apportioned among the accounts- the total amount pledged to FEMCIDI for 2002 came to US\$ 8,228,916.61. As in years past, the number of projects presented and the amount of resources requested far exceeded the amounts pledged. The result was that projects were excluded not just because their technical quality was not up to the required standard, but also because of a lack of resources.

The project profiles that satisfied the selection requirements were sent to the members of the Nonpermanent Specialized Committees – CENPES 2001, and to the units and specialized offices of the GS/OAS, requesting their technical opinion of the profiles. Based on the technical opinions received and the pledge level in each sectoral account, the Executive Secretariat pinpointed the project profiles that, based on their technical merits, it felt could best serve to meet the member States' development needs. Consequently, 114 projects presented by 32 countries were included in the Preliminary Programming Proposal. The latter was sent to the Permanent Missions on June 13, 2002, and was examined at the VI Meeting of the CENPES. Of those 114 projects, ninety-two (92) received favorable recommendations.

At its Eleventh Meeting on October 15, 2002, the Management Board approved the Programming of FEMCIDI 2002 Activities in Partnership for Development. It includes the 92 projects that the CENPES recommended, plus one more project whose inclusion the Management Board approved. The total amount approved for execution of the projects was US \$6,549,094, apportioned as follows:

SECTORAL ACCOUNT	NO. OF PROJECTS	AMOUNT APPROVED (US\$)
Trade	8	695,000
Social Development	18	848,712
Education	23	1,631,565
Culture	5	153, 518
Science and Technology	21	1,598, 245
Democracy	5	412,373
Tourism	4	438,316
Environment	9	771,365
TOTAL	93	6,549,094

- Execution FEMCIDI 2001

In the first months of the year, execution got underway of the projects recommended by the CENPES at their meeting of October 2001 and approved by the IACD Management Board on November 1, 2001, in the amount of US \$1,147,849. Of the 89 projects approved, 48 are regional and 41 are national. The following is the distribution of those projects by sectoral account:

SECTORAL ACCOUNT	NO. OF PROJECTS	AMOUNT APPROVED (US\$)
Trade	5	490,352
Social Development	20	1,250,301
Education	22	1,961,412
Culture	2	103,000
Science and Technology	21	1,656,841
Democracy	6	484,524
Tourism	6	485,000
Environment	7	716,419
TOTAL	89	7,147,849

By late October, US \$5,048,466.50 had been disbursed for 84 projects, whose activities will get underway once the signed Execution Agreements or Memorandums of Understanding have been received and the corresponding plans of execution duly completed. In the case of 36 of these projects, the IACD Management Board agreed to extend the execution deadline to March 31, 2003; the deadline for another 25 projects was June 30, 2003.

B. New Cooperation Mechanisms (Best Practices)

Under the IACD Business Plan, one of the Agency's main objectives is to refine new mechanisms for conducting programs, based on the use of existing best practices in the countries of the Hemisphere and elsewhere in the world. The new mechanisms should also facilitate private-sector and civil society participation in inter-American technical cooperation and training initiatives.

The programs worked to achieve the following objectives: supporting governments in identifying opportunities for action, lessons learned, and best practices in electronic government procurement and electronic government, and municipal development; developing technical cooperation and training programs with the best practices institutions; developing projects that make use of best practices; and finding co-financing for institution building and for the formulation of projects using best practices, working jointly with institutions in the public and private sectors.

- **Government Procurement Program**

The purpose of the Government Procurement Program is to support the efforts of the governments of the Hemisphere aimed at: improving the effectiveness, efficiency and transparency of government-procurement transactions, this as part of the member States' efforts to reduce corruption, strengthen democratic governance, and foster economic growth and development; promoting and facilitating small-business participation in public sector procurement and other forms of e-commerce, with a view to increasing employment and reducing poverty; and strengthening provincial and municipal governments so that they can provide the local communities with better service and enable businesses to grow.

- **Electronic Government Program**

The IACD-OAS Electronic Government Program is intended to be a catalyst for electronic-government initiatives and provide governments of this region with overall support at every stage of the implementation of electronic government. Using best practices in developing electronic government is an innovative approach designed to hasten modernization through efficient use of scarce public resources and to mitigate the risks inherent in incorporating a technological component in projects developed from square one, by using proven solutions transferred with the help of the governments that developed them.

With the user government playing the role of protagonist, the IACD-OAS has developed a method of its own for identifying, documenting and transferring best practices based on cooperation and teamwork with the institutions involved. In consultation with potential users, the IACD Electronic Government Program is focusing initial efforts on the following areas: electronic government procurement; taxes, licenses, permits, records, and access to services supporting small-business development.

- **Municipal Development Program**

The purpose of the Municipal Development Program is technical assistance and training to member states' local governments (municipalities) in order to upgrade their managerial and technical skills for delivery of services. This will be done by applying municipal best practices existing in the region. The development of this initiative is supported with a grant from the U.S. Mission to the OAS and a contribution from the Andean Development Corporation (CAF).

The program being implemented is intended to support local governments in identifying opportunities for action, lessons learned and best practices in the areas of modernization of cadastre systems, e-government applied to municipal management, and management of water and sanitation services; developing technical cooperation and training programs with the best practice institution; developing projects that use the best practices selected by the user local governments; and providing assistance in securing co-financing with grants and loans to prepare and implement projects working with both public and private sector institutions.

- **Occupational Health and Safety Program**

In support of OAS member States' efforts to strengthen democratic institutions, improve governance, promote equitable growth and help reduce poverty and inequality, the IACD is developing a program to assist the ministries of labor of the region in their efforts to modernize the services provided to workers and make those services more efficient. This program will also strive to make business leaders more sensitive to the need to practice corporate social responsibility principles in their businesses, mainly through a planned regional program developed in conjunction with Business for Social Responsibility (BSR) and Forum EMPRESA.

Although the occupational health and safety program is still at a preliminary stage, considerable headway was made in putting the program together, initiating and firming up contacts at OAS/IACD headquarters. The IACD is working particularly hard with the Forum EMPRESA and Business for Social Responsibility (BSR) to finalize a corporate social responsibility program especially related to occupational health and safety, focusing on small- and medium-sized businesses in Latin America and the Caribbean. Work was done with Chile as a purveyor of best practices in occupational health and safety.

DEVELOPMENT OF HUMAN POTENTIAL

A. Fellowships Program

In compliance with its mandate and based on the priority areas indicated in the Strategic Plan of Partnership for Development, the rules and procedures necessary to grant fellowships for and administer short-term professional training courses and graduate and post-graduate studies were awarded. The Fellowships Program also started to offer e-fellowships as a low-cost alternative that can expand learning opportunities, especially to reach into remote areas of the hemisphere. The e-fellowships give students the ability to pursue studies without having to leave their country. Also, in keeping with its mandate, the administration of fellowships was made easier in order to increase opportunities for study. The fellowships awarded during 2002 are itemized in Appendix F of this report.

- Regular Training Program (PRA)

Fellowships awarded under the Regular Training Program (PRA) were for graduate (masters and doctorate) studies and research at universities in the region. In 2002, 108 fellowships originally granted in 2001 were extended for one more year. In the 2002 fellowship cycle, 185 new fellowships were awarded. The goal was to achieve a geographic distribution and focus that matched the priority areas in CIDI's Strategic Plan for Partnership for Development. The 2002 PRA fellowships and extensions cost approximately US\$5.13 million. Most of the recipients studied in the United States (47.5%), although a considerable number went to Chile (9.8%), Mexico (9.4%), Canada (8.8%) and Costa Rica (6.7%).

- Special Caribbean Fellowships Program (SPECAF)

This program provides scholarships for undergraduate studies in development areas that are priorities for the region, taking into account those that have an impact on integral and sustainable development. The SPECAF program awarded 29 new fellowships for the 2002 cycle and 24 extensions of 2001 fellowships. The approximate cost of the new fellowships and extensions for one school year was US\$813,500.

- Professional development courses

The short-term specialized training courses are supported by the member States, permanent observers and specialized units of GS/OAS. They are of three types:

The *Program of Horizontal Cooperation for Training Fellowships* (CHBA) provides short-term professional training through courses organized by institutions in the member States. Under this program, 411 fellowships were awarded for 32 courses; another 831 e-fellowships were provided for 10 online courses. The OAS provides logistical and administrative support for these courses and covers the cost of international travel.

The *Special Training Program* (PEC) provides awards for long-term training in courses organized by permanent observer institutions. In 2002, Korea and Spain offered 64 scholarships for 7 walk-in courses and 84 e-fellowships for 3 courses offered online. For courses of this type, the OAS provides logistical and administrative support and covers international travel expenses.

The *Courses for Specialized Studies in Technical Areas* (CEAT) focus on a variety of professional areas designated by the OAS' technical units. A total of 36 fellowships were awarded for the course on International Law in Rio de Janeiro. Another 192 e-fellowships were awarded for various courses.

- OAS Fellowship Program/Consortium of Universities

This program is designed to establish a broad university consortium so that the member universities might help co-finance fellowships and training programs. This will multiply the effect of the OAS' limited resources because the costs of the fellowships will be shared with the participating universities and other centers of learning. The IACD signed 26 agreements with institutions of higher learning in 8 member States and is putting the final details in place to sign agreements with other centers and universities in the Hemisphere.

The IACD reached an agreement with LASPAU to provide technical support in the management of the individual scholarships that the OAS awards through the fellowships program. LASPAU will seek co-funding for 50 new fellowships in order to provide more opportunities for study.

- OAS Scholars Placement Mechanism

A mechanism was launched that will maximize the benefits resulting from the co-financing agreements concluded with institutions in the University Consortium. With this new mechanism, students will apply to the OAS for a fellowship; if they are selected, the IACD will place them in a university that is a member of the Consortium. In 2002, 31 new scholarships were awarded via this procedure. Another 20 fellowships were awarded through the OAS/Fulbright Ecology Initiative.

- OAS Corporate Scholarship Program

For some time now, the OAS member States have been asking the General Secretariat to step up its efforts to mobilize external resources for fellowships and training. Responding to the call from the heads of State and of government at the successive Summits of the Americas to accelerate development of and create conditions for the eradication of poverty, the IACD is working to open up more opportunities for human development to the citizens of the Hemisphere. To that end, a corporate scholarship program is being put together, to multiply the educational opportunities available to deserving students. This program will be a partnership with the private sector, giving businesses an opportunity to play a vital role in building up the technical expertise and improving economic conditions in their communities. By participating in this program, the corporate community will make it possible for young people to make their own productive contributions to society, and in so doing will demonstrate its own commitment to corporate social responsibility.

- Leo S. Rowe Fund

The Leo S. Rowe Pan American Funds provides interest-free loans to eligible students from Latin America and the Caribbean for undergraduate, graduate and professional development courses in the United States. The Fund also provides loans to OAS staff and their dependents. In 2002, the Rowe Fund Committee provided 103 student loans totaling \$659,710. It also provided 37 loans to OAS personnel, totaling \$268,672.

In accordance with its Statutes, the Rowe Fund is administered by a Committee of the Permanent Council. Efforts have been made to make the management of the loans more efficient and the loans more accessible to eligible students. The Rowe Fund has considered and worked with applicants who have not been able to put up the traditional type of guarantee and have offered institutions in their countries as guarantors of the loan. In the largest operation of this kind, the General Secretariat signed an agreement with Ecuador's Foundation for Science and Technology (FUNDACYT) and LASPAU, enabling 18 students from Ecuador who came to study in the United States to receive loans from the Rowe Fund.

- Inter-agency co-financing for educational opportunities and loans

New ways of collaborating with the agencies involved in awarding and financing loans are being devised. This includes co-financing fellowships with universities and developing supplemental loan programs to help applicants who have not obtained fellowships. The IACD has signed an agreement with the Pan American Association of Student Loan Institutions (APICE) to co-finance or serve as reciprocal guarantors of loans. With this program the Rowe Fund will be able to provide loans for undergraduate or graduate studies. This agreement will offer more opportunities to qualified students who have not been awarded a scholarship –as scholarships are limited in number- or to those who have received partial scholarships.

B. Information Technologies and Telecommunications

- The Educational Portal of the Americas

In 2002, the activities of the Educational Portal of the Americas (www.educoea.org) focused on expanding the services now offered and building up strategic partnerships with the public and private sectors. To commemorate its first anniversary, the Portal's new format was launched in the four languages; new training tools were added. From the time it came online in September 2001, the Portal has received more than 30 million visits, from over 120 countries around the globe.

In addition to an extensive database providing access to more than 4,500 distance learning courses offered by over 1500 accredited universities in all academic disciplines, the Portal offers information on scholarship opportunities, digital libraries, communities of knowledge, forums, chats, news events and other links of interest.

During the period covered in this report, the Virtual Classroom was designed and programmed. It is to be an easily accessible online environment that emphasizes training for teachers, government officials and the private sector, in the priority areas of the Strategic Plan 2002-2005. The Virtual Classroom will be launched in the first half of 2003, featuring the following courses: "Quality of Basic Education" (Spanish, Portuguese and English versions), "Teachers as Counselors", "Education and Nutrition" and "Strategies for Teaching Mathematics." The Virtual Classroom program hopes to train more than 6,000 people in its first year in operation.

Agreements were concluded with more than 30 universities and institutions in the region, including the Inter-American University Organization (Canada), UNESCO (Brazil), Universidad Nacional de Quilmes (Argentina) and the Province of Tierra del Fuego (Argentina), to collaborate on socioeconomic and cultural initiatives that promote access to knowledge through distance education and learning.

- Institute of Advanced Studies for the Americas

Through a strategic partnership with Spain's Universidad Nacional de Educación a Distancia (UNED), in December 2002 the IACD launched the Institute of Advanced Studies for the Americas (INEAM), to be another tool to provide quality, innovative professional training in an inter-American context. With its academic headquarters in Miami, Florida, the INEAM combines conventional teaching techniques with new information technologies and telecommunications, all to further development and social change in the Hemisphere.

In 2002, the INEAM and the Educational Portal helped train more than 1,633 students, educators, and government officials from the region. In addition, 9 workshops, courses and lectures were held in Central America, where 379 participants were trained.

Another 1,105 received training via online studies programs offered in conjunction with other academic institutions, including Harvard University, the Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM), the International Telecommunications Union and Spain's Universidad Nacional de Educación a Distancia (UNED).

- IACD web site and restricted sites

The IACD continued its efforts to compile information for and constantly update the Agency's web site (www.iacd.oas.org), to provide pertinent, up-to-date information on the Agency's priority issues, particularly those related to technical cooperation and training. To that end, monthly news bulletins were

published about its activities. The Agency also continued to promote closer cooperation with the units of the OAS General Secretariat in order to introduce new and relevant content related to the goals set in CIDI's Strategic Plan for Partnership for Development and the IACD's Business Plan.

To foster dialogue between the Agency and various sectors, new restricted sites (virtual meeting rooms) were created where ideas and experiences can be shared. These include the National Development Agencies, LASPAU, the Embassy of Saint Vincent and the Grenadines and the Task Force on Connectivity. Chat rooms were also created for the members of the CENPES and the Fellowship Selection Committee, among others.

SPECIFIC FUNDS

During the first half of 2002, the IACD was responsible for a number of Specific Funds related to the mandate for horizontal cooperation and socio-economic development.

A. United States Specific Fund

In recent years, the United States Government has been strongly supporting CIDI and the work of the IACD. Apart from its annual contributions to FEMCIDI, the US Government has also contributed additional, specifically earmarked funds. The value of the funds varied during the year between \$5.4 million and \$6.1 million, depending on the rate of expenditure and decisions made to supplement existing balances. Generally speaking, the US Specific Funds have constituted the principal source of funding to support the Agency's new programs, especially the Best Practices program and other new cooperation mechanisms. Also, a substantial portion of these Funds has been earmarked to support the IACD's human development programs.

B. Other specific funds

The IACD continued administering the specific funds of Argentina (a balance of \$1.0 million as of 12/31/02) and Mexico (\$2.8 million as of 12/31/02), to promote external cooperation resources from these countries. It provided support with the planning and execution of projects carried out in cooperation with the OAS-IDB White Helmets Commission (\$1.5 million value of the Agreement) and with the IACD-SOPTRAVI housing project in Honduras (\$6.0 value of the agreement).

The IACD is also administering Specific Funds for Member Governments to facilitate the execution of projects. In all these cases, the IACD is only responsible for the financial administration of the funds. Technical execution of the projects is the exclusively responsibility of the Member Governments. These projects are: the IACD-MINEDUC Literacy Project in Guatemala; the IACD-CONACYT Regional Metrology Project in El Salvador; and the IACD PROPRIVAT Privatization Program in Panama. The IACD also has an agreement with the Inter-American Institute for Cooperation on Agriculture to provide financial management services for execution of the project on "Sustainable Development of Fragile Ecological Zones in the Trifinio Region" in El Salvador. The IACD also administers other specific or horizontal cooperation funds from Uruguay, Peru, Brazil, Colombia, Honduras, Israel and Spain, totaling approximately US\$250,000.

C. The Trust for the Americas

The Trust is a 501c3 foundation affiliated with the IACD. Its mandate is the mobilization of financial resources through partnerships with the private sector and other nonprofit entities. During the first half of 2002, the Trust continued to expand its principal existing programs and its cooperation agreements in two areas: transparency and connectivity.

In the area of connectivity the Trust continued using its Net Corps Americas volunteers as its primary mechanism to deliver communication and information technology training. More specifically, during the period under review, Net Corps sent out 18 volunteers to projects in Central America, the Caribbean and the Andean Region: 8 to tourism-related microenterprises in the Caribbean, in cooperation with the Small Tourism Enterprises Program (STEP); 9 to Central America in the context of its “Job Readiness and Technology Training” initiative for people with disabilities, and one to Colombia as part of the “Women Leaders in Technology” program.

As for transparency and good governance, in April 2002 the Trust, working in partnership with the Government of Mexico, organized the Conference on *México Contra la Corrupción*, which was broadcast via television throughout the Hemisphere. This event was the third in a series of conferences sponsored by the Trust as part of its efforts to increase public awareness of the problems that corruption causes in the economies of the Hemisphere. The conference was a great success and was seen by some 10,000 viewers; more than 1,000,000 people participated via the Internet.

Preparations are also underway for the establishment of the first *TRUST/OAS Award for Corporate Social Responsibility in the Americas*, which will be presented on January 31, 2003, at the “Gala for the Americas.” The event, to be held at the Biltmore Hotel in Miami, will be carried out in partnership with the Association of American Chambers of Commerce in Latin America (AACCLA) which is holding its winter meeting in Miami that same week. The award by the Trust/OAS will recognize a company whose leadership has provided low-income communities with an avenue out of poverty and whose actions can serve as a model to facilitate socially responsible practices and actions by other corporations.

The Trust program received a grant for a second year from the United States Department of Labor, in the amount of US\$542,300.00.

SECRETARIAT FOR LEGAL AFFAIRS

The Secretariat for Legal Affairs assists the Organization's organs by preparing studies, documents and legal opinions and by providing technical secretariat services. It collaborates in the preparation of treaties, agreements, and other international instruments and is in charge of legal procedures related to the signing of those agreements and deposit of the instruments of ratification when the General Secretariat is depository. It also provides technical and secretariat services to the Inter-American Juridical Committee and to the Administrative Tribunal. The Secretariat was reorganized under Executive Order No. 96-4 of May 13, 1996. It now focuses on three areas: development of public and private international law, cooperation activities on law-related matters, and information and dissemination in matters of law. On July 31, 2002, the Secretary General of the Organization issued Executive Order No. 02-08, related to the establishment of a "Technical Secretariat for Legal Cooperation Mechanisms," to replace the Department of Legal Cooperation and Information. Therefore, the Secretariat for Legal Affairs is now composed of the Executive Office of the Assistant Secretary, the Department of International Law, the Technical Secretariat for Legal Cooperation Mechanisms and the Secretariat of the Administrative Tribunal.

Executive Office of the Assistant Secretary for Legal Affairs

The Executive Office of the Assistant Secretary for Legal Affairs focused its activities on supervising, planning, coordinating and managing the legal affairs area. In the case of the first three functions, the Office contributed to the development and codification of international law and to the planning and execution of legal cooperation and dissemination activities, and assisted with and supervised the reorganization of the Secretariat pursuant to Executive Order No.02-08. It also provided support and administrative supervision to the Secretariat of the Administrative Tribunal (TRIBAD). The basic purpose of Executive Order No. 02-08 was to adjust the functions of the then Department of Legal Cooperation and Information to fit the new priorities that have been established in this area within the OAS framework. Recently, a number of mechanisms have been created to strengthen juridical cooperation among the member States, such as the Meetings of Ministers of Justice or Ministers or Attorneys General of the Americas (REMJA) and the groups of government experts to carry out their conclusions and recommendations; the Mechanism for Follow-up of Implementation of the Inter-American Convention against Corruption (Anti-corruption Mechanism); and the Consultative Committee of the Inter-American Convention against the Illegal Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA Committee).

The Secretariat provided legal advisory services on preparations for and the holding of the IV Meeting of Ministers of Justice or Ministers or Attorneys General of the Americas, held in Trinidad and Tobago in March 2002. A number of papers were presented on topics that figured on the meeting's agenda, among them the paper this Office prepared on "Alternative Dispute Resolution Mechanisms in the Justice Systems of the American Countries."

It also participated in and provided legal advisory services to the VI Inter-American Specialized Conference on Private International Law (CIDIP VI), held at Organization headquarters in February 2002. This Conference adopted a Model Inter-American Law on Secured Transactions, a resolution on Applicable Law and Competency of International Jurisdiction with respect to Extrac contractual Civil Liability, and a resolution on Standardized Commercial Documentation for International Transportation, with Special Reference to the 1989 Inter-American Convention on Contracts for the International Carriage of Goods by Road, and approval of documents on bills of lading.

The Executive Office of the Assistant Secretary attended and provided legal services to the Plenary and General Committee of the General Assembly's Thirty-second Regular Session, held in Bridgetown, Barbados in June 2002.

The Office provided technical support to the First Regular Session of the Inter-American Juridical Committee, held in Rio de Janeiro, Brazil, in March 2002, and then the Second Regular Session in August of that year. There it provided legal advisory assistance on such topics as the observations and comments of the Inter-American Juridical Committee on the Draft Inter-American Democratic Charter; a report the Committee presented at CIDIP VI; preparation of a draft inter-American convention against racism and all forms of discrimination and intolerance; the *travaux préparatoires* for drafting an inter-American convention against terrorism, and on the subject of competition law and the various forms of protectionism in the Americas. It also participated in the activities of the Course on International Law, held each year with the Secretariat for Legal Affairs coordinating. The Inter-American Juridical Committee holds the course every August.

The Secretariat for Legal Affairs, including the Office of the Assistant Secretary, organized and participated in the International Law Workshops held in Mexico in December 2001. It had an active role, delivering lectures, and other tasks involved in putting together various other documents. This unit also attended and collaborated in the International Law Workshops held in Florianópolis, Brazil, in December 2002.

The Office also participated in the Seminar on the "New Legal Agenda of the OAS and the Caribbean Region," held in Nassau, Bahamas in September 2002. There, the Office presented a paper on the OAS Charter and the juridical-political priorities on the Organization's new agenda.

As part of this Executive Office's responsibilities and functions in the areas of coordination and cooperation, in October 2002 it participated in the United Nations General Assembly, where it attended the meetings of the Sixth Committee, on Legal Matters, to hear the discussion of the topics contained in the report of the International Law Commission (ILC) and other matters related to this branch of law. There were also talks with the Chairman of this Commission for coordination purposes. The Executive Office was also present for presentation of the Annual Report of the International Court of Justice, where there were exchanges of views with the members and secretary of that international court. Finally, the Executive Office participated in the meeting of the Legal Advisors of the United Nations member States, where the most important issues related to the progressive development and codification of international law were discussed.

The Office also provided advisory services on specific issues to various levels of the Permanent Council. Those issues included the reform of the Permanent Council's statute and rules of procedure; amendment of the statute and rules of procedure of the Inter-American Committee against Terrorism (CICT); the work of the Committee on Hemispheric Security; coordination between the Secretariat for Legal Affairs and the Justice Studies Center of the Americas, and the Council's Working Group on Terrorism.

In 2001, this Office concluded a General Agreement with the Canadian International Development Agency (CIDA) to conduct a project on international business transactions in the Americas and the prospects for legal harmonization. The purpose of the initiative was to evaluate the opportunities to promote greater legal harmonization and uniformity in the area of commercial transactions at the hemispheric level, taking into account the problems caused by the fact that several different legal systems co-exist within the Americas. The project concluded with publication of a book titled "Legal Harmonization in the Americas: Business Transactions, Bijuralism and the OAS" and its presentation to the Permanent Council's Committee on Juridical and Political Affairs.

Finally, the Office of the Assistant Secretary for Legal Affairs has kept up contacts, cooperative relations, collaborations and exchanges in the field of law with numerous institutions, among them Georgetown University, George Washington University, American University, the American Society of International Law, the American Law Institute (ALI), the World Bank's Legal Counsel, the American Bar Association, the North South Center and the American Bar Association, International Law and Practice Section. This Office has always actively cooperated with the General Secretariat's Internship Program, and has selected numerous attorneys.

Department of International Law

Advisory services to the organs, agencies and entities of the Organization

In 2002, the Department of International Law provided advisory and legal services in the field of public and private international law to the General Assembly (Bridgetown, Barbados, June 2002), the Permanent Council and its Committees on Juridical and Political Affairs and Hemispheric Security, and on the statutes, regulations and rules of procedure governing those bodies.

In the case of the Committee on Juridical and Political Affairs, the Department prepared a document related to the topic of the Inter-American Convention against racism and all forms of discrimination and intolerance, titled "References to discrimination and racism in the constitutions of the OAS member States," SG/SLA DDI/doc.9/01.

The Department of International Law also advised the Permanent Council's Committee on Juridical and Political Affairs regarding the evaluation of the inter-American system for the promotion and protection of human rights, with a view to strengthening and perfecting it. The Department provided assistance and advisory services on the promotion and observance of international humanitarian law, the human rights of all migrant workers and their families, human rights defenders in the Americas, and support to the inter-American human rights instruments.

The Department also served as counsel to the Working Group charged with preparing the draft Inter-American Convention against Terrorism, a job that was completed when the General Assembly adopted that Convention at its regular session in Barbados. It also provided advisory services to the Working Group to prepare the draft American Declaration on the Rights of Indigenous Peoples and participated in the special meeting held on March 11 and 15, 2002.

In the Committee on Hemispheric Security, the Department advised on preparations for the Special Conference on Security, which will be held in Mexico in May 2003. Much of its advisory assistance concerned the Conference's rules of procedures and the final documents it will approve. With regard to the Inter-American Specialized Conferences, the Department of International Law provided its support with activities intended to unify and harmonize the laws of the OAS member States in the area of private law, which culminated with the Sixth Inter-American Specialized Conference on Private International Law (CIDIP VI), held at OAS headquarters in Washington, D.C., February 4 through 8, 2002. In the *travaux préparatoires* for that Specialized Conference, the Department of International Law presented various reference documents, salient among them the following: "The History of the CIDIP Process" (OEA./Ser.K/XXI.6/CIDIP-VI/doc. 11/02; Original: English); "Topic III: Part 1: Conflict of laws on extracontractual liability. Part 2: International civil liability in cases of transboundary pollution" (OEA./Ser.K/XXI/RE/CIDIP-VI/doc.7/98; Original: English); and "Background and list of documents for the meeting of government experts in preparation for the Sixth Inter-American Specialized Conference on Private International Law" (OEA./Ser.K/XXI/RE/CIDIP-VI/doc. 11/02; Original: English). The Inter-American Juridical Committee also prepared a report, this one titled "CIDIP-VII and after" (CIDIP-VI/doc.10/02), which is based on numerous responses to a questionnaire prepared by the Department of

International Law and circulated by the Inter-American Juridical Committee to a broad cross-section of academics, jurists and legal experts across the Hemisphere. During the Conference, the staff of the Department of International Law served as technical secretariat of the three working groups established at the Meeting of Experts held at OAS headquarters in Washington, D.C., February 14 through 18, 2000, pursuant to the provisions of resolutions AG/RES.1613 (XXIX-O/99) and CP/RES.744 (1185/99). At the end of the meeting, the Department compiled and published the texts and results from the event, which made possible the CIDIP-VI official publication. It is a two-volume publication: Volume I (Final Act), and Volume II (Documents).

In 2002, the Department of International Law, as Secretariat of the Inter-American Juridical Committee, provided technical and administrative support during the two regular sessions of the CJI, held in February-March and August 2002. It prepared the annotated agendas for both sessions, which covered the history of each point on the Committee's agenda. It also drafted documents summarizing the General Assembly's mandates to the CJI. It provided its assistance in preparing the respective draft resolutions; collaborated in the publication of the reports presented by the Committee members; prepared summary minutes of the proceedings of the Juridical Committee's meetings and was charged with preparing the Committee's Annual Report to the General Assembly of the Organization. During the recess between the sessions, the Department helped the rapporteurs develop their respective topics; organized the Committee members' participation as observers at various forums, and complied with the mandates contained in the resolutions and decisions of the Inter-American Juridical Committee. A particular focus was the organization of the CJI Centennial and the agreement between the Brazilian Government and the General Secretariat of the OAS whereby the Government of Brazil cedes the use of office space in Itamaraty Palace to the Inter-American Juridical Committee. The Department of International Law also supported the Permanent Council's Committee on Juridical and Political Affairs as it prepared its observations and recommendations on the CJI's annual report on its 2001 activities.

Development of International Law

In compliance with the mandates concerning the Inter-American Program for the Development of International Law, and within the parameters of its competence and functions, the Department of International Law has organized and/or participated in the following activities during the period under review in this report.

- Course on International Law

In conjunction with the Inter-American Juridical Committee, the Department of International Law organized the XXIX Course on International Law, which was held August 5 through 30, 2002. In attendance were 21 professors from various countries in the Americas and Europe, and 28 OAS fellowship recipients selected from more than 50 candidates, and 7 students who defrayed their participation costs. The central theme of the course was "Natural resources, energy, environment and international law" and it was conducted at the Rio Business Center in Rio de Janeiro, Brazil. The Department of International Law prepared the course announcement, contacted the respective professors and arranged for their travel and accommodations in Rio; it selected the fellowship recipients for the Course, and provided them with all the information necessary for their participation and with academic and personal support during their stay in Rio. It also evaluated their participation for purposes of the respective certificate of approval.

- International Law Workshops

Between December 11 and 14, 2001, the Department of International Law conducted the International Law Workshops at the Universidad Nacional Autónoma de México, with UNAM's Institute of Legal Research. The workshops were staged in plenary sessions, with professors of public and private

international law and students from Mexican universities participating. The event was broadcast over the Web and via teleconferencing to various Mexican institutions and interested foreign institutions.

From December 3 through 6, 2002, International Law Workshops were conducted at the *Universidade Federal de Santa Catarina* in Florianópolis, Brazil. This time the Department of International Law teamed up with the Institute of International Relations of the Center for Legal Sciences of the *Universidade Federal de Santa Catarina*. As in years past, plenary sessions were held with professors of private and public international law from various universities in the member States and from Brazilian universities. The professors spoke on the following topics: various issues on today's agenda of public and private international law, integration processes in the Americas, the inter-American system, and modernization of academic programs in public and private international law.

- Legal Publications

In the period this report covers, the Department of International Law has edited, published and circulated the following publications: i) XXVIII Course on International Law, organized around the central theme of "The Human Person In Contemporary International Law" and held in August 2001; ii) *International Law Workshops*, held in December 2001, a compilation of the papers presented and the discussions among the professors of public and private international law, and the final conclusions and recommendations; iii) the *Series on International Law Courses: Private International Law in the Americas (1974-2000)*, which contains the lectures given from 1974 to 2000 on private international law. The volume is in two parts and has 84 articles, grouped into the major milestones in the development of private international law in the Americas in those years.

At the present time, the Department is preparing publication of the following books: the volume for the *XXIX International Law Course*, held in 2002; ii) the book containing the minutes, presentations, discussions and conclusions of the International Law Workshops, held Florianópolis in December 2002; and iii) *Series: The Inter-American System (Vol. II)*, containing the classes given at the Course on International Law in Rio from 1994 to 2001, on various aspects of the inter-American system.

- Information on Internet and CD-ROM

The staff of the Department of International Law is working on the Web page, introducing pertinent information about the work areas of the Department and the Inter-American Juridical Committee.

- Model Assemblies

The attorneys from the Department of International Law acted as consultants at the XXI Model Assembly for High Schools (Washington, D.C., December 1 through 5, 2002).

- Participation in international forums

The attorneys from the Department of International Law gave presentations at a number of forums, to report on the juridical activities carried out within the Organization, including: periodic meetings organized by the *Private International Law Group* of the United States Department of State; meetings of the Working Groups of the Hague Conference on Private International Law; the annual meeting of the *American Society of International Law*; meetings organized by the Inter-American Defense College; an informative session for the delegates attached to the permanent missions to the OAS; and the Technical Working Meeting: Central American Regional Legislative Action against Terrorism.

Inter-American Treaties and Bilateral Cooperation Agreements

Under Article 112.f of the Charter of the Organization, the General Secretariat is depository of the inter-American treaties and agreements and of their instruments of ratification. Also, under Article 112.h, the General Secretariat is to establish relations of cooperation, whenever the General Assembly or councils so decide, with international and national specialized agencies and entities.

Under Executive Order No. 96-04 of May 1996, concerning the reorganization of the Secretariat for Legal Affairs, one of the functions of the Department of International Law is to be the depository of the inter-American multilateral treaties, which is one of the General Secretariat's responsibilities under the Charter of the Organization. The Department of International Law is also depository of the bilateral agreements that the organs of the OAS conclude with the member states or with other inter-American agencies or national entities in the member countries or observers, as well as agreements signed between member states where the General Secretariat has been designated as depository.

In the case of inter-American multilateral treaties, in the year 2002 the Department made certain that the formalities and procedures required for signature, deposit of instruments and/or accession, formulation of reservations and other statements, denunciation and other legal actions such as designation of the central authority vis-à-vis inter-American multilateral treaties, were observed. The procedures carried out involved taking requests from the member states, reviewing the documents presented (full powers, instruments of ratification and/or accession), coordinating with the Protocol Office, the Secretary General's Office, the Office of the Assistant Secretary General, and the Public Information Office for purposes of the respective ceremony, preparation of minutes and speeches, making a record of the act, and notifying the member states and interested organs and agencies.

In this connection, it provided legal advisory services to representatives of the member states and to the organs, agencies, and entities of the Organization with respect to those formalities and procedures. In 2002, the Department took part in 37 signings and 30 deposits of instruments of ratification and accession, as well one procedure wherein interpretative statements and a reservation were partially withdrawn, one in which a treaty was denounced, and three in which a central authority was designated. One new legal instrument was registered, namely the Inter-American Convention against Terrorism.

The Department also prepared certifications and supplied up-to-date and complete information on those treaties (their texts, current status of signature and ratification, and so on) at the request of the governments of the member states, the permanent missions and observers to the OAS, organs, agencies, and entities of the Organizations, Offices of the OAS General Secretariat in the member states, other governmental and nongovernmental international organizations and private individuals.

In the year 2002, the Department of International Law listed 47 cooperation agreements concluded during that period in various areas. In most cases, it did a final review of the bilateral cooperation agreement prior to signature. The full list of the inter-American treaties and cooperation agreements appears as Appendix C of this report.

Technical Secretariat for Legal Cooperation Mechanisms

In the period covered in this report, the Technical Secretariat for Legal Cooperation Mechanisms continued to perform advisory and technical secretariat functions for the organs, agencies and entities of the OAS, as well as its committees or working groups, in the areas of legal cooperation that are within its area of responsibility. Summarized below are activities representative of those carried out in 2002.

Advisory and technical secretariat services were provided on all matters relating to the preparations for, the holding and the follow-up of the most recent meeting of Ministers of Justice. Working papers were prepared on such topics as cyber-crime, mutual juridical assistance, extradition and alternative dispute resolution methods. The Technical Secretariat took active part in drawing up the proposed agendas and actions that might arise within the framework of this meeting.

Cooperation activities were also conducted in furtherance of these meetings' recommendations or decisions. Efforts are well underway to organize the first meeting of prison and penitentiary authorities and to create and launch an electronic network to enable them to share information and cooperate with one another.

The Technical Secretariat for Legal Cooperation Mechanisms continued to perform the functions of Technical Secretariat of the Follow-up Mechanism of the Inter-American Convention against Corruption. This mechanism was adopted by the States on June 4, 2002, on the occasion of the OAS General Assembly. The Committee of Experts created as one of this Mechanism's organs successfully held its first meetings.

At the first of these meetings, held in Washington, D.C., January 15 through 18, 2002, the Secretariat organized a seminar on how other similar mechanisms in this hemisphere and elsewhere operate, and actively participated in the preparation of the documents that the Committee took up, discussed and adopted on that occasion.

This Committee's second meeting, held at OAS headquarters May 20 through 24, 2002, selected the provisions that will be examined during the first round of analysis and the work plan for this year. It also approved the method to be used to analyze the provisions selected for analysis in the first round, and the questionnaire for compiling information on implementation of those provisions, and the format of the country reports that have to be prepared as part of the first round. The working papers that the Committee used for its deliberations were prepared by the Secretariat. The meeting also adopted the decisions necessary for the first round of analysis to begin. In principle, that round runs from June 2002 to 2004.

At that meeting, the Secretariat presented a working paper that enabled the Committee to begin considering issues of collective interest related to the systems "of government hiring and procurement of goods and services that assure the openness, equity and efficiency of such systems" of which Article III, number 5 of the Convention speaks.

In addition, the Secretariat is actively involved in developing cooperation activities that will underpin the work done within the framework of this Mechanism. Special mention should be made of the cooperation activities related to institutional support to enable the member States to implement, within their respective laws, the Inter-American Convention against Corruption, especially as regards criminal law and the provisions of Article III of the Convention. During the period under review in this report, this program focused on the Caribbean countries, whereas in previous years the Central American and South American countries participated.

Similar support continued to be provided to the Consultative Committee of the Inter-American Convention on Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA). To assist this Committee's work, the Secretariat is working with the States party to define the contact points for coordinating the responses to the questionnaires prepared by the Committee and on all materials related to cooperation to promote the signing and ratification of the CIFTA and its implementation in the corresponding domestic laws, and on matters related to the legal cooperation that come under CIFTA's area of competence.

In compliance with the mandates pertaining to the Inter-American Program for the Development of International Law, contained in General Assembly resolution AG/RES. 1845 (XXXII-0/02), the third regional course on international law was organized. The event was in Nassau, Bahamas, September 17 and 18, 2002, and was attended by the countries of the Caribbean region. It was organized in conjunction with the Caribbean Law Institute Center of the University of the West Indians.

The first of these courses was targeted at the Central American countries and was held in Panama in 1999. The second was for the Andean countries and held in Medellín, Colombia, in March 2001. A book titled “The Inter-American System Facing the New Century” was published, containing the proceedings of this event.

On the subject of international humanitarian law, a book was published on the Conference of Government Experts that analyzed the domestic application of international humanitarian law and the related inter-American conventions, held in San Jose, Costa Rica, March 6 and 9, 2001. The conference is part of a regional initiative sponsored by the Government of Canada, the Ministry of Foreign Affairs and Worship and the National Commission to Improve the Administration of Justice in Costa Rica and the International Committee of the Red Cross (ICRC). Its main purpose was to promote the observance of treaties on international humanitarian law and related inter-American conventions, particularly those that concern the protection and security of the person. This publication summarizes the issues discussed at that conference.

These technical cooperation activities are widely publicized at the Web page, which is receiving an increasing number of online visitors. With regard to legal information, the networks for sharing information on legal cooperation, cyber-crime and inter-American treaties are still being expanded.

In this area of public information, the most recent conventions adopted within the framework of the Organization have also been published: the Inter-American Convention against Corruption; the Inter-American Convention on Transparency in Conventional Weapons Acquisitions; the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials; the Inter-American Convention on the Elimination of All Forms of Discrimination against Persons with Disabilities, and the Inter-American Convention against Terrorism.

SECRETARIAT FOR MANAGEMENT

The Secretariat for Management is in charge of the planning, organization, coordination and general oversight of the administrative activities associated with the program-budget, financial management, personnel management, procurement of goods and services, data processing, buildings and properties, communications, security, assets and management of the General Secretariat's systems and procedures. Under Executive Order 02-7, of July 24, 2002, the Secretariat's services are currently provided by way of the departments of: Financial Services; Management Analysis, Planning and Support Services; Human Resource Services; Technology and Facility Services, and Procurement Management Services.

Office of the Assistant Secretary for Management

The activities of the Secretariat for Management are explained in detail in the report from each of its five departments. Summarizing, however, the principal activities of the Secretariat involved coordinating the complete renovation of the General Services Building; collaborating with the member States to lower the amounts owed to the Regular Fund to their lowest levels in over ten years, and phasing out the Career Service and introducing the Continuing Contracts System.

Department of Financial Services

The financial situation of the OAS is shown in the financial statements attached at the end of this report, in Appendix E, which includes: a) the Operating and Reserve Subfunds of the Regular Fund, whose budget is approved by the General Assembly, and b) the Specific Funds financed by unilateral or multinational contributions for extra-budgetary activities.

Year ending December 31, 2002

The member States' determination to reduce arrears in the Regular Fund resulted in a level of financial liquidity that enabled the Organization to meet its budgetary obligations, fully fund the Reserve Subfund and approve supplementary appropriations.

The Regular Fund's financial situation improved considerably, from a surplus of \$23.1 million in the Reserve and Operating Subfunds at the end of 2001, to a surplus of \$45.4 million at the end of 2002. This amount represents a total balance in the Reserve Subfund of \$22.1 million (30% of the pledges), \$20.6 million in supplementary appropriations, and another \$2.7 million in uncommitted funds in the Operating Subfund.

The following analysis compares budgetary authorization (appropriations) by the General Assembly and Permanent Council, the financing provided by the member States, and the levels of execution during the year.

Appropriations: At its thirty-second regular session, the General Assembly authorized the General Secretariat to execute \$76 million from the regular budget, with member States' quota assessments totaling \$73.7 million and another \$2.3 million in other income. Additionally, at year's end, the member States approved supplementary appropriations totaling \$20.6 million.

Financing and Execution: As of December 31, 2002, the Regular Fund had collected a total of \$98.5 million: \$94.4 from member States' quotas and \$4.1 million in other income. By the close of the

period, the General Secretariat had executed activities for a total of \$75.9 million, which was \$0.1 million below the approved budget. The net result was a surplus of \$22.6 million.

Financial impact. At the start of the period, the Regular Fund had \$31.5 million in quotas receivable and \$73.7 million in quotas from 2002, for a total of \$105.2 million. After \$94.4 million in quotas - \$69.3 million in 2002 quotas and \$25.1 in quotas from previous years- were received, the member States' debt dropped from \$31.5 to \$10.5 million. Contributions of some \$47 million were made to the Specific Funds during the year.

Conclusion: The General Secretariat is pleased to report that the financial soundness of the Regular Fund was underscored by the establishment of a Reserve Subfund of \$22.1 million –the equivalent of 30.0% of the quotas-, another \$20.6 million in supplementary appropriations and another \$2.6 million to comply with its mandates.

Department of Management Analysis, Planning and Support Services (MAPSS)

Budgetary activities

As in previous years, MAPSS continued to assist heads of program with analysis, coordination and formulation of the proposed program-budget, and served as technical secretariat to the Permanent Council's Committee on Administrative and Budgetary Affairs (CAAP) and the Preparatory Committee of the General Assembly. During the analysis and discussion of the program-budget, it produced follow-up reports on the process, which ultimately led to the draft resolution on the budget for 2003. With regard to execution of the Regular Fund's budget for 2002, the Department prepared quarterly and six-month reports on execution of the budget, in compliance with the General Standards. The year 2002 was a very good year, as quota collections –present quotas and quotas in arrears- came to a total of \$94.6 million, significantly higher than in previous years. With this the Secretariat was able to execute US\$75.9 of its approved program-budget, in other words 99.8%. MAPSS continues to provide technical support on budget-related matters to the national offices and to other specialized agencies and entities. Appendix H illustrates the status of budgetary execution of the funds in 2002.

Mandates from the General Assembly

In keeping with General Assembly resolution AG/RES. 1909 (XXXII-0/02), the Department kept a database of mandates and other information for the Secretariat to use as the basis for determining which activities are to be undertaken in the budget year. In compliance with Article 87.a of the General Standards, the areas obtained online information about mandates, covering the 1997-2001 period. The areas articulated the results of those activities, and the connections between the mandates, the activities undertaken and the results obtained. In document CP/doc.3679/02, the Secretariat presented the fiscal period's results to the Permanent Council.

OAS management system (OASES)

The migration to the version 11i Web of the OAS Applications was completed in February 2002. The Department also recently coordinated efforts to update the system with the most recent version. The purpose of the most recent updates was to make all the modules more functional and to keep the OASES system up-to-date with the latest versions. The Department also updated the platform of the OASES operating system from Windows NT to Windows 2000 in order to improve its operation. OASES applications were designed and installed for user access and connectivity with the Offices of the OAS General Secretariat in the member States. A wide array of specialized financial reports were provided for the OASES user community, so that the areas are better able to monitor project execution. Various

solutions were devised for specific cases. Requests and concerns of the OASES Users Group were addressed and permanent technical support provided to improve and maintain the system.

Administrative analysis and training

The Department continued reviewing and updating the manuals that program directors and users of the data system employed for instructions and reference. In 2002, a total of 62 training sessions were conducted for headquarters staff about all the financial and nonfinancial applications of the OASES, and training in how to use the Discoverer tool to prepare financial reports. A training program was put together for the offices away from headquarters and a total of 31 staff members at 16 offices were trained in OASES financial applications in 2002. For the first quarter of 2003 the plan is to train staff from 7 offices in how to use the OASES. The service for OASES users circulated information on a number of important, system-related matters, such as the system's availability and the schedule of training at and away from headquarters.

Department of Human Resources Services

During the year under review, the Department of Human Resources Services experienced a sizeable increase in the requests for support from throughout the General Secretariat, which it managed to address without having to increase the resources with which it has to work. Specifically, because resources in the specific funds increased, so did the size of the General Secretariat's staff, from 637 to 674 in 2002; the size of this Department, however, remained at 18. The increase in staff has generated a noticeable increase in the volume of operations that this Department has to handle, such as recruitments, vacancy competitions, classification of posts, benefits and insurance renewals. In all, there were over 3,000 operations in the year.

In addition to the Department's increased efficiency in dealing with recurring tasks, other recent initiatives of special interest are mentioned below.

- The GS/OAS Program of Student Interns continued to grow; this year, the Department received approximately 405 applications, and selected 173 to serve internships in various offices of the GS/OAS.
- The process of evaluating the performance of all GS/OAS staff members has been expanded and strengthened this year. The Department continued providing support to supervisors and staff with many aspects of the evaluation system, through advisory services and training for supervisors in areas such as personnel management, communication skills, planning and the like.
- In the case of training programs, the GS/OAS continued to reimburse up to \$400 a year to staff members to help them cover the cost of courses taken after working hours. In 2001, 79 tuition reimbursement applications were filed and \$26,353.00 disbursed. As part of that program, assistance was provided to train various staff in the offices in the member States for computer, language, management, project management and adult education courses.
- The Health Care Unit handled more than 4,000 consultations in 2002 and the physician on duty, contracted through Johns Hopkins University, did 131 medical examinations.
- The Oracle Human Resources module continues to be updated. During the period under review, improvements were introduced in the personnel system and the migration from 10.7 to 11i was completed. Work has also moved forward on automating all staff records, which will be a pilot exercise for eventual creation of a "data warehouse" for the entire GS/OAS.
- During this year, the Department has taken active part in the project on gender mainstreaming in the GS/OAS, which the Government of Canada is sponsoring. All the targeted objectives were achieved.

In June, the General Assembly approved the Continuing Contracts system to replace the career service, which is being phased out. The Department participated in the political bodies' discussion of the draft resolution and provided assistance. It also began the first competition for contracts of this type. The Department worked with the Staff Association to design and introduce the forms and mechanisms for responding to requests from the 106 eligible staff members. Appendix D of this report contains information on the staff of the General Secretariat in the period from January 1 to December 31, 2002.

Department of Technology and Facility Services

GSB Modernization Project

In the most ambitious building project undertaken in the last 25 years, the Department of Technology and Facility Services undertook responsibility for modernization of the General Services Building of the General Secretariat. It put together a multidisciplinary, intra-organizational team that combined different skills, technical know-how and responsibilities. The Group Goetz firm and Davis Construction Corporation were selected as the architects and general contractors, respectively, for this project.

The new facilities offer the staff a much improved work environment, with ergonomic furnishings, as well as ample natural lighting and better heating and air conditioning. The new facilities emphasize the space with conference and meeting rooms, lounges and storage areas.

A project of this nature required large-scale procurement. The Department worked with the other departments in the General Secretariat, especially the Department of Procurement Management Services, to pre-select the contractors that could participate in the contracting process, bearing in mind the time needed for construction to get underway.

By late 2002, the major infrastructure works (central plumbing, electrical and mechanical systems, and heating and air conditioning) were modernized. More than 600 staff members were moved to the new offices on floors 4 to 8, while the remodeling work continues elsewhere in the building. The transition was done with the minimum disruption to the work routine.

Technology Activities

With the remodeling of the General Services Building, the General Secretariat now has the technology it needs for the decade ahead. The wiring, the network's central infrastructure, the computer center and other equipment were updated. The information technology was implemented as an integral part of the modernization of the offices, and not as an addition. It was always a priority, and the migration was efficient with the minimum disruption to the staff's work.

The topology of the network was changed from Token Ring to Ethernet. A new storage system (Storage Area Network or SAN) replaced the obsolete Novell technologies and centralized supports were introduced to guarantee the security and integrity of the General Secretariat's long-term information technology resources. The Department also updated the servers' operating systems to Windows 2000 and the e-mail system to MS Exchange 2000.

With the new IT infrastructure, the General Secretariat is also increasing its broadband access to the Internet in order to facilitate use of the new technology. With installation of a 200 Mb/s laser optical connection, the connectivity capability among all the General Secretariat buildings was improved, taking advantage of the new infrastructure installed in the GSB. The Information Technology Division also extended the Virtual Private Network (VPN) connection to the national offices in order to keep the sensitive data operations secure. It also assisted the Special Mission in Haiti with installation of a wireless

system in the new office in Port au Prince, and a Hughes Network Systems satellite connection for access to the Internet.

Finally, the Department obtained a license from Microsoft that will allow it to update its operating systems, applications, servers and other systems rapidly and at little cost.

Simón Bolívar Conference Room

The Department of Technology and Facility Services also modernized the simultaneous interpretation system in the Simón Bolívar conference room in the Main Building. This project served as a pilot for the use of technology in important General Secretariat activities. The current system is made up of digital equipment with a modern sound system. It also has a multimedia system used to transmit DVD, VCR, and TV signals and documents that are projected on the monitors located on the delegates' table and on the plasma screens located on the conference room's walls for the audience.

Department of Procurement Management Services (“DPMS”)

Under Executive Order 02-7, the Office of Procurement Management Services became the Department of Procurement Management Services. As part of the realignment of responsibilities, the fixed assets (bar codes) unit became part of the DPMS, responsible for all fixed assets -from purchase, registration, and use in the General Secretariat, to their disposal/decommissioning, using the COVENT system.

In 2002, the DPMS generated the requisitions database, plus 25,500 lines of purchase orders. This is an increase of about 10% over the previous year.

DPMS has also been heavily involved in the GSB remodeling. It has played an important role in the process, such as preparation of the terms of reference for various tenders, negotiation of contracts, and so on. It was also involved in selecting and hiring contractors for the remodeling of the space where the shelves of the library were once housed and the Simón Bolívar room in the Main Building.

DPMS negotiated and concluded contracts with the Pan American Health Organization (PAHO) and the Inter-American Institute for Cooperation on Agriculture (IICA) for lease of office space on the third floor of the GSB building. DPMS is currently working out the contract with the OAS Credit Union to lease additional space on the first floor (Lobby Level) of that building. It is also in talks with the Department of the Interior about the possibility of the latter leasing the second floor of the GSB.