



OPANAL GENERAL CONFERENCE

XXIV Special Session

COUNCIL – 305TH Meeting

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Special Report of the Council to the General Conference on the Collection of Assessed Contributions

The Council hereby submits to the General Conference a Special Report on the financial situation of the Agency, according to Article 10, paragraph 6, of the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean - Treaty of Tlatelolco, which reads as follows:

“The Council shall submit an annual report on its work to the General Conference as well as such special”.

and also pursuant to Article 9 of the Treaty of Tlatelolco, which establishes that "the General Conference shall adopt the Agency's budget and fix the scale of financial contributions to be paid by Member States".

As of 21 October 2016, the collection of assessed contributions only reaches [36.13%] of the Financial Year 2016 Budget; and for the FY2015, it only reaches [78.64%].

After having paid their assessed contributions for 2016, the following seven Member States are up-to-date with their financial obligations to the Agency: Bahamas, Bolivia, Chile, Cuba, Guatemala, Jamaica, and Mexico. Moreover, the following seven Member States have partially covered their assessed contributions for 2016: Costa Rica, Ecuador, Guyana, Honduras, Nicaragua, Peru and Saint Christopher and Nevis.

Ten Member States, those being Argentina, Barbados, Belize, Brazil, the Dominican Republic, Grenada, Panama, Paraguay, Suriname, and Uruguay have not yet paid their assessed contributions for FY 2016.

Four Member States have not yet paid their assessed contributions for 2015 and 2016, those being Colombia, Dominica, Trinidad and Tobago and Venezuela.

The assessed contributions of Antigua and Barbuda for FY 2012 onwards are pending payment for a total amount of USD 6,836.65.

The low level of collection of assessed contributions is extremely alarming.

The total arrears amount to USD 700,111.48, which by far exceeds by one and a half the Agency's FY2016 Budget (USD 419,989.00).

Four months away from the 50th Anniversary of the Treaty of Tlatelolco, it would be disagreeable to have to address the financial situation of the Agency at the XXV Session of the General Conference to be held at the ministerial level. Much more negative would be the suspension of OPANAL operations due to a lack of resources.

At its XXIV Session, held on 26 November 2015, the General Conference adopted Resolution CG/Res.12/2015, which included the payment programme proposed to seven Member States that have not met their financial obligations to the Agency after they ratified the Treaty. Three out of the seven Member States made partial payments to their arrears, Grenada, Dominica and the Dominican Republic accepted the payment programme proposed by the Agency. In the case of Grenada, the Secretariat requested, through notes S-218/2016 and S-461/2016 (26 August 2016), that the Government of Grenada provide some clarification regarding the payment that was made via wire transfer on 15 March 2016 and its position on the proposed payment programme. The Secretariat is yet to receive a response from Grenada.

El Salvador, Haiti, Saint Lucia and Saint Vincent and the Grenadines did not respond to the payment programme. These Member States have not met their financial obligations to the Agency after they ratified the Treaty.

The status of arrears of these four Member States, including their assessed contributions for 2016, is as follows:

Member State	As of 31 December 2016
El Salvador	123,570.49
Haiti	124,765.92
Saint Lucia	24,530.24
Saint Vincent and the Grenadines	33,233.88
TOTAL USD 306,100.53	

Article 5, section 5, of the Financial Regulations establishes that “in the event that a Member State is in arrears for more than two years, the General Conference shall decide on the measures to be taken and may delegate to the Council the negotiation on the mechanism of payment of arrears”.

The Council recommends that the General Conference adopt, at its XXIV Special Session, the following discount payment programme in order to solve the legal and political irregularity of total non-compliance with Article 9 of the Treaty of Tlatelolco by the aforementioned four Member States.

Those Member States that find themselves in non-compliance with their financial obligations to the Agency (El Salvador, Haiti, Saint Lucia and Saint Vincent and the Grenadines) could regularize their situation through the following payment programme:

- a) Haiti shall pay its arrears up to 2015 with an 80% discount;
- b) El Salvador, Saint Lucia and Saint Vincent and the Grenadines shall pay their arrears up to 2015 with a 50% discount;
- c) Said Member States shall pay the remaining amounts in arrears, after discounts are applied, in three annual instalments to be deposited not later than 31 December 2017, 2018 and 2019, respectively;
- d) When accepting the payment programme, in which the assessed contribution for 2015 is included, the aforementioned Member States shall agree to pay regularly, each year, their respective annual assessed contributions, including their assessed contribution for 2016, in accordance with Article 5, paragraph 5.03, of the Financial Regulations;
- e) Each of the aforementioned Member States shall express in writing, not later than 31 January 2017, prior to the commemoration of the 50th Anniversary of the Treaty of Tlatelolco, their agreement with the payment programme presented herewith to regularize their status of arrears to the Agency.

The following charts describe the payment programme offered to each of those Member States.

Member State	Total arrears as of 31 Dec 2015	Payment programme discounts		Total amount to be discounted	Total amount to be paid (a)
		80%	50%		
El Salvador	\$ 121,902.49	N/A	\$ 60,951.25	\$ 60,951.25	\$ 60,951.25
Haiti	\$ 123,222.92	\$ 98,578.34	N/A	\$ 98,578.34	\$ 24,644.58
Saint Lucia	\$ 22,987.24	N/A	\$ 11,493.62	\$ 11,493.62	\$ 11,493.62
Saint Vincent and the Grenadines	\$ 31,690.88	N/A	\$ 15,845.44	\$ 15,845.44	\$ 15,845.44
	\$ 299,803.53	\$ 98,578.34	\$ 88,290.31	\$ 186,868.65	\$ 112,934.89

Member State	Three annual instalments of	To be paid in 2017			Total payment in 2017	Instalments	
		1st instalment 2017	Assessed cont. 2016	Assessed cont. 2017 (b)		2nd instalment 2018 (c)	3rd instalment 2019 (d)
El Salvador	\$ 20,317.08	\$ 20,317.08	\$ 1,668.00	\$ 1,668.00	\$ 23,653.08	\$ 20,317.08	\$ 20,317.08
Haiti	\$ 8,214.86	\$ 8,214.86	\$ 1,543.00	\$ 1,543.00	\$ 11,300.86	\$ 8,214.86	\$ 8,214.86
Saint Lucia	\$ 3,831.21	\$ 3,831.21	\$ 1,543.00	\$ 1,543.00	\$ 6,917.21	\$ 3,831.21	\$ 3,831.21
Saint Vincent and the Grenadines	\$ 5,281.81	\$ 5,281.81	\$ 1,543.00	\$ 1,543.00	\$ 8,367.81	\$ 5,281.81	\$ 5,281.81

(a) Total amount to be paid after discounts applied as of 31 December 2015

(b) 2017 Assessed contributions estimates submitted to the General Conference for approval - FY 2017 Budget and Scale of Assessments

(c) 2nd instalment – assessed contribution for 2018 not included.

(d) 3rd instalment – assessed contribution for 2019 not included

The Council recommends that the General Conference approve this discount payment programme, which is a new attempt to regularize the status of non-compliance with the financial obligations of those Member States that have accumulated arrears since they became Parties to the Treaty of Tlatelolco.

In this regard, any efforts undertaken at the highest level by the Secretary-General will be considered appropriate by the Council.