



**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN**

XXII Regular Session of the General Conference
Mexico City, 17 November 2011.

CG/645RevEn

**REPORT OF THE COMMITTEE ON CONTRIBUTIONS AND ADMINISTRATIVE
AND BUDGETARY MATTERS**

The Committee on Contributions and Administrative and Budgetary Matters (**CCAAP**) presents before the XXII Regular Session of the General Conference the 2011 Activity Report.

CCAAP Members

1. Article 12 of OPANAL Financial Regulations establishes that: *“The General Conference shall elect members to the CCAAP. Five members of the CCAAP will be elected for a period of four years and could be re-elected for a period of an additional 4 years. Other countries who express the desire to participate shall be elected by the General Conference to the CCAAP as full members for the period of one year.”*
2. During the XX Regular Session of the General Conference held in Mexico City, 22 November 2007; Belize, Brazil and Guatemala were re-elected and, Cuba and Nicaragua were elected for a four-year period by Resolution CG/Res.501 (XX/07). Their term shall end on 31 December 2011.

Deliberations of CCAAP

3. During 2011, the Commission held five meetings (24 February, 7 April, 26 May, 9 August and, 4 October) which are recorded in the Minutes CCAAP/AR.89, 90, 91, 92 and 93.
4. Representatives of Argentina, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, Haiti, Honduras, Jamaica, Mexico, Paraguay, Peru, Uruguay and Venezuela participated in the meetings as Observers.

5. Ambassador Gioconda Ubeda Rivera, OPANAL Secretary-General, designed the Meeting Agendas and attended all the sessions.
6. According to its mandate, CCAAP considered the following issues:

Election of the President

7. At session held on 24 February (CCAAP/AR.89), the Commission re-elected the Representative of the Federative Republic of Brazil as President.

Resolutions adopted at the XX Extraordinary Session

8. During 2011 first Session, various matters were discussed, inter alia, compliance with the decisions derived from resolutions adopted at the XX Extraordinary Session of OPANAL General Conference held on 18 November 2010:
 - CG/Res.529 (E-XX-10) Committee on Contributions and Administrative and Budgetary Matters (CCAAP);
 - CG/Res.530 (E-XX-10) Changes to Financial Regulations;
 - CG/Res.531 (E-XX-10) Budget and Scale of Contributions for the Apportionment of the Agency's expenses for the year 2011;
 - CG/Res.532 (E-XX-10) Report by the External Auditor of the Statements of Accounts of the Agency to 31 December 2009.

Arrears Payment Plan

9. At the 92nd Session, held on 9 August, CCAAP noted that the Secretary-General received the amount of \$5,182.92 USD, from the Government of the Plurinational State of Bolivia, on 25 July; as part of its last payment of the "sliding fee scale program" adopted by the Council in 2007. With this payment, the debt of the Government of Bolivia is extinguished; having a pending payment of \$10.00 USD due to bank charges.
10. CCAAP also acknowledged the communications between the Secretary-General and the Ambassador of Haiti in order for his country to submit a request to be considered by the Council, to bring Haiti up-to-date with its financial obligations. All relevant documents were remitted to Mr. Ambassador.

11. CCAAP was informed at its 90th Session that the Government of the Republic of Paraguay made a payment for \$8,544.90 USD on 16 December 2010, as part of its agreed payment programme in 2010 in order to meet its financial obligations. Such amount was applied to the first annual payment of the programme and to the corresponding 2011 annual fee, leaving a positive balance of \$5,784.48 USD for 2012.

Special Funds

12. The Commission acknowledged that on 26 January 2011, the Ministry of Finance and Public Credit of Mexico granted OPANAL a refund of Value Added Tax (VAT) on the purchase of a Honda vehicle, in 2010, for \$3,396.94 USD, amount deposited into the Reserve Sub-fund.

Online course delivered in English

13. At its 91st Session, CCAAP learnt that the Council –at its 257th Meeting, held on 7 April – approved to transfer the sum of \$24,500.00 USD from the Reserve Sub-fund to the Peaceful Uses of Nuclear Energy Fund (FUPEN) in order to cover the expenses of the first online course delivered in English. This sum includes \$10,000.00 USD for the rights to deliver 3 online courses and \$14,500.00 USD to implement the first course. The preparations of the course started in 2011, it will be delivered in the early months of 2012.

Arrears of Contributions

14. At its 90th Session, CCAAP learnt about the communications between the Secretary-General and the Ministry of Foreign Affairs of Peru regarding the liquidation of their debts in 2012. These negotiations with the Peruvian MFA, started by the Secretary General, will carry on in 2012.
15. At its 92nd session, held on 9 August, the Commission was informed about Member States not paying their fees during the first half of the year, as only 68.64% of the total budget had been received; the Secretariat General sent individual payment reminder letters to Member States regarding their arrears.
16. At its 93rd Session, held on 4 October, CCAAP noted that 70.13% of the 2011 Member States fees has been received; being the last session so far this year.

Presentation of the Financial Statements for the financial period ending 31 December 2010

17. At its 93rd session and according to Article 15 of the Financial Regulations, CCAAP welcomed the Representative of the Firm BDO Hernandez Marrón y Cia., S.C., Luis Alberto Camara Puerto CPA, who presented document CG/641 and read:

“We have examined the financial situation of the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (OPANAL) as of December 31, 2010 and the related statement of income and expenditures of the General Fund following the principles that govern the external auditors’ activities in compliance with articles 13, 14 and 15 and other applicable articles of the Financial Regulations of the OPANAL. These financial statements are the responsibility of the OPANAL. Our responsibility is to express an opinion on the financial statements based on our audit.

In our opinion, except for the accounts receivable totalling US\$731,223.84 dollars that have not been paid to the OPANAL by the Member States, the accompanying financial statements, as identified in the presentation letter addressed to the Secretary General of the OPANAL, which in compliance with the Regulation are expressed in US dollars, presented fairly the financial situation of the OPANAL as of December 31, 2010 and the corresponding application of funds to the items of the budget approved for 2010.

WE CERTIFY that the related financial statements and the accompanying account statements “A”, “B”, “C” and “D”, are presented in compliance with information contained in the accounting records.

Supplemental data are provided in the report that accompanies this opinion to provide the best interpretation of the financial statements and the corresponding account statements.”

Official travels of the Secretary General

18. CCAAP approved the participation of the Secretary-General at the IAEA’s Ministerial Conference on Nuclear Safety held in Vienna on 20-24 June and, to the Plenary Session of the Conference on Disarmament held in Geneva on 16 June.
19. CCAAP was informed about the participation of the Secretary-General at the First Committee of the UN General Assembly on 6-15 October.

20. Likewise, CCAAP approved the participation of the Secretary-General in the Seminar marking the 20th Anniversary of ABACC held in Rio de Janeiro, Brazil, on 10-11 November; it was subject to the discretion of the Council and was approved.

21. Lastly, CCAAP approved the participation of the Secretary-General at the IAEA's Forum on Experience of Possible Relevance to the Creation of a NWFZ in the Middle East, held in Vienna, Austria, on 21-22 November; it was approved at the discretion of the Council, considering the relevance of the event.

International Seminar "The Experience of the NWFZ in Latin America and the Caribbean and the perspective towards 2015 and beyond"

22. CCAAP noted, in each session, the preparations for the International Seminar "The Experience of the NWFZ in Latin America and the Caribbean and the perspective towards 2015 and beyond" within the framework of the Commemoration of the 45th Anniversary of the Signing of the Treaty of Tlatelolco to be held on 14-15 February 2012.

23. CCAAP was informed about the hiring of an External Consultant who will be working closely with the Secretary-General, regarding concrete, substantive and concise documents of the Secretariat General in order to support the first Modules of the Seminar, his tasks will be focused on systematization of good practices and lessons learnt in the creation and consolidation process of the Nuclear-Weapon-Free Zone in Latin America and the Caribbean. Employment costs will be covered by item -Professional 3- budgeted in FY 2011, which is managed by the Secretary General to maximize the limited resources of the agency.

Financial Year 2012 Draft Budget and Scale of assessments for the apportionment of the expenses of OPANAL

24. At its 91st Session held on 23 May and according to Article 12 of the Financial Regulations, CCAAP received from the Secretary-General the FY 2012 Draft Budget, a budget of \$324,000.00 USD, same one since FY 2006.

25. CCAAP noted the arguments put forward by the Secretary-General about the FY 2012 Budget, which will be the same budget approved in 2005 for FY 2006; however, the US dollar's value has declined substantially in recent years, airfare and accommodation costs have risen considerably and, the cost of living in Mexico has also increased, as the MX peso is the currency used for most Agency costs. In the Memorandum submitted, the Secretary-General highlighted the items that are not included in the current budget; she also stressed that insufficient resources have been allocated to addressing the Agency's current responsibilities, inter alia, the FY 2012 Budget shows no provision for expenses incurred for this year's General Conference, seminars and online courses; it also shows how limited official representations are – official travels of the Secretary-General to take part in different nuclear disarmament forums. Moreover, she noted that this need must be addressed soon; otherwise it could affect the strengthening process of OPANAL and its agenda, which we have been able to reinvigorate, with great effort, in the last two years.
26. CCAAP thanked and acknowledged the efforts of the Secretary-General as it is difficult to maintain the same budget for six years, especially if we consider that the nuclear disarmament international agenda is being rapidly enhanced and it is necessary to consolidate the political coordination with other Nuclear-Weapon-Free Zones together with activities carried out by the Agency.
27. During the same Session, CCAAP Members received the “Financial Year 2012 and Financial Year 2013 Draft Budget Memorandum by OPANAL Secretary General” same document presented to the General Conference under reference SG/01.2011.
28. Document CG/646 - Financial Year 2012 Draft Budget and Scale of assessments for the apportionment of the expenses of OPANAL - with a total value of \$324,000.00 USD, is submitted for approval and subsequent circulation to Member States.

Financial Year 2013 Draft Budget and Scale of assessments for the apportionment of the expenses of OPANAL

29. In its 92nd Session, CCAAP received from the Secretary-General the FY 2013 Draft Budget & Scale, having the budget an overall increase of \$111,801.00 USD, which would bring it to \$435,801.00 USD.
30. CCAAP thanked the Secretary-General and agreed to inform the Council about this document in order for it to be referred to the Ministries of Foreign Affairs of Member States and presented to the General Conference to be resolved in 2012.
31. Document CG/647 FY 2013 Draft Budget and Scale of assessments for the apportionment of the expenses of the Agency is presented for examination.

Financial situation of the Agency

32. CCAAP was informed in every meeting about the financial situation of the Agency. The Bank balances at 31 December 2010 totalled \$162,197.53 USD. At 31 October 2011, counting all expenses incurred up to this date, bank balances totalled \$200,352.28 USD. Such amount corresponds to the Cash Flow Statement of the Agency General Fund.
33. CCAAP President was also informed that, up to 31 October, the Reserve Sub-fund has a balance of \$ 434,644.34 USD and, FUPEN has a balance of \$ 14,802.89 USD.

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34. CCAAP noted that the Secretariat General is carrying out a review of the Financial Regulations and will report to CCAAP about its development. Due to the complexity of this matter, a Draft Report will be presented to CCAAP during 2012.

35. CCAAP authorized the Secretary-General to purchase, for the use of the officials, a refrigerator and kitchen utensils and, to refurbish the office kitchen in order to provide staff members with the necessary conditions - as they had their working hours extended.

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36. At its 93rd Session, CCAAP President thanked the Secretary-General for the design and presentation of Draft Resolutions and the respective documents; he approved to submit them to the Council.

CCAAP Recommendations

37. To acknowledge the efforts made by OPANAL Member States to meet their financial obligations, efforts that have contributed to the good functioning of the Agency and, to call on countries in arrears to achieve an agreement with the Council, through the Secretariat General, in order to fulfill such obligations.
38. To continue to rationalize the resources, thereby ensuring greater efficiency, as implemented by the Secretariat General in close coordination with CCAAP.
39. To take into consideration the FY 2013 Draft Budget and the respective Memorandum designed by the Secretary-General, even though it is not be adopted during this regular session.
40. To submit the following Draft Resolutions for consideration at the Regular General Conference:
- Report of the Committee on Contributions and Administrative and Budgetary Matters (CCAAP) (CG/L.562)
 - Election of Members of CCAAP (CG/L.563)
 - Approval of the Financial Year 2012 Draft Budget and Scale of contributions of OPANAL. (CG/L.564)
 - Financial Statements and Auditors' Report to 31 December 2010 (CG/L.565)

Mexico City, 17 November 2011.