

ORGANIZATION OF AMERICAN STATES

*Strengthening the governance capacities in Latina America and the Caribbean to comply with the national commitments established in the Paris Agreement:
a perspective from Costa Rica, Uruguay and Jamaica*

**FINANCIAL STATEMENTS TOGETHER WITH
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

For the Two Year Period January 1, 2020 to December 31, 2021



S B & C O M P A N Y, L L C
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DECEMBER 31, 2021

CONTENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	1
FINANCIAL STATEMENTS	
Statement of Fund Balance	4
Statement of Contributions and Projected Receipts	5
Statement of Cash Receipts and Payments	6
Statement of Expenditures	7
Notes to the Financial Statements	8
Annex A: Statement of Cash Received and Disbursements	11
Annex B: Statement of Cash Received and Disbursements	12
Annex C: Statement of Cumulative Investment	13
Annex D: Reconciliation of Expenses for Annual Audit of Accounts and Financial Statements	14

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the General Secretariat of the
Organization of American States

Opinion

We have audited the accompanying statement of fund balance of the Organization of American States, Strengthening the governance capacities in Latin America and the Caribbean (LAC) to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica (the Project, a project of the Organization of American States), as of December 31, 2021, and the statements of contributions and projected receipts, cash receipts and payments, and expenditures for the two year period January 1, 2020 to December 31, 2021, and the related notes to the related financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Project are prepared, in all material respects in accordance with the financial reporting provisions of Appendix V part 3 of the Terms of Reference (the ToR) and the corresponding donor agreements of the Project.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization of American States and the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements of the Project in accordance with the financial reporting provisions of the ToR and the corresponding donor agreements of the Project Fund, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Project to comply with the financial reporting provisions of the Statutes referred to above. As a result, the financial statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the reporting provisions of the ToR and the corresponding donor agreements of the Project, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to



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continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the Project's financial statements as a whole. The accompanying supplementary Information - Annex A and B: Statements of Cash Received, Disbursements and In-kind Contributions, Annex C: Statement of Cumulative Investment and Annex D: Reconciliation of Expenses for Annual Audit of Accounts and Financial Statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the ISAs. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our report is intended solely for the Organization of American States and should not be distributed to or used by parties other than the Organization of American States and the corresponding donors of the Project.

Washington, DC
May 20, 2022

Monique Booker
Member

SB & Company, LLC

Monique Booker

ORGANIZATION OF AMERICAN STATES

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Statement of Fund Balance

As of December 31, 2021

Cash at end of year	\$	122,573
Less: unliquidated obligations		<u>104,646</u>
Fund Balance at End of Year	\$	<u><u>17,927</u></u>

The accompanying notes are an integral part of this financial statement.

ORGANIZATION OF AMERICAN STATES

Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica

Statement of Contributions and Projected Receipts

For the Two Year Period January 1, 2020 to December 31, 2021

	Event Date	Percentage	Amount (in USD)
Actual Receipts			
1st Contribution	August 21, 2020	32%	\$ 194,130
2nd Contribution	May 27, 2021	41%	243,373
Add: projected receipts		27%	162,497
Total contribution per agreement		100%	\$ 600,000

The accompanying notes are an integral part of this financial statement.

ORGANIZATION OF AMERICAN STATES

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Statement of Cash Receipts and Payments

For the Two Year Period January 1, 2020 to December 31, 2021

	Amount (in USD)
Add: Receipts	
Contributions	\$ 437,503
Total Receipts	437,503
Less: Payments	
Expenditures	314,930
Total Payments	314,930
Increase in cash	\$ 122,573
Cash at beginning of year	\$ -
Add: increase in cash	122,573
Cash at End of Year	\$ 122,573

The accompanying notes are an integral part of this financial statement.

ORGANIZATION OF AMERICAN STATES

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Statement of Expenditures

For the Two Year Period January 1, 2020 to December 31, 2021

By object class	Expenditures (in USD)
Travel	\$ 2,943
Equipment, supplies and maintenance	977
Performance contracts	252,173
Indirect cost recovery	56,875
Other expenses	1,962
Total Expenditures	\$ 314,930

The accompanying notes are an integral part of this financial statement.

ORGANIZATION OF AMERICAN STATES

Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica

Notes to the Financial Statements

For the Two Year Period January 1, 2020 to December 31, 2021

1. ORGANIZATION

The Interamerican Development Bank (IDB), donor reference agreement No. ATN/MC-17820-RG, finances the project “Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica” (the Project). The IDB contribution’s main purpose is to support Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica.

2. ACCOUNTING PRINCIPLES

The financial statements have been prepared under the cash basis of accounting and in accordance with GS/OAS financial rules and regulations. The accounting policies have been applied consistently throughout the period. A summary of GS/OAS financial rules and regulations can be found at: <http://www.oas.org/legal/english/admmem/admmem125.pdf>.

3. AUDIT OF ACCOUNTS

The OAS Board of External Auditors, consisting of three Members elected by the General Assembly, is entrusted with auditing all accounts, funds, and operations of the Organization as a whole on an annual basis with the assistance of an external auditing firm. The annual external audit is intended to provide a reasonable level of assurance that the financial statements are fairly stated in all material respects. The audit of all Specific Funds, including the accounts presented in this financial statement, is performed within this general context. In this regard, this project has not been subject to a specific audit but its transactions and records may have been selected for tests by the external auditing firm. The latest GS/OAS external audit can be found at: http://www.oas.org/en/saf/accountability/external_audit.asp

3. REPORTING CURRENCY

The functional currency of GS/OAS is the United States dollar (USD). All financial transactions, including financial statements, are denominated in USD. If the contribution is made in a currency other than USD, it is converted to USD at the exchange rate of the day of the receipt of the funds.

4. AWARD AND REPORTING PERIOD

Award period refers to the timeframe when expenditures and unliquidated obligations can be incurred as per donor agreement restrictions, if any. Reporting period refers to the timeframe up to when unliquidated obligations are paid and/or when final adjustments are posted. The reporting period may extend beyond the award period as these circumstances arise.

ORGANIZATION OF AMERICAN STATES

Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica

Notes to the Financial Statements

For the Two Year Period January 1, 2020 to December 31, 2021

5. UNLIQUIDATED OBLIGATIONS

Unliquidated obligations are amounts related to commitments to disburse monies for the procurement of goods or services in future periods. Such amounts represent obligations to third parties at the end of the respective periods and are anticipated to be expended in subsequent periods in the completion of a particular program or activity. This amount may be lower in subsequent periods as deobligations occur.

6. INDIRECT COST RECOVERY

Pursuant to OAS General Standards approved by its Member States and in accordance with Executive Order 07-01, issued by the OAS Secretary General on November 28, 2017, the indirect cost recovery (ICR) rate for all agreements/grants with Member States, non-Member States, and all other entities, organizations and institutions, is established at a minimum of 13% of the total contribution amount received for Specific and Trust Funds in support of the project and activity. The ICR rate established under the aforementioned executive order shall not be applicable to funds received by the General Secretariat between May 29, 2007 and November 10, 2016 (as per Executive Order 07-01 Rev.2), or to funds received after November 10, 2016, where ICR negotiations were initiated prior to its entry in force. These funds shall follow the policy under Executive Order 07-01 rev. 1 where the ICR rate for contributions is established at a minimum of 11% (Member States) or at a minimum of 12% (other donors) of the total contribution amount. Agreements signed prior to these executive orders are grandfathered, thus each percentage of ICR may differ. As long as costs are not easily attributable to a particular activity, ICR partially defrays costs incurred in the administration of projects including, among others, general administration and supervision of resources, recording and processing of transactions, and facilities and utilities.

7. UNSPENT BALANCES UNDER USD 1,000

All unspent balances under USD 1,000, except for those that originate from unprogrammed accounts, are consolidated into a GS/OAS control account as established in GS/OAS financial rules and regulations. These balances are not returned to the donor since transaction costs (e.g. wire transfer and administrative processing) associated with the return are usually higher than the unspent balance itself. GS/OAS Control Accounts are under the purview of the GS/OAS Treasurer and are used to help the GS/OAS cash manage emerging priorities in consultation with senior management.

8. UNPROGRAMMED ACCOUNTS

Some donors contribute directly to GS/OAS unprogrammed accounts. These funds are eventually programmed to specific projects as per donor instructions. Any remaining funds unused at the finalization of the specific project are returned to the original unprogrammed account. Funds programmed (ie. contributions) to specific projects are reflected as transfers under receipts and funds returned to the unprogrammed account are reflected as transfers under payments.

ORGANIZATION OF AMERICAN STATES

Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica

Notes to the Financial Statements

For the Two Year Period January 1, 2020 to December 31, 2021

9. ROUNDING

Totals may differ from the sum of individual figures shown due to rounding.

10. SUBSEQUENT EVENT

GS/OAS evaluated subsequent events and transactions through May 20, 2022, the date these financial statements were available for issue and has determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

ORGANIZATION OF AMERICAN STATES

Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica

**Statement of Cash Received, Disbursements and In-Kind Contributions
For the Year January 1, 2020 to December 31, 2020**

	<u>IDB</u>	<u>OAS (In-kind)</u>	<u>Total</u>
Cash Received			
Beginning balance	\$ -	\$ -	\$ -
Activities during period			
Receipts	194,130	-	194,130
Interest received	-	-	-
Other (in-kind contributions)	-	52,042	52,042
Total Cash Received and In-Kind Contributions	<u>194,130</u>	<u>52,042</u>	<u>246,172</u>
Disbursements			
Activities during period			
Payments for goods and services	89,058	-	89,058
Other (in-kind contributions)	-	52,042	52,042
Total Cash Disbursements and In-Kind Contributions	<u>89,058</u>	<u>52,042</u>	<u>141,100</u>
AVAILABLE CASH AS OF PERIOD END	<u>\$ 105,072</u>	<u>\$ -</u>	<u>\$ 105,072</u>

ORGANIZATION OF AMERICAN STATES

Strengthening the governance capacities in LAC to comply with the national commitments established in the Paris Agreement: a perspective from Costa Rica, Uruguay and Jamaica

Statement of Cash Received, Disbursements and In-Kind Contributions
For the Year January 1, 2021 to December 31, 2021

	<u>IDB</u>	<u>OAS (In-kind)</u>	<u>Total</u>
Cash Received			
Beginning balance	\$ 105,072	\$ -	\$ 105,072
Activities during period			
Receipts	243,373	-	243,373
Interest received	-	-	-
Other (in-kind contributions)	-	40,291	40,291
Total Cash Received and In-Kind Contributions	<u>348,445</u>	<u>40,291</u>	<u>388,736</u>
Disbursements			
Activities during period			
Payments for goods and services	225,872	-	225,872
Other (in-kind contributions)	-	40,291	40,291
Total Cash Disbursements and In-Kind Contributions	<u>225,872</u>	<u>40,291</u>	<u>266,163</u>
AVAILABLE CASH AS OF PERIOD END	<u>\$ 122,573</u>	<u>\$ -</u>	<u>\$ 122,573</u>

ORGANIZATION OF AMERICAN STATES

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Statement of Cumulative Investment

For the Two Year Period January 1, 2020 to December 31, 2021

Item	IDB	OAS (In-kind)	Total
Component 1. Sizing the global development framework	\$ 140,487	\$ 39,902	\$ 180,389
Component 2. Strengthen capacities of key actors	80,913	27,578	108,491
Component 3. Dialogue meetings on sustainable infrastructure	63,530	12,274	75,804
Project Coordination	30,000	12,579	42,579
Grand Total	\$ 314,930	\$ 92,333	\$ 407,263

CONCILIACIÓN DE GASTOS AUDITORÍA ANUAL DE CUENTAS Y ESTADOS FINANCIEROS DEL AÑO TERMINADO EL 31 DE DICIEMBRE DE 2021 PRÉSTAMOS DE INVERSIÓN Y COOPERACIONES TÉCNICAS

Nombre del Organismo Ejecutor: Secretaría General de la Organización de Estados Americanos (SG/OEA)

N° del Contrato de Préstamo o Convenio de Cooperación Técnica: _____ RG T3460 (ATNMC-17620-RG)

Fecha: 31-Mar-22

Categoría/Subcategoría de Inversión: (1)

País de Origen (2)	Número según Plan de Adquisiciones	N° de Registro del Contrato otorgado por el BID*	Concepto del Gasto o Pago y Nombre del Receptor (3)	N° del Comprobante Contable del Gasto o Pago **	Fecha Efectiva de Pago (4)	Monto y Moneda del Gasto o Pago (US Dollars)	Tasa de Cambio (5)	Monto Equivalente en la Moneda del Contrato/Convenio	Financiamiento		
									BID	OEA (en especie) ***	
Componente 1. Dimensionar el marco de desarrollo mundial									148,487	140,487	39,902
Bélgica	1		Consultoría especializada en Derecho Internacional, Alexandra Carlier,	504999 - 514870	May 21	\$ 19,000		19,000	19,000		
Peru	1		Consultoría especializada en Derecho Internacional, Mauricio Cerna,	505234 - 514871	May 21	\$ 14,000		14,000	14,000		
Mexico	1		Consultoría especializada en Derecho Internacional, Mauricio León,	505034-514857	May-21	\$ 14,000		14,000	14,000		
Costa Rica	2		Consultoría consultoría nacionales/regionales, Estefanía Jiménez,	504957	Jul-20	\$ 30,000		30,000	30,000		
Mexico	6		Consultoría gestión página web, Mauricio León,	514857	May 21	\$ 3,000		3,000	3,000		
Bélgica	7		Consultorías apoyo NDCs, Alexandra Carlier,	514870	May-21	\$ 7,000		7,000	7,000		
Peru	7		Consultorías apoyo NDCs, Mauricio Cerna,	514871	May-21	\$ 7,000		7,000	7,000		
Mexico	7		Consultorías apoyo NDCs, Mauricio León,	514857-522692	Nov-21	\$ 5,000		5,000	5,000		
Costa Rica	7		Consultorías apoyo NDCs, Mariana Soto,	518489	Aug 21	\$ 5,000		5,000	5,000		
USA	10		Apoyo a gestión de sesiones de trabajo (ICR)	237371-235085	Jul-20	\$ 20,000		20,000	20,000		
Mexico	13		Logística para organización de eventos, CABI,	505896-509883	Aug-20	\$ 4,321		4,321	4,321		
USA	13		Logística para organización de eventos, OAS,	513254 - 515709	Mar 21	\$ 1,800		1,800	1,800		
Canada	13		Logística para organización de eventos, Manuel Dias,	511326	Feb-21	\$ 2,600		2,600	2,600		
USA	13		Logística para organización de eventos, Zoom,	516908	Feb-21	\$ 977		977	977		
Mexico	13		Logística para organización de eventos, Mauricio Valdes,	517337	Jul 21	\$ 375		375	375		
USA	13		Logística para organización de eventos, Survey Monkey,	512081	Feb-21	\$ 814		814	814		
Colombia	15		Documentación impresa, Natalia Acosta,	511335	Feb-21	\$ 3,500		3,500	3,500		
Mexico	17		Página Web, Mauricio Valdes,	517337	Jul-21	\$ 2,100		2,100	2,100		
Componente 2. Fortalecer capacidades de actores clave									88,913	80,913	27,578
Costa Rica	3		Consultoría cluster capacitación multisectorial, Estefanía Jiménez,	512191-517334	Feb-21	\$ 30,000		30,000	30,000		
Venezuela	8		Consultoría productos conocimiento temas emergentes, Julianny Bravo,	518157	Jul-21	\$ 4,000		4,000	4,000		
Costa Rica	8		Consultoría productos conocimiento temas emergentes, Maximiliano Campos,	518488	Aug 21	\$ 4,000		4,000	4,000		
Venezuela	9		Consultoría programa fortalec, capacidades, Julianny Bravo,	518157	Jul 21	\$ 6,600		6,600	6,600		
Costa Rica	9		Consultoría programa fortalec, capacidades, Maximiliano Campos,	518488	Aug-21	\$ 5,000		5,000	5,000		
Costa Rica	9		Consultoría programa fortalec, capacidades, Estefanía Jiménez,	524056	Dec-21	\$ 6,250		6,250	6,250		
USA	10		Apoyo a gestión de sesiones de trabajo (ICR)	235065-247469	Jul 20	\$ 20,000		20,000	20,000		
Colombia	15		Documentación impresa, Natalia Acosta,	511335	Feb-21	\$ 5,063		5,063	5,063		
Componente 3. Encuentros de dialogo en infraestructura sostenible									63,530	63,530	12,274
Costa Rica	3		Consultoría cap. actores claves sobre inf. sostenible, Estefanía Jiménez,	517334	Dec-21	\$ 29,000		29,000	29,000		
Venezuela	4		Consultoría productos conocimiento temas emergentes, Julianny Bravo,	524046	Nov-21	\$ 7,950		7,950	7,950		
Costa Rica	8		Consultoría productos conocimiento temas emergentes, Maximiliano Campos,	518488	Aug-21	\$ 6,600		6,600	6,600		
USA	10		Apoyo a gestión de sesiones de trabajo (ICR)	247469	Aug 21	\$ 16,875		16,875	16,875		
USA	12		Viajes y Gastos Asociados	522736- 522746	Nov-21	\$ 3,105		3,105	3,105		
Coordinación de Proyecto									30,000	30,000	12,579
Costa Rica	5		Consultoría Coordinación de Proyecto, Estefanía Jiménez,	504957 - 512191	Jul-20	\$ 30,000		30,000	30,000		
Total de esta página									314,930	314,930	92,333
Viene de la página anterior									0	0	0
Total de esta solicitud									314,930	314,930	92,333

(1) Debe utilizarse una página del Estado de Gastos separada por cada Categoría o Subcategoría de Inversión.

(2) Se deben agrupar los gastos por País de Origen

(3) Se debe incluir un resumen de la glosa de cada gasto o pago individual según el registro contable

(4) Fecha en la que se ha realizado el pago al contratista o proveedor

(5) La Tasa de Cambio aplicada debe ser la indicada en el Contrato de Préstamo o Convenio de Financiamiento

*Corresponde a código de Prism, Sepa o el Sistema que se utilizó para control de contratos

** Corresponde a la orden de compra dentro del sistema de OEA

*** La contribución en especie de OEA, refleja el apoyo en especie dado por la Organización para el desarrollo de cada componente, y este se financia a través de los fondos estatutarios y cost-share.



Pablo González
Especialista Principal y Jefe,
Comunidades Sostenibles, Resiliencia
y Gestión de Riesgos
Oficial a Cargo
Departamento de Desarrollo Sostenible



Andrés Sánchez
Especialista
Departamento de Desarrollo Sostenible