



Sistema Económico
Latinoamericano y del Caribe
Latin American and Caribbean
Economic System

Sistema Económico
Latino-Americano e do Caribe
Système Economique
Latinoaméricain et Caribéen

REGULATIONS OF THE PERMANENT SECRETARIAT

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Printed in the Permanent Secretariat of SELA, Caracas, Venezuela.

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C O N T E N T S

NOTE	1
REGULATIONS OF THE PERMANENT SECRETARIAT (*) (Approved by the Latin American Council in Decision N° 145, adopted during the VIII Regular Meeting, held in Caracas from 23 to 25 August 1982)	3

(*) See Note on page 1.

NOTE

In its XXXI Regular Meeting, the Latin American Council made the following provisions in its Decision N° 473:

“1. That the terms “Latin America” and “Latin American”, as used in the Panama Convention establishing the Latin American Economic System should be interpreted as meaning “Latin America and the Caribbean” and “Latin American and Caribbean”, respectively, and that, consequently, the name of the organization should be understood as meaning “Latin American and Caribbean Economic System.”

2. To authorize the organs of the system to use, in its official documents, the name “Latin American and Caribbean Economic System”, without changing the acronym.

3. To provide for the documents that will be published in the future to be in accordance with this Decision.”

A. ON THE ORGANIZATION

Article 1^o The Permanent Secretariat is the technical and administrative organ of the Latin American Economic System. It will perform the functions entrusted to it in the Panama Convention and those set forth in these regulations, and it will comply with the mandates of the Latin American Council.

Article 2^o Pursuant to Article 31 of the Panama Convention, the functions of the Permanent Secretariat are as follows:

a) Perform the functions assigned to it by the Latin American Council and, when appropriate, implement its decisions.

b) Encourage and carry out preliminary studies and take the necessary measures to identify and promote projects of interest to two or more Member States. Whenever such actions have budgetary implications, their implementation shall be subject to the availability of funds.

c) Facilitate the activities of the Action Committees and contribute to their coordination, including the provision of assistance for carrying out the appropriate studies.

d) Propose to the Council programmes and projects of common interest and to suggest ways in which they may be carried out, including meeting of experts and other measures which may better contribute to attaining the objectives of SELA.

e) Prepare and submit for consideration by Member States the draft agenda for the sessions of the Council, and prepare and distribute all related documents.

f) Prepare the draft budgets and work programmes to be submitted to the Council for its approval.

g) Submit the financial statements of SELA for consideration by the Council, at its regular sessions.

h) Promote and conclude, subject to the approval of the Council, arrangements with international organizations and agencies, national agencies of Member States and third countries, in order to carry out studies, programmes and projects, especially those of a regional nature.

i) Formally convene the sessions and meetings of the organs of SELA.

j) Collect the contributions of the Member States, administer the resources and execute the budget of SELA.

k) Prepare the annual report on its activities for consideration by the Latin American Council at its regular sessions; and to coordinate the submission of the annual reports drafted by the Action Committees, without prejudice to the reports they may submit directly to the Council.

l) Recruit and hire the technical and administrative staff of the Secretariat.

Article 3º The functions of the Permanent Secretary are as follows:

- a) Lead the Permanent Secretariat so that it efficiently complies with its duties as set forth in Article 2 of these regulations.
- b) Guide the tasks of the technical and administrative staff necessary for performing the functions of the Permanent Secretariat.
- c) Exercise the legal representation of the Permanent Secretariat.
- d) Exercise the legal representation of SELA in specific cases determined by the Latin American Council.
- e) Maintain contacts with international organizations and public or private entities for the purposes of information and preliminary consideration of issues of interest to the Permanent Secretariat, and of other measures that will be eventually submitted to the Latin American Council.
- f) Coordinate the technical activities of the Permanent Secretariat with the activities of international organizations, trying to make the maximum possible use of technical assistance and specialized personnel that they can provide.
- g) Establish the classification of positions and the number of international and local staff of the Permanent Secretariat, in accordance with the provisions of the decisions of the Latin American Council and the agreement with the host country.
- h) Monitor the use of the immunities and privileges enjoyed by the officials of the Permanent Secretariat under the headquarters agreement with the Government of Venezuela and other agreements entered into with the Member States in accordance with Article 37 of the Panama Convention, and to renounce such privileges and immunities in the cases in which they impede the regular course of justice and can be waived without prejudice to the purpose for which they are granted.
- i) Suggest to the Latin American Council those measures that he deems appropriate for the operation of the Permanent Secretariat and the implementation of the Panama Convention.
- j) Administer the patrimony provided by the Latin American Economic System to the Permanent Secretariat for complying with its functions and to account for its administration viv-à-vis the Latin American Council.
- k) Apply and improve the manuals, systems and administrative procedures of the Permanent Secretariat in accordance with the functions that it performs and pursuant to the Panama Convention and these regulations, the mandates of the Latin American Council and the financial availability of the Permanent Secretariat.

Article 4º The Organization Manual will define the structure and establish the description of positions in the various units of the Permanent Secretariat in accordance with the Panama Convention, the mandates of the Latin American Council, the Work Programme of SELA and the financial availability of the Permanent Secretariat.

Article 5^o The functions of the Deputy Permanent Secretary are as follows:

a) Collaborate with the Permanent Secretary in performing the functions provided for in Article 3 of these regulations and, in particular, assist him with the coordination and supervision of the various units of the Permanent Secretariat.

b) Stand in for the Permanent Secretary, whenever necessary, in performing his duties.

Article 6^o The Permanent Secretary, and whenever appropriate the Deputy Permanent Secretary, will respond to the Latin American Council for exercising the functions of the Permanent Secretariat.

Article 7^o In performing their functions, the Permanent Secretary, the Deputy Permanent Secretary and the staff of the Permanent Secretariat shall not seek or receive instructions from any Government or from national or international organizations.

Article 8^o The organizational structure of the Permanent Secretariat will be of such a nature that this organ is fully qualified to assist, within the competence of its powers, to conform to the characteristics of SELA, as defined in Article 2 of the Panama Convention, as “a permanent regional body for consultation, coordination, cooperation and joint economic and social promotion, with its own international juridical personality, and composed of sovereign Latin American States” in order to achieve the fundamental purposes of SELA, as defined in Article 3 of that Convention, and to fully accomplish the objectives of SELA, as set forth in Article 5 of the Convention.

Consequently, that organization must include, at least, the areas of regional cooperation and consultation and coordination, the administrative support area and the ancillary services which are indispensable.

Article 9^o The organization of the Permanent Secretariat will be provided with the necessary flexibility to fully comply with the functions provided for in Article 2 of these regulations and the Work Programmes adopted by the Latin American Council.

B. ON THE STAFF

RIGHTS AND DUTIES OF OFFICIALS

Article 10^o All staff members are entitled to be treated with respect in view of their personal dignity.

Article 11^o All officials will be entitled to promptly receive the value of the salaries to which they are entitled, according to the respective employment contract.

Article 12^o In addition, the officials are entitled to timely receive the bonuses established by the Secretariat for overtime work and the value of the additional benefits that they are entitled to receive pursuant to Decision No. 1 of the Latin American Council and the Staff Manual.

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Article 13° The officials of the Permanent Secretariat have the privileges and immunities set forth in the Headquarters Agreement concluded between the Government of the Republic of Venezuela and the Latin American Economic System, as well as other agreements concluded with the Member States in accordance with Article 37 of the Panama Convention. Also, the Permanent Secretariat officials will be entitled to receive an identification document that accredits them as such, which is to be issued by the relevant authorities.

The privileges and immunities referred to in this Article have been established in the interests of the Permanent Secretariat and to facilitate the proper performance of the functions that correspond to the staff. Therefore, such privileges and immunities shall be exercised with strict restraint and within the precise limits established in the aforementioned Headquarters Agreement.

Article 14° The officials of the Permanent Secretariat will exercise the functions assigned to them with loyalty and dedication, will refrain from requesting or accepting instructions from any Government or authority other than the Permanent Secretariat, will strictly comply, as relevant, with the Panama Convention, the decisions of the Latin American Council, these regulations and any other norms issued by the Permanent Secretariat.

Article 15° The intellectual property rights over any work carried out by an official of the Permanent Secretariat, as part of his or her duties, will belong to the Permanent Secretariat.

C. CLASSIFICATION OF POSITIONS AND SALARIES

Article 16° The officials of the Permanent Secretariat are classified into two categories: International and Local Officials, from the standpoint of their salary regime and their fringe benefits.

They are also classified into: Executive, Professional, Administrative and General Services Officials.

The Staff Manual will define the rules for hiring, the classification of positions, the salaries and other fringe benefits.

Article 17° In accordance with the provisions of the Chapter "Means and Operating Mechanisms of the Permanent Secretariat", contained in Decision No. 1 of the Latin American Council, it is deemed appropriate for the salary level of the international staff of the Permanent Secretariat to be similar to that of the United Nations staff in Caracas, also taking into account their fringe benefits. In addition, the salaries and fringe benefits of the local staff will be comparable to those set by UN agencies operating in Caracas, such as the UNDP.

D. RECRUITMENT OF STAFF

Article 18° Officials, both international and local, must be nationals of the Member States of SELA, and will be selected on the basis of their knowledge, experience, professional preparation and skills to carry out the corresponding positions. The selection must be in accordance with the provisions of the Chapter "Means and Operating Mechanisms of Permanent Secretariat" of Decision No. 1 of the Latin American Council.

Article 19° The International Staff can be hired for three years, as a general rule, so that the total renewable period does not exceed 5 years. However, the Permanent Secretary may enter into contracts for shorter periods when deemed appropriate.

Article 20° Local staff may be hired for an indefinite time, or on a temporary basis. Temporary contracts will be held to temporarily fill in for a vacancy and to carry out functions which, due to their nature, must be temporary.

Article 21° The Permanent Secretariat may contract consultants, preferably nationals of the Member States of SELA for short periods, in order to carry out specific functions that are temporary by nature.

The Permanent Secretariat shall set the remuneration of consultants by taking into account their category, the importance of their assignments and the duration of the contract, as well as the remuneration that should correspond to the category that is more similar to the nature of the corresponding services.

Article 22° The officials of the Permanent Secretariat and the consultants who need to provide services outside the headquarters of the Permanent Secretariat are entitled to receive air tickets and other travel expenses inherent to the mission assigned, according to the regulations set forth in the Staff Manual in this connection. This rule applies to those consultants who need to provide their services outside their place of residence.

E. ON THE ADMINISTRATION

Article 23° The administration of the resources endowed by the Latin American Economic System to the Permanent Secretariat for complying with its functions is the responsibility of the Permanent Secretary.

Article 24° The budget of the Permanent Secretariat is prepared on an annual basis and its fiscal year extends from 1 January to 31 December of each year. The Permanent Secretary will ensure that costs do not exceed income from quotas and voluntary contributions of the Member States for the corresponding fiscal year.

Article 25° The Permanent Secretariat will submit the draft budget for approval of the Latin American Council each year. The budget will include the items required to ensure the normal functioning of the Permanent Secretariat and the execution of the programmes and projects adopted by the Latin American Council.

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The Permanent Secretary will send the draft budget 60 days in advance of the conduction of the Latin American Council to the Governments of the Member States for their consideration.

Article 26° The Permanent Secretary will submit the draft budget accompanied by the following documents:

- a) A statement indicating the general orientation of the budget.
- b) An account of the quotas corresponding to each Member State, calculated in accordance with Decision No. 1.
- c) A detailed report on the operations made in bolivars, indicating the date and the exchange rate in which such operations were carried out.
- d) Any other information that the Latin American Council may request.

Article 27° The Administrative Manual will contain the rules concerning the preparation, execution and control of the budget of the Permanent Secretariat.

Article 28° The Permanent Secretariat's accounting and financial reports will be drafted and presented in United States dollars.

Article 29° The Permanent Secretariat will keep whatever accounting records are necessary and their financial reports will include the following items:

- Income and expenses of funds.
- The original budget allocations.
- The status of allocations, in such a way that allows for comparing with the approved budget.
- The transfers that might have modified the original allocations.
- A statement of assets and liabilities.

Article 30° Each quarter, the Permanent Secretary will inform the Governments of the Member States on the following aspects:

- a) Execution of the annual budget, with its corresponding notes.
- b) Status of the budget quotas collection.
- c) Financial statement, including the status and use of budgeted resources.
- d) Any further information deemed necessary by the Latin American Council or the Permanent Secretary.

Article 31° The Permanent Secretary may make short-term investments of funds that not necessarily must be kept in sight, in order to meet immediate needs.

Article 32° The acquisition of any kind of equipment and the contracting of services, depending on the amount, will be made by tender or by requesting several budgets, except in those cases of duly proven urgency, on which the Permanent Secretariat will inform the Latin American Council.

Article 33° In order to meet expenditures that must be made in the currency of the host country, the Secretariat will convert dollars in accordance with the foreign exchange regulations in force in the host country.

Article 34° Prior approval of the Latin American Council, an external auditor will be hired on the basis of a list presented by the Permanent Secretary, which should include at least three well-recognized professionals or firms, operating either in the host country or any other Member States. In appointing the external auditor the Council will try, to the greatest possible extent and considering the financial implications, to maintain a rotation among the Member States.

The Permanent Secretariat will provide the external auditor with the necessary cooperation to carry out its work in a timely and effective manner.

The Permanent Secretariat shall inform the Governments of the Member States in advance about the date when the audit will be carried out, so that the governments that wish to do so may send, at their expense, officials to monitor the audit process.

Article 35° The external auditors will examine the accounting and certify the following aspects:

- Whether the annual accounts submitted by the Permanent Secretary are in accordance with the accounting books, records, documents and vouchers of the Permanent Secretariat.
- Whether the operations reflected in the financial statements are in accordance with these Regulations, with the financial provisions and any other applicable rules.
- Whether the assets and money on deposit have been verified through certifications of the depositories of the Permanent Secretariat and the cash on hand, by counting it physically.

Article 36° The external auditors will verify the effectiveness of the internal accounting control and will submit to the Latin American Council, through the Permanent Secretary, whatever reports deemed relevant in this regard.

Article 37° In their report, the external auditors must inform about any deficiency or irregularity they might have noticed in carrying out their work. Such report shall be presented by the Permanent Secretary for information and consideration of the Latin American Council, along with the clarifications deemed appropriate.

FINAL PROVISIONS

1. The Organization, Staff and Administrative Manuals of the Permanent Secretariat complement these regulatory provisions. The Permanent Secretary will submit said manuals for approval of the Latin American Council.

The Permanent Secretary may introduce modifications aimed at improving the Manuals, informing the Latin American Council about them during its regular meetings.

2. The enforcement of the provisions contained in these regulations corresponds to the Permanent Secretary. Doubtful, unforeseen and controversial cases will be interpreted and resolved by the Latin American Council.

3. In exercising the powers provided for in Article 15 of the Panama Convention establishing SELA, the Latin American Council will make decisions, upon proposals made by the Member States or the Permanent Secretariat, as regards any reform of these regulations.

4. These Regulations will enter into force once they are approved by the Latin American Council and will not have a retroactive effect.