

Distr.: General
30 September 2016

English only

Economic Commission for Europe

Administrative Committee for the TIR Convention, 1975

Sixty-fourth session

Geneva, 12 and 13 October 2016

Item 3 (b) (iv) of the provisional agenda

Activities and administration of the TIR Executive Board:

Administration of the TIR Executive Board and the TIR secretariat –

Budget proposal and cost plan for the year 2017

Budget proposal and cost plan for the year 2017

Submitted by the International Road Transport Union (IRU)

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By email and post

AD/GE1041778/UDP

Geneva, 29 September 2016

**FINANCING OF THE OPERATIONS OF THE TIREXB AND THE TIR
SECRETARIAT: BUDGET PROPOSAL AND COST PLAN FOR 2017**

Dear Ms Molnar,

Thank you for your letter of 31 August 2016 ref. UNECE/2016/TRANS/158/EM/AA.

I have taken due note of the budget proposal and cost plan of the TIRExB and TIR Secretariat for 2017, as well as the amount of USD 1,045,089 to be transferred by the IRU in November 2016, as per Article 3 of the UNECE-IRU Agreement.

Further to the preliminary approval of the draft IRU budget for the year 2017 by the IRU competent bodies, I can confirm that IRU's operational forecast of the number of TIR Carnets to be distributed in 2017 is estimated at 1,480,000.

During the 2017 budget approval process, IRU's competent bodies also agreed to recommend that the 2016 amount per Carnet (equivalent to CHF 0.88) would be applied also for 2017. On this assumption, the estimated amount invoiced by the IRU in 2017 for the financing of TIRExB and TIR Secretariat activities would be CHF 1,302,400, equivalent to USD 1,344,989 at today's exchange rate. The excess between the required USD 1,045,089 and the proposed USD 1,344,989 (amounting to USD 299,900) would allow the accrued deficit for 2015 to be covered as per the recommendations of the Administrative Committee.

Indeed, since the accrued deficit for 2015 amounts to USD 238,757 (CHF 231,662 in IRU's books), an additional reserve of USD 61,143 would thus be available, allowing partial or total coverage of the potential deficit for 2016 should actual TIR issuance be inferior to the initial estimation of 1,500,000 TIR Carnets.

At their recent meetings, IRU's administrative bodies also expressed the wish to initiate joint discussions between the IRU Secretariat and UNECE in order to promote cost optimisation initiatives in all TIR-related bodies and to optimise the use of the current funds provided by IRU for the operations of the TIRExB and TIR Secretariat.

At the same time, considering the significant decrease in volumes, IRU members have called for rapid progress in the computerisation of the TIR System, underlining that IRU should continue to support the UNECE to ensure a pragmatic and fast implementation of e-TIR based on the findings of the recent Turkey-Iran pilot.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'U. de Pretto', written in a cursive style.

Umberto de Pretto
Secretary General

cc: Mr Christian Friis Bach, Executive Secretary