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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 2020

Budget proposal and Unreleased Budget (cost plan) for the year 2020

Note by the secretariat

I. Background

1. The present document is submitted pursuant to Annex 8, Article 13 of the TIR Convention, 1975, which stipulates that the budget and Unreleased Budget (cost plan) of the TIR Executive Board (TIRExB) and TIR secretariat have to be approved by the Administrative Committee.
2. In accordance with Annex 8, Article 13 of the Convention, TIRExB has prepared the present budget proposal and a cost plan providing for its operation in the year 2020. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by TIRExB at its October 2019 meeting. Modifications, if any, decided upon by TIRExB at this meeting, will be reflected in a corrigendum to this document.
3. The proposed Unreleased Budget (cost plan) for 2020 is estimated at US\$ 1,650,026 inclusive of programme support costs (see annex I), reflecting a net decrease of US\$ 37,064 compared to the approved budget and Unreleased Budget (cost plan) for TIRExB and the TIR secretariat for 2019. The changes in the Unreleased Budget (cost plan) are detailed by object of expenditure in line with object class groupings as defined in the Enterprise Resource Planning (ERP) system utilized by the United Nations (UMOJA) and are reflected in annex I.
4. The United Nations require that an operating cash reserve at the level of 15 per cent of the annual estimated expenditures be maintained to cover exchange rate fluctuation, shortfalls and to meet final expenditures including any liquidating liabilities. An operating cash reserve equivalent to US\$ 219,030 (i.e. 15 per cent of US\$ 1,460,200) would, therefore, be needed in 2020. As such, the estimated resource requirements for 2020 amount to a total of US\$ 1,869,056. However, taking into account the estimated balance of \$762,823 as at 31 December 2019 available for 2020 operations, the actual additional amount required for 2020 is estimated at US\$ 1,106,233. The resources provision of US\$ 305,000, exceptionally transferred by the International Road Transport Union (IRU) in 2004 to be used in the event

of termination of the UNECE¹/IRU agreement, and the provision of US\$ 307,100 for installation and separation costs will be left unallotted and carried forward from year to year until required (see annex II).

5. It is currently estimated that some 800,000 TIR Carnets will be issued in 2020. Under this scenario, an amount per TIR Carnet of US\$ 1.39 (rounded) will be required to generate the income necessary to cover the additional funds of US\$ 1,106,233 needed for the 2020 operations of TIRExB and the TIR secretariat.

6. Annex 2 of document ECE/TRANS/WP.30/AC.2/89 provides steps, procedures and related timeline for the financing of the operation of TIRExB.

¹ United Nations Economic Commission for Europe

Annex I

Proposed Unreleased Budget (Cost Plan) for 2020

Programme: TIR Executive Board (TIRExB) and TIR secretariat

(Title of Trust Fund: "Transport International Routier - TIR" Project ID: ECE-E211)

<i>Object of expenditure</i>	<i>Amount (in US\$)</i>
Staff and personnel costs (P level, G level and consultants)	1 206 000
Travel (official travel of staff, travel of meeting participants)	78 700
Operating and other direct costs (e.g. rental of premises, staff training, communication costs, hospitality etc.)	78 000
Contractual services	60 000
Equipment, vehicles and furniture	37 500
Sub-total	1 460 200
Programme Support at 13%	189 826
Total	1 650 026

TIR Trust Fund resource requirements for the year 2020

1. Staff and personnel costs: US\$ 1,206,000

The proposed resources of US\$ 1,206,000 under this object class reflect a decrease of US\$ 74,000 and provide for a total of seven posts (five Professional and two General Service posts), comprising the TIR secretariat, as well as for consultants' fees and travels. The responsibility for the TIR secretariat is vested in the TIR Secretary (P-5), under the supervision of the Director of the Sustainable Transport Division (D-1). The functions of the TIR secretariat are to assist the TIR Secretary in the servicing and implementation of the decisions of TIRExB, as laid down in the TIR Convention, Annex 8, Article 12. The proposed resources for staff and personnel costs in the TIR secretariat are based on the United Nations Standard Salary Costs for the year 2020 and are sub-divided as follows:

(a) Professional grade staff US\$ 924,000

The proposed resources of US\$ 924,000 reflect a decrease of US\$ 34,500 and provide for the salary and related costs² for one year (12 months) of five internationally recruited staff on fixed-term appointments (three P-4, one P-3 and one P-2). The decrease of US\$ 34,500 is because further to the recommendation of the United Nations Office of Internal Oversight Services (OIOS) on refining the budgets and cost plans for the TIR Executive Board and the TIR secretariat by considering the potential impact of known factors such as staff vacancy rates (see Recommendation 9 in ECE/TRANS/WP.30/AC.2/2019/25), staff costs were based on the realizations in previous years besides the United Nations Standard Salary Costs for international staff as approved for the year 2020.

(b) Administrative Support Personnel US\$ 267,000

The proposed resources of US\$ 267,000 under this object of expenditure, reflect a decrease of US\$ 34,500 and provide for the salary and related costs³ for one year (12 months) of two administrative support staff on fixed term appointments (one G-4 and one G-5). The decrease of US\$ 34,500 is also related with the refining of the budget and cost plans.

² In line with the United Nations Staff regulations and Rules.

³ In line with the United Nations Staff regulations and Rules.

(c) *Consultant fees and travels US\$ 15,000*

The proposed resources amounting to US\$ 15,000 are intended for consultancy services possibly to be used either to fulfil one of the recommendations of OIOS or technological assessments required for the operations of the eTIR international system.

2. Travel: US\$ 78,700

The proposed resources amounting of US\$ 78,700 reflect a decrease of US\$ 31,300 and provide for the official travel of staff and the travel and Daily Subsistence Allowance of meeting participants. In line with the OIOS recommendation on refining the budget and cost plans, utilization rates for this budget line in previous years were taken into account in calculation of the necessary amount. For the planned activities, the recommendation of OIOS on developing an action plan for providing the required training and support to countries that have acceded to the TIR Convention, as supported by TIRExB at its June 2019 session, was taken into account (see Recommendation 10 in ECE/TRANS/WP.30/AC.2/2019/25). The proposed amount for travel is sub-divided as follows:

(a) *Travel of staff US\$ 39,000*

The proposed resources amounting to US\$ 39,000 provide for travel of project staff and the TIR Secretary for (a) consultation and participation in conferences, meetings and seminars concerning the TIR Convention including the eTIR international system organized by the TIR secretariat, TIRExB or other international organizations; (b) meetings and consultations with other international organizations relevant to the TIR Convention and the eTIR international system; (c) attending meetings of TIRExB held outside Geneva.

(b) *Travel of meeting participants US\$ 39,700*

The proposed resources amounting to US\$ 39,700 provide for the Daily Subsistence Allowance (DSA) for the members of TIRExB for its regular meetings in Geneva or elsewhere, as well as for travel and DSA for experts invited to take part in TIR seminars and workshops.

3. Operating and other direct costs: US\$ 78,000

The proposed resources amounting to US\$ 78,000 reflect an increase of US\$ 15,000 and provide for rental of premises, staff training, communication costs, hospitality and miscellaneous expenses. The increase will cover also the training requirements of the secretariat staff. The proposed resources for operating and other direct costs are sub-divided as follows:

(a) *Rental of premises including utilities US\$ 50,000*

The estimated resource requirements under this object of expenditure, amounting to US\$ 50,000, provide for rental of premises, utilities, facilities etc. related to the implementation of the project activities. This cost is included in the budget proposal in line with the directive of the United Nations Office at Geneva (UNOG) and based on the Annual Standard Common Service Costs for the year 2020.

(b) *Staff training, communication costs, hospitality and miscellaneous expenses US\$ 28,000*

The proposed resources of US\$ 28,000 under this object of expenditure provide for training costs of the TIR secretariat staff, communication costs (i.e. postage, fax, calls and pouch), hospitality, stationery and miscellaneous expenses related to the implementation of the project activities.

4. Contractual Services: US\$ 60,000

The estimated resource requirements of US\$ 60,000, under this object class, reflect an increase of US\$ 30,000 and are intended to cover expenditures such as payment of meeting rooms, interpretation, translations, external printing of training materials, and other miscellaneous expenses, etc., related to TIR seminars and TIRExB meetings organized

outside the United Nations premises, as well as hosting costs for the eTIR international system and the International TIR Data Bank (ITDB).

5. Equipment, vehicles and furniture: US\$ 37,500

The proposed resources amounting to US\$ 37,500 under office automation and equipment, reflect an increase of \$27,500 and provide for the acquisition, replacement and repairs/maintenance of relevant electronic and computer office equipment (PCs, printers, copy machine, fax, office furniture, etc.), including data base hardware and software systems needed for the development of the eTIR and the maintenance of the ITDB. The increase is because IT services of ECE required upgrading the PCs of the staff, and software and licenses will need to be purchased for the current IT projects.

Annex II

Technical Cooperation Trust Fund		
Transport international routier – TIR (Project ID: E211)		
Fund Statement (US dollars)		
(1) 2020 Projected Expenditures:		
2020 Estimated direct expenditures		1 460 200
13 % Programme Support Cost		189 826
15% Operating Cash Reserve (US\$ 1 460 200 X 15%)		219 030
2020 Estimated projected requirements (rounded)		<u>1 869 056</u>
Estimated Funds Available at 31 December 2019:		
Fund balance at 31 December 2018	1 575 379	
2019 Contribution (received on 14/11/2018)	1 194 039	
Total funds as at 31 December 2018	<u>2 769 418</u>	
<u>Less:</u> (The following estimates are inclusive of 13% Programme Support Cost)		
2019 Estimated projected expenditures	1 394 495	
Provision for Installation and Separation Costs (carried forward from year to year)*	307 100	
Provision for early termination UNECE/IRU Agreement (carried forward from year to year)*	<u>305 000</u>	
		2 006 595
(2) Total estimated available balance as at 31 December 2019 for 2020 operations		<u>762 823</u>
(3) Estimated Funds to be transferred for 2020 operations [(1)-(2)] (rounded)		<u>1 106 233</u>

* The competent financial services of the United Nations shall undertake to review these amounts in order to ascertain if, for future budget cycles, these amounts need to be revised.