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ACTIVITIES AND ADMINISTRATION OF THE TIR EXECUTIVE BOARD (TIRExB)

Financial administration of the TIRExB and the TIR secretariat

Revised budget proposal and cost plan for the year 2007

Note by the TIR Secretary

1. In accordance with Annex 8, Article 13 of the Convention, the TIRExB prepared the budget proposal and cost plan providing for its operation in the year 2007, contained in document ECE/TRANS/WP.30/AC.2/2006/11. The budget proposal and cost plan have been finalized and approved by the TIRExB on 26 September 2006.
2. In order to facilitate the reading of the proposed cost plan for the year 2007, the TIRExB at its above-referenced meeting, requested the secretariat to modify the presentation of the Annexes 1 and 2 of the above-mentioned document and to prepare a revised document accordingly. Document ECE/TRANS/WP.30/AC.2/2006/11/Rev.1 reflects the requested modified presentation.

3. The proposed cost plan for 2007 (US\$1,106,200 inclusive of programme support cost) reflects an overall increase of \$13,500 over the approved budget and cost plan for the TIRExB and the TIR secretariat for 2006 (US\$1,092,700 inclusive of programme support cost).

4. This change is attributable to an increase of \$30,000 (net of programme support cost) under the heading Project Personnel, which is slightly offset by a decrease of \$18,000 (net of programme support cost) under the heading Administrative Support Personnel. The changes under the budget headings were due to the following:

(a) **Project Personnel**

New provision was made in 2007 for four months of temporary assistance at the professional L-2 level to develop ITDB software and other IT projects which the TIRExB may decide to mandate the TIR secretariat (i.e. on-line register of sealing devices) (+US\$30,000).

(b) **Administrative Support Personnel**

Resources under this heading reflect a decrease of US\$18,000 due to the fact that, unlike in 2006, no requirement is foreseen in 2007 for the equivalent of four work-months of general temporary assistance at the GS level.

5. New provisions were also made in the 2007 cost plan under budget line Project Personnel for Installation Costs¹ (e.g. travel on recruitment, shipment of personal effects, installation grant) of four new project personnel in the event that the current staff would all separate during 2007 (US\$72,500 net of programme support and operating reserve). At the request of the TIRExB during its meeting of 26 September 2006, the provision for installation costs were moved and reflected instead in the Fund Statement, together with the provision for Separation costs (see Annex 2).

6. To reflect the requirements under the appropriate budget line, items under the “Sundry” heading in the 2006 cost plan have been distributed (and resources accordingly redeployed) under two separate headings in the 2007 cost plan:

- (a) **External contractual services** (US\$14,000) to cover the costs of expenses for meeting rooms, interpretations, translations, external printing of training materials, hospitality, telephone/fax, miscellaneous expenses, etc, related to seminars and TIRExB meetings organized outside the UN premises; and

1 In line with the United Nations staff regulations.

- (b) **General Operating Expenses** (US\$1,000) to cover communication costs (i.e. postage, fax, long distance calls, pouch) and other miscellaneous expenses.

7. The budget for the operation of the TIRExB and the TIR secretariat in 2007 is estimated at **US\$1,253,100**, i.e., Cost Plan of US\$1,106,200 (\$979,000 + \$127,200 programme support cost) plus operating cash reserve of US\$146,900. However, taking into account the estimated balance at 31 December 2006 available for 2007 operations (US\$297,700), the actual additional amount that will be required for 2007 is estimated at US\$955,000 (rounded). The resources of US\$305,000, exceptionally transferred by IRU in 2004 to be used in the event of termination of the UNECE/IRU agreement, and the provision of \$258,500 for Installation and Separation Costs will be left unallotted and carried forward from year to year until required. (See Fund Statement in Annex 2 for details of all the foregoing).

8. It is currently estimated that some ... million TIR Carnets will be issued in 2007. Under this scenario, a levy on each TIR Carnet of US\$... will be required to generate the income necessary to cover the additional funds of US\$955,000 needed for the 2007 operations.

9. The agreement providing the amount of the levy to be required and the procedure for its collection will be contained in a document, which will be submitted to the Administrative Committee for endorsement at its forthcoming session.

Annex 1**Proposed Cost Plan for 2007**

United Nations Economic Commission for Europe, Transport Division

Programme: TIR Executive Board (TIRExB) and TIR secretariat
Title of Trust Fund: "Transport International Routier - TIR";
 Account No.: ZL-RER-8001.

<u>Object of expenditure</u>	<u>Amount (in US\$)</u>
Project Personnel	660,000
Administrative Support Personnel	182,000
Consultants fees and travel	30,000
Travel on official business	35,000
Mission costs	20,000
Staff Training	15,000
Office automation & equipment	20,000
Operation and maintenance of equipment	2,000
External contractual services	14,000
General operating expenses	1,000
Total estimated direct expenditures	979,000
Programme support (13% of Total direct expenditures)	127,200
Grand Total	1,106,200

TIR Trust Fund resource requirements for the year 2007Project Personnel US\$660,000

The proposed amount under this object of expenditure is intended to cover the salary and related costs² for one year of four experts on fixed-term appointments: 2 Customs experts, one Administrative and EDI expert and one Computer Information System expert. It also includes provisions for short-term expert to assist in the development of mandated IT projects.

Administrative Support Personnel US\$182,000

The proposed amount under this object of expenditure is intended to cover the salary and related costs¹ of two administrative support staff for one year.

Consultant fees and travel US\$30,000

The proposed amount under this object of expenditure is intended to cover consultancy costs to carry out mandated tasks.

Travel on official business US\$35,000

The proposed amount under this object of expenditure is intended to cover the travel cost of Project Staff and the TIR Secretary.

Mission costs US\$20,000

The proposed amount under this object of expenditure is intended to cover DSA for the nine members of the TIRExB for meetings held outside Geneva and in Geneva when not in conjunction with the meetings of WP.30 and AC.2.

Staff Training US\$15,000

The proposed amount under this object of expenditure is intended to cover training costs of the TIR secretariat staff.

Office automation & equipment US\$20,000

The proposed amount under this object of expenditure is intended to cover the acquisition and replacement of relevant electronic and computer office equipment (PCs, printers, copy machine, fax, office furniture, etc.), including data bank hard and software systems.

Operation and maintenance of equipment US\$2,000

The proposed amount under this object of expenditure is intended to cover the cost of repair and maintenance of office and computer equipment (PCs, printers, copy machine, fax, etc.).

External contractual services US\$14,000

The proposed amount under this object of expenditure is intended to cover expenses for meeting rooms, interpretations, translations, external printing of training materials, hospitality, telephone/fax, miscellaneous expenses, etc, related to seminars and TIRExB meetings organized outside the UN premises.

² In line with the United Nations staff regulations.

General operating expenses US\$1,000

The proposed amount under this object of expenditure is to provide for communication costs (i.e. postage, fax, long distance calls, pouch) and other miscellaneous expenses.

Annex 2

**Local Technical Cooperation Trust Fund
Transport International Routier (TIR)
Fund Statement**

2007 Projected Expenditures:

2007 Estimated direct expenditures		979,000
13 % PSC		127,200
15% Operating Reserve (US\$979,000 X 15%)		146,900
2007 Estimated projected requirements (rounded) ¹		<u>1,253,100</u>

Estimated Funds Available as at 31 December 2006:

Actual fund balance as at 31 December 2005 ²	1,045,174	
2006 Contribution received in 2005	<u>778,982</u>	
Total funds as at 31 December 2005³		1,824,156

Less:(The following estimates are inclusive of 13% Programme Support Cost)

2006 Estimated projected expenditures	963,000	
Provision for Installation and Separation Cost	258,500	
Provision for early termination UNECE/IRU Agreement (forwarded year-to-year)	<u>305,000</u>	<u>1,526,500</u>

Total estimated available balance as at 31 December 2006 for 2007 operations (rounded) 297,700

Estimated Funds needed to operate in 2007 (rounded) 955,000

Note 1: The Operating Reserve will be used to complement the provision for separation costs in case of closure of the TIR secretariat

Note 2: See document ECE/TRANS/WP.30/AC.2/2006/7

Note 3: Source: UNOG Financial statements as at 31 December 2005.
