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

Activities and administration of the TIR Executive Board:

Administration of the TIR Executive Board and the TIR secretariat –

Procedure for financing the operation of the TIR Executive Board and TIR secretariat in 2016

Budget proposal and cost plan for the year 2016

Summary

The present document is submitted pursuant to Annex 8, Article 13 of the TIR Convention, 1975, which stipulates that the budget and cost plan of the TIR Executive Board (TIRExB) and TIR secretariat have to be approved by the Administrative Committee.

1. In accordance with Annex 8, Article 13 of the Convention, the TIRExB has prepared the present budget proposal and a cost plan providing for its operation in the year 2016. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by the TIRExB at its October meeting. Modifications, if any, decided upon by the TIRExB at this meeting, will be reflected in a corrigendum to this document.
2. The proposed cost plan for 2016 is estimated at US\$ 1,632,850 inclusive of programme support costs (see annex I), reflecting an decrease of US\$ 2,260 compared to the approved budget and cost plan for the TIRExB and the TIR secretariat for 2015. The changes in the cost plan are detailed by object of expenditure in annex I.
3. The United Nations requires 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\$ 216,750 (i.e. 15 per cent of US\$ 1,445,000) would, therefore, be needed in 2016. As such, the estimated resource requirements for 2016 amount to a total of US\$ 1,849,600. However, taking into account the estimated available balance at 31 December 2015, available for 2016 operations (US\$ 203,783 inclusive of the 2014 contribution of US\$ 12,523 received on 12 March 2015), the actual additional amount required for 2016 is estimated at US\$ 1,343,939. 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 US\$ 307,100 for installation and separation costs will be left unallotted and carried forward from year to year until required (see annex II).
4. It is currently estimated that some 1,550,000 million TIR Carnets will be issued in 2016. Under this scenario, an amount per TIR Carnet of US\$ 0,87 (rounded) will be required to generate the income necessary to cover the additional funds of US\$ 1,343,939 needed for the 2016 operations.
5. Annex 2 of document ECE/TRANS/WP.30/AC.2/89 provides steps, procedures and related timeline for the financing of the operation of the TIRExB.

Annex I

Proposed Cost Plan for 2016

Programme: TIR Executive Board (TIRExB) and TIR secretariat

(Title of Trust Fund: "Transport International Routier - TIR" Account No.: ECE-0894-E211-2233)

<i>Object of expenditure</i>	<i>Amount (in US\$)</i>
Project Personnel	957 000
Administrative Support Personnel	280 000
Consultants fees and travels	30 000
Travel on official business	70 000
Travel of experts	50 000
Staff Training	10 000
Office automation & equipment	12 000
Operation and maintenance of equipment	2 000
External contractual services	25 000
General operating expenses	9 000
Sub-total	1 445 000
Programme Support at 13%	187 850
Total	1 632 850

TIR Trust Fund resource requirements for the year 2016

Project Personnel US\$ 957,000

The estimated requirement of US\$ 957,000 under this object of expenditure reflects a decrease of US\$ 47,500, and provides for the salary and related costs¹ for one year of five experts on fixed-term appointments: one Customs expert, one Legal officer, two Computer Information Systems experts and one Associate Programme management officer.

The decrease in 2016 is due to the fact that, in the previous year the TIR secretariat had undergone a comprehensive recruitment procedure, during which salary costs had been estimated to cover the recruitment of international staff at maximum dependency rates (benefits and entitlements afforded to UN staff under applicable staff rules), in order to ensure that the recruitment of the most suitable candidates would not be limited or hindered by budgetary constraints. Upon completion of the recruitment process, for 2016, estimates are based on the actual expenditures for salary costs of the current incumbents together with provision for yearly salary increments. Additional funds have been estimated only for the replacement of the Customs Expert pursuant to the incumbent's departure for another position.

¹ In line with the United Nations Staff regulations and Rules.

Administrative Support Personnel US\$ 280,000

The estimated requirement of US\$ 280,000 under this object of expenditure, reflects an increase of US\$ 5,000, is intended to cover the salary and related costs² of two administrative support staff for one year. The slight increase in 2016 is due to the reclassification of one of the two positions to a higher General Service grade, as to appropriately reflect the responsibilities undertaken by the incumbent of the post.

Consultant fees and travels US\$ 30,000

The proposed amount of US\$ 30,000 under this object of expenditure, at maintenance level, is intended to cover consultancy costs to carry out mandated tasks.

Travel on official business US\$ 70,000

The proposed amount of US\$ 70,000, reflects an increase of US\$ 20,000, is intended to cover the travel cost of Project Staff and the TIR Secretary. The increase in 2016 is related to the expectation of new acceding countries resulting in increased need to travel for capacity building purposes. In addition, and related to the new acceding countries, there is a projected increase in long-haul travel of the staff.

Travel of experts US\$ 50,000

The proposed amount of US\$ 50,000 under this object of expenditure, reflects an increase of US\$ 20,000, is intended to cover DSA for the nine members of the TIRExB, as well as of the experts invited to take part in TIR seminars and workshops. The increase in 2016 is related to the increasing level of DSA in Geneva, as well as the expectation of TIRExB sessions to be held outside Geneva and the possibility of additional sessions.

Staff Training US\$ 10,000

The proposed amount of US\$ 10,000 under this object of expenditure, at maintenance level, is intended to cover training costs of the TIR secretariat staff.

Office automation & equipment US\$ 12,000

The proposed amount of US\$ 12,000 under this object of expenditure, at maintenance level, 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 base hard and software systems.

Operation and maintenance of equipment US\$ 2,000

The proposed amount of US\$ 2,000 under this object of expenditure, at maintenance level, 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\$ 25,000

The estimated requirement of US\$ 25,000, at maintenance level, is intended to cover expenses for meeting rooms, interpretations, translations, external printing of training materials, hospitality, telephone/fax, miscellaneous expenses, etc., related to TIR Seminars and TIRExB meetings organized outside the UN premises.

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

General operating expenses US\$ 9,000

The estimated requirement of US\$ 9,000 under this object of expenditure, reflects an increase of US\$ 500, is to provide for communication costs (i.e. postage, fax, long distance calls, and pouch), promotional material for the TIR Convention and other miscellaneous expenses. The increase in 2016 can be directly attributed to the slightly increased cost for the printing of promotional materials in preparation of new acceding countries.

Annex II

Local Technical Cooperation Trust Fund		
Transport international routier - TIR		
Fund Statement (US dollars)		
(1) 2016 Projected Expenditures:		
2016 Estimated direct expenditures		1 445 000
13 % Programme Support Cost		187 850
15% Operating Cash Reserve (US\$ 1 445 000 X 15%) ¹		<u>216 750</u>
2016 Estimated projected requirements (rounded)		1 849 600
Estimated Funds Available at 31 December 2015:		
Actual fund balance at 31 December 2014		
(including US\$ 206 162, 2013 contribution received in 2014) ²	1 415 722	
2015 Contribution (received on 15/11/2014)	1 132 822	
2014 Contribution received in 2015 (received on 12/03/2015)	<u>12 523</u>	
Total funds as at 31 December 2014		2 561 067
 <u>Less:</u> (The following estimates are inclusive of 13% Programme Support Cost)		
2015 Estimated projected expenditures	1 443 306	
Provision for Installation and Separation Costs (forwarded year-to-year)	307 100	
Provision for early termination UNECE/IRU Agreement (forwarded year-to-year)	<u>305 000</u>	
		2 055 406
(2) Total estimated available balance as at 31 December 2015 for 2016 operations		<u>505 661</u>
(3) Estimated Funds to be transferred for 2016 operation [(1)-(2)] (rounded)		<u><u>1 343 939</u></u>
Note 1:	The Operating Cash 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.2/2015/15.	