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ECONOMIC COMMISSION FOR EUROPE

Administrative Committee for the TIR Convention, 1975

Forty-fourth session
Geneva, 27 September 2007
Item 3 (b) (iii) of the provisional agenda

ACTIVITIES AND ADMINISTRATION OF THE TIR EXECUTIVE BOARD (TIRExB)

Financial Administration of the TIRExB and the TIR secretariat

Budget proposal and cost plan for the year 2008

Note by the secretariat

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 2008. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by the TIRExB at its September meeting prior to the meeting of the TIR Administrative Committee. 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 2008 estimated at US\$ 1,205,300 inclusive of programme support cost (see annex 1) reflects an increase of 9% over the approved budget and cost plan for the TIRExB and the TIR secretariat for 2007 (US\$ 1,106,200 inclusive of programme support cost). The increase is due to higher salary costs and related entitlements.

3. In addition, the UN requires that an operating cash reserve at the level of 15% of the annual estimated expenditures be maintained to cover exchange rate fluctuation, any shortfalls and to meet final expenditures including any liquidating liabilities. An operating cash reserve equivalent to US\$ 160,000 (i.e. 15% of US\$ 1,066,600) would therefore need to be provided in 2008. As such the total 2008 estimated resource requirements amount to a total of US\$ 1,365,300. However, taking into account the estimated balance at 31 December 2007 available for 2008 operations (US\$ 403,782), the actual additional amount that will be required for 2008 is estimated at US\$ 962,000 (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 US\$ 323,200 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).

4. It is currently estimated that some 3 million TIR Carnets will be issued in 2008. Under this scenario, an amount per TIR Carnet of US\$ 0.3206 will be required to generate the income necessary to cover the additional funds of US\$ 962,000 needed for the 2008 operations.

5. Annex 4 of 2008-2010 UNECE-IRU Agreement (ECE/TRANS/WP.30/AC.2/2007/14) provides steps, procedures and related timeline for the financing of the operation of the TIRExB.

Annex 1**Proposed Cost Plan for 2008**

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	735,400
Administrative Support Personnel	194,200
Consultants fees and travel	30,000
Travel on official business	35,000
Travel of experts	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	1,066,600
Programme support (13% of Total direct expenditures)	138,700
Grand Total	1,205,300

TIR Trust Fund resource requirements for the year 2008Project Personnel US\$ 735,400

The proposed amount under this object of expenditure is intended to cover the salary and related costs¹ for one year of four experts on fixed-term appointments: one Customs expert, one Legal officer, one Project Management expert and one Computer Information System expert. It also includes provisions for four man/months short-term expert to assist in the development of mandated IT projects (i.e. ITDBonline+ project, online Register of Customs sealing devices and stamps project).

¹ In line with the United Nations staff regulations.

Administrative Support Personnel US\$ 194,200

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 for a security audit to test the level of security of the Internet applications developed within the secretariat: ITDBonline+ project and online Register of Customs sealing devices and stamps project.

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.

Travel of experts 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 base 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 one Regional TIR Seminar and one TIRExB meetings organized outside the UN premises.

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.

¹ In line with the United Nations staff regulations.

Annex 2

Local Technical Cooperation Trust Fund Transport International Routier - TIR Fund Statement (US Dollars)			
(1) 2008 Projected Expenditures:			
2008 Estimated direct expenditures			1,066,600
13 % Programme Support Cost			138,700
15% Operating Cash Reserve (US\$1,066,600 X 15%)			160,000
2008 Estimated projected requirements (rounded) ¹			1,365,300
 Estimated Funds Available at 31 December 2007:			
Actual fund balance at 31 December 2006 ²	1,138,482		
2007 Contribution received in 2006	955,000		
Total funds as at 31 December 2006³		2,093,482	
 Less:(The following estimates are inclusive of 13% Programme Support Cost)			
2007 Estimated projected expenditures	1,061,500		
Provision for Installation and Separation Costs	323,200		
Provision for early termination UNECE/IRU Agreement (forwarded year-to-year)	305,000	1,689,700	
(2) Total estimated available balance as at 31 December 2007 for 2008 operations (rounded)			403,782
(3) Estimated Funds to be transferred for 2008 operation (rounded) (1-2)			962,000
 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.2/2007/11			
Note 3: Source: UNOG Financial statements as at 31 December 2006.			
