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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 2018**

Budget proposal and Unreleased Budget (cost plan) for the year 2018

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 2018. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by TIRExB at its October 2017 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 2018 is estimated at US\$ 1,673,643 inclusive of programme support costs (see annex I), reflecting a net increase of US\$ 74,693 compared to the approved budget and Unreleased Budget (cost plan) for TIRExB and the TIR secretariat for 2017. 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\$ 222,165 (i.e. 15 per cent of US\$ 1,481,100) would, therefore, be needed in 2018. As such, the estimated resource requirements for 2018

amount to a total of US\$ 1,895,808. However, taking into account the estimated balance of \$340,007 as at 31 December 2017 available for 2018 operations, the actual additional amount required for 2018 is estimated at US\$ 1,555,801. The resources provision 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).

5. It is currently estimated that some 1,088,000 TIR Carnets will be issued in 2018. Under this scenario, an amount per TIR Carnet of US\$ 1,43 (rounded) will be required to generate the income necessary to cover the additional funds of US\$ 1,555,801 needed for the 2018 operations of TIRExB and the TIR secretariat.

6. With regard to the recorded deficit of the year 2016, amounting to CHF 293,554, due to the lower number of TIR Carnets distributed in 2016 than had originally been forecasted, IRU recommends that it be recorded in the accounts of IRU and subsequently adjusted as per Article 12 (b) of Annex 4 of the UNECE/IRU Agreement.

7. 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.

Annex I

Proposed Unreleased Budget (Cost Plan) for 2018

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)	1,305,100
Travel (official travel of staff, travel of meeting participants)	110,000
Operating and other direct costs (e.g. staff training, communication costs, pouches, postage, hospitality etc.)	21,000
Contractual services	35,000
Equipment, vehicles and furniture	10,000
Sub-total	1,481,100
Programme Support at 13%	192,543
Total	1,673,643

TIR Trust Fund resource requirements for the year 2018

1. Staff and personnel costs: US\$ 1,305,100

The proposed resources of US\$ 1,305,100 under this object class reflect a net increase of US\$ 57,100 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 2018 and are sub-divided as follows:

(a) Professional grade staff US\$ 979,400

The proposed resources of US\$ 979,400 reflect a net increase of US\$ 41,400, and provide for the salary and related costs¹ 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 increase of US\$ 41,400 is because calculations are based on the United Nations Standard Salary Costs for international staff as approved for the year 2018 and include provision for staff costs related to dependency entitlements and contingencies in case of vacancy/recruitment.

(b) Administrative Support Personnel US\$ 305,700

The proposed resources of US\$ 305,700 under this object of expenditure, reflect a net increase of US\$ 25,700 and provide for the salary and related costs² for one year (12 months) of two administrative support staff on fixed term appointments (one G-4 and one G-5). The increase of US\$ 25,700 is because calculations are based on the United Nations

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

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

Standard Salary Costs for General Service staff as approved for the year 2018 and include provision for staff costs related to dependency entitlements and contingencies in case of vacancy/recruitment.

(c) *Consultant fees and travels US\$ 20,000*

The proposed resources amounting to US\$ 20,000 reflect a decrease of US\$ 10,000 and are intended for specialized services not available in house to carry out activities as mandated by TIRExB, such as supporting the development of new functionalities for the International TIR Data Bank (ITDB) and/or preparing studies or training materials in support of capacity building.

2. Travel: US\$ 110 000

The proposed resources amounting of US\$ 110,000 under this heading, are requested at maintenance level and provide for the official travel of staff and the travel and Daily Subsistence Allowance of meeting participants. The proposed amount for travel is sub-divided as follows:

(a) *Travel of staff US\$ 60,000*

The proposed resources amounting to US\$ 60,000 are requested at maintenance level and provide for travel of project staff and the TIR Secretary for (a) consultation and participation in conferences, meetings and seminars concerning the TIR Convention organized by the TIR secretariat, TIRExB or other international organizations; (b) meetings and consultations with other international organizations relevant to the TIR Convention; (c) attending meetings of TIRExB held outside Geneva. It is expected that the same level of travels will be undertaken in 2018 as in 2017.

(b) *Travel of meeting participants US\$ 50,000*

The proposed resources amounting to US\$ 50,000 are requested at a maintenance level and provide for the Daily Subsistence Allowance (DSA) for the nine 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\$ 21,000

The proposed resources amounting of US\$ 21,000 reflect a decrease of US\$ 1,000 and provide for staff training, communication costs, hospitality and other miscellaneous expenses. The proposed resources for operating and other direct costs are sub-divided as follows:

(a) *Staff Training US\$ 10,000*

The proposed resources of US\$ 10,000 under this object of expenditure, are at a maintenance level and provide for training costs of the TIR secretariat staff.

(b) *Communication costs, hospitality and miscellaneous expenses US\$ 11,000*

The estimated requirements under this object of expenditure, reflect a decrease of US\$ 1,000 and provide for communication costs (i.e. postage, fax, long distance calls, and pouch), hospitality, stationery, miscellaneous and operating expenses related to the implementation of the project activities.

4. Contractual Services: US\$ 35,000

The estimated resource requirements of US\$ 35,000, under this object class, reflect an increase of US\$ 10,000 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 new International TIR Data Bank (ITDB).

5. Equipment, vehicles and furniture: US\$ 10,000

The proposed resources amounting to US\$ 10,000 under office automation and equipment, are requested at maintenance level 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 hard and software systems needed for the maintenance of the new International TIR Data Bank (ITDB).

Annex II

Technical Cooperation Trust Fund		
Transport international routier – TIR (Project ID: E211)		
Fund Statement (US dollars)		
(1) 2018 Projected Expenditures:		
2018 Estimated direct expenditures		1 481 100
13 % Programme Support Cost		192 543
15% Operating Cash Reserve (US\$ 1 481 100 X 15%)		222 165
2018 Estimated projected requirements (rounded)		<u>1 895 808</u>
Estimated Funds Available at 31 December 2017:		
Fund balance at 31 December 2016	1 353 329	
2017 Contribution (received on 15/11/2016)	1 045 089	
Total funds as at 31 December 2016	<u>2 398 418</u>	
<u>Less:</u> (The following estimates are inclusive of 13% Programme Support Cost)		
2017 Estimated projected expenditures	1 446 311	
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>	
		2 058 411
(2) Total estimated available balance as at 31 December 2017 for 2018 operations		<u>340 007</u>
(3) Estimated Funds to be transferred for 2018 operations [(1)-(2)] (rounded)		<u>1 555 801</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.