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Item 8 (c) of the provisional agenda

Other business:

Activities of the TIR Executive Board

Memorandum of Understanding between the United Nations Economic Commission for Europe and the International Road Transport Union and its Contribution Agreement***

Note by the secretariat

Introduction

The TIR Executive Board (TIRExB) requested the secretariat to present the Memorandum of Understanding (MoU) between the United Nations Economic Commission for Europe and the International Road Transport Union together with the Contribution Agreement in three official languages to the Administrative Committee (AC.2) in its October session to get support to MoU to facilitate the procedure at the Ethics Office.

* The present document contains the text submitted to the secretariat, reproduced without any changes.
** The present document has been submitted after the official documentation deadline due to resource constraints.

Annex

Memorandum of Understanding (hereinafter referred to as "Memorandum") on cooperation between the United Nations Economic Commission for Europe (UNECE) and the International Road Transport Union (IRU) in the field of computerization of the TIR procedure

UNECE and IRU have agreed on the following:

Article 1 Objective

The purpose of this Memorandum is to further strengthen the cooperation between UNECE and IRU (hereinafter "the Parties") towards the full computerization of the TIR procedure.

Article 2 Definitions

For the purpose of this Memorandum:

(a) The term "UNECE System" shall mean the Information and Communication Technology (ICT) infrastructure and software developed and deployed by UNECE, in collaboration with IRU, to allow the exchange of data between stakeholders in the project launched in the framework of the Memorandum of Understanding between UNECE and IRU signed on 24 March 2015 and expired on 20 February 2017 (hereinafter the "Pilot Project") as well as for all the projects to be launched in the framework of this Memorandum;

(b) The term "IRU System" shall mean the ICT infrastructure and software developed and deployed by IRU to allow the exchange of data between stakeholders in the Pilot Project as well as for all the projects to be launched in the framework of this Memorandum.

Article 3 Scope

1. The Parties will collaborate actively with a view to facilitate and support projects and initiatives aiming to bring countries towards the full computerization of the TIR procedure. For this purpose, the Parties shall undertake their best efforts to:

(a) continue to support the exchange of data between Iran (Islamic Republic of) and Turkey started in the course of the Pilot Project;

(b) define and implement technical approach(es) to accommodate request(s) of TIR Contracting Parties willing to computerize the TIR procedure;

(c) assist TIR Contracting Parties striving to computerize the TIR procedure, with the aim to, inter alia:

- move towards the full computerization of the TIR procedure;
- include functionalities in the UNECE and IRU systems to address specific requirements raised by TIR Contracting Parties;
- allow transport operators to submit data electronically to the competent authorities using various declaration mechanisms, possibly using various authentication methods; and

- promote the use of standards when they meet customs data requirements, including eTIR messages;
 - (d) seek synergies with relevant systems;
 - (e) propose amendments to the conceptual, functional and technical documentation related to computerization of the TIR procedure based on the initiatives, developments and results verified in the projects (including the ones verified in the Pilot Project); and
 - (f) jointly promote and communicate on the computerization of the TIR procedure in accordance with Article 6 of this Memorandum.
2. Details of the collaboration shall be elaborated in annual work plans, agreed upon by both Parties by exchange of letter before 1 October of each year.

Article 4

Responsibilities of UNECE

1. UNECE shall maintain, improve and monitor the UNECE System.
2. UNECE shall host the UNECE System on the required ICT infrastructure (hardware, software, network and internet access) as well as ensure that adequate backup and recovery procedures are in place. UNECE shall also ensure the liaison with the UNECE Information System Unit (ISU) and the relevant services which provide the hosting of the UNECE System.
3. UNECE shall guide and support customs administrations in interconnecting with the UNECE system.
4. UNECE shall draft and revise the work plans jointly with IRU.

Article 5

Responsibilities of IRU

1. IRU shall maintain, improve and monitor the IRU System.
2. IRU shall provide, where possible, technical assistance to UNECE for the maintenance of the parts of the UNECE System developed by IRU.
3. IRU shall draft and revise the work plans jointly with UNECE.

Article 6

Communication strategy

1. Either Party may issue press releases or engage in other forms of public communication relating to activities launched under this Memorandum. Parties will share a draft of any public communication product for review before being issued.
2. The Parties will strive to use their communication channels to present the projects launched in the framework of this Memorandum and promote the computerization of the TIR procedure.
3. In as far as possible, Parties shall strive to act jointly in promoting any project developed under this Memorandum.

Article 7

Validity

This Memorandum is valid from the date of signature until 31 December 2022 unless earlier terminated pursuant to Article 8 below.

Article 8

Anticipated termination

In the event that one of the Parties has any reason for considering that the circumstances for the continuation of this Memorandum have changed in comparison to those that appertained at the time of its signature, the Parties shall seek to find a mutually acceptable adaptation of the Memorandum. Where it proves not to be possible to reach mutual agreement to adapt the Memorandum, either Party may unilaterally terminate it, provided it gives the other Party not less than three (3) months prior written notice.

Article 9

Amendment

This Memorandum may be amended. Amendments shall be made by an exchange of letters between the Parties.

Article 10

Intellectual property

1. UNECE shall be the sole owner of all intellectual property rights and other proprietary rights related to the UNECE system, including the source code.
2. IRU shall be the sole owner of all intellectual property and proprietary rights related to the IRU System, including the source code.
3. For the Pilot Project and projects launched in the framework of this Memorandum, UNECE grants to IRU a non-exclusive, worldwide, non-transferable right to interact with the interfaces of the UNECE System using the methods and security requirements described in the projects' specifications. This right does not allow to copy, modify or enhance any part of the software contained in the UNECE System. This does not exclude the right to use the standards described in the conceptual, functional and technical documentation related to computerization of the TIR procedure.
4. For the projects launched in the framework of this Memorandum, IRU grants to UNECE a non-exclusive, worldwide, non-transferable right to interact with the interfaces of the IRU System using the methods and security requirements described in the projects' specifications. This right does not allow to copy, modify or enhance any part of the software contained in the IRU System.

Article 11

Disputes

1. Any dispute between the Parties concerning the interpretation or application of this Memorandum shall, as far as possible, be settled by negotiation between them.
2. Any such dispute between the Parties, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by either Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then pertaining. The place of arbitration shall be Geneva, Switzerland. The arbitral tribunal shall have no authority to award punitive damages or to award interest. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

Article 12

Privileges and Immunities

Nothing in the present Memorandum or relating to its application or interpretation shall be construed, explicitly or implicitly as constituting a waiver of the privileges or immunities of

UNECE pursuant to the provisions of the 1946 Convention on the Privileges and Immunities of the United Nations.

Article 13

Monitoring

The Parties recognize the importance of monitoring and evaluating the collaborative activities undertaken pursuant to this Memorandum. The Parties agree to monitor the activities undertaken in the framework of this Memorandum and to compile yearly status reports related to the results achieved as per the terms of the work plans. Such reports shall be submitted to the Executive Secretary of UNECE and the Secretary General of IRU.

Article 14

Financing UNECE ICT related activities

The financing of UNECE ICT related activities in the framework of this Memorandum are dealt with in a separate Contribution Agreement between the Parties.

Article 15

Final clause

This Memorandum together with the UNECE-IRU Contribution Agreement constitutes the entire agreement between UNECE and IRU in the framework of the computerization of the TIR procedure.

Geneva, 06.10.2017

(Signed) Olga Algayerova
Executive Secretary

For the United Nations
Economic Commission for
Europe

Geneva, 06.10.17

(Signed) Umberto de Pretto
Secretary General

For the International Road
Transport Union (IRU)

International Road Transport Union (IRU)-United Nations Economic Commission for Europe (UNECE) Contribution Agreement (UNECE Project E-296)

A. Summary of activities

Title:	Contribution towards enhancement of the full computerization of the TIR procedure
Start/End dates:	Activities start date: 1 January 2018 Activities end date: 31 December 2022
Location:	Palais des Nations, Geneva, Switzerland
Contribution amount:	USD 1,511,275 (the " <u>Contribution</u> ")
Contributing agency:	International Road Transport Union (IRU)
Recipient agency:	United Nations Economic Commission for Europe (UNECE)
Nature of activities:	<ol style="list-style-type: none">1. Maintain and improve the UNECE System (the Information and Communication Technology (ICT) infrastructure and software developed and deployed by UNECE, in collaboration with IRU, to allow the exchange of data between stakeholders in the project launched in the framework of the Memorandum of Understanding between UNECE and IRU signed on 24 March 2015. This will include all future projects initiated through the framework of the "Memorandum of Understanding on cooperation between UNECE and IRU in the field of computerization of the TIR procedure" (hereinafter referred to as "the Memorandum");2. Assist the contracting parties in connecting to the UNECE System;3. Host the UNECE System, including, inter alia, all licenses and software support and hosting fees.4. Detailed activities shall be established through annual work plans, agreed by both Parties through an exchange of letters on or before 1 October for activities to be undertaken during the following year.5. The annual work plan for the following year will be agreed prior to the payment of the Contribution for that year.
Purpose:	Advance the full computerization of the TIR procedure in support of the Memorandum".
Annexes:	Annex I, the five-year budget
Expected outcome:	The timely completion of agreed activities as detailed in the annual work plans.

UNECE will be fully responsible for administering the Contribution in accordance with its financial regulations, rules, policies and procedures, and administrative instructions, and carrying out the activities efficiently and effectively, in accordance with the budget and agreed annual work plans.

This contribution agreement (the "Agreement") together with the Memorandum constitutes the entire agreement between UNECE and IRU in the framework of the computerization of the TIR procedure.

B. Budget

The total maximum budget for the activities to be carried out for the five years period is USD \$1,511,275 inclusive of 13% programme support costs and the 2% external evaluation costs. The table below provides a summary of this five-year budget.

<i>Summary five years BUDGET</i>	<i>Total (USD)</i>
Total programmable amount, including direct costs	1 311 188
Evaluation costs (2%)	26 224
Indirect support costs (13%)	173 863
Grand total	1 511 275

IRU will not be responsible for any financial commitment or expenditure made by UNECE that exceeds the agreed budget for the activities. UNECE will promptly advise IRU any time when they are aware that the budget to carry out the agreed activities is insufficient to fully implement the activities in the manner set out in the present Agreement, including Annex I of this agreement. IRU will have no obligation to provide UNECE with any funds or to make any reimbursement for expenses incurred in excess of the total agreed budget as set forth herein. The details of the budget are provided for in Annex I of this Agreement. All figures in Annex I are inclusive of the 13 % Programme Support Costs element.

C. Costs recovery

UNECE's support costs, determined in accordance with its cost recovery policy, will be paid from the Contribution, in accordance with the budget.

D. Reporting

Narrative Reporting

UNECE will provide IRU with yearly narrative status reports before 1 April of each year related to the results achieved under the agreed annual work plan activities financed under this Agreement.

UNECE will provide regular reports on the tasks performed by the ICT expert contracted exclusively to carry out the activities under this Agreement, hereinafter named the "ICT Expert".

Financial reporting

UNECE will provide IRU with annual financial reports before 1 April of each year. These reports will provide financial data at the aggregate expenditure level (staffing and personnel, official travel, contractual services and operating and other direct costs) in line with the details of the budget and in accordance with the UNECE's financial regulations, rules, policies, procedures, technical capacity and administrative instructions.

Evaluation

In accordance with the UNECE Evaluation Policy¹, an external evaluation consultant will undertake a full review of this project within three months of the termination of the Agreement. The final evaluation report will be shared with IRU.

E. Contributions

The total amount paid by the Contributing Agency shall match the total budget amount. The following schedule of payments are subject to both Parties agreeing to the annual work plan of the following year as detailed in Section A, item: Nature of activities, paragraph 4:

<i>Date of Payment of Contribution</i>	<i>Amount (USD)</i>
Within one month of signature	302 255
On or before 1 November 2018	302 255
On or before 1 November 2019	302 255
On or before 1 November 2020	302 255
On or before 1 November 2021	302 255

In accordance with Section G of this Agreement, any amendment of this Agreement pertaining to an increase or decrease in Contributions would imply a full review of income and expenditure as at the date of the amendment.

IRU acknowledges that UNECE will not pre-finance activities. If a contribution or any part thereof is not received in a timely manner, IRU agrees that activities may be reduced or suspended.

The Contribution will be paid into the following account:

Account Number: 485001802
 Account Currency: USD
 Account Name: UNOG General Fund
 Bank Name: JP Morgan Chase
 Bank Address: 277 Park Avenue, 23rd Floor, New York, NY 10172 USA
 US Banking Code: ABA 02100002
 Swift code: CHAS US 33
 Reference: eTIR Project

When making such transfers IRU will notify UNECE, by e-mail to the contact person and address under paragraph F of this Agreement of the following: (a) the amount transferred; (b) the value date of the transfer; and (c) that the transfer is from IRU pursuant to this Agreement.

UNECE will continue to hold any part of the contribution that is unutilized at completion of the activities until all commitments and liabilities incurred in carrying out the activities have been satisfied, and all arrangements associated with the activities have been brought to an orderly conclusion. Subsequent to this, any unused funds or accumulated interest will be returned to IRU upon termination of the Agreement unless otherwise agreed by the two entities.

F. Correspondence

All correspondence regarding the implementation of this Agreement will be addressed to:

International Road Transport Union (IRU)
 Attention: Secretary General
 La Voie-Creuse 16

¹ https://www.unece.org/fileadmin/DAM/press/pr2014/UN_ECE_Evaluation_Policy_October_2014.pdf

CH-1211 Geneva
Switzerland
Email: iru@iru.org

United Nations Economic Commission for Europe
Attention: Executive Officer
Executive Office
Office of the Executive Secretary
Palais des Nations
CH-1211 Geneva 10
Switzerland
Email: michael.sylver@unece.org

G. Amendments

The present Agreement, including its Annex I, may be modified or amended only by written agreement between UNECE and IRU.

H. Settlement of disputes

UNECE and IRU ("Parties") shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Agreement or any breach thereto.

Any such dispute between the Parties, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by either Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then pertaining. The place of arbitration shall be Geneva, Switzerland. The arbitral tribunal shall have no authority to award punitive damages or to award interest. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

Nothing in the present Agreement or relating to its application or interpretation shall be construed, explicitly or implicitly as constituting a waiver of the privileges or immunities of UNECE pursuant to the provisions of the 1946 Convention on the Privileges and Immunities of the United Nations.

I. Termination

In the event that one of the Parties has any reason to consider that the circumstances to continue this Agreement has changed in comparison to those agreed to at the time of signature (including, but not limited to, in the case of absence of agreement on any annual work plan), the Parties shall seek to find a mutually acceptable revision of the Agreement. Where it proves not to be possible to reach a mutually acceptable revision of the Agreement, either Party may unilaterally terminate this agreement provided that it gives the other Party not less than three (3) months of prior written notice.

J. Entry into force and validity

This Agreement will enter into force upon signature and is valid until 31 December 2022 at the earliest, and at the latest upon satisfaction of all commitments and liabilities incurred in carrying out the activities and the orderly conclusion of all arrangements associated with the activities.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in duplicate.

Geneva, 6 Oct. 2017

(Signed) Michael Sylver
Executive Officer

For the United Nations Economic
Commission for Europe

Geneva, 06.10.17

(Signed) Umberto de Pretto
Secretary General

For the International Road Transport
Union (IRU)

Annex I

Budget (5 years)

<i>Description</i>	<i>Costs (USD)</i>
Staff and personnel costs	1 069 000
<i>Computer Information Systems Officer P-3 for 12 months</i>	
Official Travel	42 188
<i>Technical assistance missions</i>	
Contractual Services	50 000
<i>Hosting costs</i>	
Operating and Other Direct Costs	150 000
<i>Software and support costs</i>	
Sub-total	1 311 188
Contractual Services	26 224
<i>Evaluation by external consultant (2%)</i>	
Sub-total	1 337 411
13% Support costs	173 863
Total	1 511 275