



**Economic and Social  
Council**

Distr.  
GENERAL

ECE/TRANS/WP.30/AC.2/85  
11 October 2006

Original: ENGLISH

---

**ECONOMIC COMMISSION FOR EUROPE**

Administrative Committee for the TIR Convention, 1975

**REPORT OF THE ADMINISTRATIVE COMMITTEE FOR THE  
TIR CONVENTION, 1975 ON ITS FORTY-SECOND SESSION  
(28 September 2006)**

**CONTENTS**

	<u>Paragraphs</u>
I. Attendance	1-4
II. Statement of the UNECE Executive Secretary	5
III. Adoption of the agenda	6
IV. Status of the TIR Convention, 1975	7-15
V. Activities and Administration of the TIR Executive Board (TIRExB)	16-37
VI. Computerization of the TIR Procedure	38
VII. Proposals for Amendments to the Convention with regard to the operation of the TIRExB and the TIR secretariat	39-45
VIII. Authorization for printing and distribution of TIR Carnets and the Organization and Functioning of the Guarantee System	46
IX. Authorization for the conclusion of an Agreement between the UNECE and the IRU	47
X. Other Proposals for Amendments to the Convention	48
XI. Other business	49-51
XII. Adoption of the Report	52

\* \* \*

Annex 1: Statement of the UNECE Executive Secretary

Annex 2: Status of the TIR Convention, 1975

## **REPORT**

### **I. ATTENDANCE**

1. The Administrative Committee held its forty-second session on 28 and 29 September 2006 in Geneva.
2. The session was attended by representatives of the following countries: Austria; Azerbaijan; Belarus; Belgium; Bulgaria; Croatia; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Indonesia; Italy; Jordan; Latvia; Lithuania; Netherlands; Poland; Republic of Moldova; Russian Federation; Serbia; Slovakia; Slovenia; Spain; Sweden; Switzerland; Turkey; Ukraine; United Kingdom. Representatives of the European Community (EC) were also present.
3. The following non-governmental organization was represented as observer: International Road Transport Union (IRU). A number of issuing and guaranteeing associations, members of the IRU, were also represented as observers at the session.
4. The Administrative Committee noted that the required quorum according to Annex 8, Article 6 of the Convention had been attained.

### **II. STATEMENT OF THE UNECE EXECUTIVE SECRETARY**

5. The Committee took note of a statement of the UNECE Executive Secretary, Mr. M. Belka, providing UNECE's answers to the IRU's six proposals as contained in Informal document No. 9 (2006). The statement is contained in annex 1 to the report

### **III. ADOPTION OF THE AGENDA**

6. The Administrative Committee adopted the agenda of its present session as contained in document ECE/TRANS/WP.30/AC.2/2006/84, prepared by the UNECE secretariat.

### **IV. STATUS OF THE TIR CONVENTION, 1975**

7. The Committee was informed of the situation concerning the geographical scope and the number of Contracting Parties to the TIR Convention, 1975. The Committee noted that the Convention had 66 Contracting Parties and that it was operational in 55 of these Contracting Parties. A list of Contracting Parties to the Convention as well as of countries in which a TIR transit operation can be established is contained in annex 2 to this report and is also available on the UNECE TIR website (<http://tir.unece.org>). Contracting Parties were invited to verify these listings. Annex 2 also contains a list of national associations issuing and guaranteeing TIR Carnets.

8. Detailed information on the status of the Convention as well as on the various Depositary Notifications is available on the UNECE TIR website (<http://tir.unece.org>).

9. The Committee took note that the following amendments to the Convention entered into force on 12 August 2006:

- Introduction of a new Article 42ter and the amendment of Article 60 of the Convention, together with the introduction of a new Annex 10 (Depository Notification C.N.383.2006.TREATIES-2).
- Addition of new Explanatory Notes to Article 6.2bis and Annex 8, Article 10 (b) of the Convention (Depository Notification C.N.397.2006.TREATIES-3).

10. The Administrative Committee took note of document ECE/TRANS/WP.30/AC.2/2006/14, prepared by the secretariat, containing an overview of the state of implementation of Phases I and II of the TIR revision process.

11. The Committee took note of a statement by the IRU, the contents of which is contained in Informal document No. 9 (2006), explaining that organization's six proposals to restore a true and effective Public-Private Partnership between the UNECE bodies, the TIR Secretariat and the IRU. In this context, the IRU stressed that, amongst others, the documents concerning eTIR, Informal document No. 4 (2006) and ECE/TRANS/WP.30/2006/8 published for the Working Party (WP.30) and document ECE/TRANS/WP.30/AC.2/2006/11 relating to the financing of the TIRExB and TIR Secretariat, as well as the answer from the UNECE, contained in Informal document No. 10 (2006), have created great concern for the IRU and questioned its ability to continue to assume its responsibility in the management of the TIR System. Therefore the IRU sees only three possible outcomes:

- The immediate collapse of the system following the information that will be given to its partners and the impossibility for the IRU to continue to assume its responsibilities under the current circumstances.
- To avoid such an immediate collapse, faced with the impossibility to restore the conditions necessary for the IRU to continue to assume its responsibilities, the parties should initiate discussions on how to end the system in an amicable manner in order to minimize the damage to all concerned.
- The parties involved agree, at the present session, to commit themselves to implement the IRU's six proposals contained in Informal document No. 9 (2006), thereby enabling the IRU to continue its involvement in the TIR System.

12. Replying to a question from one Contracting Party for the reasons of the IRU's concerns, the IRU gave three non-exhaustive examples of the severe problems the IRU is facing:

- Computerization of the TIR procedure. The documents recently published and the explanations received in the course of the present session of the Working Party (WP.30) make it clear, according to the IRU, that the eTIR project relates to a new transit system instead of computerizing the TIR procedure.
- TIR revision process. Amendment proposals submitted by a few Contracting Parties would, according to the IRU, transform the TIR guarantee into an automatic payment mechanism. According to the IRU, these proposals are encouraging some Contracting Parties to lodge a massive number of illegitimate claims to the guarantee chain.

- UNECE's reply to IRU's six proposals. In the view of the IRU, the reply of the UNECE expressed that the IRU SafeTIR data has no value. Over the last 2 ½ years the IRU has been faced with 41,000 pre-notifications in the European Union where, according to the information in the IRU SafeTIR system, in 95 per cent of the cases, the TIR Carnets are duly confirmed by Customs authorities. Further, according to the IRU, such cases must now be considered as a real financial risk, as a consequence of this UNECE interpretation, thus obliging the IRU, according to its contractual relations, to transmit them to the insurers with all the consequences this might have.

13. In reaction to the above IRU's statement, the European Community representative replied that the Contracting Parties to the TIR Convention are aware of the difficulties reported by the IRU. However, the three possible outcomes presented by IRU do not take into account the issues presented by the UNECE Executive Secretary in reaction to the IRU's six proposals. The European Community expressed concern about the IRU's "take it or leave it" approach, meaning that the IRU would not consider alternatives to its six proposals.

The European Community thinks that the collapse of TIR is not a solution and that nobody would be interested in this outcome. It is in the interest of the Contracting Parties to build real trust in a mutual public-private partnership.

Finally, the European Community representative called for the responsibility of all partners playing an economic role in all Contracting Party countries, in particular for the transport industry, in order to consider the real interests of each partner.

14. The Committee, furthermore, took note of Informal document No. 10 (2006), prepared by the secretariat, containing UNECE comments on the six proposals, transmitted by the IRU to the UNECE Executive Secretary on 22 September 2006.

15. The Committee decided to address the concerns expressed by the IRU under the relevant points of the agenda.

## **V. ACTIVITIES AND ADMINISTRATION OF THE TIR EXECUTIVE BOARD (TIREXB)**

### **(a) Activities of the TIREXB**

#### **(i) Report by the Chairperson of the TIREXB**

16. The Administrative Committee endorsed the reports of the twenty-seventh and twenty-eighth sessions of the TIREXB held in October 2005 and January 2006 respectively (ECE/TRANS/WP.30/AC.2/2006/5 and ECE/TRANS/WP.30/AC.2/2006/16). All adopted reports of the TIREXB are available on the UNECE TIR website (<http://tir.unece.org/>).

17. The Chairperson of the TIREXB reported on the recent activities of the TIREXB and the TIR secretariat as well as on the outcome of the twenty-ninth session (May 2006). The next session of the TIREXB and TIR secretariat will take place at the end of November 2006.

18. The Committee considered document ECE/TRANS/WP.30/AC.2/2006/17, prepared by the secretariat, containing a proposal for an example of a best practice developed by the TIREXB with regard to the application of Article 38 of the Convention. The Committee took note of the decision of the Working Party to generally endorse the document and to provide some minor amendments to both the text and the appendix. The Committee decided to follow the request of the Working Party that the secretariat prepare a revised version of the document, taking account of the proposed amendments, which will be submitted to the forthcoming session of the Committee for consideration and adoption.

(ii) **International TIR Data Bank (ITDB)**

19. The Committee recalled the obligation contained in Annex 9, Part II, paras. 4 and 5 of the Convention concerning transmission of ITDB data and urged all Contracting Parties to respect the deadlines set-out in the Convention for the transmission of data. In this context, the Committee took note of document ECE/TRANS/WP.30/AC.2/2006/15, prepared by the secretariat providing an overview of the status of transmission of documents and data to the ITDB.

20. The Committee, recalling that, at its fortieth session, it had considered proposals for (a) opening up the access to the ITDB to Customs officials other than the TIR Customs Focal Points and (b) providing additional information contained in the ITDB, such as information on exclusions and withdrawals (document TRANS/WP.30/AC.2/2005/3), took note of the information provided by the secretariat concerning problems encountered in relation to the data collection and capture of data for the ITDB.

21. Bearing in mind the above, the Committee, due to a lack of time, decided to postpone, until its next session, the discussion of these questions. Finally, the Committee also decided to postpone its consideration of document ECE/TRANS/WP.30/AC.2/2006/12, prepared by the secretariat containing a proposal for a disclaimer for ITDB.

(iii) **Fraud Report Form (FRF)**

22. The Committee, due to time constraints, decided to refer the discussions of document ECE/TRANS/WP.30/AC.2/2006/6 of the agenda to its next session.

(iv) **National and regional TIR workshops and seminars**

23. The Committee took note that in May 2006 the secretariat had organized a Regional TIR seminar in Bulgaria in cooperation with the National Customs Agency of Bulgaria and the Association of the Bulgarian Enterprises for International Road Transport and the Roads (AEBTRI). The conclusions of the seminar can be obtained from the following website: <http://www.unece.org/trans/bcf/tir/seminar/sofia/conclusions.pdf>.

24. The Committee also noted that the secretariat had participated in national TIR seminars in Kyrgyzstan and Uzbekistan in April 2006 and in the VI International Conference on international road transport, organized by the Association of International Road Carriers of Ukraine (AIRCU) in September 2006.

**(b) Financial administration of the TIRExB and the TIR secretariat**

**(i) Approval of the final accounts for the year 2005**

25. The Administrative Committee formally approved the final accounts of the TIRExB for the year 2005 as contained in document ECE/TRANS/WP.30/AC.2/2006/7.

**(ii) Status report on the accounts for the year 2006**

26. The Administrative Committee took note of the financial situation of the TIRExB and the TIR secretariat as of 30 July 2006, as contained in document ECE/TRANS/WP.30/AC.2/2006/8.

27. The Administrative Committee decided to approve the complete and final accounts for 2006 at one of its sessions in 2007, as soon as the accounts would be available

**(iii) Budget proposal and cost plan for the year 2007**

28. The Committee considered and approved the budget and cost plan for the TIRExB and the TIR secretariat for the year 2007 as contained in document ECE/TRANS/WP.30/AC.2/2006/11/Rev.1, prepared by the secretariat and adopted by the TIRExB on 26 September 2006.

29. Referring to the exchange of letters between the UNECE and the IRU, the Committee was informed by the IRU of its suggestions for amendments to the budget and cost plan for 2007 as contained in Informal document No. 6 (2006) as well as the following additional remarks:

- Referring to document ECE/TRANS/WP.30/AC.2/2006/11/Rev.1, the reserves for recruitment of four new project personnel, in the event that the current staff would all separate, should be taken out, as the funds already contain a provision for separation cost of at least US\$ 165.000.
- Compared to the real expenditures in 2006, the IRU considers that the overall budget is overestimated by at least 250.000 US\$ in addition to the points made above. The IRU expressed the need for the budget and cost plan for 2007 to be re-established on a realistic basis.

30. The Committee, considering the issue, noted and accepted the explanations provided by the secretariat as well as the considerations contained in Informal document No. 7 (2006) and ECE/TRANS/WP.30/AC.2/2006/11/Rev.1.

31. The Committee requested the secretariat to explore all opportunities to include the operation of the TIRExB and TIR secretariat in the regular budget of the UN as from the next UN budget cycle and, in the meantime, as from the budget year 2008, to review the budget for the operation of the TIRExB and the TIR secretariat according to activity based budgeting principles, as recommended by the OIOS.

32. The Committee decided to consider and determine the amount of the levy per TIR Carnet after the discussion of proposals for amendments to the Convention with regard to the operation of the TIRExB and the TIR secretariat mentioned under point VII in the present report.

**(iv) Audit by the UN Board of Auditors**

33. The Committee took note of document ECE/TRANS/WP.30/AC.2/2006/9/Rev.1 containing, in annex 1, an extract of the final draft report of the UN Board of Auditors (BOA) concerning the UNECE-IRU Agreement and, in annex 2, the report of the UN Office of Internal Oversight (OIOS) on the UNECE-IRU Agreement.

34. The Committee noted that both reports highlighted the need for amending the arrangements for the financing of the operation of the TIRExB and the TIR secretariat with a view to improving transparency and accountability.

35. The Committee also noted that the OIOS report should dispel concerns raised by the IRU concerning a number of statements made in the BOA report, since the OIOS concludes that it can rely on attestation provided by KPMG, the external auditor of the IRU, confirming that “the firm had verified the number of TIR carnets issued by IRU to its national associations, the amount collected for each distributed TIR carnert and the amount advanced by IRU to UNECE for financing the TIRExB and the TIR secretariat during the period 1999-2004” and noting that an excess amount was paid by the IRU to the UNECE compared to what the IRU had collected. The UNECE will inform the BOA about the concerns raised by the IRU.

**(c) Election of members for the TIRExB**

36. The Administrative Committee confirmed that the criteria for nomination of candidates and election of members to the TIRExB would be based on the comment adopted on 26 June 1998 to the Rules of Procedure of the TIRExB on “representation” - with the exception of paragraph (c) as its provisions relate only to the initial election of Board members and are thus no longer appropriate (TRANS/WP.30/AC.2/51, annex and Corr.1) - and the procedure for the election of members of the TIRExB adopted on 26 February 2000 by the Administrative Committee (TRANS/WP.30/AC.2/53, paras. 31 and 34).

37. The Administrative Committee, therefore, authorized the UNECE secretariat to solicit candidates in November 2006, to close the list of candidates on 8 December 2006 and to issue on 11 December 2006 the official list of candidates for distribution to all Contracting Parties according to the procedure described in the provisional agenda TRANS/WP.30/AC.2/84.

**VI. COMPUTERIZATION OF THE TIR PROCEDURE**

38. The Committee considered document ECE/TRANS/WP.30/AC.2/2006/13, containing an overview of the mandates and opinions provided, so far, by the relevant TIR bodies in the computerization process. The Administrative Committee noted the concerns of some Contracting Parties with regard to the legal and financial aspects linked to the introduction of the eTIR system and the differences in technological development between countries, which might lead to possible complications and delays at the time of implementation at the national level. The

Committee also noted the concerns by the international organization and its member associations with regard to their role in the eTIR system. The Administrative Committee stressed that the eTIR system should meet the requirements of all Contracting Parties to the Convention. The Committee decided to include in the guidelines for the computerization of the TIR system the part of the statement of the UNECE Executive Secretary at the opening of the present session referring to the computerization of the TIR system. The Committee endorsed the document and the following list of guidelines:

- Maintenance of the basic philosophy and structure of the TIR procedure, safeguarding and, possibly, strengthening the provisions of the TIR Convention, particularly those prepared under Phases I and II of the TIR revision process (TRANS/WP.30/194, para. 36);
- Computerization of the whole TIR Carnet life cycle from distribution, issuance and via the TIR transport to return and repository, aimed at, ultimately, replacing the current paper TIR Carnet (TRANS/WP.30/212, para. 26);
- The establishment of an international, centralized database, the aim of which should be to facilitate the secure exchange of data between national Customs systems (TRANS/WP.30/212, para. 26);
- The management by Customs of data on guarantees, once the guarantor has issued a guarantee to an operator (ECE/TRANS/WP.30/226, para. 41);
- The development of the eTIR system, which connects existing and future Customs IT systems, should be realized with an appropriate level of connectivity with the existing TIR related IT systems (ECE/TRANS/WP.30/AC.2/85).

## **VII. PROPOSALS FOR AMENDMENTS TO THE CONVENTION WITH REGARD TO THE OPERATION OF THE TIRExB AND THE TIR SECRETARIAT**

39. The Committee recalled document ECE/TRANS/WP.30/AC.2/2006/3, prepared by the secretariat in consultation with the relevant UN bodies, providing proposals for resolving the issue of the financing of the operation of the TIRExB and TIR secretariat. Furthermore, the Committee considered Informal document No. 11 (2006), prepared by the secretariat, containing an alternative proposal for the financing of the operation of the TIRExB and the TIR secretariat replacing the present pre-financing mechanism with a system of monthly transfer of the total amount collected by the international organization in connection with its distribution of TIR Carnets that month.

40. The Committee took note of the withdrawal by the IRU of Informal document No. 12 (2006), which it had transmitted for consideration at the present session. The Committee was informed by the IRU that, as a result, the IRU's position was reflected in document ECE/TRANS/WP.30/AC.2/2006/4.

41. The Committee expressed the view that the six proposals of the IRU, contained in Informal document No. 9 (2006), were adequately met by the opening statement of the UNECE

Executive Secretary, by various other statements by delegations during the session as well as by the decisions of the Committee at its present session.

42. The Committee was informed by the IRU that on the basis of the written report of the present session the competent persons of the IRU will assess the situation bearing in mind IRU's six proposals in Informal document No. 9 (2006), the three possible outcomes and the decisions of the Contracting Parties.

43. The Committee, noting that some Contracting Parties expressed the view that they were not in a position to agree to changes to the text of the Convention at the present session, considered that in the short-term only two options for financing the operation of the TIREXB and the TIR secretariat seemed feasible: (a) to stay with the present financing mechanism until such a time when it could be agreed that the provisions of the Convention could be amended or (b) to opt for the financing and collection mechanism proposed in Informal document No 11 (2006), prepared by the secretariat. The Committee decided to mandate the secretariat to invite the IRU to inform the secretariat, before 15 October 2006, which of the two options mentioned above it would choose. If by 15 October 2006 the IRU has not replied or has chosen to reject both options, the Committee will mandate the secretariat to immediately convene an extraordinary session of the TIR Administrative Committee.

44. The Committee requested the IRU to provide a forecast of the number of TIR Carnets that this organization expects to distribute in 2007. The IRU stated that it was not in a position to provide this information. The Committee, therefore, decided that in the absence, at present, of a forecast from the IRU the levy should be either:

- based on the budget adopted by the Committee at the present session for the TIREXB and the TIR secretariat and a forecast to be provided, also before 15 October 2006 by the IRU in case this organization decides to accept either option (a) or (b) mentioned above, or;
- set at an amount of 0,75 US\$ per TIR Carnet in case the IRU does not provide a forecast.

45. The Committee decided to revisit the amount of the levy, at the latest at its session in February 2007.

### **VIII. AUTHORIZATION FOR PRINTING AND DISTRIBUTION OF TIR CARNETS AND THE ORGANIZATION AND FUNCTIONING OF THE GUARANTEE SYSTEM**

46. The Committee confirmed the authorization granted at its thirty-eighth session authorizing the IRU to centrally print and distribute TIR Carnets and to organize the functioning of the guarantee system for the period 2006-2010 included (TRANS/WP.30/AC.2/77, para. 37). However, the Committee decided, bearing in mind the decision under point VII above, that the authorization should be reviewed either at its ordinary session in February 2007 or at an extraordinary session at the end of 2006.

## **IX. AUTHORIZATION FOR THE CONCLUSION OF AN AGREEMENT BETWEEN THE UNECE AND THE IRU**

47. The Committee, based on its decision to offer the IRU to choose between the two options mentioned above under point VII for the financing of the operation of the TIRExB and the secretariat, decided to mandate the secretariat, provided the IRU agrees to one of the two options, to negotiate the appropriate amendments to the UNECE-IRU Agreement and/or its annexes with a view to receiving the transfer of an amount from the IRU for the funding of the operation of the TIRExB and the TIR secretariat for the year 2007.

## **X. OTHER PROPOSALS FOR AMENDMENTS TO THE CONVENTION**

### Proposals by the TIRExB

48. The Committee considered the proposal by the TIRExB for a new Explanatory Note to the Convention prohibiting passenger cars from travelling on their own under cover of a TIR Carnet. The Committee, after consideration of the issue, decided to revert to the proposal at its next session.

## **XI. OTHER BUSINESS**

### **(a) Date of next session**

49. The Committee decided to hold its next ordinary session on 1 February 2007. The deadline for submission of official documents to be translated into the official languages of the UNECE is 9 November 2006.

50. The Committee decided, bearing in mind its decision mentioned under point VII above, that an extraordinary session could be organized in November or December 2006 if developments concerning the guarantee system so requires.

### **(b) Restriction on the distribution of documents**

51. The Administrative Committee decided that none of the documents issued for the present session should be restricted.

## **XII. ADOPTION OF THE REPORT**

52. In accordance with Annex 8, Article 7 of the TIR Convention, 1975, the Administrative Committee adopted the report on its forty-second session. During the adoption of the report, the French and Russian speaking delegations deplored that the report was not available in all three official languages; thus, the final report may not be available at the end of the session for adoption in all working languages.

**Annex 1**



**Opening Statement by Mr. Marek Belka**

**Executive Secretary**

**United Nations Economic Commission for Europe**

Delivered at the TIR Administrative Committee, 42nd session

**28 September 2006**

Mr. Chairman, Distinguished delegates,

It is a pleasure for me to welcome you to this 42<sup>nd</sup> session of the TIR Administrative Committee and to address this Committee for the first time in my capacity as UNECE Executive Secretary.

Please be assured that, even before coming to the UNECE, I was already aware of the importance of the TIR Convention. Not only I had the opportunity to hear about this Convention in my previous functions, but also, like any other European citizen, I had noticed the TIR blue plate on the back of many trucks on European roads.

Now that I am in the UNECE I also know that the TIR Convention is one of the flagship Conventions of the UNECE and a major tool for facilitation of international trade and transport at the Pan-European level and increasingly beyond.

As Executive Secretary of the UNECE, I am pleased and proud that the Contracting Parties to the Convention have entrusted the UNECE secretariat with the role of providing the secretariat services to its Administrative Committee.

As such, we consider it our role to fulfill the mandates of the Contracting Parties and to ensure that the **Convention is implemented in a proper and smooth way in close cooperation and in efficient partnership of all players, public and private.**

Public private partnerships are sometimes challenging, with each side having different opinions. This is not surprising. We are dealing with two different cultures and we must understand that the public and the private side are pursuing diverging objectives. For a well-functioning partnership, it is very important that each side respects the interests and objectives of the other.

As everyone in this room knows, the private partners of the Convention, the IRU and its associations, have recently raised a number of concerns about the functioning of the Public-Private Partnership and the commitment of the public partners to it.

I should like to state clearly that the UNECE secretariat is fully committed to a well-functioning TIR Convention and works towards a well-balanced PPP together with all partners whom I invite also to work together to ensure the smooth implementation of the Convention.

It is important to consider the context in which this partnership takes place. You are all aware that in all areas of economic activity we are witnessing calls for greater transparency and accountability. The UN is not exempt from such calls.

For the UNECE these developments have resulted in the recent audits of the UN Board of Auditors (BOA) and the UN Office of Internal Oversight (OIOS). In addition, UNECE Member States have recently undertaken the UNECE reform and adopted a related Work Plan. Both the

audits and the Work Plan contain a number of recommendations or mandates on transparency and accountability, which the UNECE secretariat must follow.

In relation to the TIR Convention, both the reform and the audits have pointed to the need for greater transparency in the financial management of the TIR system, in particular in relation to the financing of the TIRExB and the TIR secretariat. Furthermore, Contracting Parties to the Convention and UNECE Member States have expressed the wish to have the TIR procedure computerized with a view that countries get improved control mechanisms for the application of the Convention, another element in the general drive for greater accountability.

Neither the public nor the private partners in the TIR system should see the demands for transparency and accountability as a criticism of their work or as a risk for their involvement. On the contrary, these developments should be welcomed as the expression of an increased engagement of Member States and Contracting Parties to ensuring a well-functioning and sustainable TIR Convention.

At the same time, these demands point to the need for the management and procedures of the TIR Convention to adapt to the new requirements.

As I mentioned, a number of concerns have been raised by the IRU and its member associations concerning the functioning of the TIR system. I also understand that the financial institutions and insurers backing the TIR system have some concerns.

The UNECE secretariat takes these concerns very seriously and is committed to discussing them with all partners, including the Contracting Parties with a view to finding viable and well-balanced solutions in a transparent and cooperative manner.

It is in this spirit that we have made a concrete proposal to address one of the concrete concerns of the IRU, namely the financing of the operation of the TIRExB and the TIR secretariat. I believe that this proposal not only can be easily implemented in the short run, but also provides IRU with a solution to comply with Auditor requests. I hope that you will consider this proposal seriously as one that seeks to address various concerns and bridge differences of opinion.

In this context, the UNECE secretariat is committed to review, as from the budget year 2008, the budget for the operation of the TIRExB and the TIR secretariat according to activity based budgeting principles, as recommended by the OIOS, and also to adapt the budget in line with the proposed financing mechanism to include simply the estimated funds needed to ensure the operation of the TIRExB and the TIR secretariat.

In relation to the computerization of the TIR procedure, I wish to assure all partners that the UNECE secretariat will work towards an appropriate level of connectivity of existing TIR related IT systems to the future computerized TIR procedure, the core of which will be the eTIR system connecting existing and future Customs IT systems.

I would also like to report - indeed I am happy to report, that the OIOS report clarifies a number of statements made in the Board of Auditors report, and concludes that it can rely on KPMG's attestation confirming that "the firm had verified the number of TIR carnets issued by IRU to its national associations, the amount collected for each distributed TIR carnets and the amount advanced by IRU to UNECE for financing the TIRExB and the TIR secretariat during the period 1999-2004." According to the OIOS report, there was an excess amount paid by the IRU to the UNECE for the reasons explained in paragraph 14 of the report. I believe that this should dispel IRU concerns in this regard.

Mr. Chairman, let me reiterate that the UNECE secretariat will work together with all partners in the TIR system with a view to ensuring the continued success of the TIR Convention for many years to come.

I wish the greatest success to your deliberations and thank you for your attention.

**Annex 2****STATUS OF THE TIR CONVENTION, 1975**

<u>Contracting Parties</u>	<u>Countries with which a TIR transit operation can be established*</u>	<u>National associations **</u>	<u>Country code (ISO 3166, A3)</u>
Afghanistan	-	-	AFG
Albania	✓	ANALTIR	ALB
Algeria	-	-	DZA
Armenia	✓	AIRCA	ARM
Austria	✓	AISÖ	AUT
Azerbaijan	✓	ABADA	AZE
Belarus	✓	BAMAP	BLR
Belgium	✓	FEBETRA	BEL
Bosnia and Herzegovina	-	-	BIH
Bulgaria	✓	AEBTRI	BGR
Canada	-	-	CAN
Chile	-	-	CHL
Croatia	✓	TRANSPORTKOMERC	HRV
Cyprus	✓	TDA	CYP
Czech Republic	✓	CESMAD BOHEMIA	CZE
Denmark	✓	DTL	DNK
Estonia	✓	ERAA	EST
Finland	✓	SKAL	FIN
France	✓	AFTRI	FRA
Georgia	✓	GIRCA	GEO
Germany	✓	BGL; AIST	DEU
Greece	✓	OFAE	GRC
Hungary	✓	ATRH	HUN
Indonesia	-	-	IDN
Iran (Islamic Republic of)	✓	ICCIM	IRN
Ireland	✓	IRHA	IRL
Israel	✓	IRTB	ISR
Italy	✓	UICCIAA	ITA
Jordan	✓	RACJ	JOR
Kazakhstan	✓	KAZATO	KAZ
Kuwait	✓	KATC	KWT
Kyrgyzstan	✓	KYRGYZ AIA	KGZ
Latvia	✓	LA	LVA

\* Based on information provided by the IRU.

\*\* For details, refer to the International Directory of TIR Focal Points administered by the UNECE secretariat (<http://www.unece.org/trans/bcf/tir/focal/tirfocalpoints.htm>). The access to the website is restricted and only open for TIR Focal Points.

## STATUS OF THE TIR CONVENTION, 1975 (CONT'D)

<u>Contracting Parties</u>	<u>Countries with which a TIR transit operation can be established *</u>	<u>National associations **</u>	<u>Country code (ISO 3166, A3)</u>
Lebanon	✓	CCIAB	LBN
Liberia	-	-	LCR
Lithuania	✓	LINA VA	LTU
Luxembourg	✓	FEBETRA	LUX
Malta	✓	ATTO	MLT
Mongolia	✓	NARTAM	MNG
Morocco	✓	AMTRI	MAR
Netherlands	✓	TLN; KNV; EVO	NLD
Norway	✓	NLF	NOR
Poland	✓	ZMPD	POL
Portugal	✓	ANTRAM	PRT
Republic of Korea	-	-	KOR
Republic of Moldova	✓	AITA	MDA
Romania	✓	UNTRR; ARTRI	ROU
Russian Federation	✓	ASMAP	RUS
Serbia	✓	SCC-ATT	SCG
Slovakia	✓	CESMAD SLOVAKIA	SVK
Slovenia	✓	GIZ INTERTRANSPORT	SVN
Spain	✓	ASTIC	ESP
Sweden	✓	SA	SWE
Switzerland	✓	ASTAG	CHE
Syrian Arab Republic	✓	SNC ICC	SYR
Tajikistan	✓	ABBAT	TJK
The former Yugoslav Republic of Macedonia	✓	AMERIT	MKD
Tunisia	✓	CCIT	TUN
Turkey	✓	TOBB	TUR
Turkmenistan	✓	THADA	TKM
Ukraine	✓	AIRCU	UKR
United Kingdom	✓	RHA; FTA	GBR
United States of America	-	-	USA
Uruguay	-	-	URY
Uzbekistan	✓	AIRCUZ	UZB
European Community		-----	

\* Based on information provided by the IRU.

\*\* For details, refer to the International Directory of TIR Focal Points administered by the UNECE secretariat (<http://www.unece.org/trans/bcf/tir/focal/tirfocalpoints.htm>). The access to the web site is restricted and only open for TIR Focal Points.