



**Economic and Social
Council**

Distr.
RESTRICTED

ECE/TRANS/WP.30/AC.2/2006/
Informal document No. 11
27 September 2006

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE

Administrative Committee for the TIR Convention, 1975

Forty-second session
Geneva, 28 September 2006
Item 5 of the provisional agenda

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

FINANCING OF THE OPERATION OF THE TIRExB AND THE TIR SECRETARIAT

Note by the UNECE secretariat

1. Following consultations with some Contracting Parties and in a spirit of cooperation and continuous pursuit of a constructive solution to eliminate the problems connected with the financing of the TIR Executive Board and TIR Secretariat, which have been highlighted by the UN auditors, the UNECE secretariat proposes the following modalities for financing the operation of the TIRExB and the TIR Secretariat as from 2007:

- The amount to be collected (referred to in Annex 8 Article 13 of the TIR Convention) will be determined by the TIR Administrative Committee on the basis of a forecast submitted by the international organization, IRU, to the annual session of the TIR Administrative Committee, of the number of TIR Carnets it expects to distribute during the forthcoming year and should be proportionate to the cost of operating the TIRExB and the TIR secretariat;

- The existing arrangements for the pre-financing of the TIRExB and TIR secretariat budget will be replaced by a procedure whereby the international organization, the IRU, commits itself to collect the amount determined by the TIR Administrative Committee and to transfer to the UN Bank account specified in the UNECE/IRU Agreement, after the end of each month, the total amount collected on each TIR Carnet it has distributed during the previous month;

2. The following conditions for the accounting and auditing of the amount collected and transferred by the international organization, the IRU, shall apply:

- The term “following consultation with the international organization” shall mean:
 - That the international organization, the IRU, is obliged to provide a forecast of the number of TIR Carnets it expects to distribute during the forthcoming year at the annual autumn session of the TIR Administrative Committee; and
 - That the international organization, the IRU, has the right to express its views on the proposed budget for the operation of the TIRExB and the TIR Secretariat;
- The international organization, the IRU, shall at the annual autumn session of the TIR Administrative Committee inform the Committee of its acceptance of the authorization for printing and distributing of TIR Carnets as well as for the effective organization and functioning of the international guarantee system, with the current conditions set forth therein;
- The acceptance by the international organization, the IRU, of the above-mentioned authorization will be without reservation or condition; any such reservation or condition attached by the international organization will render the authorization invalid and will be considered as an act by the international organization to terminate the UNECE-IRU agreement;
- Transfer of the collected amount shall be made before the deadline of 15 of each month following the collection. Would this deadline not be respected, and if the payment is not made within 15 days after the receipt of a written notification that the payment has not been effected, the authorisation will be invalid and will be considered as an act by the international organization to terminate the UNECE-IRU agreement;
- The international organization, the IRU, agrees to keep a separate account for the amount collected on each TIR Carnet;
- The international organization, the IRU, agrees to transmit to the TIR Secretariat after the end of each month a statement of the total number of TIR Carnets it has distributed that month;
- The international organization, the IRU, agrees that the external auditor appointed by its General Assembly will, after the end of each year, provide an audit certificate on the number of TIR Carnets distributed, the amount collected and the amount transferred to the above-mentioned UN Bank account during that year;

- The international organization, the IRU, accepts that, on request, the relevant UN audit bodies can audit the said separate account jointly with IRU's external auditor appointed by the IRU's General Assembly;
- Particulars with regard to the payment modalities will be contained in the UNECE/IRU agreement.

3. This solution, which is subject to the approval by the TIR Administrative Committee at its session on 28 September 2006, provides the staff of the TIR secretariat with contracts of approximately six months duration, whereas under the present scheme staff is granted one-year contracts. The UNECE secretariat proposes this solution, in a spirit of cooperation and good will, despite this negative implication for the stability of the TIR secretariat.

4. In the mean time until such a time when the operation of the TIRExB and the TIR secretariat shall be financed through the UN regular budget, and in order to facilitate further the collection of the funds by the international organization, the UNECE secretariat proposes to the Administrative Committee to consider amending Annex 8, Article 13, of the TIR Convention as follows:

- Paragraph 1, replace the word "levy" with the phrase "invoicing and collection of an amount"
- Paragraph 2, delete the phrase "of the levy".

5. The UNECE secretariat is committed to finding a sustainable solution for financing the operation of the TIRExB and the TIR secretariat and, therefore, will continue 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 budget cycle.

6. The UNECE secretariat commits itself to act in and contribute to a true and balanced Public-Private Partnership to allow the short and long term proper functioning of the TIR System.
