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**ECONOMIC COMMISSION FOR EUROPE
INLAND TRANSPORT COMMITTEE**

Administrative Committee for the
TIR Convention, 1975

(Thirty-fifth session, 25-26 September 2003,
agenda item 7)

Working Party on Customs Questions
affecting Transport

(One-hundredth-and-fifth session, 23-26 September 2003,
agenda item 7 (c) (i))

**REPORT OF THE SECOND MEETING OF THE
“FRIENDS OF THE CHAIRMAN”**

**Transmitted by the Chairman
of the Working Party on Customs Questions affecting Transport**

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The Hague, 21 and 22 August 2003

1. At the invitation of the chairman of the Working Party on Customs Questions affecting Transport (WP.30), the so-called “Friends of the Chairman” held its second session on 21 and 22 August 2003 in the Hague (The Netherlands), to consider the draft revised agreement, to be concluded between the UNECE and the IRU, in line with the mandate received from the Administrative Committee, at its thirty-fourth session (TRANS/WP.30/AC.2/69, paragraph 42).
2. The meeting was attended by representatives from: Italy, The Netherlands, Sweden, Turkey, the European Commission, the IRU and the UNECE / TIR secretariat. Russia was invited, but not represented.
3. Before considering its content, the meeting felt it first needed to establish whether or not the draft revised Agreement was intended to implement the authorization of Article 6.2 bis of the Convention. Although the mandate received from AC.2 may not have been precise in this respect, the meeting felt that, in line with the three-step approach, proposed by the Friends of the Chairman and endorsed by AC.2 (TRANS/WP.30/AC.2/69, paragraph 41), the purpose of the revision of the Agreement was clearly to meet the request of the IRU to have its roles and responsibilities clarified, so that it would be in position to accept the authorization to take on responsibility for the effective organization and functioning of an international guarantee system under Article 6.2 bis of the Convention. Thus, the meeting felt that the draft Agreement should contain a provision, referring to the granting of the authorization by AC.2 on the one hand, and its acceptance by the IRU on the other hand (TRANS/WP.30/AC.2/67, paragraph 42).
4. The meeting decided that a number of the introductory considerations, preceding the provisions of the draft Agreement were not indispensable for the comprehension of the Agreement itself. Therefore, the meeting decided to limit the introductory considerations to those directly linked to the scope of the revised Agreement and to replace all others by references only. A similar approach was taken with regard to a number of provisions of the draft Agreement, containing details on the transfer of the sums due. The meeting decided to take such details out of the body of the draft Agreement and to insert them in separate parts of the Annexes to the draft Agreement instead.
5. The meeting extensively discussed the provisions of the draft revised Agreement. The final text, endorsed by the meeting, is contained in Annex 1 to this report. The meeting proposes that this draft be provisionally signed by the UNECE and the IRU, assuming that the draft be acceptable to both parties. The revised Agreement would only become effective from the date it would be formally adopted by the AC.2 (TRANS/WP.30/AC.2/69, paragraph 42).

6. Particular attention was paid to the termination provisions contained in the draft Agreement and to the short-term termination clause of the draft Agreement in particular. Such clause had been added at the specific request from the IRU. In the discussion related to the termination provisions of the draft revised Agreement, the IRU explained its contractual relations with its partners. During these discussions it was understood that the organization and functioning of the international guarantee system through contractual arrangements between the international organization, its national organizations, financial institutions and any other partners is the responsibility of the international organization (for the time being IRU), based on the provisions of the TIR Convention. After lengthy discussions, which were pursued in the week after the meeting between the direct parties, it was decided that the Agreement did not need a short-term termination clause.

7. According to document TRANS/WP.30/AC.2/2003/8 the TIRExB felt that, bearing in mind the ongoing discussions, the budget of the TIRExB should remain unchanged in 2004 in comparison with 2003. This is respected in the Budget proposed for 2004 with the exception of corrections for exchange rate fluctuations. However, based on item 8.1 of the draft Agreement, under the condition that this draft will be endorsed during the 35th meeting of the Administrative Committee for the TIR Convention, 1975, either party may unilaterally terminate the agreement, provided it gives the other party 6 months written notice. Therefore, in case of an exceptional early termination of the Agreement between UNECE and the IRU, in accordance with item 8.1 of the Agreement or upon expiration of the Agreement, with a view to fully cover all possible staff costs and related staff entitlements for the TIR Secretariat provided for under the UN rules and regulations, an additional amount of US\$ 305.000 has been added to the budget for 2004. Provided that the TIR Secretariat staff conditions do not change dramatically, it is expected that this amount will not be used for the running operation of the TIR Secretariat and will be transferred forward to the following years TIRExB budget.

8. In the course of its work, the meeting discussed a number of issues, which it would like to submit to AC.2 for further deliberation:

- (a) The organization of the TIR Trust Fund. Although the secretariat had explained that under UN rules the IRU was not considered to be a “donor”, the position of the IRU remains to be clarified, in particular with regard to the obligation to transfer funds on the one hand, and the right of being consulted and receiving information on the other hand;
- (b) Within the context of the discussion under (a) also the nature of the collection of the funds due has to be reassessed. To achieve this, the Chairman of WP.30 will submit a draft proposal to AC.2, proposing to replace the word “levy” in the text of Annex 8, Article 13 of the Convention by a more appropriate term, reflecting the fact that the

amount is only intended as an administrative fee to cover the costs incurred by the TIRExB and TIR secretariat;

- (c) The duration of the authorization. In order to create more stability in the TIR system in the long run and to come to better, long-term arrangements between all actors involved in the TIR system, the meeting proposes that the AC.2 grants the authorization for centrally printing and distribution of TIR Carnets and the authorization of Article 6.2. bis to the IRU for an indefinite period. This, of course, under the understanding that both authorizations will contain clear and workable termination clauses.
- (d) The meeting was of the opinion that the formal UNECE-IRU agreement on the transfer of funds to finance the TIRExB and TIR secretariat will introduce a degree of stability and certainty, which should be reflected in the nature of the fixed term contracts awarded to the TIR Secretariat. Therefore the meeting was of the opinion that it ought to be entirely possible to offer the TIR Secretariat annual contracts.

9. With regard to the organization of the TIR Trust Fund the IRU expressed its wish to have confirmed that transfer of the amounts from the IRU is governed by the United Nations Financial Regulations, Rules and Directives for Trust Funds.

LIST OF PARTICIPANTS

Chairman: Mr. Guus Jacobs (The Netherlands)

ITALY

Mr. Mario Amelio
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Italian Customs Agency
Chairman TIRExB

NETHERLANDS

Mr. Hans van Bodegraven
Director Customs Policy and Legislation Directorate
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Mrs. Brigit Gijsbers
Head of Division
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SWEDEN

Mrs. Martina Ögren
Customs Specialist
Swedish Customs, Trade Division
Vice Chairperson AC.2

TURKEY

Mr. Recai Sen
Deputy Director General
Undersecretariat of Customs
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EUROPEAN COMMISSION

Mr. Alexander Wiedow
Director Customs Policy
Directorate General for Taxation and Customs Union

Mr. Peter Hook
Customs Administrator
TIR Sector
Economic Aspects of Customs and Transit Unit
Directorate General for Taxation and Customs Union

INTERNATIONAL ROAD TRANSPORT UNION (IRU)

Mr. Jean Acri
Responsible for TIR system

Mr. Sören Rasmussen
Head of TIR Operation

UNECE / TIR SECRETARIAT

Mr. Poul Hansen
Economic Affairs Officer
Secretary WP.30
TIR Secretary

Mr. Artur Bouten
Customs Expert
TIR secretariat
