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Item 4 (b) (iv) of the provisional agenda

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 2021

Budget proposal and Unreleased Budget (cost plan) for the year 2021

Note by the secretariat

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 2021. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by TIRExB at its October 2020 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 2021 is estimated at US\$ 1,724,860 inclusive of programme support costs (see annex I), reflecting a net increase of US\$ 74,834 compared to the approved budget and Unreleased Budget (cost plan) for TIRExB and the TIR secretariat for 2020. 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\$ 228,964 (i.e. 15 per cent of US\$ 1,526,425) would, therefore, be needed in 2021. As such, the estimated resource requirements for 2021 amount to a total of US\$ 1,953,824. However, taking into account the estimated balance of US\$ 616,860 as at 31 December 2020 available for 2021 operations, the actual additional amount required for 2021 is estimated at US\$ 1,336,964. The resources provision of US\$ 305,000, exceptionally transferred by the International Road Transport Union (IRU) in 2004 to be used in the event

of termination of the UNECE¹/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. The Committee, at its seventy-second session (February 2020), noted that, due to the lower number of TIR Carnets distributed than estimated, there occurred an internal deficit of US\$ 133,313 rounded (SWF 134,808.73) in the IRU books for the year 2019. The Committee decided to reflect this amount in the amount per TIR Carnet in 2021 in order to clear the deficit (ECE/TRANS/WP.30/AC.2/147/para. 17). In this regard, total amount that needs to be generated from amount per TIR Carnet in 2021 sums up to US\$ 1,470,277.

6. It is currently estimated that some 756,000 TIR Carnets will be issued in 2021. Under this scenario, an amount per TIR Carnet of US\$ 1.95 (rounded) will be required to generate the income necessary to cover the additional funds of US\$ 1,470,277 needed for the 2021 operations of TIRExB and the TIR secretariat and the 2019 deficit.

7. Annex II to the Agreement between ECE and the International Road Transport Union (IRU) for the period 2020-2022 provides steps, procedures and related timeline for the financing of the operation of TIRExB (see ECE/TRANS/WP.30/AC.2/2019/24).

¹ United Nations Economic Commission for Europe

Annex I

Proposed Unreleased Budget (Cost Plan) for 2021

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)	1 290 000
Travel (official travel of staff, travel of meeting participants)	74 425
Operating and other direct costs (e.g. rental of premises, staff training, communication costs, hospitality etc.)	67 000
Contractual services	70 000
Supplies, commodities and materials	10 000
Equipment, vehicles and furniture	15 000
Sub-total	1 526 425
Programme Support at 13%	198 435
Total	1 724 860

TIR Trust Fund resource requirements for the year 2021

1. Staff and personnel costs: US\$ 1,290,000

The proposed resources of US\$ 1,290,000 under this object class reflect an increase of US\$ 84,000 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 increase is mainly because ECE competent services required increasing the funds allocated to staff costs further to observing the realizations in the first half of 2020.² 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 2021 and are sub-divided as follows:

(a) Professional grade staff US\$ 983,000

The proposed resources of US\$ 983,000 reflect an increase of US\$ 59,000 and provide for the salary and related costs³ for one year (12 months) of five internationally recruited staff on fixed-term appointments (three P-4, one P-3 and one P-2). Staff costs were based on the realizations in previous years besides the United Nations Standard Salary Costs for international staff as approved for the year 2021.

(b) Administrative Support Personnel US\$ 292,000

The proposed resources of US\$ 292,000 under this object of expenditure, reflect an increase of US\$ 25,000 and provide for the salary and related costs⁴ for one year (12 months) of two administrative support staff on fixed term appointments (one G-5 and one G-4).

² See document ECE/TRANS/WP.30/AC.2/2019/19 regarding the refining done for 2020 budget.

³ In line with the United Nations Staff regulations and Rules.

⁴ In line with the United Nations Staff regulations and Rules.

(c) Consultant fees and travels US\$ 15,000

The proposed resources amounting to US\$ 15,000 are intended for consultancy services possibly to be used to fulfil technological assessments required for the operations of the eTIR international system.

2. Travel: US\$ 74,425

The proposed resources amounting of US\$ 74,425 reflect a decrease of US\$ 4,275 and provide for the official travel of staff and the travel and Daily Subsistence Allowance of meeting participants. For the planned activities, the action plan for providing the required training and support to countries that have recently acceded to the TIR Convention was taken into account (see ECE/TRANS/WP.30/AC.2/147, para. 44). The proposed amount for travel is sub-divided as follows:

(a) Travel of staff US\$ 36,400

The proposed resources amounting to US\$ 36,400 provide for travel of project staff and the TIR Secretary for (a) consultation and participation in conferences, meetings and seminars concerning the TIR Convention including the eTIR international system organized by the TIR secretariat, TIRExB or other international organizations; (b) meetings and consultations with other international organizations relevant to the TIR Convention and the eTIR international system; (c) attending meetings of TIRExB held outside Geneva.

(b) Travel of meeting participants US\$ 38,025

The proposed resources amounting to US\$ 38,025 provide for the Daily Subsistence Allowance (DSA) for the 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\$ 67,000

The proposed resources amounting to US\$ 67,000 reflect a decrease of US\$ 11,000 and provide for rental of premises, staff training, communication costs, hospitality and miscellaneous expenses. The proposed resources for operating and other direct costs are sub-divided as follows:

(a) Rental of premises including utilities US\$ 50,000

The estimated resource requirements under this object of expenditure, amounting to US\$ 50,000, provide for rental of premises, utilities, facilities etc. related to the implementation of the project activities. This cost is included in the budget proposal in line with the directive of the United Nations Office at Geneva (UNOG) and based on the Annual Standard Common Service Costs for the year 2021.

(b) Staff training, communication costs, hospitality and miscellaneous expenses US\$ 17,000

The proposed resources of US\$ 17,000 under this object of expenditure provide for training costs of the TIR secretariat staff, communication costs (i.e. postage, fax, calls and pouch), hospitality, stationery and miscellaneous expenses related to the implementation of the project activities.

4. Contractual Services: US\$ 70,000

The estimated resource requirements of US\$ 70,000, under this object class, reflect an increase of US\$ 10,000 and are intended to cover expenditures hosting costs for the eTIR international system and the International TIR Data Bank (ITDB) as well 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.

5. Supplies, commodities and materials: US\$ 10,000

The proposed resources amounting to US\$ 10,000 provide for software subscriptions needed for the development of the eTIR and the maintenance of the ITDB. This class is newly opened since the acquisition of some IT software needs to be charged under this class in the UMOJA system instead of the “Equipment, vehicles and furniture” class.

6. Equipment, vehicles and furniture: US\$ 15,000

The proposed resources amounting to US\$ 15,000 under office automation and equipment, reflect a decrease of \$22,500 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 hardware and software systems needed for the development of the eTIR and the maintenance of the ITDB.

Annex II

Technical Cooperation Trust Fund		
Transport international routier – TIR (Project ID: E211)		
Fund Statement (US dollars)		
(1) 2021 Projected Expenditures:		
2021 Estimated direct expenditures		1 526 425
13 % Programme Support Cost		198 435
15% Operating Cash Reserve (US\$ 1 526 425 X 15%)		228 964
2021 Estimated projected requirements (rounded)		<u>1 953 824</u>
Estimated Funds Available at 31 December 2020:		
Fund balance at 31 December 2019	1 607 420	
2020 Contribution (received on 14/11/2019)	1 106 233	
Total funds as at 31 December 2019	<u>2 713 653</u>	
<u>Less:</u> (The following estimates are inclusive of 13% Programme Support Cost)		
2020 Estimated projected expenditures	1 484 693	
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>	
	2 096 793	
(2) Total estimated available balance as at 31 December 2020 for 2021 operations		<u>616 860</u>
(3) Estimated Funds to be transferred for 2021 operations [(1)-(2)] (rounded)		<u>1 336 964</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.