



Economic Commission for Europe**Administrative Committee for the TIR Convention, 1975****Seventy-fifth session**

Geneva, 9 June 2021

Item 2 of the provisional agenda

Recommendation No. 6:**Memorandum of Understanding between the Economic Commission for Europe
and the International Road Transport Union****Recommendation No. 6 by the Office of Internal Oversight
Services – Memorandum of Understanding between the
Economic Commission for Europe and the International
Road Transport Union****Note by the secretariat****I. Mandate and background**

1. At its seventy-fourth session (February 2021), the TIR Administrative Committee (AC.2) considered, as for recommendation No. 6 (the apparent conflict of interest arising from the arrangement between the United Nations Economic Commission for Europe (ECE) and the International Road Transport Union (IRU) on the eTIR project), document ECE/TRANS/WP.30/AC.2/2021/7 by the Ethics Office. The Committee took note of the actions by the secretariat to implement the advice by the Ethics Office, such as (a) assign AC.2 with the function to independently oversee funds allocated to ECE for the purpose of eTIR; and (b) review, revisit and update the existing Memorandum of Understanding (MOU) between ECE and IRU once Annex 11 enters into effect. In addition, ECE should comprehensively review its contractual and administrative arrangements currently in effect as well as any individual transaction with IRU. In its advice, the Ethics office highlighted the importance of establishing independent oversight over funds allocated to ECE for the purpose of eTIR through the relevant governing bodies such as the AC.2, if not yet done so. The secretariat proposed that AC.2 should perform this independent oversight. Any new extrabudgetary projects on eTIR or on any other activity of the TIR secretariat, except for projects agreed through the United Nations system, should be first discussed and endorsed by AC.2 before being submitted to the ECE Executive Committee (EXCOM) for final approval. In addition, the secretariat should, on an annual basis, report to AC.2 about the spending of those funds and the development of the projects. Furthermore, the Ethics office recommended that the existing MOU between ECE and IRU be revisited, revised and updated, once Annex 11 enters into effect. The secretariat informed the Committee that it had already prepared the draft MoU and shared it with IRU, pending final discussions and agreement. This new MOU will be based on the principles advised by Ethics office meaning:

- Secretariat will no longer report to IRU but only to AC.2;

- Preparation of annual workplans for approval by AC.2;
- Funding of the P3 post based on the same remaining funds but for a longer period.

2. The new MOU will be submitted, as official document, to AC.2, if needed and required during an extraordinary session of AC.2 in June 2021, for consideration and endorsement before submitting it to EXCOM for final approval. Finally, the Ethics office advised that ECE may wish to take this opportunity to undertake a comprehensive review of its contractual or other administrative arrangements currently in effect as well as individual transactions with the IRU and may wish to carefully consider IRU's possible other commercial activities which may reflect on the reputation of ECE. The ECE Executive office has decided to invite OIOS to perform this comprehensive review. The secretariat will provide any additional information on this issue, if available, at the next session of the Committee. The Committee welcomed the important steps undertaken by the secretariat in ensuring an expeditious and satisfactory implementation of the advice of the Ethics Office, leading OIOS to be in a position to close this last outstanding recommendation (ECE/TRANS/WP.30/AC.2/151, paras. 56–61).

3. The Committee is invited to consider and, possibly, approve the new MOU between ECE and IRU, as contained in Annex to document ECE/TRANS/WP.30/AC.2/2021/8 and mandate the secretariat to transmit it to EXCOM for final approval.

Annex

Memorandum of Understanding between United Nations Economic Commission for Europe (ECE) and the International Road Transport Union (IRU) concerning the implementation of Annex 11 of the TIR Convention

This Memorandum of Understanding (MOU) is signed on / /2021

Between:

1. International Road Transport Union (IRU), having its registered office at La Voie-Creuse 16 (CP 44) CH-1211 Geneva Switzerland (hereinafter referred to as “IRU”); and
2. United Nations Economic Commission for Europe, having its headquarters at Palais des Nations, CH - 1211 Geneva 10, Switzerland (hereinafter referred to as “ECE”).

IRU and ECE are hereinafter referred to individually as “Party” and collectively as “Parties”.

WHEREAS,

(a) IRU is the world road transport organization, which represents globally 3.5 million companies operating mobility and logistics services. Founded in 1948, IRU has members and activities in more than 80 countries. IRU has General Consultative Status with the United Nations Economic and Social Council since 1949. Under a United Nations mandate, IRU manages TIR, the only global transit system that has played an important role in facilitating and securing international trade and transit. since 1949;

(b) ECE is a regional commission established by the United Nations Economic and Social Council to promote pan-European economic integration by bringing together 56 member States and administering 59 United Nations legal instruments on inland transport with global participation.

(c) The TIR Administrative Committee (AC.2) adopted Annex 11 to the TIR Convention that includes provisions on the development and implementation of the eTIR international system according to the eTIR specifications.

NOW, THEREFORE, in recognition that Annex 11 to the TIR Convention, 1975 which establishes the so-called eTIR procedure came into force on 25 May 2021, the Parties confirm their mutual agreement on the following:

Article 1 Purpose

1.1. The Purpose of this MOU is to implement the TIR Convention and, more specifically, Annex 11 of the TIR Convention, which establishes the so-called eTIR procedure, by ensuring the interconnection of IRU systems to the eTIR international system as well as the interconnection of as many as possible national customs systems to the eTIR international system following the eTIR technical specifications.

1.2 This MOU supersedes the MOU and the Contribution Agreement signed between ECE and IRU on 6 October 2017, which was foreseen to expire in December 2022 and which will become invalidated by the present MOU as of 31 October 2021.

At the same time, the Parties recognize and agree that this MOU supports the activities aimed at full computerization of the TIR Convention.[Proposal by IRU: At the same time, the Parties recognize and agree that this MOU supports the projects and initiatives aimed towards full computerization of the TIR Convention.]

Article 2

Scope of cooperation - activities

The Parties will cooperate in the finalization, test and operation of the interconnection between the eTIR international system to as many national customs systems as possible and with IRU systems in order to initiate the transition period from the paper based TIR procedure to its digitalized version. To this extent:

(a) ECE and IRU will cooperate in order to promote, facilitate and even accelerate, if possible and required, the interconnection of national customs systems to the eTIR international system ensuring a sustainable future for the TIR Convention.

(b) IRU will provide its experience, good practices and technical support as already gained by interconnecting its systems with the national customs systems as well as by operating electronic systems that facilitate the TIR procedure. To the extent possible, IRU will also strive to proceed with the requirement analysis/data analysis of national customs systems comparing to eTIR technical specifications requirements.

(c) IRU will safeguard the proper and efficient connection of its information systems with the eTIR international system which are in any case an integral part of the system (management of electronic guarantees).

(d) The Parties will strive to organize, if needed and as appropriate, capacity building workshops, seminars and meetings jointly in order to promote the interconnection of national customs systems with the eTIR international system and/or to guide and assist the technical teams of national customs administrations to perform the tasks related to establishing the interconnection.

(e) The Parties will strive to carry-out performance reviews of the contracting parties using the eTIR international system, with the scope to evaluate its efficiency and ensure its continuous improvement.

(f) The Parties will strive to exchange analytical reports, publications, technical materials, expert services and other information related to the purposes of this MOU.

Article 3

Identified needs

Cooperation and partnership between the Parties under this MOU is based on the overarching mutual recognition of:

(a) The need to proceed with the digitalized version of the TIR procedure (eTIR) as soon as possible, since it is strictly connected with the survival of the TIR system itself.

(b) The need to expand the TIR system to other transport markets, such as the intermodal transport or postal services, where the electronic exchange of relevant transport and customs information / data is a prerequisite.

(c) The need to expand the TIR system to other geographical areas / regions where existing border crossing facilitation tools are limited and the need for modern and digital border crossing facilitation tools is well recognized.

(d) The need to revitalize and modernize the TIR Convention in parallel with its digitalization, ensuring that it will continue to be the single global border crossing facilitation tool for the years to come.

Article 4

Financing

4.1 With a view to achieving the purposes of the MOU, the Parties agree that IRU will make available to AC.2 for further transfer to ECE the amount of USD 202,000, inclusive of the 13% programme support cost element, which will be paid on 30 November 2021,

provided that the present MOU is duly approved by the Executive Commission (EXCOM) and endorsed by AC.2 before such date. In case of tacit renewal of the MOU for subsequent annual periods (see clause 11.1), the annual amount of USD 202,000 shall be paid on 30 November of each year preceding the year of extension of the MOU.

4.2 In addition, the balance of funds as at 31 October 2021 under the MOU dated 6 October 2017 will be transferred to the current MOU to pay any additional expenses of the P3 Information Systems Officer, including due to changes in entitlement or separation, according to applicable UN rules and regulations.

4.3 The Parties agree that:

(a) The amounts to be paid by IRU will be used solely and exclusively to cover the annual hiring expenses of a P3 Information Systems officer staff member, including the administrative costs related with this post (office and telephone expenses only) respectively for the year 2022.

(b) Any additional expenses of the P3 Information Systems officer, including due to changes in entitlement or separation, according to the applicable UNECE rules and regulations, shall be covered by the funds already kept by ECE under the MOU of 6 October 2017.

(c) A detailed work plan concerning the specific activities that the P3 Information Systems officer staff member will perform in the year to come will be prepared by ECE and it will be submitted for consideration and endorsement by AC.2. The activities described in the work plan should be solely about the development and maintenance of the eTIR international system and its interconnection with the national customs systems operated by the ECE secretariat. The work plan should not include any activities required or requested by any third party outside the ECE secretariat even if those activities are connected directly or indirectly with the eTIR international system.

(d) At the end of this MOU, AC.2 shall agree to the return of the unspent funds to IRU, unless the Parties decide differently.

Article 5

Exchange of information

The Parties recognize that effective cooperation in the transport sector depends on open, comprehensive and regular exchange of information. To the extent possible and in accordance with their respective policies concerning disclosure of information, the Parties intend to exchange information posted on their respective websites of conferences, seminars and workshops being organized or sponsored.

Article 6

Reciprocal invitations

The Parties recognize that appropriate representation is important to emphasize their common interests, purposes and intentions in substantive terms. The Parties therefore intend to invite each other, where appropriate, to meetings, conferences, seminars and workshops relevant to cooperation in the priority areas set out in this MOU.

Article 7

Periodic informal consultations

The Parties recognize the significance of convening periodic mutual and informal consultations to review the planned, ongoing, implemented, and achieved activities under this MOU, to evaluate the results of such activities and to explore and discuss new challenges, opportunities and problems related to the areas of cooperation under this MOU. It is the understanding of the Parties that such informal consultations shall be conducted periodically as and when required but not less than once a year.

Article 8

Focal points

For purposes of coordination and administration of this MOU, the Parties designate their respective contact/focal points as follows:

For IRU:

Attention: Director - TIR and Transit
IRU, La Voie-Creuse 16 (CP 44)
CH-1211 Geneva 20
Switzerland

For ECE:

Attention: The Director, Transport
Sustainable Transport Division
Palais des Nations, CH – 1211 Geneva 10
Switzerland

Article 9

Preparation, implementation and evaluation of activities

9.1 The Parties will endeavour to prepare:

- (a) A list of all current operational cooperation activities and their status of implementation.
- (b) A list with a brief description of all planned cooperation activities for the next year.
- (c) An indicative list of planned cooperation projects for the next year.

9.2 The Parties will endeavour to ensure that:

- (a) Their respective appropriate program managers will be responsible for the implementation of cooperation activities listed within their areas of responsibility for activities under this MOU.
- (b) Their respective appropriate program managers will provide brief reports as necessary to their respective units on the status of implementation of all cooperation activities listed within their areas of responsibility under this MOU.
- (c) The Parties will conduct joint mid-term reviews of the implementation of the MOU and consider further cooperation activities.

Article 10

Acknowledgements and use of institutional emblems

The Parties recognize that their involvement in joint cooperation activities under this MOU will be publicized. Therefore, the Parties understand that:

- (a) There will be public acknowledgment of the role and contribution of each Party to cooperation projects in all public information documentation related to such cooperation.
- (b) Information related to activities under this MOU may be made available through customary channels according to the normal procedures and policies of each Party. Results derived from joint research projects shall be published with public acknowledgement of the role and contribution of each Party.
- (c) The use of emblems of each Party in documentation related to activities under this MOU will be in accordance with the current policies of each Party concerning such usage.

Article 11

Term and termination of the MOU

11.1 Starting on 1 November 2021, this MOU is concluded for a period of one (1) year. Upon the expiration of the original term, this MOU shall be automatically renewed for a one (1) year period unless, at least three (3) months prior to the renewal date, either party gives to the other party a written notice of termination. This MoU cannot be prolonged beyond 31 December 2024.

11.2 In the event that one of the Parties has any reason for considering that the circumstances for the continuation of this MOU 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 this MOU. Where it proves not to be possible to reach mutual agreement to adapt this MOU, either Party may unilaterally terminate it, provided it gives the other Party not less than three (3) month prior written notice.

11.3 This MOU may be amended at any time by mutual agreement of the Parties and the intention to amend any terms and/or conditions shall be communicated to the other Party in writing.

Article 12

Disputes

12.1 Any dispute between the Parties concerning the interpretation or application of this MOU shall, as far as possible, be settled by negotiation between them.

12.2 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.

12.3 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.

Article 13

Miscellaneous

13.1 Any specific activity under this MOU if required, could be governed by a separate project document or written agreement/communication.

13.2 All information obtained and derived from exchange of information either in writing or otherwise shall be treated as confidential during and after the expiration of this MOU unless otherwise mutually agreed upon in writing by the Parties.

[END OF ARTICLES]

Execution page

IN WITNESS WHEREOF, the undersigned duly appointed representatives of the Parties have signed the present MOU concerning digitalization of the TIR Convention, 1975 in two counterparts on the day and year first above written.

For and on behalf of International Road Transport Union
Mr. Umberto de Pretto
Secretary General

For and on behalf of United Nations Economic Commission for Europe
Mrs. Olga Algayerova
Executive Secretary
