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## **Economic Commission for Europe**

### **Administrative Committee for the TIR Convention, 1975**

**Seventy-fifth session**

Geneva, 9 June 2021

Item 2 of the provisional agenda

**Audit of the accounts of the TIR Executive Board  
and the TIR secretariat**

### **Recommendation No 6: Memorandum of Understanding between the Economic Commission for Europe and the International Road Transport Union**

#### **Note by the secretariat**

In Annex, the secretariat transmits comments by the United Nations Ethics Office of the draft Memorandum of Understanding between ECE and IRU, as contained in document ECE/TRANS/WP.30/AC.2/2021/8.

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## Annex<sup>1</sup>

We recall that in November 2020, in its advice, the Ethics Office recommended the following, as possible mitigating measures, among others:

- (a) the financing structure regarding the eTIR project be adjusted and the direct financing of UNECE through voluntary contributions by IRU be discontinued; and
- (b) any funds provided to UNECE for the eTIR project be authorized directly by the governing bodies of the TIR Convention (such as AC.2, TIREXB) or be provided to the governing bodies for subsequent allocation to UNECE / TIR secretariat. In return, UNECE should report on the use of these funds directly to the governing bodies of the TIR Convention, and not to IRU.

The Ethics Office understands that Annex 11 to the TIR Convention entered into effect in February 2021. The Annex provides, in para 3, that "... [T]he necessary resources shall be made available to ECE to fulfil the obligations set forth in paragraphs 1 and 2 of this Article. Unless the eTIR international system is financed by resources from the United Nations regular budget, the required resources shall be subject to the financial rules and regulations for extrabudgetary funds and projects of the United Nations. The financing mechanism for the operation of the eTIR international system at ECE shall be decided on and approved by the Administrative Committee." [*emphasis added*]

In view of the changes to the financing of the eTIR system, the Ethics Office further recommended that the existing MOU between UNECE and IRU, dated October 2017, be revisited, revised and updated, once Annex 11 enters into effect, to ensure a full alignment of the MOU with the updated financing structure set forth in the regulatory framework of Annex 11 and the legislative decision of the contracting parties. In this regard, the Ethics Office noted from the Note of the secretariat to the Administrative Committee for the TIR Convention, 1975, (document ECE/TRANS/WP.30/AC.2/2021/8, dated 31 March 2021) that the new MOU will be based on the principles that "*The secretariat will no longer report to IRU but only to AC.2;*" (Part I, "Mandate and Background"). The Ethics Office further noted that Article 4 ("Financing") of the new MOU specifies that "*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.*" As such, if approved, it appears that funds provided to UNECE would be authorized by the AC.2 and not by IRU. The Ethics Office additionally noted Article 5 ("Exchange of information") which states that "*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.*" As such, it appears that UNECE would be under no obligation to report to IRU, which helps reduce the risk of a conflict of interest.

The Ethics Office also recommended that UNECE take this opportunity to undertake a comprehensive review of its contractual or other administrative arrangements currently in effect as well as individual transactions with IRU and to carefully consider IRU's possible other commercial activities which may reflect on the reputation of UNECE. The Ethics Office noted from document ECE/TRANS/WP.30/AC.2/2021/8 dated 31 March 2021 that the UNECE Executive Office has decided to invite OIOS to perform this comprehensive review.

Finally, the Ethics Office noted that its comments are provided from an ethics perspective, based on the values, principles and best interest of the Organization, and they do not preclude policy, financial, legal or other considerations which your office may deem necessary.

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<sup>1</sup> The text is reproduced as received.