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Economic Commission for Europe

Administrative Committee for the TIR Convention, 1975

Sixty-eighth session

Geneva, 18 October 2018

Item 3 (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 2019

Procedure for financing the operation of the TIR Executive Board and TIR secretariat

Budget proposal and cost plan for the year 2019

Submitted by the International Road Transport Union (IRU)

Mr Yuwei Li
Director
Sustainable Transport Division
United Nations Economic Commission for
Europe (UNECE)
Palais des Nations
1211 - GENEVE 10
Switzerland



By email and post

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Geneva, 1 October 2018

**FINANCING OF THE OPERATIONS OF THE TIREXB AND THE TIR SECRETARIAT:
BUDGET PROPOSAL AND COST PLAN FOR 2019**

Dear Mr Li,

Thank you for your letter dated 13 September 2018, reference no. UNECE/2018/TRANS/162/YL/AG.

I have taken due note of the budget proposal and cost plan of the TIRExB and TIR Secretariat for 2019, as well as the amount of USD 1,194,039 to be transferred by IRU in November 2018, as per Article 2 of the UNECE-IRU Agreement.

Further to the preliminary approval by the IRU competent bodies of the draft IRU budget for the year 2019, I can confirm that IRU's operational forecast of the number of TIR carnets to be distributed in 2019 is estimated at 973'525.

Considering the difficult financial environment in which our industry operates, and in particular road transport operators, a structural deficit has arisen during the last few years. The amount paid by IRU for financing the TIRExB and TIR Secretariat has not been fully recovered by the individual amount invoiced by IRU for each TIR carnet distributed during those years. The accumulated deficit at the end of 2017 (from the years 2015 and 2017) amounts to CHF 260,256.79.

In line with PricewaterhouseCoopers' recommendation and as per Article 12 (b) of Annexe 4 of the UNECE/IRU Agreement, IRU proposes that, at its forthcoming session on 18 October 2018, the Administrative Committee agrees that the deficit is recorded in IRU's accounts and shall subsequently be adjusted. This decision will enable IRU to continue financing the TIRExB and TIR Secretariat operations, while protecting the industry during the current situation in which TIR volumes are decreasing.

The cooperation between IRU and UNECE is aimed at ensuring the rapid progress required in the full digitalisation of the TIR customs transit procedure, and to boost international trade in order to support a common vision for the long-term sustainability of the TIR system, including overcoming this accumulated deficit.

In this respect, IRU kindly requests that you bring this letter to the attention of the Administrative Committee, so that the IRU proposal can be endorsed at its sixty-eight session.

Thank you in advance for your understanding and cooperation.

Yours sincerely,



Umberto de Pretto
Secretary General

cc: Ms Olga Algayerova, Executive Secretary