



**Economic and Social
Council**

Distr.
GENERAL

ECE/TRANS/WP.30/AC.2/2007/3/Rev.1
29 January 2007

ENGLISH
Original: ENGLISH, FRENCH and
RUSSIAN

ECONOMIC COMMISSION FOR EUROPE

Administrative Committee for the TIR Convention, 1975

Forty-third session
Geneva, 1 February 2007
Item 6 of the provisional agenda

REVISED PROPOSALS FOR AMENDMENTS TO THE CONVENTION

Amendment(s) to the Convention with regard to the financing
of the operation of the TIRExB and the TIR secretariat

Note by the secretariat

I. BACKGROUND

1. At its forty-second session, the Committee discussed various proposals with regard to the financing of the operation of the TIR Executive Board (TIRExB) and the TIR secretariat, in particular Informal document No. 11 (2006), prepared by the secretariat and document ECE/TRANS/WP.30/AC.2/2006/4, submitted by the International Road Transport Union (IRU), without reaching agreement to changes to the text of the Convention (see ECE/TRANS/WP.30/AC.2/85, paras. 39-43).

2. Conscious of the great importance attached to finding an urgent solution for the financing of the operation of the TIRExB and the TIR secretariat, as long as inclusion in the regular budget of the UN has not been realized, the secretariat, in consultation with the IRU, has drafted a new proposal, which is contained in this document. The proposal consists of two parts:

- (a) a set of procedural and time-related provisions;

(b) amendments to the Convention.

3. The draft proposals which, if approved by the Administrative Committee, shall apply with effect from 2008 have been submitted informally to the UN Board of Auditors (BOA) as well as to the UN Office of Internal Oversight (OIOS), which have reported not to have any objections to the proposals, at this time.

II. PROCEDURES

4. The draft proposal for financing the operation of the TIRExB and the TIR Secretariat includes the following steps and procedures as well as related timeline:

- (1) The UNECE secretariat prepares a budget proposal for the operation of the TIRExB and the TIR secretariat based on activity based budgeting principles (August);
- (2) The TIRExB establishes the budget proposal (September);
- (3) The UNECE secretariat prepares a document comprising the budget proposal established by the TIRExB for approval by the TIR Administrative Committee (September);
- (4) The UNECE secretariat informs the IRU of the budget proposal and the net amount to be transferred and requests the IRU to provide an operational forecast of the number of TIR Carnets it expects to distribute in the forthcoming year (September);
- (5) The IRU provides the Administrative Committee with its forecast and its calculation concerning the amount per TIR Carnet as referred to in Annex 8, Article 13.1 (September-October);
- (6) AC.2 approves the budget and the net amount to be transferred by the IRU, and takes note of the forecast established by the IRU. AC.2 also approves the amount per TIR Carnet as referred to in Annex 8, Article 13.1, calculated on the basis of the forecast provided by the IRU (September-October);
- (7) The IRU transfers the net amount approved by the Administrative Committee to the UNECE named bank account (mid November);
- (8) The IRU maintains a separate account detailing the number of TIR Carnets distributed and the related amounts referred to in Annex 8, Article 13.1 received;
- (9) The IRU auditor produces an audit certificate providing an opinion of the above-mentioned account for the year in question showing the amount transferred and the total amount actually invoiced (15 January);
- (10) The difference between the two amounts will need to be adjusted a posteriori;

- (11) On the basis of the above-mentioned audit certificate, if there is an excess (i.e. more was received than initially transferred), the Administrative Committee, at its spring session, will be informed and the IRU shall transfer the excess to the UNECE named bank account [before 15 March]. This amount will be reflected in the UNECE TIR account to be taken into account for the next budget year;
- (12) On the basis of the above-mentioned audit certificate, if there is a deficit (i.e. less was received than initially transferred), the Administrative Committee, at its spring session, and on the proposal of the IRU, shall approve the appropriate action, which shall be either:
 - (a) a recalculation of the amount per TIR Carnet referred to in Annex 8, Article 13.1, or
 - (b) the deficit will be recorded in the IRU account referred to above and shall, on the basis of a proposal from the IRU as endorsed by the Administrative Committee, be subsequently adjusted;
- (13) These arrangements shall be subject to the accounting controls and audits as foreseen in Annex 3 of the UNECE/IRU Agreement;
- (14) UNECE shall provide full transparency concerning the TIR funds accumulated;
- (15) The above described procedures are considered to comply with general audit and accounting standards and the requirements for transparency and accountability by Contracting Parties.

III. AMENDMENTS TO ANNEX 8, ARTICLE 13

5. The following legal changes are proposed as a part of the draft proposals:

Replace the existing text of Annex 8, Article 13, paragraph 1 by:

“1. The operation of the TIR Executive Board and the TIR Secretariat shall be financed, until such time as alternative sources of funding are obtained, through an amount per TIR Carnet distributed by the international organization as referred to in Article 6. This amount shall be approved by the Administrative Committee. ”

Add a new Explanatory Note:

“8.13.1-3 Amount

The amount referred to in paragraph 1 shall be based on (a) the budget and cost plan of the TIR Executive Board and TIR secretariat as approved by the Administrative Committee and (b) the forecast of the number of TIR Carnets to be distributed as established by the international organization.”

Replace the existing text of Annex 8, Article 13, paragraph 2 by:

“2. The procedure to implement the financing of the operation of the TIR Executive Board and the TIR Secretariat shall be approved by the Administrative Committee.”

Add a New Explanatory Note:

“8.13.2 Following consultation with the international organization as referred in Article 6, the procedure referred to in paragraph 2 shall be reflected in the Agreement between the UNECE, as mandated by and acting on behalf of the Contracting Parties, and the international organization as referred to in Article 6. The Agreement shall be approved by the Administrative Committee.”

IV. CONSIDERATIONS BY THE COMMITTEE

6. The Committee may wish to discuss and, possibly, adopt the proposed procedures, together with the draft amendments to the text of the TIR Convention.
