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Item 3 (b) (ii) of the provisional agenda

Activities and administration of the TIR Executive Board:

Administration of the TIR Executive Board and the TIR secretariat –

Procedure for financing of the operation of the TIRExB and TIR secretariat

Budget proposal and cost plan for the year 2013

Summary

The present document is submitted pursuant to Annex 8, Article 13 of the TIR Convention, 1975, which stipulates that the budget and cost plan of the TIR Executive Board (TIRExB) and TIR secretariat have to be approved by the Administrative Committee.

1. In accordance with Annex 8, Article 13 of the Convention, the TIRExB has prepared the present budget proposal and a cost plan providing for its operation in the year 2013. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by the TIRExB at its October meeting prior to the meeting of the TIR Administrative Committee. Modifications, if any, decided upon by the TIRExB at this meeting, will be reflected in a corrigendum to this document.
2. The proposed cost plan for 2013 estimated at US\$ 1,589,910 inclusive of programme support cost (see annex I), reflecting a decrease of US \$ 48,590 over the approved budget and cost plan for the TIRExB and the TIR secretariat for 2012 (US\$ 1,638,500 inclusive of programme support cost). The decrease relates to the diminished cost of Project Personnel and Administrative Support Personnel due to the strengthening of the dollar compared to the Swiss franc.
3. The United Nations requires 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\$ 211,050 (i.e. 15 per cent of US\$ 1,407,000) would, therefore, be needed in 2013. As such, the estimated resource requirements for 2013 amount to a total of US\$ 1, 800, 960. However, taking into account the estimated available balance at 31 December 2012 available for 2013 operations (US\$ 866,919 inclusive of the contribution of US\$ 95,662 received on 10 March 2012), the actual additional amount required for 2013 is estimated at US \$934,100 (rounded). The resources of US\$ 305,000, exceptionally transferred by IRU in 2004 to be used in the event of termination of the UNECE/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).
4. It is currently estimated that some ... million TIR Carnets will be issued in 2013. Under this scenario, an amount per TIR Carnet of US\$... will be required to generate the income necessary to cover the additional funds of at US\$ 934,100 needed for the 2013 operations.
5. Annex 2 of document ECE/TRANS/WP.30/AC.2/89 provides steps, procedures and related timeline for the financing of the operation of the TIRExB.

Annex I

Proposed Cost Plan for 2013

Programme: TIR Executive Board (TIRExB) and TIR secretariat
(Title of Trust Fund: "Transport International Routier - TIR" Account No.: ZL-RER-8001)

<i>Object of expenditure</i>	<i>Amount (in US\$)</i>
Project Personnel	1 005 000
Administrative Support Personnel	234 000
Consultants fees and travels	30 000
Travel on official business	50 000
Travel of experts	30 000
Staff Training	15 000
Office automation & equipment	20 000
Operation and maintenance of equipment	2 000
External contractual services	20 000
General operating expenses	1 000
Total estimated direct expenditures	1 407 000
Programme Support (13% of Total expenditures)	182 910
Grand total	1 589 910

TIR Trust Fund resource requirements for the year 2013

Project Personnel US\$ 1,005,000

The proposed amount under this object of expenditure is intended to cover the salary and related costs¹ for one year of five experts on fixed-term appointments: one Customs expert, one Legal officer, one Project Management expert and two Computer Information System experts. It also includes provisions for a short-term expert to assist in the development of mandated projects.

Administrative Support Personnel US\$ 234,000

The proposed amount under this object of expenditure is intended to cover the salary and related costs² of two administrative support staff for one year.

Consultant fees and travels US\$ 30,000

The proposed amount under this object of expenditure is intended to cover consultancy costs to carry out mandated tasks.

¹ In line with the United Nations Staff regulations and Rules.

² In line with the United Nations Staff regulations and Rules.

Travel on official business US\$ 50,000

The proposed amount under this object of expenditure is intended to cover the travel cost of Project Staff and the TIR Secretary.

Travel of experts US\$ 30,000

The proposed amount under this object of expenditure is intended to cover DSA for the nine members of the TIRExB, as well as of the experts invited to take part in TIR seminars and workshops.

Staff Training US\$ 15,000

The proposed amount under this object of expenditure is intended to cover training costs of the TIR secretariat staff.

Office automation & equipment US\$ 20,000

The proposed amount under this object of expenditure is intended to cover the acquisition and replacement of relevant electronic and computer office equipment (PCs, printers, copy machine, fax, office furniture, etc.), including data base hard and software systems.

Operation and maintenance of equipment US\$ 2,000

The proposed amount under this object of expenditure is intended to cover the cost of repair and maintenance of office and computer equipment (PCs, printers, copy machine, fax, etc.).

External contractual services US\$ 20,000

The proposed amount under this object of expenditure is intended to cover expenses for meeting rooms, interpretations, translations, external printing of training materials, hospitality, telephone/fax, miscellaneous expenses, etc., related to TIR Seminars and TIRExB meetings organized outside the UN premises.

General operating expenses US\$ 1,000

The proposed amount under this object of expenditure is to provide for communication costs (i.e. postage, fax, long distance calls, and pouch) and other miscellaneous expenses.

Annex II

Local Technical Cooperation Trust Fund		
Transport international routier - TIR		
Fund Statement (US dollars)		
(1) 2013 Projected Expenditures:		
2013 Estimated direct expenditures		1 407 000
13 % Programme Support Cost		182 910
15% Operating Cash Reserve (US\$ 1 407 000 X 15%) ¹		<u>211 050</u>
2013 Estimated projected requirements (rounded)		1 800 960
 Estimated Funds Available at 31 December 2012:		
Actual fund balance at 31 December 2011		
(including US\$ 339 938, 2010 contribution received in 2011) ²	1 650 959	
2012 Contribution received on 14/11/ 2011	1 134 000	
2011 Contribution received in 2012 (transferred by IRU on 10/03/2012)	<u>95 662</u>	
Total funds as at 31 December 2012		2 880 621
 Less:(The following estimates are inclusive of 13% Programme Support Cost)		
2012 Estimated projected expenditures	1 401 602	
Provision for Installation and Separation Costs (forwarded year-to-year)	307 100	
Provision for early termination UNECE/IRU Agreement (forwarded year-to-year)	<u>305 000</u>	
		2 013 702
 (2) Total estimated available balance as at 31 December 2012 for 2013 operations		 <u>866 919</u>
 (3) Estimated Funds to be transferred for 2013 operation [(1)-(2)] (rounded)		 <u>934 100</u>
 Note 1:	The Operating Cash Reserve will be used to complement the provision for separation costs in case of closure of the TIR secretariat.	
Note 2:	See document ECE/TRANS/WP.30/AC.2/2012/8.	