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ECONOMIC COMMISSION FOR EUROPE

Administrative Committee for the TIR Convention, 1975

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Geneva, 1 October 2009
Item 3 (b) (ii) of the provisional agenda

ACTIVITIES AND ADMINISTRATION OF THE TIR EXECUTIVE BOARD (TIRExB)

ADMINISTRATION OF THE TIREXB AND THE TIR SECRETARIAT

Procedure for financing the operation of the TIRExB and TIR secretariat in 2010

Budget proposal and cost plan for the year 2010

Note by the secretariat

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 2010. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by the TIRExB at its September 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 budget proposal and cost plan for the year 2010 do not differ in substantially from the approved budget and cost plan of the TIRExB and the TIR secretariat for the year 2009, as contained in document TRANS/WP.30/AC.2/2008/7. The proposed cost plan for 2010 is estimated at US\$ 1,474,800 inclusive of programme support cost (see annex I). Compared to the approved budget and cost plan for the TIRExB for 2009, an increase of US\$ 16,000 (net of programme support cost) under the headings Travel of experts and External contractual services, has been offset by a decrease of US\$ 16,000 in budget line Project Personnel.
3. In addition, 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, any shortfalls and to meet final expenditures including any liquidating liabilities. An operating cash reserve equivalent to US\$ 195,800 (i.e. 15 per cent of US\$ 1,305,100) would therefore need to be provided in 2010. As such the total 2010 estimated resource requirements amount to a total of US\$ 1,670,600. However, taking into account the projected balance at 31 December 2009 available for 2010 operations (US\$ 432,000), the actual additional amount required for 2010 is estimated at US\$ 700,000 (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 Fund Statement in annex II for details of all the foregoing).
4. It is currently estimated that some ...million TIR Carnets will be issued in 2010. Under this scenario, an amount per TIR Carnet of US\$ will be required to generate the income necessary to cover the additional funds of US\$ 700,000 needed for the 2010 operations.
5. Annex 4 of 2008-2010 UNECE-IRU Agreement (ECE/TRANS/WP.30/AC.2/2007/14) provides steps, procedures and related timeline for the financing of the operation of the TIRExB.

Annex I**Proposed Cost Plan for 2010**

United Nations Economic Commission for Europe, Transport Division

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

<u>Object of expenditure</u>	<u>Amount (in US\$)</u>
Project Personnel	919,100
Administrative Support Personnel	228,000
Consultants fees and travels	30,000
Travel on official business	40,000
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	1,305,100
Programme support (13% of Total direct expenditures)	169,700
Grand Total	1,474,800

TIR Trust Fund resource requirements for the year 2010Project Personnel US\$ 919,100

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 IT projects and to prepare the 2010 updated version of the TIR Handbook.

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

Administrative Support Personnel US\$ 228,000

The proposed amount under this object of expenditure is intended to cover the salary and related costs¹ 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 for a security audit to test the level of security of the Internet applications developed within the secretariat: ITDBonline+ project.

Travel on official business US\$ 40,000

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 for meetings held in Geneva and outside Geneva.

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 one TIR Seminar and one 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.

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

Annex II

Local Technical Cooperation Trust Fund			
Transport International Routier - TIR			
Fund Statement (US Dollars)			
(1) 2010 Projected Expenditures:			
2010 Estimated direct expenditures			1,305,100
13 % Programme Support Cost			169,700
15% Operating Cash Reserve (US\$1,305,100 X 15%)			195,800
2010 Estimated projected requirements (rounded) ¹			<u>1,670,600</u>
Estimated Funds Available at 31 December 2009:			
Actual fund balance at 31 December 2008 ²	1,336,317		
2009 Contribution received in 2008	1,274,000		
Contribution received in 2009	15,067		
Total funds as at 31 December 2009³		<u>2,625,384</u>	
Less:(The following estimates are inclusive of 13% Programme Support Cost)			
2009 Estimated projected expenditures	1,042,800		
Provision for Installation and Separation Costs	307,100	1,654,900	
Provision for early termination UNECE/IRU Agreement (forwarded year-to-year)	305,000		
(2) Total estimated available balance as at 31 December 2009 for 2010 operations			<u>970,484</u>
(3) Estimated Funds to be transferred for 2010 operation [(1)-(2)] (rounded)			<u><u>700,000</u></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.2/2009/7.			
Note 3: Source: UNOG Financial statements as per 31 July 2009.			
