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Item 4 (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 the operation of the TIR Executive Board and TIR secretariat in 2015

Budget proposal and cost plan for the year 2015

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 2015. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by the TIRExB at its September meeting. 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 2015 is estimated at US\$ 1,635,110 inclusive of programme support cost (see annex I), reflecting an increase of US\$ 45,200 compared to the approved budget and cost plan for the TIRExB and the TIR secretariat for 2014. The changes in the cost plan are detailed by object of expenditure in annex I.
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\$ 217,050 (i.e. 15 per cent of US\$ 1,447,000) would, therefore, be needed in 2015. As such, the estimated resource requirements for 2015 amount to a total of US\$ 1,852,160. However, taking into account the estimated available balance at 31 December 2014, available for 2015 operations (US\$ 719,338 inclusive of the 2013 contribution of US\$ 206,162 received on 10 March 2014), the actual additional amount required for 2015 is estimated at US\$ 1,132,822. 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 2015. 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\$ 1,132,822 needed for the 2015 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 2015

Programme: TIR Executive Board (TIRExB) and TIR secretariat

(Title of Trust Fund: "Transport International Routier - TIR" Account No.: ECE-0894-E211-2233)

<i>Object of expenditure</i>	<i>Amount (in US\$)</i>
Project Personnel	1 004 500
Administrative Support Personnel	275 000
Consultants fees and travels	30 000
Travel on official business	50 000
Travel of experts	30 000
Staff Training	10 000
Office automation & equipment	12 000
Operation and maintenance of equipment	2 000
External contractual services	25 000
General operating expenses	8 500
Sub-total	1 447 000
Programme Support at 13%	188 110
Total	1 635 110

TIR Trust Fund resource requirements for the year 2015

Project Personnel US\$ 1,004,500

The estimated requirement of US\$ 1,004,500 under this object of expenditure, reflects an increase of US\$ 31,500, provides for the salary and related costs¹ for one year of five experts on fixed-term appointments: one Customs expert, one Legal officer, two Computer Information System experts and one Associate Programme officer.

The increase in 2015 is due to the fact that these provisions are linked to the increasing cost of living in Geneva, the strong Swiss Franc versus the US dollar and the yearly salary increments of staff.

Administrative Support Personnel US\$ 275.000

The estimated requirement of US\$ 275,000 under this object of expenditure, reflects an increase of US\$ 23,000, is intended to cover the salary and related costs² of two administrative support staff for one year. The increase in 2015 is due to the fact that these resources are linked to the increasing cost of living in Geneva, the strong Swiss Franc and the yearly salary increments of staff.

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

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

Consultant fees and travels US\$ 30,000

The proposed amount of US\$ 30,000 under this object of expenditure, at maintenance level, is intended to cover consultancy costs to carry out mandated tasks.

Travel on official business US\$ 50,000

The proposed amount of US\$ 50,000, reflects a decrease of US\$ 10,000, is intended to cover the travel cost of Project Staff and the TIR Secretary. The decrease in 2015 is related to the fact that the TIR secretariat successfully funded events directly by organizing partners.

Travel of experts US\$ 30,000

The proposed amount of US\$ 30,000 under this object of expenditure, at maintenance level, 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\$ 10,000

The proposed amount of US\$ 10,000 under this object of expenditure reflects a decrease of US\$ 5,000, is intended to cover training costs of the TIR secretariat staff. The decrease in 2015 is related to a reduced requirement for training funds during the budget period.

Office automation & equipment US\$ 12,000

The proposed amount of US\$ 12,000 under this object of expenditure reflects a decrease of 2,000, 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. The decrease in 2015 is due to a more effective procurement planning process and competitive pricing arrangement with external vendors.

Operation and maintenance of equipment US\$ 2,000

The proposed amount of US\$ 2,000 under this object of expenditure, at maintenance level, 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\$ 25,000

The estimated requirement of US\$ 25,000 reflects an increase of US\$ 5,000 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. This increase is due to the planned regional TIR seminar in Tajikistan.

General operating expenses US\$ 8,500

The estimated requirement of US\$ 8,500 under this object of expenditure, reflects an decrease of US\$ 2,500, is to provide for communication costs (i.e. postage, fax, long distance calls, and pouch), Promotion material for the TIR Convention and other miscellaneous expenses. The decrease in 2015 can be directly attributed to the adequate reserve of promotional materials in stock.

Annex II

Local Technical Cooperation Trust Fund		
Transport international routier - TIR		
Fund Statement (US dollars)		
(1) 2015 Projected Expenditures:		
2015 Estimated direct expenditures		1 447 000
13 % Programme Support Cost		188 110
15% Operating Cash Reserve (US\$ 1 447 000 X 15%) ¹		<u>217 050</u>
2015 Estimated projected requirements (rounded)		1 852 160
Estimated Funds Available at 31 December 2014:		
Actual fund balance at 31 December 2013		
(including US\$ 164 412, 2012 contribution received in 2013) ²	1 637 135	
2014 Contribution (received on 14/11/2013)	878 534	
2013 Contribution received in 2014 (received on 10/03/2014)	<u>206 162</u>	
Total funds as at 31 December 2013		2 721 831
 <u>Less:</u> (The following estimates are inclusive of 13% Programme Support Cost)		
2014 Estimated projected expenditures	1 390 293	
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>	
		2 002 493
(2) Total estimated available balance as at 31 December 2014 for 2015 operations		<u>719 338</u>
(3) Estimated Funds to be transferred for 2015 operation [(1)-(2)] (rounded)		<u>1 132 822</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.2/2014/11.	