



**Economic and Social
Council**

Distr.
GENERAL

TRANS/WP.30/AC.2/2003/14
19 September 2003

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

Administrative Committee for the TIR Convention, 1975

(Thirty-fifth session, 25-26 September 2003,
agenda item 6)

AUTHORIZATION FOR PRINTING AND DISTRIBUTION OF TIR CARNETS

Printing and distribution of TIR Carnets in the year 2004

Revised UNECE-IRU Agreement

Note by the UNECE secretariat

In accordance with the decision of the Administrative Committee (TRANS/WP.30/AC.2/69, para. 42), the UNECE secretariat was mandated to revise the existing agreement between UNECE and the IRU.

The Administrative Committee may wish to endorse the revised Agreement between the UNECE and the IRU concluded on 18 September 2003, as reproduced in this document.

* * *

AGREEMENT

between the

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (UNECE)
and the
INTERNATIONAL ROAD TRANSPORT UNION (IRU)

(1) Whereas the amendments to the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets of 1975 (hereinafter: “the TIR Convention”), adopted by the Administrative Committee for the TIR Convention of 1975 (hereinafter: “the TIR Administrative Committee”) at its twenty-third session (Geneva, 26 and 27 June 1997) which entered into force on 17 February 1999, provide for the establishment of a TIR Executive Board (hereinafter: “the TIRExB”) and a TIR secretariat;

(2) Whereas the Working Party on Customs Questions affecting Transport (WP.30) (hereinafter: “the Working Party”) and the TIR Administrative Committee have considered and decided on a number of issues relating to the present Agreement*;

(3) Whereas the establishment of the TIRExB and the TIR secretariat is aimed at strengthening further cooperation among national Customs authorities in the application of the TIR Convention and between Customs authorities, national associations and the international organization referred to in Article 6 of the TIR Convention (hereinafter: international organization);

(4) Whereas the TIR Convention stipulates that the TIRExB, as a subsidiary body of the TIR Administrative Committee, shall inter alia supervise the application of the Convention, including the operation of the guarantee system and supervise the centralized printing and distribution of TIR Carnets, which may be performed by an agreed international organization;

(5) Whereas the TIR Convention provides for the financing of the TIRExB and the TIR secretariat - until such time as alternative sources of funding are obtained through a levy on TIR Carnets distributed by the international organization; the amount of the levy and the procedure for its collection shall be determined by the TIR Administrative Committee (Annex 8, article 13);

* TRANS/WP.30/AC.2/53, paras. 19 and 20; TRANS/WP.30/AC.2/57, para. 30;
TRANS/WP.30/AC.2/59, paras. 34, 40, 42 and 46; TRANS/WP.30/AC.2/67, para 42 and 47;
TRANS/WP.30/204, paras. 10 and 12; TRANS/WP.30/206, para. 39.

(6) Whereas the amount of the levy on each TIR Carnet should be based on the necessary budget for the functioning of the TIRExB and the TIR Secretariat and on the basis of the number of TIR Carnets issued;

(7) Whereas consultation with the international organization is regarded as essential to estimate the number of TIR Carnets to be issued during the relevant budget period;

(8) Whereas the total amount of the sums levied on the TIR Carnets issued, financing the operation of the TIRExB and the TIR secretariat, to be transferred each year by the IRU to the TIR Trust Fund established by the UNECE for this purpose shall be approved by the TIR Administrative Committee;

(9) Whereas the annual cost plan for the TIRExB and the TIR secretariat, shall be approved each year by the TIR Administrative Committee;

(10) Whereas it is foreseen that the TIR Administrative Committee will consider the roles and responsibilities of the competent bodies of the TIR Convention and of the IRU, which may necessitate amending this Agreement;

(11) Whereas the TIR Administrative Committee, at its thirty-fourth session (Geneva, 6 and 7 February 2003) upon the recommendation of the Working Party, decided to give the UNECE secretariat a mandate to revise the existing agreement between the UNECE and the IRU on the understanding that this mandate would be based on the provisions of the Convention and that it would respect the competences of the Contracting Parties to the Convention and that the revised agreement shall be signed provisionally by the UNECE and the IRU until its formal adoption by the TIR Administrative Committee. (TRANS/WP.30/AC.2/69, para. 42).

Now therefore, the UNECE secretariat, mandated by and acting on behalf of the Contracting Parties to the TIR Convention, and the IRU have **agreed** that:

1. In accordance with Article 6.2 bis of the Convention the TIR Administrative Committee has authorized the IRU as the international organization to take on responsibility for the effective organization and functioning of an international guarantee system (TRANS/WP.30/AC.2/67, para. 42) and, in accordance with Annex 8, Article 10 (b) of the Convention, to centrally print and distribute TIR Carnets (TRANS/WP.30/AC.2/67, para. 38). The IRU hereby accepts these responsibilities.

2. Without prejudice to the provisions of the TIR Convention, in particular to Article 6.2 bis and whilst fully respecting the competencies of the Contracting Parties, the IRU, taking into account and in the light of the above preambles, accepts to perform the following functions:

- Provide the competent body(ies) of the TIR Convention with certified copies of the global guarantee contract and proof of guarantee coverage;
- Provide the competent body(ies) of the TIR Convention with information on the rules and procedures set out for the issue of TIR Carnets by national associations;
- Provide the competent body(ies) of the TIR Convention, on a yearly basis, with global data of claims lodged, paid and pending;
- Provide the competent body(ies) of the TIR Convention with timely and well founded information on trends in the number of non-terminated TIR operations, claims lodged or pending that might give rise to concerns with regard to the proper functioning of the TIR system or that could lead to difficulties for the continued operation of its guarantee system;
- Provide the competent body(ies) of the TIR Convention with statistical data on the number of TIR Carnets distributed to each Contracting Party;
- Provide, at the request of the TIRExB, full and complete information on the functioning of the TIR system, provided such request does not infringe legislation concerning confidentiality, data protection, etc.; in cases such information cannot be given, IRU will specify the legal provisions or other reasons prohibiting the exchange of information;
- Provide the TIRExB with details of the issuing price by the IRU of each type of TIR Carnet;
- Take all reasonable steps to reduce the risk of counterfeiting TIR Carnets;

- Take the appropriate corrective action in cases where faults or deficiencies with the international Customs document, the TIR Carnet, have been detected;
- Fully participate in cases where the TIRExB is called upon to facilitate the settlement of disputes;
- Ensure that any problem involving fraudulent activities or other difficulties, with regard to the application of the TIR Convention, is immediately brought to the attention of the TIRExB;
- On the basis of the Recommendation adopted by the TIR Administrative Committee on 20 October 1995 on the Introduction of a control system for TIR Carnets, manage the IRU SafeTIR system with national IRU guaranteeing Associations and the Customs Administrations and inform the Contracting Parties and the competent Body(ies) of the TIR Convention of significant problems encountered in the system;
- Provide the competent body(ies) of the TIR Convention with statistics and data on the performances of Contracting Parties with regard to the IRU SafeTIR system;
- Seek continuously to enhance the IRU SafeTIR system in order to improve its efficiency as a risk management and anti-fraud tool;
- Be available for meetings with the TIRExB, the TIR Secretary, the TIR secretariat and other key organizations, active in the field of TIR;
- Offer its good offices and experiences to support the training of interested parties, i.e. national associations.

3. The IRU will transfer annually, the amount determined by the TIR Administrative Committee, collected through a levy on each TIR Carnet issued, required to finance the operation of the TIRExB and the TIR secretariat for the years 2004 to 2005 in accordance with Annex 8, Article 13 of the Convention. Any balance left after the completion of the current year of the project, will be used towards financing of the TIRExB and the TIR secretariat in the following years.

4. The amount due under this Agreement mentioned under (3.) will be transferred in its entirety, by 15 November each year to the UN Geneva General Fund. Particulars concerning the levy per Carnet and the transfer of the amount due for the year 2004 are contained in Annex 1 to this Agreement, and the cost plan for the year 2004 is contained in Annex 2. Particulars concerning the administration of the fund are contained in Annex 3 to this Agreement. Annex 1 and Annex 2 will be

adjusted on an annual basis through an exchange of letters between the UNECE and the IRU, in accordance with the relevant decisions of the TIR Administrative Committee.

5. This Agreement supersedes the Agreement signed between the United Nations Economic Commission for Europe (UNECE) and the International Road Transport Union (IRU) on 3 and 10 November 2000 which was concluded for a period of five (5) years, i.e. 2001 to 2005, in accordance with the mandate given by the TIR Administrative Committee at its twenty-eighth session (TRANS/WP.30/AC.2/57, paragraph 30). This Agreement elaborates the temporary authorization of IRU to take on responsibility for the effective organization and functioning of an international TIR guarantee system as of 1 January 2003 until and including the year 2005 in accordance with Article 6.2 bis of the Convention, given by the TIR Administrative Committee at its thirty-third session (Geneva, 24 and 25 October 2002).

6. This Agreement shall, provisionally until its formal adoption by the TIR Administrative Committee in September 2003, enter into force at the day of signature by both parties and shall, unless renewed by written agreement of the parties, remain in force until 31 December 2005 in accordance with the mandate given by the TIR Administrative Committee at its thirty-fourth session (TRANS/WP.30/AC.2/69, para. 42). Annex 1, Annex 2 and Annex 3 form an integral part of this Agreement.

7. The parties shall amend or renew the Agreement in accordance with the relevant decisions of the TIR Administrative Committee at any of its meetings, but in any case not later than at its first meeting in the year 2005.

8.1. In the event that one of the parties has any reason for considering that the circumstances for the continuation of the Agreement have changed in comparison to those that appertained at the time of conclusion of this Agreement, the parties shall seek to find a mutually acceptable adaptation of the Agreement. Where it proves to be not possible to reach mutual agreement to adapt this Agreement, either party may unilaterally terminate it, provided it gives the other party not less than six (6) months written notice.

8.2. On the date of effective termination of this Agreement under the conditions provided under point 8.1 above, or upon expiration of the Agreement, the funds transferred by the IRU, including accumulated reserves, will continue to be held by the UNECE. Upon request by the UNECE, the IRU agrees to transfer any additional funds deemed necessary by the UNECE to fully cover all expenditures relating to the continuation of the operation of the TIR secretariat until the effective date of termination of the Agreement.

9.1. Any dispute between the parties concerning the interpretation or application of this agreement shall, so far as possible be settled by negotiation between them.

9.2. Any such dispute between the parties, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by either Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages or to award interest. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute

10. The IRU understands and agrees that, for the purposes of this Agreement, UNECE is acting pursuant to a mandate provided by, and on behalf of, the Administrative Committee. Except for the receipt of the amounts transferred by the IRU under this Agreement, UNECE shall have no obligation or liability towards the IRU arising from this Agreement.

11. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any privileges or immunities of the United Nations.

12. This Agreement may be amended only by written agreement of both parties. Each Party shall give full consideration to any proposal for amendment made by the other Party.

Geneva, 2003

Geneva, 2003

Paul Laeremans
President
For the
International Road Transport Union

Brigita Schmögnerová
Executive Secretary
For the United Nations
Economic Commission for Europe

Martin Marmy
Secretary General
For the
International Road Transport Union

* * *

Annex 1

to the AGREEMENT between the

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (UNECE) and the
INTERNATIONAL ROAD TRANSPORT UNION (IRU)**

The IRU and the UNECE,

Having regard to the Agreement, signed on 3 and 10 November 2000, and in particular to paragraph 10 thereof;

Whereas the present Agreement supersedes the Agreement signed on 3 and 10 November 2000,

Whereas the TIR Administrative Committee, at its thirty-third session (Geneva, 24 and 25 October 2002) has approved the budget proposal and the cost plan for the TIRExB and the TIR secretariat for the year 2003 as contained in document TRANS/WP.30/AC.2/2002/5 (TRANS/WP.30/AC.2/67, para. 28);

Whereas the TIR Administrative Committee, at its thirty-third session (Geneva, 24 and 25 October 2002) authorized the UNECE secretariat to arrange with the IRU the transfer of funds to the TIR Trust Fund (a) in accordance with Annex 8, Article 13 of the Convention; (b) on the basis of the approved budget for the TIRExB and the TIR secretariat for the year 2003 (TRANS/WP.30/AC.2/2002/5) and (c) in line with the requirements for authorization of an international organization to centrally print and distribute TIR Carnets (TRANS/WP.30/AC.2/57, para. 29) (TRANS/WP.30/AC.2/67, paras. 45-46);

Referring to the consultations that had been held with the IRU in accordance with Annex 8, Article 13, paragraph 2 of the TIR Convention on the amount of the levy per TIR Carnet and the procedure for its collection for the year 2004;

Now therefore, the IRU and the UNECE agree as follows:

1. The IRU will transfer, by means of collection of a levy on each TIR Carnet issued, an amount of US\$ 1,042,000.- (one-million-forty-two-thousand), covering the operation of the TIRExB and the TIR secretariat for the year 2004, as described in Annex 2, to the TIR Trust Fund established by the UNECE for this purpose.

2. The amount of US\$ 1,042,000.- is a result of the estimated budget for the TIRExB and the TIR secretariat for the year 2004 amounting to US\$ 1,553,170.-, minus the positive balance of the budget for the TIRExB and the TIR secretariat for the year 2003 which is estimated to amount to US\$ 444,100.-, minus US\$ 67,000.- of unallotted funds of the year 2002 as indicated in TIR Secretary document TRANS/WP.30/AC.2/2003/6. The amount of US\$ 511,100.- (US\$ 444,100.- plus US\$ 67,000.-), including also the balance of the Operating Reserve, will be credited to the budget of the TIRExB and the TIR secretariat for the year 2004.
3. Since the accounts of the year 2003 will only be completed on 31 December 2003, complete and final financial statements showing the funds received and expended for the TIRExB and the TIR secretariat in 2003, in line with the internal and external auditing procedures of the United Nations, will only be available in the second quarter of 2004. Any difference between the estimated and the actual expenditures in 2003 will be credited to or deducted from the relevant budget for the year 2004.
4. On the basis of 1.9 million TIR Carnets, as forecasted to be used in the year 2004, the amount of the levy per TIR Carnet is estimated to be US\$ 0.548.
5. The funds due for the year 2004 under this Annex shall be transferred not later than 15 November 2003 in US\$ to the UN Geneva General Fund, Account No 485-001802 with the J.P. Morgan Chase Bank, New York, International Agencies Banking, 1166 Avenue of the Americas, 17th floor, New York, N.Y., 10036-2708 USA, ABA 021000021 (US Banking Code), swift code CHASUS33, specifying: "Credit A/C ZLB –TIR Project" or such other bank account shall be communicated in writing by the UNECE.

* * *

Annex 2**to the AGREEMENT between the****UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (UNECE) and the
INTERNATIONAL ROAD TRANSPORT UNION (IRU)****COST PLAN****For the approval by the TIR Administrative Committee on 26 September 2003**

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.

Cost plan for the year 2004

<u>Budget line</u>	<u>Object of expenditure</u>	<u>Amount</u> (in US\$)
1100	Project Personnel (4 experts as well as consultancy)	872,000
1301	Administrative Support Personnel	211,200
1501	Travel on Official Business	30,000
1601	Mission costs	15,000
2101	Sub-contracts	5,000
4301	Premises	25,000
4501	Local procurement	20,000
5101	Operation and maintenance of equipment	2,000
5301	Sundry	15,000
Total net allotment		1,195,200
Programme support (13% of Total)		155,380
15% Operating Reserve for 2004 ^{1/2/}		<u>202,590</u>
		357,970
Grand Total		1,553,170

^{1/} Actual requirement for Operating Reserve for 2004 will be: US\$ 202,590- US\$ 162,800 (Operating Reserve for 2003) = US\$ 39,790.-

^{2/} According to new instructions introduced as per 2001, the Operating Reserve has to be calculated on the basis of the sum of the "Total net allotment" plus "Programme support".

TIR Trust Fund resource requirements for the year 2004

Project Personnel (1100) - US\$ 872,000

The proposed amount under this object of expenditure is intended to cover the standard salary costs^{3/} for one year of four experts on fixed-term appointments: 2 Customs experts, one Administrative and EDI expert and one Computer Information System expert (locally recruited). It also includes provisions for consultancies to administer the on-line ITDB and to carry out mandated research.

Administrative Support Personnel (1301) – US\$ 211,200

The proposed amount under this object of expenditure is intended to cover the standard salary costs of administrative support staff for one year.

Travel on Official Business (1501) - US\$ 30,000

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

Mission costs (1601) - US\$ 15,000

The proposed amount under this object of expenditure is intended to cover DSA for the nine members of the TIRExB for meetings held outside Geneva and in Geneva when not in conjunction with the meetings of WP.30 and AC.2.

Sub-contracts (2101) - US\$ 5,000

The proposed amount under this object of expenditure is intended to cover institutional contractors to provide possibly required conference support services (including rental of office equipment, conference room, interpretation, local transportation, etc.).

Premises (4301) - US\$ 25,000

The proposed amount under this object of expenditure is intended to cover the rent of three/four offices (depending on the size) at the Palais des Nations in Geneva.

Local procurement (4501) - US\$ 20,000

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

Operation and maintenance of equipment (5101) - 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.).

Sundry (5301) - US\$ 15,000

The proposed amount under this object of expenditure is intended to cover other operational costs of the TIR secretariat and the TIRExB (paper, mail, telephone/fax, external printing of publications, stationery, interpretations, translations, expenses for seminars, miscellaneous expenses, etc.).

* * *

^{3/} In line with the United Nations staff regulations.

Annex 3

to the AGREEMENT between the

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (UNECE) and the
INTERNATIONAL ROAD TRANSPORT UNION (IRU)**

Administration of the TIR Trust Fund

The TIR Trust Fund and the activities financed there from shall be administered by the UNECE in accordance with the applicable United Nations Financial Regulations, Rules and Directives for Trust Funds. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with the provisions of such regulations, rules and directives.

The UNECE will, in order to assist in the defrayment of the costs of the administration and other expenses incurred by the United Nations in administering the above project (TIRExB and TIR secretariat), charge the above funds an amount equal to 13% (thirteen per cent) of the actual expenditures incurred. In accordance with United Nations Financial Regulations and Rules, the UNECE will also charge the above funds an amount equal to 1% (one per cent) of the remuneration or net salary of the staff engaged by the UNECE in this project, to provide for coverage of any claim for service-incurred death, injury or illness.

The United Nations regulations and rules also require provision of an operating cash reserve of 15% (fifteen per cent) of the estimated annual expenditures of the project. An annual operating reserve, which shall be maintained during the duration of the project, is to be used to cover exchange rate fluctuations or any shortfalls and to meet final expenditures under the Trust Fund, including any liabilities to be liquidated.

Further to the report of the TIRExB on its activities to the TIR Administrative Committee at least once a year or at the request of the TIR Administrative Committee as required under the TIR Convention, the UNECE will submit an annual report to the TIR Administrative Committee. This report will include a financial statement showing the funds received and expended for the project. As is the case for all United Nations Trust Funds, the TIR Trust Fund is exclusively subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and Directives of the United Nations and will be audited according to the schedule set by the United Nations Board of Auditors.
