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Economic Commission for Europe**Administrative Committee for the TIR Convention, 1975****Eighty-fifth session**

Geneva, 5 and 6 February 2025

Item 6 (c) (ii) of the provisional agenda

eTIR:

**Issues arising from the Memorandum of Understanding
between the United Nations Economic Commission for
Europe and the International Road Transport Union:
eTIR financing and resource requirements**

eTIR financing and resource requirements until 2034**Note by the secretariat****I. Background and mandate**

1. Following the entry into force of Annex 11, thus providing the legal framework for the implementation of the eTIR procedure, as well as taking on board recommendations by the United Nations Office of Internal Oversight Services (OIOS), the TIR contracting parties have, among other issues, focused a substantial portion of their deliberations on various aspects of financing the eTIR international system. At its eighty-second session, the Administrative Committee for the TIR Convention, 1975 (AC.2) decided to convene an extraordinary half-day session to discuss matters of financing, based on a document prepared by the TIR Executive Board (TIRExB) and the secretariat (ECE/TRANS/WP.30/AC.2/167, para. 51(c)).

2. At its eighty-third session (June 2024), AC.2 considered document ECE/TRANS/WP.30/2024/9-ECE/TRANS/WP.30/AC.2/2024/6 containing the considerations and proposals developed by the TIR Executive Board and the secretariat in the course of two informal “Friends of the Chair” meetings held in March 2024. Further to substantive discussions (ECE/TRANS/WP.30/AC.2/169, paras. 3–14), the Committee considered a revised version of this document at its eighty-fourth session (October 2024) and was of the view that several open questions needed to be further clarified and delineated before a clear way forward can be identified and requested the secretariat to prepare documentation for the eighty-fifth session (February 2025) addressing, to the extent possible, the open questions as reflected in the deliberations of the Committee thus far and providing proposals on the operational requirements of the system and for which functions. In this connection, the secretariat has prepared the present document, to support further deliberations of the Committee on this issue.



II. Tasks and current structure of the TIR secretariat

3. The development and entry into force of Annex 11 provides the legal framework for the implementation of the eTIR procedure. However, financial questions remain at the forefront of issues to be resolved. The overarching objective is to fully operationalize eTIR in all Contracting Parties. In addition, it is envisaged that the eTIR procedure will offer an attractive proposition for additional States to accede to the Convention.

4. As a starting point, the Contracting Parties and TIRExB have been primarily considering a phased approach based on priorities, introducing eTIR corridor by corridor. Discussions are ongoing on identifying priority corridors for eTIR. Factors that will play a role in determining the prioritization of corridors include the current use of TIR, including countries/Contracting Parties where TIR operations primarily start or terminate, corridors along which there is significant volume of transport of goods, as well as countries that demonstrate potential for growth in TIR usage. It is considered by various stakeholders and Parties that, once a relatively high-volume corridor can operate fully on eTIR, this will give substantial impetus to further expansion.

5. While eTIR has progressed significantly, full operationalization as envisaged above is hindered by – among others, resource constraints that reduce the capacity of the United Nations Economic Commission for Europe (ECE) to provide speedy and adequate technical assistance to countries at a pace that would unlock eTIR potential.

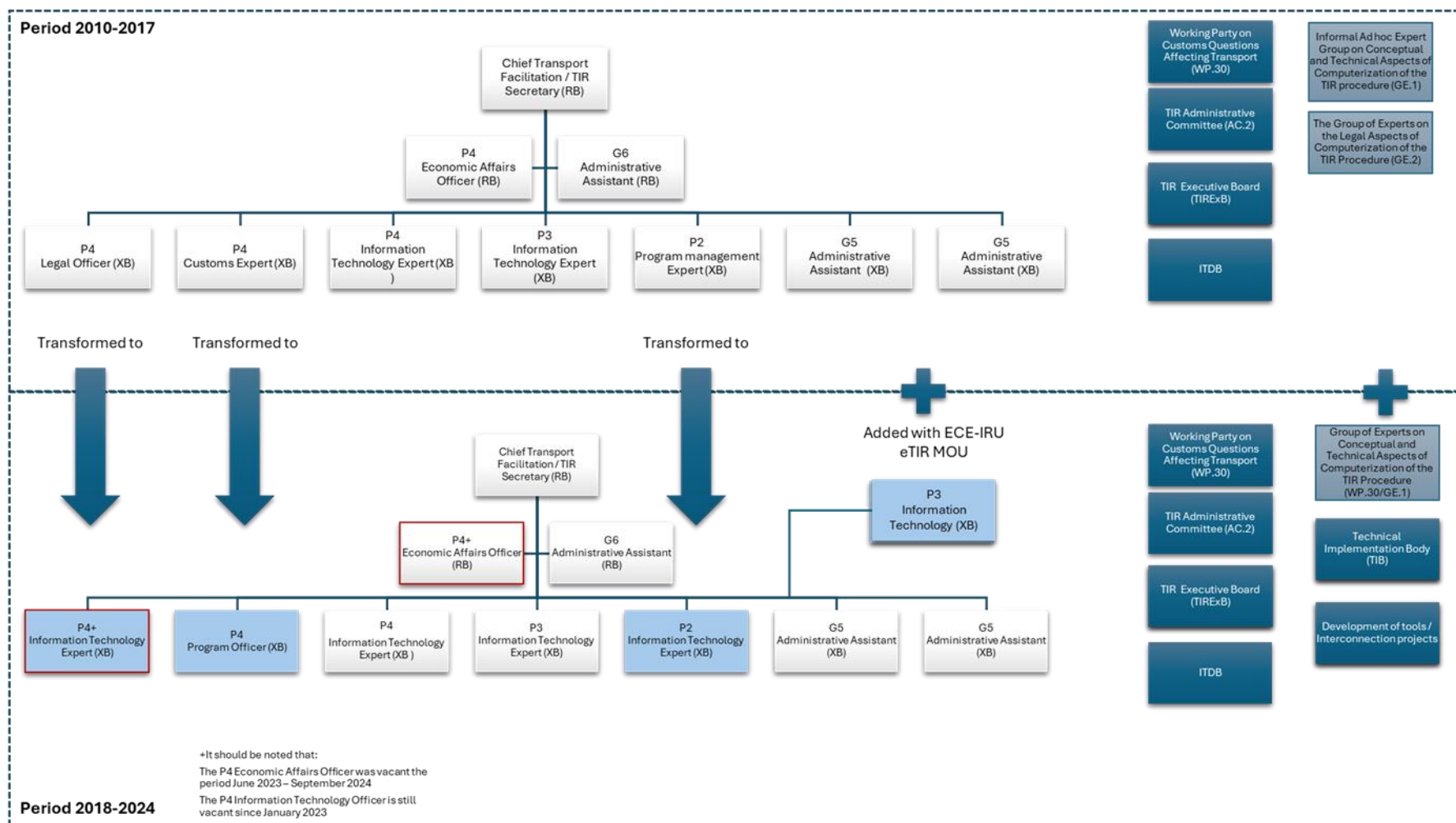
6. In part, the discussions originate in a lack of clarity on how the initial development costs would be covered and – to some extent, whether initial development of the eTIR international system and related technical infrastructure are within the scope of responsibilities prescribed by the Parties to the secretariat within the legal text itself. The Group of Experts on Legal Aspects of the Computerization of the TIR Procedure (GE.2) had given due consideration to the issue of financing and had considered – on the issue of initial and development costs, that the specific roles and responsibilities of ECE would be dealt separately from the financing of the eTIR international system (ECE/TRANS/WP.30/GE.2/2). GE.2 was also of the view that its mandate was confined to identifying an effective legal framework that would allow for the monitoring and regulation of whatever long-term/recurring financing mechanism the Contracting Parties decided upon, thus, leaving the matter to the Contracting Parties.

7. Following the entry into force of Annex 11, and in response to evolving needs and priorities of the Contracting Parties, to expedite the development of the eTIR international system in the absence of other resources for additional specialized staffing, one additional Information Systems Officer post was financed under a separate Memorandum of Understanding (MoU) between ECE and the International Road Transport Union (IRU) specifically to support the development of the eTIR International System. It has to be recalled that this MOU was initially signed in 2017. Following the recommendations of OIOS to strictly follow provisions of Annex 11, the MOU was revised and renewed in 2022. This was further supplemented by converting the TIR secretariat posts of legal officer and associate programme management officer into “Information Systems Officer” posts (figure I). As a result of these measures, the TIR secretariat, while continuing to provide the expressly mandated intergovernmental support to the TIR Executive Board, as well as to the additional Technical Implementation Body established under Annex 11, was also able to make strides towards eTIR implementation by developing the mandated web application/service platforms, namely the eTIR International System; the eTIR National Application, the eTIR Portal, as well as two mobile applications i.e., the eTIR Holder and the eTIR Customs including a new web site on eTIR.

8. It should be noted that these applications’ development efforts were strengthened with the engagement of external consultants and of the United Nations Office of Information and Communications Technology (OICT). The funds required to compensate those services were raised by the secretariat and they were mainly funds coming from a United Nations Development Account (UNDA) project and from the Regular Programme of Technical Cooperation (RPTC) budget. It should be noted that those funds raised, in the course of the

last three years, were more than \$ 500,000 while the annual budget of the TIR secretariat for consultancies is on average \$ 30,000.

Figure I
Former and current composition of the professional posts of the TIR secretariat



9. At this juncture, it is necessary to examine how much further eTIR development, maintenance, implementation and operations support can really advance with the current staff resources, and to assess the level of financing required - irrespective of source or mechanism, to:

(a) increase the staff resources of ECE for eTIR deployment, support, maintenance and operations.

(b) increase the non-staff resources such as office space, travel, training, equipment, consultants etc, to the level needed to make further progress and fully operationalize eTIR along specific corridors and eventually, in all operational contracting parties bound by Annex 11.

(c) restore the converted posts in the TIR secretariat to be able to serve the increased requirements of the intergovernmental bodies.

10. It should be noted that the latter is equally important as the financing of eTIR. Upon the identification and approval of a financing mechanism that would include covering specialized staff requirements, the previous composition of the TIR secretariat will expectedly be restored – the conversion of posts is intended as a temporary measure which places additional burden on the existing mandates of the TIR secretariat and the expertise lost has had incremental material impact on the capacity of the TIR secretariat to support TIRExB in discharging its functions.

III. Resource requirements for operationalizing the eTIR procedure (interconnections, maintenance, operations) for the period 2026–2034

A. Challenges and working requirements

11. Based on the experience obtained so far, completing the interconnection of one contracting party by a fully-fledged interconnection with the eTIR International System can take up to 12 months depending on various nationally determined factors. In that period, one staff member would be expected to dedicate fifty to sixty per cent of his/her worktime to the various aspects of the interconnection project. It follows, that one staff member (P3), with the appropriate expertise, and with the assistance of a junior staff member (P2), cannot manage more than two parallel interconnection projects, each at different phases, at one time, bearing in mind that said staff members are also expected and required to contribute to other assignments such as fixing technical issues, providing technical input to documentation of intergovernmental sessions etc. Considering that there are 64 contracting parties bound by Annex 11 that should be able to use the eTIR procedure, therefore, with the same staff structure, it would be take thirty years to have the current contracting parties interconnected. It merits mentioning that the P3 staff member is not even part of the TIR Secretariat budget, and it is being financed by the MOU with IRU which has already expired, and a one-year renewal was recently granted.

12. The recently developed eTIR National Application, as proposed by the TIR secretariat and supported by TIRExB, could drastically reduce time, cost and resources required for making a contracting party able to use the eTIR procedure, even in one week. The eTIR National Application requires, on the one hand, political support and – importantly, the requisite national legislation that would enable the use of applications developed by third parties outside the countries. Additionally, having an application developed and offered at no cost to Governments is a task never performed by ECE. Therefore, internal procedures should be also identified and agreed on how such a task should be delivered. In addition, visiting interested countries from the secretariat team requires the appropriate travel budget, which is not available today.

13. The efforts of the Secretariat to reduce the time required for a contracting party to be able to use the eTIR procedure with the least possible resources, time and costs needed, do not stop at the development of the eTIR National Application. The secretariat spent a lot of

time analysing the requirements and preparing an analysis of possible solutions for the member States of the Unions operating in the TIR system region, the European Union and the Eurasian Economic Union, the first also being contracting party to the TIR Convention. If these solutions are agreed, then it would enable many contracting parties at the same to use the eTIR procedure. However, these solutions must be developed when agreed and then must be maintained and supported. Therefore, appropriate resources and the commensurate budget should be made available.

14. It follows that the Parties and the TIR secretariat face multiple challenges. Developing and delivering the applications based on the current staff structure is an important milestone that was reached while stretching available capacities to the fullest extent, proving that the secretariat can deliver on its mandates. However, operating, supporting, and maintaining the systems when 63 contracting parties are using them and thousands of transactions are taking place brings the demands to a whole different level that requires expertise and more experienced resources. As such, the endeavour calls for, first and foremost, mutual trust, effort and support of the secretariat and the contracting parties. Importantly, the secretariat also has to be strengthened, in terms of both resources and support, in order to be able to operate the systems in line with the Convention.

B. The future organizational structure of the secretariat

15. Taking stock of good practices implemented by United Nations OICT, United Nations Automated System for Customs Data (ASYCUDA), United Nations Debt Management and Financial Analysis System (DMFAS) and other United Nations agencies concerning the structure of the information technology teams required in order to support the implementation and operations of applications; and considering the past and current structure of the secretariat including the tasks mandated, the secretariat prepared the proposed future organigram of the TIR secretariat. The organigram should ensure that all tasks are delivered and the eTIR procedure would be implemented worldwide, in the most efficient and sustainable way.

16. The Secretariat foresees (figure II), two clearly distinctive units, the TIR secretariat and the eTIR secretariat. Under the TIR secretariat, the posts as they existed and functioned before the conversion of posts will be restored, ensuring the proper and efficient servicing of TIRExB, as well as the technical implementation body. All the information technology posts will be moved under the eTIR secretariat including new posts that should be created incrementally until 2034 ensuring the proper, sustainable, and efficient implementation and servicing of the eTIR procedure to all 64 contracting parties bound by Annex 11 including any other new contracting party.

17. The eTIR secretariat will include four very distinctive units with their own mandates, tasks and teams, interrelated and interconnected, including a team with a customer – oriented focus. Specifically:

(a) Project management unit: the role of this team would be to manage any project with any contracting party and to deliver the solutions developed; to monitor their implementation, ensure their proper and efficient delivery, follow up with any future request, assist contracting parties' experts to implement, train contracting experts (train the trainers) to use the applications.

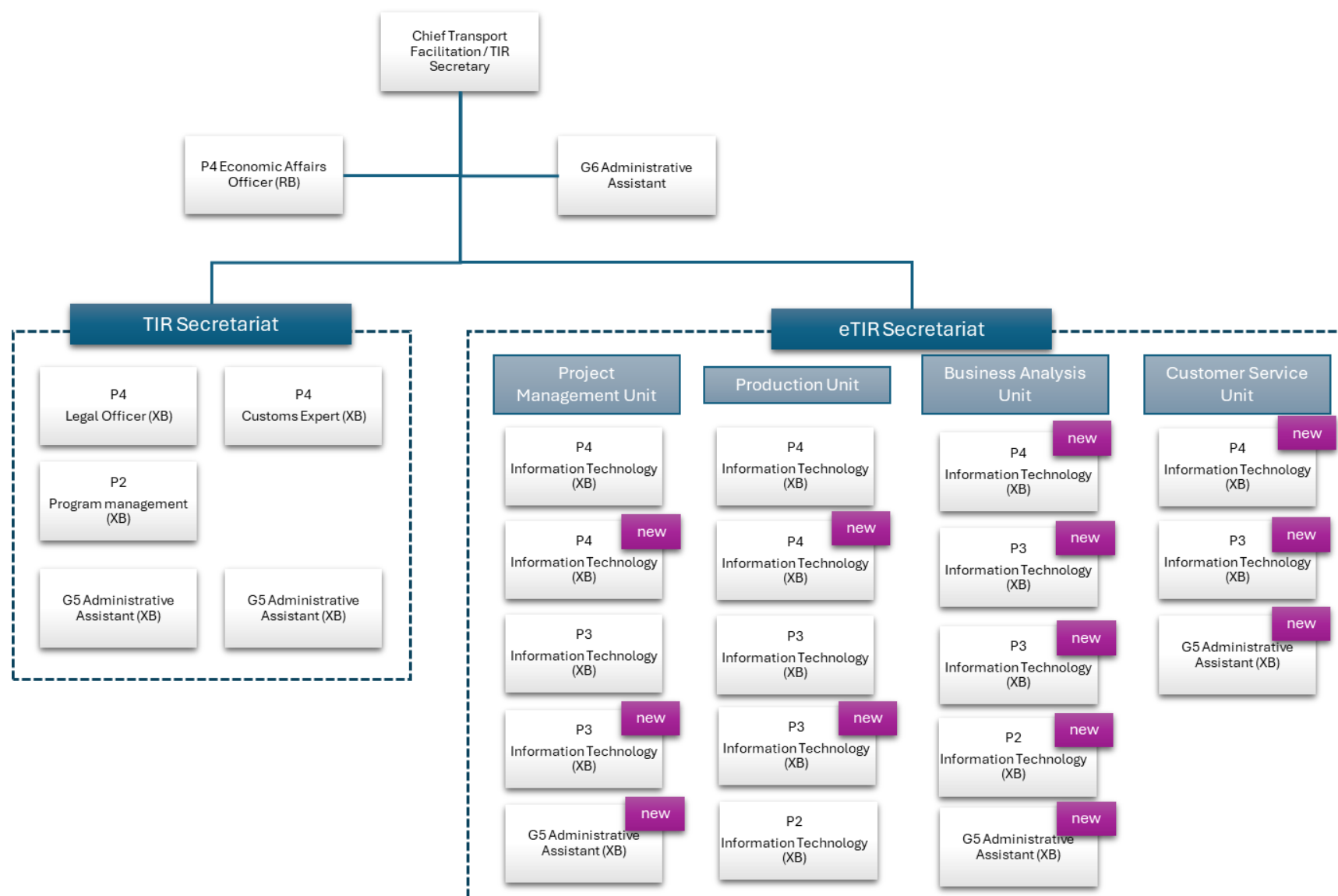
(b) Production unit: the role of this team is to manage the application in production. This means installing the application and its updates and administering the servers, implement the application, its new features and fixing any bugs or any other problem that may occur.

(c) Business Analysis Unit: the role of the team is to study business practices and from this to propose new features for the application, making sure it remains relevant and up-to-speed with business practices.

(d) Customer Service Unit: the role of this team is following up on contracting parties' requests with quality assurance being the main task. This team will be responsible for ensuring all changes are applied as per approved specifications, to test for regressions, to

ensure systems are tested, to ensure changes are reviewed prior to release. Furthermore, the team should be responsible for providing solutions and responses to any request coming in from the contracting parties regarding the implementation of the eTIR procedure, designating the relevant expert from the other teams and following up ensuring that the appropriate answers / solutions have been provided in time.

Figure II
Future composition of the professional posts of the TIR secretariat until 2034



18. The new organizational structure of the TIR secretariat foresees 13 new posts to be progressively added until 2034 in order for the Secretariat to be able to fulfill all tasks assigned. These new posts include four new P4 information technology posts, five new P3 information technology posts and three new G5 administrative assistant posts.

19. The proposal on the new organizational structure is based on the assumption that eTIR procedure will be implemented and used by all contracting parties bound by annex 11 by 2034, that until 2034 new contracting parties will accede to the convention and that the implementation of the electronic TIR procedure will boost the use of TIR system in regions, especially in the high potential ones where today only very low volumes are being performed, bringing up the numbers of electronic guarantees used back to the numbers of TIR carnets sold in 2010.

20. Furthermore, the proposal on the new organizational structure is aligned with the document already under consideration by the Committee on different possible financing mechanisms, where some of the proposed financing solutions include the secondments of experts or junior professional officer (JPOs) provided by the contracting parties or the coverage of some posts' salaries from, for instance, UNDA projects, etc.

C. Cost analysis based on United Nations Standards

21. Based on the publicly available United Nations standards rates (2024) for posts, the following costs should be considered while calculating the budget required, if needed to cover those salaries.

Salary costs based on United Nations Standard Salary Rates*

<i>Description of the post</i>	<i>Unit cost (US\$ 000 rounded)</i>
P4 Information Systems officer	245 basic salary + 35 (entitlements) **
P3 Information systems officer	210 basic salary + 35 (entitlements) **
P2 Information systems officer	210 basic salary + 35 (entitlements) **
G6 Assistant	164
G5 Assistant	164

* Publicly available information

** This varies depending on staff members' circumstances

22. Based on current practices and charges (2024) general operating expenses for professional staff that include equipment, office space, software licenses and training should be also calculated. This cost also varies depending on different cases however, if all services will be included an amount of \$ 75,000 on average should be considered annually for each professional.

23. Hosting costs are foreseen also in the convention and it is an amount that will vary along the years depending on the number of users operating the systems as well as the type of systems usage that will be followed in the future for instance Software as a Service (SAAS). Currently, the eTIR International System is hosted by the United Nations OICT in Valencia providing a 24/7 and 365 service and the annual costs, which are expected to remain stable for the next couple of years are in the amount of \$ 80,000 per year.

24. In any costs analysis, the United Nations Programme support costs at the level of thirteen per cent of net amount and a mandatory operating cash reserve at the level of fifteen per cent of net amount should be also included. Those costs are required for the administration of funds by the United Nations.

25. Additionally, costs for travel on official business for the secretariat and possibly for delegates to participate at the Geneva sessions, as well as the cost for hiring consultants should be also included in any calculations.

D. Deployment of new organizational structure

26. Figure III illustrates how the Secretariat foresees the deployment of the new organizational structure until 2034.

27. The secretariat expects that, in 2026, the current program management officer post in the TIR secretariat will be reverted to customs expert post. It is also foreseen that the P3 post currently financed under the MOU with IRU will be regularized and, if possible, that a new P3 information technology post can be created to start serving the team on customer service. The basic assumption here is that the secretariat will be able, during 2025, to raise funds and hire consultants that would assist with the development of the solutions that are already being analyzed or mandated.

28. In 2027, there is the expectation that the remaining traditional posts in the TIR secretariat will be restored namely the legal affairs officer (P4) and the associate program management officer (P2). This will provide impetus and support to the work of the intergovernmental bodies to start preparing, analyzing and suggesting amendments to the convention, further contributing to its modernization.

29. For 2029 the secretariat foresees the addition of a P3 information system officer to join the business analysis unit under the eTIR secretariat. This unit will start having specific tasks to deliver when the first eTIR corridors are in place and new demands for improving the systems are being requested as result of the first operations.

30. For 2027, it is expected that two P4 information technology officers will join the project management and production units respectively, while the project management unit will be strengthened with an administrative assistant. This would be a major requirement since both units, after having the first eTIR corridors operational, will start having many tasks for new interconnections and fixing of technical issues.

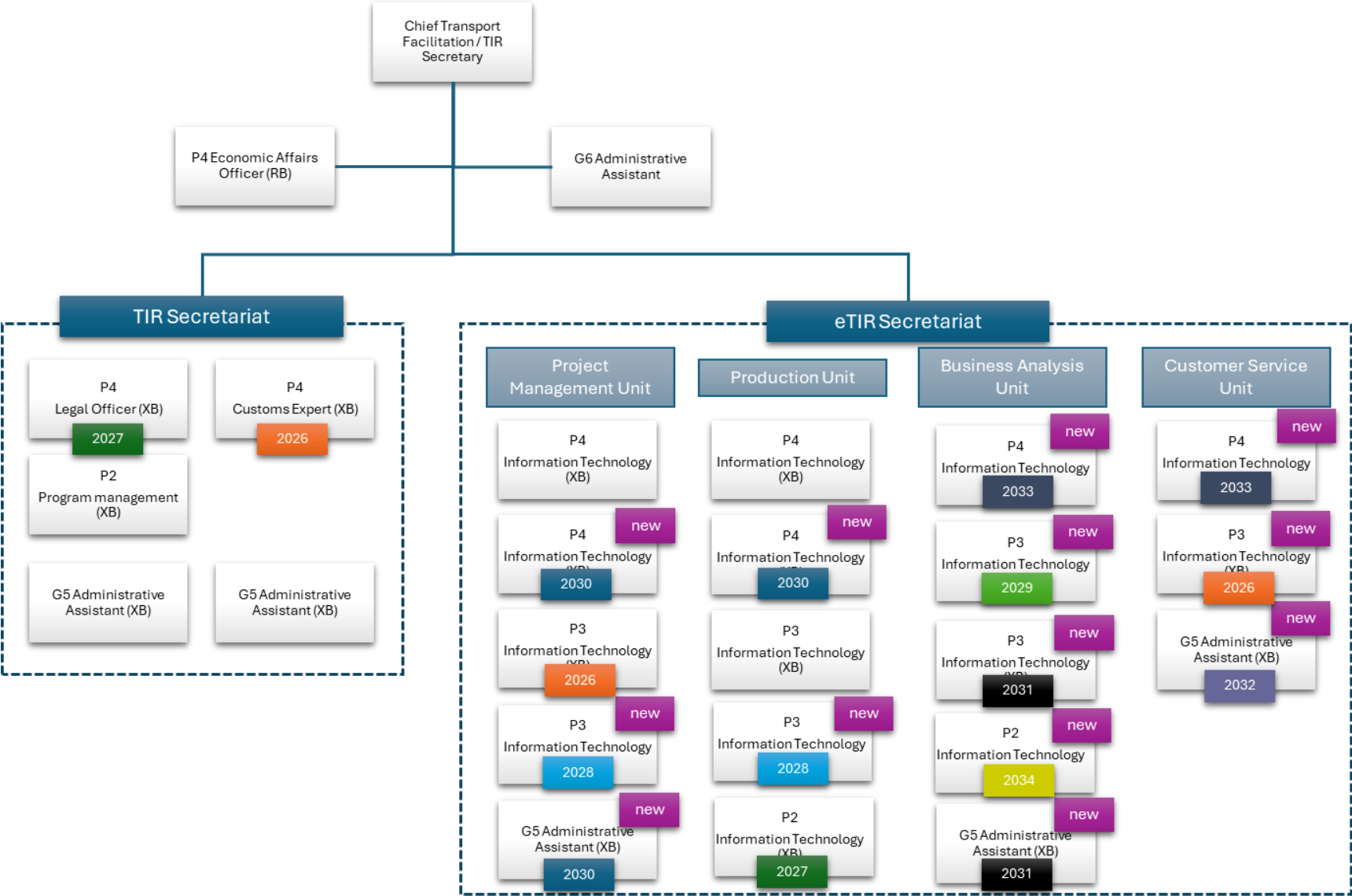
31. In 2031 the business analysis unit is expected to be further strengthened with a P3 information systems officer and a G5 administrative assistant as result of full operations taking place in different regions.

32. In 2032 a G5 administrative assistant will strengthen the customer service unit.

33. Two P4 information technology officers will join the business analysis unit and the customer service unit respectively in a period where the eTIR procedure should be already the dominant process to be followed and only some hundreds for TIR carnets to be used , if any.

34. Finally in 2034 a P2 information technology officer will join the business analysis unit.

Figure III
Deployment of new organizational structure



VI. Considerations by the Committee

35. The Committee is invited to consider the proposed resource requirements for the period 2026 – 2034, share its views based on other practices already implemented either on national or regional level and provide guidance for the next steps to be followed.
