

**Clasificación:** 58-2014

**Fecha de Ingreso:**

**Nombre del Acuerdo:** Second Supplementary Agreement between the General Secretariat of the Organization of American States and the International Road Transport Union for The Execution of the Study "Economic and Competitiveness gains from the adoption of best practices in intermodal maritime and road transport in the Americas: the TIR system as potential example of a best practice.

**Materia:** Regulatory framework with respect to the execution of the Study "Economic and Competitiveness Gains from the Adoption of Best Practices in Intermodal Maritime and Road Transport in the Americas: The TIR System as a Potential Example of a Best Practice".

**Partes:** SG OEA/ International Road Transport Union

**Referencia:** International Road Transport Union

**Fecha de Firma:** 8 May 2014.

**Fecha de Inicio**

**Fecha de Terminación**

**Lugar de Firma:** Washington D.C

**Unidad Encargada:** Executive Secretary for Integral Developmoent.

**Original:**

**Claves**

**Cierres del proceso**

**GENERAL COOPERATION AGREEMENT BETWEEN THE GENERAL SECRETARIAT OF THE  
ORGANIZATION OF AMERICAN STATES AND THE INTERNATIONAL ROAD TRANSPORT UNION**  
*(signed on January 31, 2011)*

**SECOND SUPPLEMENTARY AGREEMENT**  
**BETWEEN**  
**THE GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN**  
**STATES**  
**AND**  
**THE INTERNATIONAL ROAD TRANSPORT UNION**  
**FOR**  
**THE EXECUTION OF THE STUDY "ECONOMIC AND COMPETITIVENESS**  
**GAINS FROM THE ADOPTION OF BEST PRACTICES IN INTERMODAL**  
**MARITIME AND ROAD TRANSPORT IN THE AMERICAS: THE TIR SYSTEM**  
**AS A POTENTIAL EXAMPLE OF A BEST PRACTICE"**

**THE PARTIES TO THIS SUPPLEMENTARY AGREEMENT**, the General Secretariat of the Organization of American States (hereinafter "GS/OAS") a public international organization, with headquarters at 1889 F. St. N.W., Washington, D.C. 20006, represented by Executive Secretary for Integral Development, V. Sherry Tross, and the International Road Transport Union (hereinafter "IRU"), a non-governmental international organization, located at 3, Rue de Varembe, B.P. 44, CH-1211 Geneva 20, Switzerland, represented by its Secretary General, Mr. Umberto de Pretto,

**CONSIDERING:**

That, on January 31, 2011, they signed a General Cooperation Agreement;  
and

That article 3.2 of the General Cooperation Agreement establishes that "for areas of cooperation falling under such Agreement, the Parties may agree to sign a Letter of Agreement, [named here Supplementary Agreement], to define in more detail the terms of cooperation and the work needed to meet the terms of this Agreement."

**HAVE AGREED** to enter into this Second Supplementary Agreement (hereinafter the "Agreement"):

## **ARTICLE I PURPOSE**

1.1. The purpose of this Agreement is to establish a regulatory framework with respect to the execution of the Study "Economic and Competitiveness Gains from the Adoption of Best Practices in Intermodal Maritime and Road Transport in the Americas: The TIR System as a Potential Example of a Best Practice" (hereinafter the "Study") by the GS/OAS.

## **ARTICLE II OBLIGATIONS OF THE IRU**

2.1. The IRU shall provide to the GS/OAS the sum of US\$ 35,000 (thirty five thousand United States dollars) (hereinafter the "Contribution") within fifteen days after the signing of this Agreement, by means of one deposit to the account specified by the GS/OAS coordinator identified in Article 5.1 of this Agreement and in accordance with the provisions of Article 4.1. The budget contained in the Terms of Reference, which forms an integral part of this Agreement as Annex 1, shall express the amounts of the Contribution in the same currency in which the Contribution is made.

2.2. The IRU shall cooperate with the GS/OAS, its personnel, consultants, contractors in all matters necessary for the optimal execution of the Study.

## **ARTICLE III OBLIGATIONS OF THE GS/OAS**

3.1. The GS/OAS shall be responsible for executing the Study with the Contribution received from the IRU pursuant to Article 2.1 of this Agreement.

3.2. In order to execute the Study, the GS/OAS shall assign the necessary personnel and consultants, in accordance with its rules and procedures.

3.3. The GS/OAS shall present to the IRU a final technical-financial report within two months of the expiration or termination of this Agreement, in accordance with Article 8.4.

3.4. Upon the expiration or termination of this Agreement, the GS/OAS shall reimburse to the IRU that portion of the Contribution that has not been spent, subject to the provisions of Article 8.5 of this Agreement. The reimbursement shall be carried out by means of a bank transfer or a deposit to the bank account indicated by IRU's Coordinator identified in Article 5.2 of this Agreement.

## **ARTICLE IV FINANCIAL PROVISIONS**

4.1. The transfer of the Contribution to GS/OAS shall be carried out by means of check deposit or through bank transfers.

4.1.1. Transfer of the Contribution through check deposit shall be effected by sending the check or checks in the name of the *OAS General Secretariat* to the following address:

OAS General Secretariat  
Department of Financial and Administrative Management Services  
Attention: OAS General Secretariat Treasurer  
GSB 4<sup>th</sup> Floor  
1889 F St., NW  
Washington, DC 20006

4.1.2. Transfer of the Contribution through bank transfers from outside the United States and Canada shall be effected using the following information:

Bank full name: Bank of America  
Bank short name: Bank of America  
ABA/Routing #: 0260-0959-3  
Bank's address: 730 15<sup>th</sup> Street, N.W.,  
Washington, D.C. 20005-1012, USA  
Account number: 002080125354  
Account name: OAS General Secretariat  
**\* Include one of the following: Project Name, Project Number and/or Recipient Area.**

4.1.3. Transfer of the Contribution through bank transfers from within the United States or Canada shall be effected using the following information:

Bank full name: Bank of America  
Bank short name: Bank of America  
ABA/Routing #: 054001204  
Bank's address: 730 15<sup>th</sup> Street, N.W.,  
Washington, D.C. 20005-1012, USA  
Account number: 002080125354  
Account name: OAS General Secretariat  
**\* Include one of the following: Project Name, Project Number and/or Recipient Area.**

4.1.4. In the event that the GS/OAS changes its bank account during the period in which this Agreement is in force, the GS/OAS Treasurer shall notify the IRU through its Coordinator identified in Article 5.2 of this Agreement, and the IRU shall conduct bank transfers to this new bank account upon receipt of the notice.

4.2. GS/OAS shall administer this Agreement in accordance with its norms and procedures. All financial activity associated with the Contribution shall be subject to audit, whether internally or outside of the GS/OAS. These audits shall be carried out in the context of a general review of GS/OAS's financial operations. The cost of any additional audit that may be requested by the IRU is expressly provided in the budget set out in Annex I to this Agreement, or shall otherwise be charged as a direct cost to the Study or be underwritten by the IRU. Any additional audits shall be coordinated by the relevant GS/OAS dependency.

4.3. In accordance with its rules GS/OAS shall retain twelve per cent (12%) of the Contribution, for indirect costs related to the Project.

4.4. Any interest derived from the Contribution shall be applied to the indirect costs of the Study.

4.5. In the event that the period of this Agreement is extended, the Parties shall agree upon the percentages or payments applicable for additional GS/OAS indirect cost support as a result of that extension.

4.6. In the event that the IRU requests in writing that the Contribution be deposited in an institution in its financial system, the Director of the Department of Budgetary and Financial Services of the GS/OAS shall designate the bank or financial institution to which the funds shall be deposited. The costs related to maintaining the Contribution in the national financial system shall be expressly stated in the budget set out in Annex I of this Agreement, or shall otherwise be considered a direct cost of the Project, or be covered directly by the IRU at the timely indication of the GS/OAS Coordinator identified in Article 5.1 of this Agreement. The IRU accepts complete responsibility in the event that the bank or financial institution fails to fulfill its obligations with respect to the account and the Contribution, including those cases where the failure is owing to the failure of the bank or financial institution concerned.

4.7. Any reduction in the financial resources of the Contribution with respect to the budget in Annex I of this Agreement, arising as a consequence from a devaluation of the currency in which the Contribution is made shall be assumed by the Project or shall be covered directly by the IRU at the timely indication of the GS/OAS Coordinator identified in Article 5.1 of this Agreement.

4.8. If, due to any circumstance beyond its control the GS/OAS finds itself unable to make use of the Contribution, for a period longer than sixty days, the

GS/OAS may terminate this Agreement in view of the provisions of Articles 8.4 and 8.5 and without any responsibility on its part.

## **ARTICLE V COORDINATION AND NOTICE**

5.1. Within the GS/OAS, the dependency responsible for coordinating GS/OAS activities under this Agreement is the Secretariat of the Inter-American Committee on Ports (hereinafter "CIP") and the Coordinator is Mr. Jorge Duran, Chief of the CIP Secretariat. Notifications and communications should be directed to the Coordinator at the following street address, fax and electronic mail:

General Secretariat of the OAS  
*Jorge Duran, Chief of the Secretariat*  
*Inter-American Committee on Ports*  
1889 F Street, N.W.  
Washington, D.C. 20006  
United States of America  
Tel.: (1-202) 370-5465  
Fax: (1-202) 458-3526  
Electronic Mail: [jduran@oas.org](mailto:jduran@oas.org)

5.2. The dependency responsible for coordinating the activities of the IRU under this Agreement is IRU, Permanent Delegation to Eurasia, and the Coordinator is Mr. Igor Runov, Under Secretary General. Notifications and communications should be directed to the Coordinator at the following street address, fax and electronic mail:

International Road Transport Union (IRU)  
Igor Runov  
Under Secretary General  
Head, IRU Permanent Delegation to the United Nations  
5 Columbus Circle  
1790 Broadway, 8th Floor  
New York, NY 10019 USA  
Tel: +1 212 600 21 09  
Fax: +1 212 600 21 52  
[igor.runov@iru.org](mailto:igor.runov@iru.org)

5.3. All communications and notifications under this Agreement will be validly made only when they are sent by mail, facsimile, or electronic mail and are addressed to the Coordinators whose names are set out in Articles 5.1 and 5.2 of this Agreement. When the communications and notifications are transmitted by electronic mail they shall be valid if and when they are sent directly from the electronic address of the Coordinator of one of the Parties to the electronic address of the Coordinator of the other.

5.4. Either Party may change the responsible dependency, the designated Coordinator, the address, telephone, fax or electronic mail indicated by notifying the other Party in writing.

## **ARTICLE VI CIVIL RESPONSIBILITY AND INDEMNIFICATION**

6.1. The Parties assume full responsibility for the claims and damages directly and proximately caused by actions or omissions of their corresponding representatives, officials, employees and contractors.

6.2. If for any reason a third party should file a claim against one of the Parties in relation to the execution of this Study, the responsible party shall be considered as the principal vis-à-vis the claimant and the sole party obligated to respond. The responsible party shall further be required to indemnify the other party for any damages it may suffer as a result of these claims, including court costs and attorney's fees. The GS/OAS may use the financial resources of the Contribution to underwrite the costs of its defense.

## **ARTICLE VII PRIVILEGES AND IMMUNITIES**

7.1. The Parties mutually recognize the privileges and immunities they enjoy by virtue of the relevant agreements and laws on the subject and general principles of international law.

## **ARTICLE VIII GENERAL PROVISIONS**

8.1. The Parties agree to observe the highest ethical standards and administrative transparency in all actions and activities related to this Agreement. Failure to comply with this provision shall constitute grounds for anticipatory termination of this Agreement, pursuant to Article 8.4.

8.2. Modifications to this Agreement may only be made by mutual agreement in writing by the duly authorized representatives of the Parties. The instruments in which the modifications are set out shall be attached as annexes to this Agreement and shall form part of it.

8.3. This Agreement shall enter into force upon signature by the duly authorized representatives of the Parties and shall remain in force throughout the execution of this Study until **December 31, 2014**. Nonetheless the Parties may

extend the period of this Agreement by mutual consent in writing by their duly authorized representatives.

8.4. This Agreement may be terminated by mutual consent or by either of the Parties by written notice from one to the other with not less than thirty days notice. Notwithstanding the termination of this Agreement, Study activities that have been duly financed shall be continued to completion unless the Parties mutually decide otherwise.

8.5. Termination of this Agreement, shall not affect irrevocable obligations assumed by the GS/OAS with respect to the Study prior to receipt of the notice of termination. In this respect, such obligations shall be paid out of the financial resources of the Contribution, including the costs to the GS/OAS resulting from early termination of its services.

8.6 Articles VI and VII shall survive the expiry or the termination of this Agreement.

8.7 Provisions that are not stated in the Agreement will follow those of the General Cooperation Agreement, including the ones concerned dispute resolution.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement in duplicate on the date and at the place indicated below:

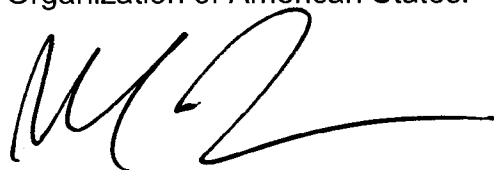
For the International Road  
Transport Union:



Umberto de Pretto  
IRU Secretary General  
Place:

Date: 8/5/2014

For the General Secretariat of the  
Organization of American States:



V. Sherry Tross  
Executive Secretary for Integral Development  
Place: Washington DC

Date: 2014-04-17





## ANNEX 1

### DRAFT TERMS OF REFERENCE AND SCOPE OF SERVICES FOR THE STUDY ON THE "ECONOMIC AND COMPETITIVENESS GAINS FROM THE ADOPTION OF BEST PRACTICES IN INTERMODAL MARITIME AND ROAD TRANSPORT IN THE AMERICAS: THE TIR SYSTEM AS A POTENTIAL EXAMPLE OF A BEST PRACTICE"

(APRIL 14, 2014)

#### I. Background and Justification

Under the General Cooperation Agreement between the General Secretariat of the Organization of American States (GS/OAS), through its Executive Secretariat for Integral Development (SEDI), and the International Road Transport Union (IRU) signed on January 31, 2011, (hereinafter the "GCA"), the GS/OAS and IRU agreed to enter into a collaborative relationship to promote economic growth and enhance the competitiveness and access of the OAS member states to international markets, facilitating the insertion of small and medium enterprises (SMEs) in global trade, by improving supply-chain management of goods and services and ensuring the mobility of people and goods through road transport. Among the areas of cooperation to be pursued within the GCA's framework, the parties specified developing joint studies, programs, and initiatives to create awareness and provide recommendations to governments, other stakeholders, and the general public on key issues and activities related to the importance of improving supply chains of goods and services and facilitating road transport to enhance competitiveness.

At the Sixth Summit of the Americas, entitled "Connecting the Americas: Partners for Prosperity," held in Cartagena, Colombia, in April 2012, the Heads of State and Government of the member states reaffirmed that the promotion and further development of physical infrastructure projects at the national, subregional, and regional levels are priorities for the public policies and development strategies of their countries, which contribute to sustainable development, social inclusion, and increased trade. The leaders resolved to promote the exchange of experiences and the participation of the public and private sectors, taking into account current and future national, subregional, and regional physical infrastructure programs and projects that connect and integrate the Americas, which should contribute to the development of synergies of national physical infrastructure agendas.

The Inter-American Committee on Ports (CIP), an organ of the OAS Inter-American Council for Integral Development, has committed to improve port operations by increasing innovation, productivity, and competitiveness in a sustainable manner throughout the logistics chain. Pursuant to these commitments, the CIP has established as one of its priority areas the issue of logistics, innovation, and competitiveness. The CIP Action Plan of Cartagena adopted at the VIII Regular Meeting of the CIP on September 2013 calls for the Technical Advisory Group (TAG) on Logistics, Innovation, and Competitiveness to conduct studies and advise the CIP on decisions to be taken with respect to the modernization and efficiency of the region's ports in such aspects as cargo service and handling, port tariffs, statistics, logistics chains, fostering port-city relations, and encouraging corporate social responsibility. Concrete economic data on time savings and other benefits to be realized from improved intermodal transport processes can inform and assist the TAG in providing advice to CIP members on how to make the region's port operations more productive, innovative and competitive in a sustainable manner throughout the global logistics chain.

The objective of IRU, a non-governmental international organization registered in the OAS, is to foster economic and sustainable development by strengthening cooperation and commercial linkages among countries and promoting the integration of regional transportation systems. To achieve this objective, the IRU manages the TIR System under the mandate of the United Nations. The TIR "*Transports Internationaux Routiers*" meaning International Road Transport System was created shortly after World War II to facilitate trade and transport whilst implementing an international harmonised system of customs control that effectively protects the revenue of each country through which goods are carried. IRU's recent activities have aimed at further facilitating transport through the use of TIR Carnets for transports where the carriage of goods is



made by more than one transport mode, including ships and port operations. The TIR Convention has provided for intermodal transport operations since 1975, however the use of the TIR system in such operations is still limited. While some countries in the Western Hemisphere are contracting parties to, or have expressed interest in joining the TIR Convention, the TIR system has not yet been implemented in the hemisphere.

With the foreseen growth of international trade volumes, logistics system are expected to play an ever more pivotal role in promoting, further securing, and facilitating trade and international road and marine transport.

The role of ports and road transport are very important elements of the logistics chain. Improving the connectivity of ports to roads, trains, waterways, etc, will significantly increase competitiveness and is the basis for intermodal transport systems. Better port connectivity to the rail, road and inland water systems will help streamline and logistics systems, including IRU's TIR intermodal approach.

## **II. Purpose and objectives of the Study**

Pursuant to the GCA, the GS/OAS, through the CIP Secretariat (CIP/OAS), which is a SEDI dependency, and the IRU have agreed to undertake a Study on the "Economic and Competitiveness Gains from the Adoption of Best Practices in Intermodal Maritime and Road Transport in the Americas: The TIR System as a Potential Example of a Best Practice" (hereinafter the "Study"). The Study will assess and demonstrate the economic and competitiveness gains to be realized from adopting best practices in intermodal maritime and road transport in the Americas, with the TIR system serving as an example of a potential best practice.

The GS/OAS and IRU will appoint representatives to a Steering Committee to oversee the process and content of the Study.

### **Chief Objectives of the Study:**

- Identify and highlight the advantages of maritime and road transport systems for international transport by reference to the broad secondary literature, including major international reports. Key issues for maritime transport will include the (increasing) bulk capacity of shipping, economies of scale, the development of containerization and the consequent fostering of globalization. In the case of road transport, its flexibility (particularly in contexts where rail is not practical or cost effective) combined with improvements in global road infrastructure and technical developments are likewise important advantages;
- Identify and quantify the potential of maritime and road transport systems to facilitate intermodal transport (reduction in waiting times, increase in efficiency, etc. in ports and customs); this portion of the study would also include a brief literature review, and, where possible, quantify selective instances of cases where reduced waiting times/transit times etc. (often combined under the term "generalized cost") might provide indications of the magnitude of potential benefits. The focus here will be on 3 countries (Argentina, Brazil and Mexico) as determined by the Steering Committee; and,
- Identify the reasons why TIR system is not used in intermodal operations including identifying existing limitations (legal, technical, operational, etc.) preventing a wider use of the TIR procedure in intermodal supply chains. Analysis will expand on the "structural constraints" on implementation.

## **III. Contractor**

General Secretariat of the Organization of American States (GS/OAS)



#### **IV. Deliverables and Deadlines:**

The final report (maximum 50 x A4 pages, plus annexes with underlying data), will contain a publishable narrative executive summary report with conclusions and recommendations and summary tables and/or graphs as appropriate in an attractive format (maximum of 10x A4 pages).

All reports are to be delivered in English and the following deadlines will apply:

- An interim report within 30 days of the date of the start of the Study (e.g., by July 1, 2014 assuming the Study starts on June 1, 2014).
- The draft final report as well as the structure of the publishable executive summary within 60 days from the start of the study (e.g., by August 1, 2014).
- The final report including publishable executive summary and annexes within 90 days from the start of the Study (e.g., by September 1, 2014).

#### **V. Budget**

Study	30,800
ICR	4,200
<hr/>	
Total contribution	35,000

IRU: \$35,000 (Thirty five Thousand) payable in one instalment on or before 15 days after signing the Supplementary Agreement.

Both the GS/OAS and IRU will have the full rights to use, distribute, and publish the information resulting from the Study.