



**GENERAL ASSEMBLY**  
**59<sup>th</sup> session**  
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**Item No. 9 on the Agenda: Arrears in contributions of member States**

(memorandum prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Description of the status of arrears and of the efforts being deployed by the Secretariat to reduce the same</i>
<i>Action to be taken</i>	<i>None</i>
<i>Related documents</i>	<i>None</i>

1. There has been a steady improvement in the status of arrears in the contributions of member States - recorded as of 25 October 2005 in the Appendix to this paper - during the course of the current financial year. Arrears in effect stood at € 354,164.29 at the time of the 103<sup>rd</sup> session of the Sub-Committee of the Finance Committee, held in Rome on 11 April 2005, but progressively went down to € 311,289.74 by the time of the 104<sup>th</sup> session of that body, held in Rome on 9 June 2005, and to € 246,425.82 by the time of the 60<sup>th</sup> session of the Finance Committee, held in Rome on 6 October 2005. They have been still further reduced in the meantime to € 208,413.50. A major fillip was given to this process by the settlement between November 2004 and May 2005 of all the four years' arrears owed by the Government of Venezuela, by the settlement on 14 July 2005 of all the six years' arrears owed by the Government of the Federal Republic of Nigeria and by the settlement between January and October 2005 of all the three years' arrears owed by the Government of Colombia. The Secretariat has, moreover, been recently officially informed by the Embassy of Serbia and Montenegro in Italy that its Government will be settling its arrears for the two years 2003 and 2004 by the end of October 2005.

2. The Secretariat would submit that this improvement vindicates its core strategy for dealing with the problem of arrears, namely the exerting of constant pressure on the Embassies in Rome of defaulting member States in conjunction, where appropriate, with representations to senior figures in the Administration of the States concerned. There can be no doubt that the effectiveness of this strategy was also considerably reinforced by the sanctions for defaulting States agreed by the General Assembly at its 58<sup>th</sup> session, held in Rome on 26 November 2004.

3. It is, nevertheless, a particular source of satisfaction for the Secretariat that it has not to date had to impose these sanctions in respect of any member State. It will be recalled that the sanctions in question do not kick in until a member State has accumulated arrears in excess of the aggregate of its assessed contribution for the three, four or five immediately preceding years (cf. Resolution (58) 1 passed by the General Assembly at its 58<sup>th</sup> session).

4. It will not, however, have escaped the attention of members of the General Assembly that, as the 2005 financial year draws to a close, the situation in this respect is, unfortunately, about to change in respect of one member State, Bolivia, which, as of 25 October 2005, had already accumulated three years' arrears, in respect of the 2002, 2003 and 2004 financial years. It will be recalled that, as a result of a decision taken by the General Assembly, the Government of Bolivia, although a member of the Institute since 1940, only became liable for an annual contribution as from 2000. In October 2004 the Embassy of Bolivia in Italy informed the Secretariat that its Government would not be in a position to settle its debts with international Organisations in general during the 2004 financial year. In March 2005 the Embassy informed the Secretariat that, because of the economic difficulties that it was traversing, its Government would neither be able to settle its debts toward the Institute during the current financial year. As the Secretariat announced to the Sub-committee of the Finance Committee at its 103<sup>rd</sup> session, it, therefore, arranged a meeting on 6 September 2005 with the Chargé d'affaires of the Embassy of Bolivia in Italy in order to express the Institute's concern at the worsening situation concerning his Government's arrears, to seek clarification as to how it planned to remedy the same and, in particular, to propose to his Authorities a possible programming of the settlement of their arrears. The Chargé d'affaires noted the Secretariat's proposals, which he undertook to communicate to his Authorities for their opinion.

5. The arrears owed by the Governments of Brazil, Israel and Uruguay must also be a matter of considerable concern, given that, by the end of the current financial year, unless the situation changes in the meantime, these Governments will each have accumulated three years' arrears (and thus have forfeited the right to vote in the General Assembly, under Article 16(7) of the Statute of the Institute). It is true that, during a visit that the Secretary-General made to Brasilia in April 2005, he was assured by the Ministry of Foreign Affairs of Brazil that its Government's arrears would be settled by the end of the current financial year and there is still some time to go before that year comes to an end. The Secretariat has been in touch with the Embassy of Israel in Italy and has, unfortunately, ascertained that there is no longer even a desk officer for UNIDROIT within its Government. Finally, there has, of course, been a change of Government in Uruguay, which has held up the Secretariat's efforts to resolve that Government's arrears through persons associated with the previous Administration.

6. It is true, therefore, that a great deal still remains to be done by the Secretariat in bringing the arrears accumulated by certain member States under control but the General Assembly should have every confidence that the Secretariat will continue to grapple with this problem as seriously as it has to date. The fact is that it is, with all the other responsibilities incumbent upon the Secretariat, difficult for it to follow up more than a certain number of member States at a time. The Secretariat would, however, submit that the overall situation concerning arrears does, however, show distinct improvement over the corresponding situation at this time last year and would, therefore, propose continuing to seek to reduce the remaining arrears using the methods that it has over the last twelve months.

## APPENDIX

**ARREARS IN CONTRIBUTIONS IN RESPECT OF THE 2004 AND PREVIOUS FINANCIAL YEARS  
IN EUROS AS OF 25 OCTOBER 2005**

	1999-2001	2002	2003	2004	Total in Euros
Argentina			11,961.42	24,629.00	36,590.42
Bolivia		10,850.00	11,000.00	11,195.00	33,045.00
Brazil			28,600.00	29,107.00	57,707.00
Israel			17,600.00	17,912.00	35,512.00
Pakistan	974.08			195.00	1,169.08
Serbia and Montenegro			11,000.00	11,195.00	22,195.00
Uruguay			11,000.00	11,195.00	22,195.00
<b>Total</b>	<b>974.08</b>	<b>10,850.00</b>	<b>91,161.42</b>	<b>105,428.00</b>	<b>208,413.50</b>

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[ [Documents 59<sup>th</sup> session of the General Assembly \(2005\): Main page](#) ]