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Information on the economic situation of the Institute as of 20 November 2009

(memorandum of the UNIDROIT Secretariat)

1. Several member States that are members of the Finance Committee have expressed an interest in further details of the economic situation of the Institute, in particular as regards receipts for the current financial year. In order to meet this concern, the Secretariat herewith submits to the General Assembly a report on the economic situation of the Institute as of today's date (20 November 2009), including a breakdown of receipts up until that date as well as an indication of expenditure to date and an estimate of expenditure up to 31 December 2009.
2. As shown in the breakdown, at 20 November 2009 the economic situation of the Institute shows total receipts at that date (including the surplus on 1 January 2009 included in the 2009 budget) of € 2,238,999.03, whereas the estimate in the budget approved by the General Assembly at its 63rd session indicated receipts totalling € 2,285,850.00. The Institute may, however, receive further receipts in the period 20 November – 31 December, in particular from States that have not yet paid their contribution for the current financial year (see the explanatory note to the Receipts, No. 3).
3. As to expenditure, it should be noted that even this late in the year, unforeseen events may change the estimated expenditure, and that some bills (heating, electricity, water) for the final quarter of the year have not yet arrived.
4. Taking all this into account, and if the Institute receives at least part of the outstanding contributions for the current financial year from those member States that have not yet paid up, the estimated expenditure of € 2,271,312.00, should be covered by receipts.
5. The Secretariat wishes to stress that it shall do its utmost to make savings where possible.

RECEIPTS (in euro)	Estimate for 2009	Situation of receipts as of 20 Nov. 2009
Actual receipts:		
Statutory contribution of Italy	265,000.00 ¹	197,000.00
Statutory contributions of member States other than Italy	1,778,700.00 ²	1,718,262.00 ³
Arrears in statutory contributions of member States other than Italy paid in the current year	--	44,128.00 ⁴
Extra-statutory contribution of the United Kingdom	65,450.00	66,975.00 ⁵
Extra-statutory contribution of the Netherlands	--	30,000.00 ⁶
Interest	5,000.00	2,203.37
Contribution to overhead expenses	12,000.00	10,500.00
Sale of publications	49,700.00	48,560.38 ⁷
Private donation	30,000.00	40,941.07 ⁸
Various receipts	p.m.	429.21
	=====	=====
Total actual receipts	2,215,850.00	2,158,999.03
Surplus on 1 January 2009	80,000.00	80,000.00 ⁹
Total actual receipts and surplus on 1 January 2009	2,285,850.00 =====	2,238,999.03 =====

¹ The amount indicated is an estimate made by the Secretariat, based on the contribution paid by the Italian Government in 2007.

² This estimate did not include the contribution of the two new member States, i.e. Indonesia and Saudi Arabia, who joined the Institute on 1st January 2009.

³ This sum represents the payments received so far from the member States other than Italy, and it includes also the contributions of the two new member States, i.e. Indonesia and Saudi Arabia; as of 20 November 2009, one member State of Category IV, two of Category VII and 5 of Category VIII had not yet paid their contribution. Judging by experience in previous years, the Secretariat expects some of these member States to pay their outstanding contribution before 31 December 2009.

⁴ In 2009, the Secretariat received payment of arrears from one member State of Category VI and two of Category VIII.

⁵ This sum was allocated to cover the salary of one of the Deputy Secretaries-General.

⁶ This sum represents a donation from the Government of the Netherlands, to fund the post of researcher in charge of the "Intermediated Securities" project.

⁷ This sum corresponds to the income received so far by the Secretariat generated by the sale of the Uniform Law Review and other publications.

⁸ This sum represents contributions from private donors, i.e. the UK Foundation for International Uniform Law, the American Foundation for International Uniform Law and the German Space Agency, allocated to various projects of the Institute.

⁹ This sum represents the surplus from the financial year 2008 included in the 2009 budget. It should be noted that, mostly due to the payment of arrears by several member States, the surplus on 1 January 2009 amounted in effect to € 237,798.08, i.e. € 157,798.08 more than foreseen. Part of this sum (€ 20,000.00) was allocated to raising the Working Capital Fund to an amount corresponding to 2/12 of total yearly expenditure, in accordance with the General Assembly's recommendation at its 53rd session (Rome, 25 November 1999); the Secretariat will submit a document to the Finance Committee at its 67th session in the first quarter of 2010 outlining its proposals for the allocation of the remaining part of this sum (€ 137,798.08).

EXPENDITURE (in euro)	2009	Actual expenditure as of 20 Nov. 2009	Estimated expenditure as of 31 Dec 2010
Chapter 1 – Reimbursement of expenses			
Art. 1 (Governing Council and Perm. Committee)	55,000.00	38,510.00	38,510.00
Art. 4 (Auditor)	3,500.00	1,750.00	3,500.00
Art. 5 (Committees of Experts)	65,000.00	48,191.00	63,500.00
Art. 6 (Official journeys of repr. and staff)	28,000.00	20,648.00	25,000.00
Total	151,500.00	109,099.00	130,510.00
Chapter 2 – Salaries and allowances			
Art.1 (Salaries of Cat. A, B, C staff and consultant)	1,305,000.00	1,120,000.00	1,310,000.00
Art. 2 (Remuneration for occasional collab.)	20,000.00	10,749.00	20,000.00
Total	1,325,000.00	1,130,749.00	1,360,000.00¹⁰
Chapter 3 – Social security charges			
Art. 1 (Insurance against disablement, old age and sickness)	390,000.00	322,000.00	387,000.00
Art. 2 (Accidents' insurance)	8,500.00	8,400.00	8,400.00
Total	398,500.00	330,400.00	395,400.00
Chapter 4			
Compensation retired members of staff	2,500.00	1,160.00	2,400.00
Chapter 5			
Publications' printing costs	31,500.00	15,365.00	27,000.00
Chapter 6 – Administrative expenses			
Art. 1 (Stationery)	21,000.00	19,500.00	21,000.00
Art. 2 (Telephone, fax and Internet)	30,000.00	26,650.00	30,000.00
Art. 3 (Postage)	25,000.00	14,739.00	18,000.00
Art. 4 (Entertainment and representation)	4,650.00	1,000.00	1,500.00
Art. 5 (Interpreters)	27,500.00	20,800.00	27,500.00
Art. 6 (Miscellaneous)	6,700.00	3,165.00	4,200.00
Total	114,850.00	85,854.00	102,200.00
Chapter 7 – Maintenance costs			
Art. 1 (Electricity)	14,500.00	7,643.00	10,000.00
Art. 2 (Heating)	20,000.00	15,630.00	20,000.00
Art. 3 (Water)	7,000.00	1,340.00	3,000.00
Art. 4 (Insurance of premises)	11,500.00	10,993.00	10,993.00
Art. 5 (Office equipment)	24,000.00	18,879.00	22,500.00
Art. 6 (Upkeep of building, local taxes)	20,000.00	20,230.00	25,230.00
Art. 7 (Labour costs)	27,000.00	22,465.00	27,000.00
Total	124,000.00	97,180.00	118,723.00
Chapter 9 - Library			
Art. 1 (Purchase of books)	92,000.00	73,001.00	92,000.00
Art. 2 (Binding)	9,000.00	6,108.00	7,500.00
Art. 3 (Software)	22,000.00	20,579.00	20,579.00
Total	123,000.00	99,688.00	120,079.00
Chapter 10			
Promotion of UNIDROIT instruments	5,000.00	0	5,000.00
Chapter 11			
Legal co-operation programme	10,000.00	10,000.00	10,000.00
Total ordinary expenditure	2,285,850.00	1,879,495.00	2,271,312.00

¹⁰ The increase in the allocation for this chapter was due to the need to engage a researcher for the "Intermediated Securities" project. This project should have been completed in 2008 but was extended until 2009. The Secretariat wishes to stress that part of the required sum was covered by a donation from the Government of the Netherlands granted for this purpose (see Note 6, receipts).