



GENERAL ASSEMBLY
73rd session
Rome, 11 December 2014

UNIDROIT 2014
A.G. (73) 6
Original: English/French
October 2014

**Item No. 8 on the Agenda: Draft Budget for 2015
and fixing of contributions of member States for that financial year**

(prepared by the UNIDROIT Secretariat)

| | |
|---------------------------|---|
| <i>Summary</i> | <i>Explanation of the proposed expenditure and receipts under the 2015 draft Budget and proposed contributions of member States</i> |
| <i>Action to be taken</i> | <i>Approval of the draft budget for 2015 and determination of contributions of member States for that financial year</i> |
| <i>Related documents</i> | <i>UNIDROIT 2014 – F.C.(76) 6</i> |

Introduction

1. The first estimates of receipts and expenditure for the 2015 financial year prepared by the Secretariat (F.C. (75) 2) were examined by the Finance Committee at its 75th session (Rome, 3 April 2014), in accordance with Article 31 of the Regulations. Those first estimates were then submitted to the Governing Council, which at its 93rd session (Rome, 7 to 10 May 2014), established the draft budget for 2015, as set forth in Appendix I to this document, taking into account the opinion expressed by the Finance Committee.

2. In line with the Institute's practice, the draft Budget resulting from this procedure has been submitted to the Governments of UNIDROIT member States with a view to their formulation of such observations as they might wish to make by 19 September 2014. At the time of writing (15 October 2014), comments have been received from the Government of the United States of America. Overall, the Secretariat proposes that the expenditure for 2015 amount to € 2,271,681.00, which represents a decrease of € 794.00 as compared to the expenditure included in the budget for 2014. The Secretariat proposes to cover the Institute's expenditure in 2015 as follows:

| | | |
|--|---|--------------|
| Statutory contribution of Italy | € | 126,500.00 |
| Statutory contributions of other member States | € | 2,097,370.00 |
| Other receipts | € | 32,811.00 |

3. The draft Budget for 2015 does not anticipate a balance being carried over from the 2014 financial year, neither does it include estimates on financing from private sources for particular projects and activities (e.g. organisation of meetings, sponsoring of research fellows, scholarship, purchase of books and journals and the promotion of UNIDROIT instruments). The Secretariat will continue to solicit voluntary contributions of this type, which will be accounted for separately.

4. The Secretariat would propose that the statutory contributions of all member States for 2015 be calculated on the basis of a unit of contribution amounting to € 2,530.

5. Under this proposal, the statutory contributions of member States would be as follows (cf. Appendix II):

| | |
|------------------|--------------|
| Category I | € 126,500.00 |
| Category II | € 55,660.00 |
| Category III | € 45,540.00 |
| Category IV | € 32,890.00 |
| Category V | € 27,830.00 |
| Category VI | € 22,770.00 |
| Category VII | € 20,240.00 |
| Category VIII | € 12,650.00 |
| Special Category | € 2,530.00 |

6. *In the light of the foregoing, the General Assembly, at its 73rd session, may wish to:*

- *approve the draft budget for 2015 as in Appendix I to this document and*
- *set the amount of the statutory contributions of member States for that financial year as in Appendix II.*

APPENDIX I

**DRAFT BUDGET FOR THE 2015
FINANCIAL YEAR**

RECEIPTS (in Euro)

| | Budget 2014 | Budget 2015 |
|--|---------------------|---------------------|
| Chapter 1: Contributions of member States | | |
| Art. 1 (Italian Government) ¹ | 126,500.00 | 126,500.00 |
| Art. 2 (Other member States) ² | 2,097,370.00 | 2,097,370.00 |
| | | |
| Chapter 2: Other receipts: | | |
| Art. 1 (Interest) ³ | 1,000.00 | 1,000.00 |
| Art. 2 (Contributions to overhead expenses) ⁴ | 15,000.00 | 15,000.00 |
| Art. 3 (Sale of publications) | 17,605.00 | 16,811.00 |
| | | |
| Chapter 3: Various receipts | | |
| Tax reimbursement credit ⁵ | 15,000.00 | 15,000.00 |
| Total of receipts | 2,272,475.00 | 2,271,681.00 |

EXPLANATORY NOTES TO THE DRAFT BUDGET - RECEIPTS

¹ Estimate based on the amount which the Italian Government expects to be able to contribute to UNIDROIT in 2014.

² No change is proposed for 2015.

³ The Secretariat estimates the interests earned on deposits in checking accounts to be the same as in the previous years.

⁴ This sum represents the share of the Office for Italy and San Marino of the International Labour Organization in the operating expenses of the premises of UNIDROIT.

⁵ The extraordinary income estimated under this Chapter relates to the reimbursement by the Government of the United States of America of federal, state and municipal taxes payable by a US citizen appointed to the UNIDROIT Secretariat, under the terms of a tax reimbursement agreement signed between UNIDROIT and the Government of the United States of America on 17 September 2013.

EXPENDITURE (in Euro)

| | 2014 | 2015 |
|--|---------------------|---------------------|
| Chapter 1 – Meeting and travel costs ¹ | | |
| Art. 1 (Governing Council and Permanent Committee) | 48,000.00 | 48,000.00 |
| Art. 2 (Auditor) | 3,869.60 | 3,869.60 |
| Art. 3 (Administrative tribunal) | - | - |
| Art. 4 (Committees of Experts) | 88,000.00 | 88,000.00 |
| Art. 5 (Official journeys and promotion of activities) | 50,000.00 | 50,000.00 |
| Art. 6 (Interpreters) | 35,500.00 | 35,500.00 |
| Art. 7 (Representation) | 7,000.00 | 7,000.00 |
| Subtotal | 232,369.60 | 232,369.60 |
| Chapter 2 – Salaries and allowances | | |
| Art. 1 (Salaries of Categories A, B and C staff and consultant) ² | 1,242,481.00 | 1,207,081.40 |
| Art. 2 (Remuneration for occasional collaborators) | 20,000.00 | 20,000.00 |
| Art. 3 (Tax reimbursement) ³ | 15,000.00 | 15,000.00 |
| Subtotal | 1,277,481.00 | 1,242,081.40 |
| Chapter 3 – Social security charges | | |
| Art. 1 (Insurance against disablement, old age and sickness) ⁴ | 413,624.40 | 429,230.00 |
| Art. 2 (Accidents' insurance) ⁵ | 8,500.00 | 8,500.00 |
| Art. 3 (Compensation retired members of staff) ⁶ | 2,500.00 | 2,500.00 |
| Subtotal | 424,624.40 | 440,230.00 |
| Chapter 4 – Administrative expenses | | |
| Art. 1 (Stationery) | 20,000.00 | 20,000.00 |
| Art. 2 (Telephone, fax and Internet) | 23,000.00 | 23,000.00 |
| Art. 3 (Postage) | 10,000.00 | 10,000.00 |
| Art. 4 (Miscellaneous) | 5,000.00 | 5,000.00 |
| Art. 5 (Printing of publications) | 15,000.00 | 15,000.00 |
| Subtotal | 73,000.00 | 73,000.00 |
| Chapter 5 – Maintenance costs | | |
| Art. 1 (Electricity) ⁷ | 10,000.00 | 18,000.00 |
| Art. 2 (Heating) ⁷ | 22,000.00 | 28,000.00 |
| Art. 3 (Water) | 7,000.00 | 7,000.00 |
| Art. 4 (Insurance of premises) | 12,000.00 | 12,000.00 |
| Art. 5 (Office equipment) | 23,000.00 | 23,000.00 |
| Art. 6 (Upkeep of building, public services) ⁸ | 25,000.00 | 30,000.00 |
| Art. 7 (Labour costs) | 45,000.00 | 45,000.00 |
| Subtotal | 144,000.00 | 163,000.00 |
| Chapter 6 – Library | | |
| Art. 1 (Purchase of books) | 90,000.00 | 90,000.00 |
| Art. 2 (Binding) | 9,000.00 | 9,000.00 |
| Art. 3 (Software) | 22,000.00 | 22,000.00 |
| Subtotal | 121,000.00 | 121,000.00 |
| Total expenditure | 2,272,475.00 | 2,271,681.00 |

EXPLANATORY NOTES TO THE DRAFT BUDGET - EXPENDITURE

- 1 **Purpose of expenditure:** to cover travel and subsistence expenses incurred by the members of the Governing Council and of the Permanent Committee in their attendance of sessions of those bodies; the fees due to the auditor appointed by the General Assembly; the costs of hearings of the Administrative Tribunal, registrar services and sums awarded by the Tribunal for settlement of claims; the costs incurred by UNIDROIT in organising meetings of committees of experts and other meetings associated with the organisation's Work Programme; the travel and subsistence expenses incurred by representatives of UNIDROIT, members of staff and collaborators in connection with the attendance of meetings of other organisations with which UNIDROIT cooperates, as well as missions intended to further awareness of UNIDROIT's work in general and, where appropriate, to encourage accession to the Statute of the Organisation; cover the cost of simultaneous interpretation at meetings held by UNIDROIT; the cost of representation functions, such as receptions and similar events organised by UNIDROIT in connection with its meetings.

No change is proposed for 2015.

- 2 **Purpose of expenditure:** to cover the salaries and allowances of the staff of the professional, administrative, secretarial and library members of the staff of UNIDROIT as well remuneration of a consultant.

Following the departure of a Senior Officer at the end of 2013, there were, at the same time of the presentation of the first abstract for the 2015 budget, two vacancies at the professional level, which the Secretariat in the meantime has been able to fill at levels lower than that of the original incumbents which will actually result in savings calculated at €35,399.60. There was another vacancy of a Category B staff which has also been filled in 2014 to replace the only native English speaker in that category of the UNIDROIT staff.

- 3 **Purpose of expenditure:** to cover the cost of federal, state and municipal taxes payable by a US citizen appointed to the UNIDROIT Secretariat. These costs will be refunded by the Government of the United States of America, under the terms of a tax reimbursement agreement signed in September 2013.

The concerned US member of staff left the Secretariat at the end of 2013, but the Secretariat had proposed to retain this article in the 2015 Budget should the selection process to fill current vacancies lead to hiring a US citizen, as it eventually turned out to be the case.

- 4 **Purpose of expenditure:** insurance coverage of staff members against disability, old age and sickness. With a few exceptions, all staff members of staff are insured for these purposes with the Italian social security system (INPS).

Expenditure estimates under this chapter for the year 2014 reflected a projection of the actual cost of health and retirement insurance for UNIDROIT staff in 2013. Some staff members, as was the case of the Senior Officer who left the Institute in December 2013, were enrolled under health and retirement insurance schemes other than INPS, at a lower cost. At this stage, pending completion of the process of enrolment under a scheme or another, the Secretariat deems it prudent to allocate sufficient funds as if all new staff was enrolled under INPS.

- 5 **Purpose of expenditure:** insurance coverage of all staff members against accidents. All staff members are insured for this purpose with a private Italian insurance company.

No change is proposed for 2015.

- 6 **Purpose of expenditure:** payments to two retired members of staff to cover the periods, in the past, during which they were not covered for social security purposes.

No change is proposed for 2015.

- 7 **Purpose of expenditure:** to cover expenses for electricity and heating.

As in the recent years such costs at the end of the financial year were much higher than anticipated, the Secretariat needs to increase the sums allocated.

- 8 **Purpose of expenditure:** to cover building maintenance costs (ordinary repairs in the building, maintenance of elevators) and charges for municipal services (i.e. waste disposal).

The proposed increase is to cover repairs in the building which are urgently needed and neglected in the past for lack of funds, as well as to cover the cost of the newly created charge for municipal services (TARES).

Overall, the Secretariat proposes a total expenditure of € 2,271,681.00 for the year 2015, which represents a decrease of expenditure of € 794.00, as compared to the expenditure authorised as under the 2014 Budget.

Appendix II**CHART OF THE ANNUAL CONTRIBUTIONS TO UNIDROIT
OF MEMBER STATES FOR 2015**

(Each unit of contribution representing € 2,530)

| Cat. | State | Units | Contribution for 2015 |
|------|--------------------------|-------|--------------------------|
| I | Canada | 50 | € 126,500.00 |
| | China | 50 | |
| | France | 50 | |
| | Germany | 50 | |
| | Japan | 50 | |
| | United Kingdom | 50 | |
| | United States of America | 50 | |
| II | Republic of Korea | 22 | € 55,660.00 |
| | Russian Federation | 22 | |
| | Spain | 22 | |
| III | Australia | 18 | € 45,540.00 |
| | Belgium | 18 | |
| | Brazil | 18 | |
| | Netherlands | 18 | |
| | Sweden | 18 | |
| | Switzerland | 18 | |
| IV | Mexico | 13 | € 32,890.00 |
| V | Austria | 11 | € 27,830.00 |
| | Denmark | 11 | |
| | Finland | 11 | |
| | Greece | 11 | |
| | Norway | 11 | |
| | Poland | 11 | |
| | Saudi Arabia | 11 | |
| VI | India | 9 | € 22,770.00 |
| | Ireland | 9 | |
| | Portugal | 9 | |
| | South Africa | 9 | |
| | Turkey | 9 | |

| Cat. | State | Units | Contribution for 2014 |
|---------|----------------|-------|--------------------------|
| VII | Argentina | 8 | € 20,240.00 |
| | Chile | 8 | |
| | Colombia | 8 | |
| | Czech Republic | 8 | |
| | Hungary | 8 | |
| | Indonesia | 8 | |
| | Iran | 8 | |
| | Israel | 8 | |
| | Romania | 8 | |
| | Slovakia | 8 | |
| | Venezuela | 8 | |
| VIII | Bulgaria | 5 | € 12,650.00 |
| | Croatia | 5 | |
| | Cyprus | 5 | |
| | Egypt | 5 | |
| | Estonia | 5 | |
| | Latvia | 5 | |
| | Lithuania | 5 | |
| | Luxembourg | 5 | |
| | Malta | 5 | |
| | Nigeria | 5 | |
| | Pakistan | 5 | |
| | Paraguay | 5 | |
| | Serbia | 5 | |
| | Slovenia | 5 | |
| | Tunisia | 5 | |
| | Uruguay | 5 | |
| Special | Holy See | 1 | € 2,530.00 |
| | San Marino | 1 | |