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REPORT

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>For the information of the members of the General Assembly</i>
<i>Action to be taken</i>	<i>None</i>
<i>Related documents</i>	<i>None</i>

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Item No. 1 on the Agenda: *Opening of the session by the President of the Institute and the Chairman of the General Assembly 2013-2014*

1. The 73rd session of the General Assembly of the International Institute for the Unification of Private Law (UNIDROIT) was held at the seat of UNIDROIT on 11 December 2014 and was attended by the diplomatic representatives in Italy of 46 member States and one observer (cf. the list of participants in Appendix I).

2. The *Secretary-General of UNIDROIT* welcomed the participants on behalf of the President of UNIDROIT, Professor Alberto Mazzoni, and the Chairman of the General Assembly for 2013-2014, Mr Hideo Fukushima, Minister, Embassy of Japan in Italy, and proceeded to open the session.

Item No. 2 on the Agenda: *Appointment of the Chairman of the General Assembly 2014-2015*

3. The *Secretary-General* recalled that the Chairmanship of the General Assembly had traditionally rotated among the four geographic groups of UNIDROIT. According to that practice, he noted that it was now the turn of the European group to nominate the new Chair for the period 2014-2015.

4. Upon nomination by the *representative of Italy, the General Assembly, by acclamation, appointed H.E. Mr Giancarlo Kessler, Ambassador of Switzerland in Italy, as Chairman for the period 2014-2015.*

5. Upon being appointed, the *Chairman* expressed his gratitude to the members of the General Assembly for the nomination of his country to the Chairmanship of the General Assembly. In noting the remarkable work carried out by UNIDROIT in the preceding years, he accepted with pleasure the appointment for the coming year. He also thanked the outgoing Chairman on everyone's behalf for the excellent work produced throughout the previous year. He stated that this year had been marked by the election of new members to the Governing Council and the adoption of the Work Programme for 2014-2016 triennium and that the General Assembly was about to hear the first results of work completed under this new configuration.

Item No. 3 on the Agenda: *Adoption of the agenda (A.G. (73) 1 rev. 2)*

6. *The General Assembly adopted the agenda as proposed (see Appendix II).*

Item No. 4 on the Agenda: *Statement regarding the Organisation's activity in 2014 (A.G. (73) 2)*

7. The *Chairman* transitioned to the next item on the agenda and gave the floor to the Secretary-General to present the Statement regarding the Organisation's activity in 2014, document A.G. (73) 2.

8. The *Secretary-General* stated that the document followed the practice, first used by the Secretariat in 2008, of providing an overview of the activities of the Secretariat in a way that linked those activities to the expenditures so that they could be assessed together. He further stated that the document also included information on voluntary contributions received by UNIDROIT in response to requests from member States for transparency on such contributions.

9. He discussed the work on international commercial contracts and noted that it was one of the flagships of UNIDROIT. He stated that the UNIDROIT Principles of International Commercial Contracts were highly influential in not just commercial arbitration, but also in court proceedings and legislation, such as the new draft of the civil code of Spain and the civil codes of the Netherlands, Oman, and the Russian Federation. He then noted that a meeting of the Working Group on issues

related long-term contracts would be held in January 2015 and that considerable work had been done by the Secretariat in preparation for that meeting.

10. The Secretary-General then discussed, in the area of secured transactions, the work on the implementation of the Space and Rail Protocols to the Cape Town Convention. As a general matter, he noted that those activities had a high level of priority for two reasons: (1) the Cape Town Convention was the most successful convention produced by UNIDROIT in terms of number of ratifications and one of the most successful private law conventions ever; and (2) the Cape Town Convention, together with the Aircraft Protocol, had a very significant economic impact and generated sizeable savings for the aviation industry. Regarding the Space Protocol, he stated that two sessions of the Space Preparatory Commission had been held and were very useful for preparing the regulations for the International Registry and for advancing consideration of the procedure for awarding the Registry contract. Regarding the Rail Protocol, he stated that the UNIDROIT Secretariat had substantially completed its work in this area, announced that the Registry contract had been signed, and noted that a session of the Rail Preparatory Commission would be held later that day to consider and approve the revised draft regulations for the International Registry. He also noted that the European Council had decided to approve the Rail Protocol and that this approval would provide a significant boost.

11. He then discussed the work that the Secretariat had completed on the possible fourth protocol to the Cape Town Convention for Mining, Agricultural and Construction (MAC) Equipment. He noted that the first meeting of the Study Group on the proposed MAC Protocol would be held the following week.

12. Transitioning to the work on transactions on transnational and connected capital markets, he described that, for purely technical and administrative staffing reasons, the Secretariat had not been able to undertake significant work in this area until the arrival of new staff during the fall. He then noted that a first draft of the Legislative Guide on Principles and Rules capable of enhancing trading in securities in emerging markets had been commissioned from an outside expert, with a view to convening a meeting of the Emerging Markets Committee in 2015 to discuss and review the draft.

13. Shifting to private law and development, the Secretary-General briefly discussed the work on contract farming, the first joint project between UNIDROIT, the Food and Agriculture Organization (FAO), and the International Fund for Agricultural Development (IFAD), all Rome-based international organisations. He discussed the large amount of work completed by the Secretariat in 2014, including: (1) a third session of the Working Group in March; (2) consultation events in Buenos Aires, Bangkok, and Addis Ababa to gather and consider feedback from various stakeholders in those areas; (3) a consultation event in Rome to gather and consider private sector feedback; and, (4) a fourth session of the Working Group in November, at which feedback from those consultation events was taken into account and addressed in the draft of the Legal Guide on Contract Farming. He then indicated that the Secretariat was revising the draft, which would be sent to the experts early next year with a view to adoption of the Legal Guide by the UNIDROIT Governing Council at its next session in May 2015. He noted the excellent level of cooperation with FAO and IFAD and stated that the Secretariat was looking forward to working on further topics arising out of that cooperation and was hopeful to have concrete proposals for such work in the next year.

14. Regarding the project in the area of transnational civil procedure, the Secretary-General cited it as another example of cooperation between UNIDROIT and other organisations, as the ALI/UNIDROIT Principles of Transnational Civil Procedure had originally been developed in cooperation between UNIDROIT and the American Law Institute. He described how UNIDROIT was currently working in cooperation with the European Law Institute to develop model rules for implementation of those principles in the European context and that those rules were on track for completion by 2017. He concluded by saying that the project had added immensely to the visibility of UNIDROIT throughout the

world as other regional organisations had shown interest in developing similar cooperation projects with UNIDROIT, including in Latin America, the Middle East, and Asia.

15. The Secretary-General then remarked that the other activities, including the work of the Library, the Scholarship Programme, and the Publications Programme, had continued as usual. He noted that full details regarding those aspects of UNIDROIT'S work would be given in the Annual Report to be submitted to the Governing Council.

16. Lastly, the Secretary-General drew the Assembly's attention to Annex II of the document, which contained information on extra-budgetary contributions. He noted that, in 2014, there was a higher level of such contributions, amounting to more than 10% of the regular budget. He pointed out that the largest extra-budgetary contribution was that made by IFAD for the work on contract farming.

17. The *Chairman* thanked the *Secretary-General* for his useful explanations on the document and then opened the floor for discussion and questions.

18. The *representative of Germany* clarified that, regarding paragraph 5 of the document, Germany had also signed the Space Protocol, raising the total number of signatures to four.

19. A *representative of the United States* expressed appreciation for the opportunity to comment on and ask questions about the Work Programme and for the work done throughout the year. He enquired about the long-term contracts project and the requested elevation of its priority from low to medium. He noted that a meeting was scheduled for this project in January and expressed hope that the meeting would be productive. He further noted, however, that the project had been approved on the expectation that it could be completed in one meeting with the final product being presented to the Governing Council in May 2015. He then said that, given all of the other projects, many of which were and should be of higher priority, the United States sought assurances that such elevation would not result in a diversion of resources from other areas of work and that the project would be substantially completed by the Governing Council's meeting in May. Lastly, with respect to the collaboration with FAO and IFAD, he noted that the possible future work on agricultural development could be very useful, in particular work on land investment contracts.

20. The *Secretary-General*, in response, noted that he had not highlighted the two recommendations made by the Governing Council for changing the level of priority and had wanted first to report on the activities and then on the use of resources. In reaching the issue of those recommendations, he stated that it was more of a question of presentation than one of substance and that the Governing Council was only concerned that, because international contract law is such an important area of UNIDROIT'S work, this project should not be kept at a low level. He then confirmed that, based on his understanding, the Governing Council was expecting the work to be substantially completed in one meeting, even if it would not be ready for adoption by the time of the Governing Council's next meeting in May, and that no more time and resources should be devoted to the project.

21. The *representative of Pakistan* began by congratulating the Chairman on his appointment and ensuring him Pakistan's full support in the work of this session. He thanked the Secretariat for the productive year and congratulated UNIDROIT on being granted the status of Observer by the UN General Assembly. In recognising UNIDROIT'S significant work over the previous year, he noted in particular the following developments: (1) regarding the Space Protocol, the draft regulations for the International Registry had been finalised by the Space Preparatory Commission; (2) regarding the Rail Protocol, a seminar had been held in Berlin for governmental authorities and professional experts; (3) regarding the preparation of other protocols, work on examining the scope and benefits of the possible MAC Protocol was underway and there were two potential studies under consideration

by the Governing Council on ships and maritime transport equipment and off-shore wind power generation equipment; (4) regarding the Legislative Guide on Principles and Rules capable of enhancing trading in securities in emerging markets, the Secretariat had hired the services of an expert to prepare an initial draft; and (5) regarding the Legal Guide on Contract Farming, multiple consultation events on the Guide had been held with stakeholders in several countries and the fourth session of the Working Group had examined draft chapters of the Guide. As agriculture was a mainstay of Pakistan's economy, he stated that the subject of contract farming was of great significance to Pakistan and expressed that additional consultation events should be held in countries with large agricultural sectors, such as Pakistan.

22. The *Secretary-General* thanked the representative of Pakistan for his positive comments on the Work Programme and acknowledged the interest of Pakistan in hosting or organising a meeting on contract farming. He said that the Secretariat would notify its partners, FAO and IFAD, of this interest, that the Secretariat was planning future promotional activities with them, and that the possibility of hosting a promotional event in Pakistan would be taken into consideration.

23. The *representative of South Africa* congratulated the Chairman on his appointment and thanked the Secretariat for the usual excellent arrangements for the General Assembly. He expressed support for the raising of the priority on the long-term contracts and transnational civil procedure projects and thanked the Secretary-General for the clarification that he had provided in response to the enquiry from the representative of the United States. He then informed the General Assembly that an agreement had been concluded between UNIDROIT and the Research Centre for Private International Law in Emerging Countries at the University of Johannesburg's Faculty of Law. Lastly, he congratulated UNIDROIT on obtaining the status of Observer at the United Nations.

24. The *representative of Sweden* expressed gratitude to Secretary-General for the explanations provided and to the Secretariat for the work done during the year. Regarding the raising of priorities, he supported the enquiry made by the representative of the United States and sought more information regarding the implications raising those priorities would have for other activities. He then clarified that his question related not only to the work on international commercial contracts, but also to the work on transnational civil procedure. He stated that Sweden would prefer to keep the Work Programme and related priorities as adopted by the General Assembly last year, but was open to hearing more about the implications the raising of priorities would have on other more important projects.

25. The *Secretary-General*, in response, stated that raising the priority of the work on long-term contracts would have no financial implications for the other projects. He emphasised that it would be cost-neutral because: (1) the delay experienced in some of the projects due to staffing shortages had created some space in the budget allowing for coverage of the costs of the January 2015 meeting of the Working Group on long-term contracts under the 2014 budget; and (2) even though it was unclear whether a second meeting of that Working Group would be necessary, a European comparative law institute had already offered to cover the costs of such a potential meeting. Regarding raising the priority of the work on transnational civil procedure, he noted that a working assumption had been established with the European Law Institute regarding a € 20,000 contribution by UNIDROIT per year for hosting a meeting and that all other costs would have to be borne by the European Law Institute. He stated that € 88,000 was available in UNIDROIT's 2015 budget for hosting meetings and that UNIDROIT's contribution for the transnational civil procedure project was less than one-fourth of that amount and that the remaining amount was more than sufficient to host the other meetings anticipated in 2015. He further stated that, even if UNIDROIT's contribution for the transnational civil procedure project were lessened, it would not enable UNIDROIT to hold additional meetings on the other projects because only a certain number of meetings were feasible for those projects the following year. He concluded by saying that a change in priorities at that point in time would not negatively affect any of the other projects.

26. A *representative of Italy* emphasised Italy's continuing excellent relationship with UNIDROIT. Noting that Italy held the rotating EU Presidency for the second half of 2014, she said that there were important mutual interests, in particular the Space Protocol and the need to find a suitable International Registry, and the UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and work to broaden its membership. She then noted the amendment to the Headquarters Agreement, which made the Italian contribution mandatory and equivalent to Category I of the UNIDROIT Contributions Chart, as well as permitting additional voluntary contributions. She stated that this was an important element for guaranteeing the stability of Italian contributions. She further stated that it was a sign of the concrete support provided by Italy, despite evident financial difficulties, and appreciation for the excellent work done by the Secretary-General and the Secretariat.

27. The *representative of Canada* stated that, regarding the work on contract farming, Canada supported the identification of food security and agricultural development as important priorities for UNIDROIT's work. He welcomed the objective of the Legal Guide on Contract Farming, which was to provide a legal analysis of the type of arrangements upon which the contract farming relationship is based, as well as information and advice on good contract practices with a view to promoting the legal empowerment of agricultural producers during the negotiation and forming of contracts. He noted that the Legal Guide could also serve as an additional tool available to international organisations and bilateral cooperation agencies engaged in strategies and capacity-building programmes in support of contract farming, especially in developing countries. He further noted that Canada had submitted detailed comments as part of the public consultation on the project and that, overall, Canada was of the view that the Legal Guide could be a useful tool in assisting farmers in their contract negotiations, in particular when dealing with large agribusiness. He stated that a number of Canada's comments were aimed at making the Legal Guide more practical and user-oriented and that Canada looked forward to the revised versions of the various chapters.

28. The *Secretary-General* expressed gratitude to Italy for the excellent cooperation and for the efforts made in the resolution of the long-standing issue of the stability of the Italian contribution. He also thanked Italy for having taken the initiative to present the draft resolution at the UN General Assembly for granting the status of Observer to UNIDROIT as an intergovernmental organisation, which had given UNIDROIT standing in all UN meetings and an automatic right to receive invitations without having to negotiate each time with the various UN Secretariats. Regarding the comments made by the representative of Canada, he noted that the Working Group on contract farming had made extensive use of Canada's comments on the draft text and believed that those comments would greatly improve the final version of the Legal Guide.

29. The *Chairman*, noting that there were no further requests for the floor, proposed that the Assembly adopt the document as presented by the Secretariat, which included the request for the elevation of priorities for two subjects. In doing so, he also noted that the Secretary-General had explained, in response to the enquiries regarding the request for elevation of priorities, that such elevation would not have budgetary implications.

30. *The General Assembly adopted as presented the Statement regarding the Organisation's activity in 2014 and elevated the priorities assigned to two subjects.*

Item No. 5 on the Agenda: *Report of the Finance Committee on its 76th session (F.C. (76) 8) and reappointment of the members of the Finance Committee*

31. The *Chairman* invited the representative of Romania, the Chair of the Finance Committee, to present the Report.

32. The *representative of Romania*, in presenting the Report, briefly referred to each topic that was on the Finance Committee's agenda for its meeting on 25 September 2014. Regarding final modifications to the budget and accounts for the 2013 financial year, she noted that it had been agreed that the actual balance in UNIDROIT's cash account, € 89,390.42 at the time of the meeting, could be used for urgent repairs to UNIDROIT premises, the installation of air conditioning, the replacement of a switchboard, and replacement of old office furniture and equipment.

33. Regarding adjustments to the budget for the 2014 financial year, she stated that the Finance Committee had been informed that the Secretariat anticipated a shortfall in ordinary receipts of € 37,123.45 in 2014, primarily due to incomplete or late contribution payments, but did not intend to request supplementary funding from member States. She then noted the amendment of the Headquarters Agreement between Italy and UNIDROIT, which had been announced at the meeting. She reported the Finance Committee's recommendation that the adjustments to the budget and accounts for the 2014 financial year be approved, as well as the final modifications to the budget and the accounts for the 2013 financial year.

34. Regarding arrears in contributions of member States, she stated that the Committee had been informed that, aside from the particular situation of one member State, no member States were in arrears in their contributions by more than one year, which was a significant improvement over previous years. She further stated that the Committee had been informed that the Secretary-General was comfortable with member States being up to one year in arrears, as that situation could arise from differing accounting practices of member States. She then reported that the Finance Committee had taken note of the information concerning arrears and invited any member States wishing to provide additional information regarding arrears to submit such information for consideration by the General Assembly at this session.

35. She stated next that the Committee had discussed the draft budget for 2015, which was adopted as prepared by the Secretariat. She noted that the Committee had also considered the review of the compensation and social security package offered to UNIDROIT staff and recommended the establishment of an informal working group to further review the compensation and social security at UNIDROIT in order to find a cost-neutral, transparent, and equitable solution for UNIDROIT staff.

36. Lastly, she reported that the Finance Committee had considered the issue of classification of member States in the UNIDROIT Contributions Chart and the desirability of reviewing the methodology used for that purpose, as requested by the General Assembly. She noted that the Finance Committee had recommended that the classification of member States be reviewed and, as appropriate, revised once every six years, with the next reclassification process being deferred until 2017. She then thanked those representatives on the Finance Committee for their collaboration.

37. The *Chairman* thanked the representative of Romania for presenting the Report. He recalled that, in addition to taking note of the Report, the General Assembly was also responsible at this session for renewing the composition of the Finance Committee. He further recalled that the current members were appointed by the General Assembly at its 69th session and were due for renewal at this session for three years commencing on 1 January 2015. He noted that the Finance Committee had many important functions, in particular an important advisory role relative to the preparation and modification of the budget, the determination of contributions of member States, and the management of the goods and assets of UNIDROIT. He further noted that the current composition included the following countries: Austria, Brazil, Canada, China, France, Germany, India, the Islamic Republic of Iran, Italy, Japan, Mexico, the Republic of Korea, Romania, the Russian Federation, Spain, Switzerland, the United Kingdom, and the United States of America. He then invited the General Assembly to confirm the composition of the Finance Committee pursuant to the established practice and opened the floor for comments.

38. The *representative of Canada* expressed support for the Finance Committee's recommendation that review of the classification of member States in the UNIDROIT Contributions Chart be undertaken six years from the time of its adoption and not after three years.

39. The *representative of South Africa* expressed gratitude for the agreement between the Italy and UNIDROIT regarding the Italian contribution. Noting the deferral in reclassification of member States' contributions to 2017 and the recommendation to review and, as appropriate, revise such classification every six years, he said that this plan made sense, particularly in light of the new UN assessment scale to be adopted in 2015, and that South Africa supported it. He then said that South Africa supported the reappointment of the members of the Finance Committee.

40. *The General Assembly took note of the Report of the Finance Committee, approved the reappointment of the members of the Finance Committee for three years commencing 1 January 2015, and decided that the review of the classification of the contributions of member States, in accordance with Article 16(4) of the UNIDROIT Statute, would occur once every six years, deferring the next reclassification process to 2017.*

Item No. 6 on the Agenda: *Final modifications to the budget and approval of the accounts for the 2013 financial year (A.G. (73) 3)*

41. The *Secretary-General*, referring to document A.G. (73) 3, stated that it was a practice of the General Assembly to approve finally the accounts of the previous year at its annual meeting and, at the same time, to approve any modifications to the budget. He noted, however, that no modification to the budget had been submitted and that no such modification had ever been requested during his tenure as Secretary-General because the Secretariat was fortunate enough not to have had to ask for any supplementary funding in the past six years.

42. The Secretary-General explained that the accounts showed at the end of 2013 a surplus balance of € 89,000, which derived from surplus carried over from the 2012 financial year and from some savings in the 2013 financial year, and noted that the Finance Committee had agreed that the Secretariat could use those funds in the 2014 financial year for the purpose of repairs and upgrades of equipment within the Secretariat's premises. He further explained that it was thought that those funds should be used for those types of investments, as it was unlikely that member States would provide supplementary funds for those needs. He concluded by noting that recent surpluses arose from the departure of staff and the time needed to fill those vacancies because the amounts for those salaries had already been budgeted, leading to part of the savings now being spent on the needed maintenance and equipment upgrades.

43. *The General Assembly took note of the document and approved the accounts for the 2013 financial year.*

Item No. 7 on the Agenda: *Adjustments to the budget for the 2014 financial year (A.G. (73) 4)*

44. The *Secretary-General* introduced this agenda item, which related to document A.G. (73) 4, and noted that the document was similar to a financial progress report as it indicated to the General Assembly how the Secretariat had spent the money allocated under various chapters of the budget. He also noted that the document had been produced in October, resulting in forecasted spending for the last three months of the year, and used, for purposes of being prudent, an estimated level of receipts based on an average of the arrears encountered over the past five financial cycles. He explained that there was an expectation that receipts for 2014 might be lower than estimated because of late payment by member States. He further explained, however, that the overall level of receipts available to the Secretariat would be about € 25,000 above the amount in the budget

approved by the General Assembly, because the € 89,000 surplus carried over from the previous year as authorised by the Finance Committee had been incorporated into the amount.

45. Regarding expenditures, the Secretary-General explained that there might be about € 7000 more in spending than anticipated in the budget, but that amount would be offset and there would not be a negative balance. He noted that this additional spending, as authorised, had mainly fallen under chapter five on maintenance costs and capital investments, and not on any running costs. Referring to his explanation with respect to the previous item, he elaborated that savings had been made with respect to running costs as the time needed to fill the two Legal Officer vacancies, including the review of almost 800 applications, meant that less money was being spent on salaries and social security, resulting in the surplus. He cautioned, however, that such savings were not expected in the coming year as those vacancies had been filled. He concluded by stating that a final report would be made to the Finance Committee at its next meeting in February 2015.

46. *The General Assembly took note of the adjustments to the budget for the 2014 financial year.*

Item No. 8 on the Agenda: *Arrears in contributions of member States (A.G. (73) 5)*

47. The *Secretary-General* referred to document A.G. (73) 5 and noted, as indicated by the Chair of the Finance Committee, that UNIDROIT was at a much lower level of arrears than in past years. He further noted that payments received before 28 February 2015, where necessary, would be used to settle arrears from previous financial years.

48. The *representative of Pakistan* stressed that, while Pakistan was on the list of member States in arrears, Pakistan took its contributions to UNIDROIT very seriously. He noted that Pakistan's past record showed that Pakistan had paid its contributions every year and that Pakistan was only appearing on the list because its financial year, running from 1 July to 30 June of the following year, was out of step with that of UNIDROIT. He further noted that, because of the different financial years, Pakistan's contribution lagged by several months but was ultimately always made despite budgetary constraints, and that differing amounts received by UNIDROIT were due to unfavourable exchange rates. He then expressed appreciation for the understanding of this situation by the Secretariat and other member States.

49. The *Secretary-General* thanked the representative of Pakistan for his comments and drew the Assembly's attention to footnote two in the document, which reflected that Pakistan had always paid its contributions to UNIDROIT. He further noted that it was a matter of a technical delay resulting from the differing financial cycles of Pakistan and UNIDROIT respectively and that Pakistan's arrears had never accumulated.

50. The *representative of Serbia* noted that Serbia had already regulated its obligations for 2013 and 2014 and had sent a Note Verbale.

51. The *Secretary-General* stated that Serbia had indicated that it had wanted the payment applied in a particular way and that this was a technical issue. He also mentioned that, with respect to Romania, an explanation was provided in the document. He noted that when the Romanian contribution was increased, the law governing payment in Romania had already passed on the basis of the prior contribution level and, as a result, there was a difference.

52. The *representative of Iran* stated that the main reason Iran was unable to pay its contribution was the unjustified economic embargo. He enquired whether there were available means of payment, such as payment in cash, and stated that Iran would pay as soon as possible.

53. The *Secretary-General* noted, in response to the representative of Iran's enquiry, that the Secretariat was not bound to accept payment only by wire transfer. He further noted that there was no penalty related to arrears of a member State apart from the loss of the right to vote at the General Assembly, which was currently not an issue before the General Assembly.

54. *The General Assembly took note of the document on the situations of the member States in arrears of payment.*

Item No. 9 on the Agenda: *Approval of the draft budget for 2015 and fixing of the contributions of member States for that financial year (A.G. (73) 6)*

55. The *Secretary-General*, referring to document A.G. (73) 6, stated that the document had been discussed at length by the Finance Committee. He noted that a slightly lower level of expenditures was expected next year and there was no request for increase in contributions of any member States. He further noted that the most significant increase in expenditure, albeit within the current level of contributions of member States, related to social security costs because it was deemed prudent to calculate those costs as if all new staff were enrolled in the Italian social security system. He stated, however, that lower expenditures were likely as alternative social security arrangements had been made for two of the new staff members. He also noted the slight increase in maintenance costs, which included the costs paid for utilities.

56. The *representative of France* thanked the Secretary-General for his explanation and congratulated him on his management of the budget, which corresponded to France's objective of a zero-growth budget.

57. The *representative of South Africa* welcomed the efforts of the Secretariat in curbing costs in difficult economic times, in actually decreasing the budget, and in making the budget documents more user-friendly.

58. The *representative of Japan* thanked the Secretary-General for his explanation and expressed appreciation for the Secretariat's efforts in completing high-level activities despite the limited budget. She noted that Japan wished for the Secretariat to continue its policy of careful and disciplined spending.

59. The *representative of Canada* expressed support for the budget prepared by the Secretariat and stated that Canada continued to promote zero nominal growth in the budgets of international organisations. He further stated that Canada believed that international organisations should establish priorities and set aside projects with lower priority levels in order to maintain balanced budgets. He said that UNIDROIT's 2015 budget supported a realistic Work Programme for the coming year and expressed appreciation for the Secretary-General's careful management of UNIDROIT's resources.

60. *The General Assembly approved the draft budget for 2015, including the level of the contributions of member States for that financial year.*

Item No. 10 on the Agenda: *Appointment of the members of the Administrative Tribunal (A.G. (73) 7)*

61. The *Secretary-General* stated that the curricula of the three members and the alternate member of the Administrative Tribunal were reproduced in the Annex to document A.G. (73) 7 and noted that the members were highly respected. In stating that the Administrative Tribunal had no costs at that time, he noted that the members had accepted to act as judges on an honorary basis with reimbursement of expenses only when a meeting was held. He said, however, that in the history

of UNIDROIT only two cases were brought against it before the Administrative Tribunal and that no other cases were expected in the near future. He followed by saying that it was important to have a properly appointed Administrative Tribunal in place and that the current members had expressed a willingness to continue serving. He then requested that the General Assembly extend the mandates of the current members.

62. *The General Assembly decided to reappoint Professors Sir Francis Jacobs, Erik Jayme, and Gianluigi Tosato as full members and Judge Rafael García Valdecasas as an alternate member of the Administrative Tribunal, as of 1 January 2015, for a period of five years and thanked them for their service.*

Item No. 11 on the Agenda: *Appointment of the Auditor (A.G. (73) 8)*

63. The *Secretary-General* explained that the five-year mandate of the Auditor, pursuant to Article 17(3) of the UNIDROIT Statute, was expiring, as the current mandate had been approved by the General Assembly in 2009. He noted that, in years past, this function had been performed on a more or less honorary basis and not always by a trained accountant. The *Secretary-General* further noted that, when the previous Auditor decided to retire, he asked the then-President of UNIDROIT to propose a professional accountant and, in turn, Mr Bonifacio was proposed and subsequently appointed by the General Assembly. The *Secretary-General* remarked that he was entirely satisfied with Mr Bonifacio's service and noted that Mr Bonifacio had reviewed UNIDROIT's accounting practices and methods of reporting expenditures and improved them. He requested that the General Assembly agree to reappoint Mr Bonifacio as Auditor.

64. *The General Assembly reappointed Mr Bonifacio as Auditor.*

Item No. 12 on the Agenda: *Any other business*

65. The *Secretary-General* noted that a session of the Space Preparatory Commission would be held at noon following the conclusion of the session of the General Assembly. He then thanked the General Assembly for its continued confidence in the work of the Secretariat and noted that the Secretariat was making every effort to stay within the limits of the expenditures authorised by the member States, while underlining, however, that UNIDROIT had likely arrived at the limit of its savings with the current structure of the Secretariat. He said that he was uncertain how long UNIDROIT could maintain a budget at this level without taking into consideration developments such as inflation. He noted, however, that he did not anticipate a need for any increase in the short term and expected that UNIDROIT could continue into 2016 at the same budget level.

66. No other matters having been raised under this agenda item, the *Chairman* thanked the delegates of the General Assembly and the Secretariat for their efficient work and declared the meeting closed.

APPENDIX I**LIST OF PARTICIPANTS/LISTE DES PARTICIPANTS**

ARGENTINA / ARGENTINE	Ms Cecilia Inés CASTILLO First Secretary Embassy of Argentina in Italy
AUSTRALIA / AUSTRALIE	H.E. Mr Michael RANN Ambassador of Australia in Italy. Embassy of Australia in Italy Ms Elizabeth AMES Second Secretary Embassy of Australia in Italy
AUSTRIA / AUTRICHE	Ms Gudrun MATT Counsellor Embassy of Austria in Italy
BELGIUM / BELGIQUE	M. Didier NAGANT DE DEUXCHAISNES Conseiller Ambassade de Belgique en Italie
BRAZIL / BRESIL	Mr Andres CORTEZ Second Secretary Embassy of Brazil in Italy Mr Alecio GUIMARAES Attaché Embassy of Brazil in Italy
CANADA	Mr Warren SENKOWSKI Second Secretary Embassy of Canada in Italy
CHILE / CHILI	Ms Alejandra GUERRA Counsellor Embassy of Chile in Italy
CHINA / CHINE	Mr ZHANG Xu Second Secretary Embassy of the People's Republic of China in Italy
COLOMBIA / COLOMBIE	Mr Felipe STEINER FRASER First Secretary Embassy of Colombia in Italy

CZECH REPUBLIC / <i>REPUBLIQUE TCHEQUE</i>	Mr Milan TOUŠ Head of Economic Section Embassy of the Czech Republic in Italy
DENMARK / <i>DANEMARK</i>	Ms Charlotte RAAE TEODONIO Economic Attaché Embassy of Denmark in Italy
EGYPT / <i>EGYPTE</i>	Mr Khaled EL TAWEEL First Secretary Embassy of the Arab Republic of Egypt
FINLAND / <i>FINLANDE</i>	Mr Pekka HIRVONEN First Secretary Embassy of Finland in Italy
FRANCE	M. Cédric MANUEL Premier Conseiller Ambassade de France en Italie
GERMANY / <i>ALLEMAGNE</i>	Mr Marco ACQUATICCI Counsellor Head of the Legal and Consular Office Embassy of Germany in Italy
GREECE / <i>GRECE</i>	Mr Alexios LYBEROPOULOS Counsellor Embassy of Greece in Italy
HOLY SEE / <i>SAINT-SIEGE</i>	Mlle Anne-Julie KERHUEL Officielle Section pour les Relations avec les Etats Secrétairerie d'Etat de la Cité du Vatican
HUNGARY / <i>HONGRIE</i>	Ms Gyöngyi KOMLÓSSY Counsellor Head of the Consular Section Embassy of Hungary in Italy
INDONESIA / <i>INDONESIE</i>	Ms Vivi FERIANY Third Secretary Embassy of the Republic of Indonesia in Italy
IRAN (ISLAMIC REPUBLIC OF / <i>IRAN (REPUBLIQUE ISLAMIQUE D')</i>	Mr Kouros JAFARI Third Secretary Embassy of the Islamic Republic of Iran in Italy
IRELAND / <i>IRLANDE</i>	Ms Sarah COONEY Second Secretary Embassy of Ireland in Italy

ITALY / <i>ITALIE</i>	Ms Stefania ROSINI Counsellor Ministry of Foreign Affairs of Italy
	Ms Catherine FLUMIANI Counsellor Ministry of Foreign Affairs of Italy
	Ms Mariachiara MALAGUTI Legal Adviser Ministry of Foreign Affairs of Italy
JAPAN / <i>JAPON</i>	Ms Yukiko CONSTANTINESCU Third Secretary Embassy of Japan in Italy
LATVIA / <i>LETTONIE</i>	Ms Anna SKRJABINA Director of European Affairs Department Ministry of Justice <i>Riga</i>
LITHUANIA / <i>LITHUANIE</i>	Mr Victoras DAGILIS Minister Counsellor Embassy of the Republic of Lithuania in Italy
LUXEMBOURG	M. Michel GRETHEN Premier Secrétaire Ambassade du Luxembourg en Italie
MALTA / <i>MALTE</i>	Mr Ivan VASSALLO Second Secretary Embassy of Malta in Italy
MEXICO / <i>MEXIQUE</i>	Mr Benito JIMENEZ Second Secretary Embassy of Mexico in Italy
NETHERLANDS / <i>PAYS-BAS</i>	Ms Usha GOPIE First Secretary Political Affairs Embassy of the Kingdom of the Netherlands in Italy
PAKISTAN (ISLAMIC REPUBLIC OF) <i>PAKISTAN (REPUBLIQUE ISLAMIQUE DE)</i>	Mr Ishtiak Ahmed AKIL Counsellor Embassy of the Islamic Republic of Pakistan in Italy
POLAND / <i>POLOGNE</i>	Ms Agata BŁASZCZYK Counsellor Embassy of Poland in Italy

PORTUGAL	Mrs Rita LOURENÇO Technical Adviser Embassy of Portugal in Italy
ROMANIA / ROUMANIE	Ms Alina POPESCU First Secretary Embassy of Romania in Italy
RUSSIAN FEDERATION / FEDERATION DE RUSSIE	Mr Evgeny EGOROV Legal Adviser Trade Representation of the Russian Federation in Italy
SAN MARINO / SAINT-MARIN	S.E. Madame Daniela ROTONDARO Ambassador de la République de Saint-Marin en Italie
SAUDI ARABIA / ARABIE SAOUDITE	Mr Marwan AL-AHMADI Royal Embassy of Saudi Arabia in Italy
SERBIA / SERBIE	Mr Marko RAKIC Attaché Embassy of the Republic of Serbia in Italy
SLOVAKIA / SLOVAQUIE	Mrs Marieta OKENKOVÁ Counsellor Embassy of the Slovak Republic in Italy
SOUTH AFRICA / AFRIQUE DU SUD	Mr Theunis KOTZE State Law Adviser: International Law Department of International Relations and Cooperation (DIRCO) <i>Pretoria</i>
SPAIN / ESPAGNE	Ms Lorea ARRIBALZAGA CEBALLOS First Secretary Embassy of Spain in Italy
SWEDEN / SUEDE	Mr Tobias AXERUP Counsellor Embassy of Sweden in Italy
SWITZERLAND / SUISSE	S.E. Monsieur Giancarlo KESSLER Ambassadeur de Suisse en Italie Ambassade de Suisse en Italie M. Marcus ROTHEN Secrétaire d'Ambassade Ambassade de Suisse en Italie

TUNISIA / *TUNISIE*

Mme Hazar SASSI
Conseillère
Ambassade de Tunisie en Italie

TURKEY / *TURQUIE*

Mr Sefa OZTURK
Second Secretary
Embassy of Turkey in Italy

UNITED STATES OF AMERICA /
ETATS-UNIS D'AMERIQUE

Mr Stetson SANDERS
Alternate Permanent Representative
United States Mission to the UN Agencies in Rome

Mr Timothy SCHNABEL
Attorney-Adviser
Office of the Legal Adviser
Department of State
Washington

VENEZUELA

Ms Claudia Valeria SILVA
Asistente Ejecutiva
Permanent Representation of the Bolivarian Republic of
Venezuela to FAO

OBSERVERS / *OBSERVATEURS*

SMOM

H.E. Mr Aldo PEZZANA CAPRANICA DEL GRILLO
Ambassador

APPENDIX II**AGENDA**

1. Opening of the session by the President of the Institute and the Chairman of the General Assembly 2013 – 2014
2. Appointment of the Chairman of the General Assembly 2014 – 2015
3. Adoption of the agenda
4. Statement regarding the Organisation's activity in 2014 (A.G. (73) 2)
5. Report of the Finance Committee on its 76th session (F.C. (76) 8) and reappointment of the members of the Finance Committee
6. Final modifications to the budget and approval of the accounts for the 2013 financial year (A.G. (73) 3)
7. Adjustments to the budget for the 2014 financial year (A.G. (73) 4)
8. Arrears in contributions of member States (A.G. (73) 5)
9. Approval of the draft budget for 2015 and fixing of the contributions of member States for that financial year (A.G. (73) 6)
10. Appointment of the members of the Administrative Tribunal (A.G. (73) 7)
11. Appointment of the Auditor (A.G. (73) 8)
12. Any other business

APPENDIX III**UNIDROIT Work Programme for the triennial period 2014 – 2016**

(as adopted by the UNIDROIT General Assembly at its 72nd session (5 December 2013) with the modification of two priorities adopted at its 73rd session (11 December 2014))

A. Legislative activities

1. International Commercial Contracts:
 - (a) Issues relating to long-term contracts: **
 - (b) Issues relating to multilateral contracts: *
2. Secured transactions
 - (a) Implementation of Rail and Space Protocols: ***
 - (b) Preparation of other Protocols to the Cape Town Convention
 - (1) Agricultural, mining and construction equipment: **
 - (2) Ships and maritime transport equipment: *
 - (3) Off-shore power generation and similar equipment: *
3. Transactions on Transnational and Connected Capital Markets
Legislative Guide on Principles and Rules capable of enhancing trading in securities in emerging markets: **
4. Liability for Satellite-based Services: *
5. Private law and development
 - (a) Contract Farming: ***
 - (b) Possible work in private law and agricultural development: *
6. Legal aspects of social business: *
7. Transnational civil procedure - formulation of regional rules: **

B. Implementation and promotion of UNIDROIT instruments

1. Depositary functions: ***
2. Promotion of UNIDROIT instruments: ***

C. Non-legislative activities

1. UNIDROIT Library and Depository Libraries: ***
2. Information resources and policy: ***
3. Internships and scholarships: ***

***	High priority
**	Medium priority
*	Low priority