



INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

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Item No. 4 on the agenda: Organisation's activity in 2016

(memorandum prepared by the Secretariat)

<i>Summary</i>	<i>Review of the activities carried out by UNIDROIT in 2016 to implement the Work Programme adopted in 2013, including staffing and funding implications</i>
<i>Action to be taken</i>	<i>To take note of the resources allocated to carry out the current Work Programme</i>
<i>Related documents</i>	<i>UNIDROIT 2013 – A.G. (72) 4; (72) 9, UNIDROIT 2015 - C.D. (93) 12, Annex II, UNIDROIT 2015– C.D. (94) 12, UNIDROIT 2016 – F.C. (80) 3</i>

Introduction

1. The Work Programme of UNIDROIT for the triennium 2014-2016 covers a number of topics originally recommended by the Governing Council for inclusion in the Work Programme at its 92nd session (Rome, 8-10 May 2013) and approved by the General Assembly at its 72nd session (Rome, 5 December 2013) (see document UNIDROIT 2013 – A.G.(72) 9, paras. 22-30).

2. The following criteria are applied to determine the level of priority assigned to the different activities on the Work Programme:

(a) *Priority for allocation of meeting costs:*

- (i) “*high priority*” – project that should take precedence over others (never more than two)
- (ii) “*medium priority*” – projects eligible for being initiated or advanced in the event that the costs of high priority projects turn out to be lower than anticipated (e.g. because the Secretariat obtains extra-budgetary funding), thus freeing resources under the regular budget; and
- (iii) “*low priority*” – projects that should only be advanced after completion of other projects or on the basis of full extra-budgetary funding.

(b) *Priority for allocation of human resources:*

- (i) “*high priority*” – at least 70% of the time of the responsible officers;
- (ii) “*medium priority*” – not more than 50% of the time of the responsible officers; and
- (iii) “*low priority*” – not more than 25% of the time of the responsible officers.

(c) *Indispensable functions:* Indispensable functions are those that are either imposed by the Statute of UNIDROIT (e.g. library, governance) or are otherwise necessary for its operation (e.g. management and administration). These functions are by their very nature “*high priority*”, which is why they are supported by an especially dedicated pool of human and financial resources.

3. The Work Programme for the triennium 2014-2016 currently includes the following activities with the priorities assigned by the General Assembly at its 72nd session of (Rome, 5 December 2012), and the adjustments made at its 73rd session (Rome, 11 December 2014) following recommendations made by the Governing Council at its 93rd session (Rome, 7-10 May 2015):

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
 - (i) Agricultural, mining and construction equipment **
 - (ii) Ships and maritime transport equipment *
 - (iii) 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. Transnational civil procedure - formulation of regional rules **

B. Implementation and promotion of UNIDROIT instruments

1. Depository 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 ***

4. The present document offers a summary indication of action taken in 2016 to implement the legislative activities that appear on the Work Programme of the Institute. More detailed information, as well as information on the non-legislative activities of the Institute will be provided in the Annual Report 2016 to be published in 2017. Annex I to the present document includes information, in monetary terms, on the allocation of resources to the various projects and activities of the Institute in the financial year 2016, on the basis of the budget approved by the General Assembly at its 74TH (Rome, 10 December 2015). Annex II, in turn, provides information on extra-budgetary contributions available to the Secretariat and their allocation to various activities in the year 2016.

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

A. Legislative activities

1. International Commercial Contracts

(a) Issues relating to long-term contracts **

5. The amendments and additions to the 2010 UNIDROIT Principles of International Commercial Contracts recommended by the Working Group on Long-Term Contracts, which had held two productive meetings in 2015 (Rome, 19-23 January 2015; Hamburg, 26-29 October 2015), were submitted to the Governing Council for consideration and adoption at its 95th session (Rome, 18-20 May 2016). In particular, the Working Group's recommended amendments and additions, which are explained in detail in document UNIDROIT 2016 – C.D. (95) 3, included the following:

- **Preamble** – amendments to the footnote and Comment 2 (see C.D. (95) 3, Annex 1);
- **Article 1.11** – addition to black letter rule and of a new Comment 3 (see C.D. (95) 3, Annex 1);
- **Article 2.1.14** – amendments to black letter rule and Comments 1-3, and addition of a new Comment 4 (see C.D. (95) 3, Annex 2);
- **Article 2.1.15** – amendments to Comment 2 and addition of a new Comment 3 (see C.D. (95) 3, Annex 3);
- **Article 4.3** – amendments to Comment 3 (which would become Comment 4) and addition of a new Comment 3 (see C.D. (95) 3, Annex 4);
- **Article 4.8** – amendments to Comments 1-3 (see C.D. (95) 3, Annex 2);
- **Article 5.1.3** – amendments to Comment (which would become Comment 1) and addition of a new Comment 2 (see C.D. (95) 3, Annex 6);
- **Article 5.1.4** – addition of a new Comment 3 (see C.D. (95) 3, Annex 3);
- **Article 5.1.7** – amendments to black letter rule and Comments 2-3 (see C.D. (95) 3, Annex 2);
- **Article 5.1.8** – amendments to black letter rule and existing Comment (which would become Comment 1) and addition of a new Comment 2 (see C.D. (95) 3, Annex 7);
- **Articles 6.3.1-6.3.2** – addition of new black letter rule and Comments (see C.D. (95) 3, Annex 8);
- **Article 7.1.7** – addition of a new Comment 5 (see C.D. (95) 3, Annex 5);
- **Article 7.3.5** – amendments to Comment 3 and addition of a new Comment 4 (see C.D. (95) 3, Annex 9);
- **Article 7.3.6** – amendments to Comment 1 (see C.D. (95) 3, Annex 1); and
- **Article 7.3.7** – amendments to black letter rule and both Comments 1 and 2 (see C.D. (95) 3, Annex 1).

6. In addition, at the kind invitation of the University of Oslo's Faculty of Law, an event entitled "UNIDROIT Principles of International Commercial Contracts: Issues Relating to Long-Term Contracts" was held (Oslo, 3-4 March 2016), at which the recommended amendments and additions were the subject of lengthy and fruitful discussions. There was significant praise for the work of the Rapporteurs and the Working Group at the meeting. Serious concerns, however, were expressed with respect to the recommended provisions on termination for compelling reason (see

C.D. (95) 3, Annex 8), including by two members of the Working Group who acknowledged that the concerns expressed reflected reservations that they had raised during the Working Group's deliberations.

7. At its 95th session (Rome, 18-20 May 2016), the Governing Council deliberated and ultimately adopted the Working Group's recommended amendments and additions to the 2010 UNIDROIT Principles, with the exception of the new provisions on termination for compelling reason. The Governing Council also authorised the Secretariat to prepare and publish a new edition to be known as the "2016 UNIDROIT Principles of International Commercial Contracts".

8. In accordance with the Governing Council's authorisation, the Secretariat is conducting an editorial review of the Principles in order to ensure that the style and language is consistent throughout the new English and French versions of the 2016 UNIDROIT Principles and intends to publish the new edition by the end of 2016.

2. Secured Transactions

(a) Implementation of the Rail and Space Protocols to the Cape Town Convention ***

Luxembourg Rail Protocol

9. With resolution No. 1, the Diplomatic Conference for the adoption of the Draft Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock, (Luxembourg, 12-23 February 2007), established a Preparatory Commission (hereafter "the Rail Preparatory Commission") to act as Provisional Supervisory Authority for the establishment of the International Registry under the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock (hereafter "the Luxembourg Rail Protocol"). Following the approval of the Registry Contract and Master Service Agreement, the designation of the prospective Registrar, and the signature of the Contract for the Establishment and Operation of the International Registry in 2014, the Rail Preparatory Commission set up a Ratification Task Force (RTF). The RTF is composed, for the time being, of the Co-Chairs of the Rail Preparatory Commission, the Government of Luxembourg, representatives of the Rail Working Group, Regulis SA, as designated Registrar, SITA, as well as the Intergovernmental Organisation for International Carriage by Rail OTIF and UNIDROIT.

10. The RTF planned an intense agenda for its work and also met ten times during 2016, two of which were physical meetings and the other held via teleconference, with the aim of coordinating the strategy towards the implementation of the Protocol.

11. During 2016, UNIDROIT representatives participated in a number of institutional meetings, conferences, seminars and lectures regarding the Cape Town Convention and its Protocols, including the Luxembourg Rail Protocol, which will be detailed in the Annual Report 2016.

Space Protocol

12. Resolution No. 1 of the Diplomatic Conference for the Adoption of the Draft Protocol to the Cape Town Convention on Matters Specific to Space Assets (Berlin, 27 February -9 March 2012) established a Preparatory Commission for the establishment of the International Registry for Space Assets (hereafter "the Space Preparatory Commission") to act as Provisional Supervisory Authority for the establishment of the International Registry, under the Protocol to the Convention on International Interests in Mobile Equipment on matters specific to Space Assets (hereafter "the Space Protocol"). The following States agreed to serve as members of the Preparatory

Commission: Brazil, the People’s Republic of China, the Czech Republic, France, Germany, India, Italy, the Russian Federation, Saudi Arabia, South Africa and the United States of America. The International Telecommunication Union (ITU) as well as representatives of the financial and commercial world, were invited as observers.

13. At its fourth session (Rome, 10 -11 December 2015), the Space Preparatory Commission finalised the baseline Registry Regulations. It approved a text prepared by Sir Roy Goode, who was Chairman of the UNIDROIT Study Group that initiated this project, Chairman of the Drafting Committee at the first diplomatic Conference and Rapporteur at the two other diplomatic Conferences, on behalf of the Secretariat and in consultation with the Space Preparatory Commission, on the basis of the outcome of an extensive consultation procedure on the draft Regulations that was aimed at receiving further input from the relevant stakeholders.

14. After the fourth session, Space Preparatory Commission members, assisted by Sir Roy Goode and the Secretariat, continued to work on the development of rules of procedure for the Commission of Experts of the future Supervisory Authority (CESAIR). The rules of procedure for the CESAIR were approved by the Space Preparatory Commission on 22 February 2016.

15. The Space Preparatory Commission advanced its work towards the drafting of a request for proposals to be submitted to prospective candidates to the role of Registrar. The setting up of a definitive Supervisory Authority was also discussed through the participation of the International Telecommunication Union (ITU) in the Space Preparatory Commission session. In relation to both issues appropriate solutions are currently under consideration by the Secretariat.

16. During 2016, UNIDROIT representatives participated in a number of meetings, conferences, seminars and lectures regarding the Cape Town Convention and its Protocols, including the Space Protocol, which will be detailed in the Annual Report 2016.

(b) Preparation of other Protocols to the Cape Town Convention

*(i) Mining, Agricultural and Construction (MAC) Equipment ***

17. At its 93rd session (Rome, 7-10 May 2014) the Governing Council agreed to convene a Study Group entrusted with preparing a first draft of a Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Agricultural, Construction and Mining Equipment (the “MAC Protocol”). The Study Group was composed of various international experts in secured transactions law. Following its first three meetings (Rome, 15 – 17 December 2014, 8 – 9 April 2015 and 19 – 21 October 2015), the Study Group met for a fourth and final session from 7 – 9 March 2016.

18. At this fourth meeting, the Study Group reviewed the entire text of the draft Protocol and gave further attention to several unresolved legal issues, with particular consideration given to (i) how the Protocol should address the legal effects of MAC equipment becoming associated with immovable property, and (ii) how the amendment process for the Protocol should be refined. In addition to the international legal experts comprising the Study Group, the meeting was attended by representatives from the International Finance Corporation (IFC), the National Law Center for Inter-American Free Trade (NLCIFT) and the United Nations Commission on International Trade Law (UNCITRAL).

19. At the conclusion of the fourth Study Group meeting, the Study Group decided that the draft text was ready for submission to the Governing Council with a recommendation that a Committee of Governmental Experts be convened to further consider the Protocol. Following the meeting, the Secretariat updated the core documents to reflect the decisions made by the Study

Group at its final meeting. At its 95th session (Rome, 18 – 20 May 2016), the Governing Council approved the draft text, and requested that the UNIDROIT Secretariat convene a Committee of Governmental Experts to further consider the preliminary draft MAC Protocol.

20. The first session of the Committee of Governmental Experts has been scheduled from 20 – 24 March 2017 in Rome at the headquarters of the United Nations Food and Agriculture Organization (FAO). Documentation for the session was circulated to all United Nations Member States and relevant intergovernmental and nongovernmental organisations invited to participate in September 2016.

21. As consistent with the established practice for the other Protocols to the Cape Town Convention, the Secretary-General invited leading private stakeholders in February 2015 to form a MAC Protocol Working Group. The MAC Protocol Working Group is responsible for encouraging private sector participation in developing the Protocol, as well as representing private sector interests during the drafting process. It is an independent body outside the purview of UNIDROIT. Following the Working Group's first meeting (London, 10 September 2015) and a second meeting via teleconference on 16 November 2015, the MAC Protocol Working Group held its third meeting in Washington DC on 24 June 2016.

22. An informational event on the project for all UNIDROIT Member States and parties to the Cape Town Convention on International Interests in Mobile Equipment will be held at the UNIDROIT headquarters in Rome on 2 December 2016.

(ii) *Ships and maritime transport equipment* *

23. In 2016, the Secretariat prepared and submitted a memorandum for the Governing Council's 95th session (Rome, 18-20 May 2016) providing an update to the initial study prepared by the Secretariat with regard to the possible preparation of a Protocol to the Cape Town Convention on ships and maritime transport equipment (UNIDROIT 2016 – C.D. (95) 13 Add. 4 rev.). As set forth in that memorandum, further to the African Shipowners Association's African Maritime Conference (Lagos, 28-30 September 2015) at which the Secretariat was represented, the Secretary-General of UNIDROIT received a letter from the Secretary-General of the African Shipowners Association, Ms Funmi Folorunso, expressing *inter alia* support for the development of a possible Protocol on ships and maritime transport equipment (*Id.*, Annex 1).

24. In addition, the Secretariat has continued to monitor developments in this area, including the establishment by the *Comité Maritime International* (CMI) of a working group on the topic of ship financing security practices, which made available in April 2016 a questionnaire concerning the current situation regarding maritime security interests and the needs of the industry and held a session on that topic as part of the CMI's 42nd International Conference in May 2016 (*Id.* paras. 3-4).

(iii) *Off-shore power generation and similar equipment* *

25. Following a proposal from the German Federal Ministry of Justice, the General Assembly at its 72nd session (Rome, 5 December 2013) agreed to include in the Work Programme for the triennium 2014 – 2016 a project to consider the preparation of an additional Protocol to the Cape Town Convention on matters specific to offshore wind power generation and similar equipment.

26. Building upon an initial legal analysis prepared by the Secretariat in 2013, the Secretariat submitted an updated report on the project for consideration by the Governing Council at its 95th session (Rome, 18 – 20 May 2016). The paper provided additional analysis on offshore wind generation, and concluded that for a Protocol governing this type of equipment to garner the

requisite number of ratifications to be successful and economically viable, the scope of the Protocol could be expanded to cover all renewable energy equipment. The paper further noted that additional research was required as to whether there was requisite industry support for the development of such an instrument, and whether high value mobile renewable energy equipment was generally subject to asset-based financing arrangements under current financing practices.

27. Based upon the paper prepared by the Secretariat, the Governing Council decided to recommend to the General Assembly that the Renewable Energy Equipment Protocol be renewed on the Institute's Work Programme 2017 – 2019 as a low priority (see UNIDROIT 2016 –C.D. (95) 15).

28. The Secretariat has continued to engage with private industry groups in relation to the project throughout 2016.

3. Transactions on Transnational and Connected Capital Markets

Legislative Guide on Principles and Rules capable of enhancing trading in securities in emerging markets **

29. The Secretariat was assisted by an informal group of experts in the preparation and review of a draft Legislative Guide, which has been provisionally re-entitled by that group the "UNIDROIT Legislative Guide on Intermediated Securities: Implementing the Principles and Rules of the Geneva Securities Convention". The informal group is chaired by Mr Hideki Kanda (Member of the Governing Council and Professor of Law, Gakushuin University) and includes Mr Philippe Dupont (Partner, Arendt & Medernach), Ms Dorothee Einsele (Professor of Law, University of Kiel), Mr Francisco J. Garcimartín Alférez (Professor of Law, Universidad Autónoma of Madrid), Mr Philippe Goutay (Jones Day, Paris), Mr Thomas Keijser (Senior Researcher, Radboud University), Ms Maria Chiara Malaguti (Professor of Law, Catholic University of the Sacred Heart), Mr Charles W. Mooney, Jr. (Professor of Law, University of Pennsylvania), and Mr Luc Thévenoz (Professor of Law, University of Geneva).

30. Based on a review of a partial initial draft and an agreement on a revised outline at their first informal meeting (Rome, 23-24 October 2015), the experts submitted drafts of the portions for which they were responsible in January 2016, and those drafts were combined into a single document by the Secretariat and circulated to the informal group in February 2016. Following a videoconference held on 7 March 2016 during which initial comments on the combined draft were discussed, it was agreed that the experts would endeavour to provide comments on the combined draft by the end of March 2016 and then provide revisions to their respective contributions by the end of April 2016. Those revisions were used to create a revised draft (see UNIDROIT 2016 – C.D. (95) 6 rev., Annex 2), which was circulated to the group in advance of its second meeting (Rome, 16-17 May 2016). At that meeting, the group reviewed the revised draft in detail, recommended various changes to be implemented by the Secretariat, and considered how the Secretariat should best collect examples and options for the draft, such as legislative or regulatory text or related descriptions, from various intermediated holding systems to offer States guidance in establishing an intermediated securities holding system or evaluating an existing one.

31. After that meeting, the Secretariat prepared, based on the input received, an updated draft, which was circulated to the informal group for review and comments on the changes made. Following a period for review by the experts, the Secretariat made additional changes, ultimately preparing a revised draft. That draft, known as the 4 October draft, is to be circulated for review, comments, and collection of possible examples and options (a) within the Committee on Emerging Markets Issues, Follow-Up and Implementation (hereafter "the Committee on Emerging Markets"), which was established at the final session of the diplomatic Conference to adopt a Convention on

Substantive Rules regarding Intermediated Securities (Geneva, 5-9 October 2009); and (b) by other interested organisations and stakeholders.

32. The comments and possible examples and options received by 1 December 2016 are to be reviewed by the informal group at its third meeting (12-13 December 2016). Given the progress made on the Legislative Guide thus far and expected in the near future, it is hoped that a fourth meeting of the Committee on Emerging Markets could be convened, either in an emerging market State or at UNIDROIT's headquarters in Rome, in mid-2017.

4. Liability for Satellite-based Services *

33. In 2016, the UNIDROIT Secretariat continued to follow developments in the area of risk management and third party liability for Global Navigation Satellite System (GNSS) Services.

5. Private law and development

(a) Contract farming ***

34. Further to the release in 2015 by the three author organisations – i.e. UNIDROIT, the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) – of the *UNIDROIT/FAO/IFAD Legal Guide on Contract Farming* in English and French, FAO is now leading a vast implementation programme of the Guide, with a new grant from IFAD for 2016 and 2017. The goal of the biennial project is to significantly expand the impact and benefit of the Guide – in particular in developing countries – through the preparation of outreach materials, capacity building, online dissemination and knowledge transfer.

35. UNIDROIT, on its part, is collaborating on the project as a member of the Advisory Board, and as a collaborating partner in the preparation of a legislative study on contract farming. UNIDROIT is also involved as the leading partner in the development of a *Community of Practice on Legal Aspects of Contract Farming (CoP/LACF)*, within the framework of the World Bank Global Forum on Law, Justice and Development. The purpose of the CoP/LACF is *to promote a legal environment for contract farming operations to support agricultural development, through the establishment of a network of interested stakeholders, the development of an Internet Platform with access to legal resources on contract farming, and a series of activities to promote the Legal Guide*. Among the activities organised by UNIDROIT through the CoP/LACF in 2016, particularly worthy of mention is the International Conference on “Creating a favourable legal environment for Contract Farming - The UNIDROIT/FAO/IFAD Legal Guide on Contract Farming” – held on 27 April 2016 at UNIDROIT.

(b) Possible work in private law and agricultural development *

36. In 2016, as recommended by the Governing Council at its 94th session (Rome, 6-8 May 2015), the Secretariat monitored developments in this area and prepared a feasibility study for the Governing Council's 95th session (Rome, 18-20 May 2016). The feasibility study, in summary, (a) provided background on the topic of agricultural land investment contracts; (b) took stock of existing initiatives with respect to such contracts; (c) evaluated whether a possible UNIDROIT instrument would be of additional benefit in this field, including consideration of the potential scope, content, and form of such an instrument; and (d) ultimately concluded that UNIDROIT appeared to be well placed to prepare an instrument on agricultural land investment contracts, using its private law expertise to build upon existing initiatives, bring together key experts, and develop, in collaboration with the Rome-based food and agriculture organisations of the United Nations system and other institutions, valuable guidance for farmers, communities, investors, governments, and other stakeholders (see UNIDROIT 2016 – C.D. (95) 7(b)). At its 95th session

(Rome, 18-20 May 2016), the Governing Council considered the feasibility study and took note of it, ultimately deciding to recommend to the General Assembly that it retain work on an international guidance document on agricultural land investment contracts in the UNIDROIT Work Programme for the 2017-2019 triennium with a high level of priority.

37. Consistent with the Governing Council's recommendation, the Secretariat has organised, together with FAO and IFAD, an informal meeting to be held with experts and interested stakeholders at FAO on 20 October 2016, during the Committee on World Food Security's 43rd plenary session (Rome, 17-21 October 2016). The meeting's purpose is to raise awareness about UNIDROIT's work in this area and to solicit input on the scope, content and form of the possible instrument on agricultural land investment contracts. The input received, moreover, is to be taken into consideration in the formation of the Study Group and provided to that Group once it has been constituted for its consideration as well.

6. Transnational civil procedure – formulation of regional rules **

38. In 2014, UNIDROIT and the European Law Institute (ELI) agreed on a joint project for the development of regional rules of European civil procedure based on the ALI – UNIDROIT Principles of Transnational Civil Procedure (prepared by a joint American Law Institute / UNIDROIT Working Group and adopted in 2004). The project enjoys medium priority, following a decision of the UNIDROIT General Assembly at its 73rd Session (Rome, 11 December 2014) which raised the project priority upon a proposal by the Governing Council at its 94th Session.

39. UNIDROIT and ELI established a joint Steering Committee during a first meeting (Rome, 12-13 May 2014) and agreed on a timeframe for the completion of the work, which was entrusted, gradually, to a total of eight Working Groups. Each of them is led by two Co-Reporters and is composed of experts (academics, judges and practicing lawyers) ensuring geographic, linguistic and legal diversity. The first three Working Groups, set up in May 2014, cover "access to information and evidence", "provisional and protective measures" and "service of documents and due notice of proceedings". Two additional Working Groups were created in November 2014 on "*lis pendens* and *res judicata*" and "obligations of the parties and lawyers". Finally, three other groups (respectively on "costs", "judgments" and "parties to the proceedings") were set up between late 2015 and Summer 2016, so as to provide coverage of most of the issues addressed in the ALI-UNIDROIT Principles and for which European rules were considered to be both useful and feasible.

40. The second joint meeting of the Steering Committee and co-reporters was held in Rome on 21 and 22 April 2016. Co-reporters from the first five working groups presented their progress reports for discussion. The meeting proceeded with a discussion on the coverage of two of the new working groups ("Costs" and "Judgments") and also addressed the composition, functions and future work for a "horizontal" working group to address the structure of the proceedings and the coherence of the entire draft.

41. On 5-6 May 2016 UNIDROIT was represented at an Intellectual Property Case Law Conference entitled 'Substantive and Procedural issues of Trade Mark and Design Dispute Resolution', by invitation of the European Union Intellectual Property Office (EUIPO) in Alicante (Spain), with a presentation on "Generally recognised principles of civil procedural law". On 30-31 May 2016, UNIDROIT participated in a Conference held in Budapest on the "New Hungarian Civil Procedure Act and the Development of European Rules of Civil Procedure" co-organised by the ELI, the Hungarian Ministry of Justice, the Hungarian Academy of Sciences, Institute for Legal Studies and the National Office for the Judiciary. The conference introduced the ELI- UNIDROIT project to Hungarian lawyers. The structure of the Conference was organised along the five initial topics of the ELI-UNIDROIT project and featured presentations of speakers representing the working groups. A presentation and discussion of the ELI-UNIDROIT project took also place at the 2016 ELI Annual

Conference that was held in Ferrara on 7-9 September 2016. The reports of the groups on "*lis pendens* and *res judicata*" and "*obligation of parties and lawyers*" were specifically discussed with academics, judges and practicing lawyers.

42. Finally, the third joint meeting of the Steering Committee, the Co-Reporters and the members of the Working Groups will be held in Vienna, on 21-22 November 2016, at ELI's headquarters. The meeting will focus on the finalisation of the drafts provided by the first three groups with a discussion involving also the Institutional Observers to the project and the Advisers.

43. More detailed information on the initiatives, conferences and seminars including a presentation of the ELI-UNIDROIT project in 2016 will be contained in the Annual Report 2016.

ANNEX I

**Expenditure in Implementation of Work Programme
(estimate by 31 December 2016)**

		Priority level	<i>Regular budget</i>
International Commercial Contracts			
1	Long-term contracts	**	
	Staffing costs		43,978.57
	Professional staff (Ch. 2.1, 3.1)		
	General services (Ch. 2.1, 3.1)		2,879.46
	Conference costs		754.89
	Official journeys (Ch. 1.5)		
	Documentation/translation		7,300.87
	Professional staff (Ch. 2.1, 3.1)		
	Total		54,913.78
2	(b) Multilateral contracts	*	
	Staffing costs		0,00
	Professional staff (Ch. 2.1, 3.1)		
	Total		0,00
Secured transactions			
3	(a) Implementation of Rail and Space Protocols	***	
	Staffing costs		53,558.82
	Professional staff (Ch. 2.1, 3.1)		
	General services (Ch. 2.1, 3.1)		18,039.29
	Conference costs		5,550.04
	Official journeys (Ch. 1.5)		
	Documentation/translation		1,542.25
	Interpretation/technical services/representation (Ch. 1.6, 1.7)		
	Documentation/translation		0.00
	Professional staff (Ch. 2.1, 3.1)		
	Total		78,690.41
(b) Preparation of other Protocols to the Cape Town Convention			
4	(1) Agricultural, mining and construction equipment	**	
	Staffing costs		68,311.40
	Professional staff (Ch. 2.1, 3.1)		
	General services (Ch. 2.1, 3.1)		26,834.53
	Conference costs		9,943.05
	Travel of experts and speakers (Ch. 1.4)		
	Documentation/translation		3,564.50
	Interpretation/technical services/representation (Ch. 1.6, 1.7)		
	Documentation/translation		6,881.69
	Professional staff (Ch. 2.1, 3.1)		
	Consultation/Promotion		2,520.00
	Official journeys (Ch. 1.5)		
	Total		118,055.18
5	(2) Ships and maritime transport equipment	*	
	Staffing costs		3,826.69
	Professional staff (Ch. 2.1, 3.1)		
	General services (Ch. 2.1, 3.1)		1,522.00
	Total		5,348.69

6	(3) Off-shore power generation and similar equipment		*
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	5,078.47
		General services (Ch. 2.1, 3.1)	0.00
	Total		5,078.47
Transnational and Connected Capital Markets			
7	Legislative Guide to enhance trading in securities in emerging markets		**
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	29,857.24
		General services (Ch. 2.1, 3.1)	2,974.38
	Conference costs	Travel of experts and speakers (Ch. 1.4)	10,350.11
	Total		43,181.72
8	Liability for Satellite-based Services		*
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	0.00
		General services (Ch. 2.1, 3.1)	0.00
	Consultation / promotion	Official journeys (Ch. 1.5)	
	Total		0.00
Private law and development			
9	(a) Contract farming		***
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	103,824.00
		Consultant fees (Ch.2.1)	521.25
		General services (Ch. 2.1, 3.1)	15,071.07
	Conference costs	Travel of experts and speakers (Ch. 1.4)	4,971.53
		Interpretation/technical services/representation (Ch. 1.6, 1.7)	5,218.25
	Documentation/translation	Translation fees (Ch. 2.1)	24,000.00
	Total		153,606.10
10	(b) Possible work on private law and agricultural development		*
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	33,607.91
		General services (Ch. 2.1, 3.1)	2,414.19
	Total		36,022.10
11	Legal aspects of social business		
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	0.00
		General services (Ch. 2.1, 3.1)	0.00
	Total		0.00
12	Transnational civil procedure - formulation of regional rules		**
	Staffing costs	Professional staff (Ch. 2.1, 3.1)	49,925.93
		General services (Ch. 2.1, 3.1)	17,709.68
	Conference costs	Travel of experts and speakers (Ch. 1.4)	13,757.72
		Official journeys of staff (Ch. 1.5)	373.00
		Interpretation/technical services/representation (Ch. 1.6, 1.7)	1,006.18
	Total		82,772,51

Implementation and promotion		
13	(1) Depositary Functions	***
	Staffing costs	36,711.28
	Professional staff (Ch. 2.1, 3.1)	26,671.77
	General services (Ch. 2.1, 3.1)	63,383.04
	Total	63,383.04
14	(2) Promotion of UNIDROIT Instruments	***
	Staffing costs	121,082.23
	Professional staff (Ch. 2.1, 3.1)	12,061.13
	General services (Ch. 2.1, 3.1)	23,546.31
	Conference costs	13,980.71
	Official journeys of staff (Ch. 1.5)	6,079.06
	Travel of experts and speakers (Ch. 1.4)	6,079.06
	Interpretation/technical services/representation (Ch. 1.6, 1.7)	176,749.44
	Total	176,749.44
Non-legislative activities		
15	(1) UNIDROIT Library and Depositary Libraries	***
	Staffing costs	4,579.00
	Professional staff (Ch. 2.1, 3.1)	72,204.92
	General services (Ch. 2.1, 3.1)	128,250.00
	Acquisitions	128,250.00
	Purchase of books, legal journals, binding, software (Ch.6)	205,033.92
	Total	205,033.92
16	(2) Information resources and policy	***
	Staffing costs	72,736.79
	Professional staff (Ch. 2.1, 3.1)	92,397.40
	General services (Ch. 2.1, 3.1)	25,000.00
	Documentation/translation	15,000.00
	Printing costs (Ch. 4)	15,000.00
	Postage (Ch. 4)	205,134.20
	Total	205,134.20
17	(3) Internships and scholarships	***
	Staffing costs	47,503.44
	Professional staff (Ch. 2.1, 3.2)	59,780.70
	General services (Ch. 2.1, 3.1)	107,284.14
	Total	107,284.14
18	Membership, institutional cooperation and governance	
	Staffing costs	125,777.24
	Secretary-General and Professional staff (Ch. 2. 1, 3.1)	69,487.00
	General services (Ch. 2.1, 3.1)	45,707.00
	Conference costs	46,245.74
	Governing Council and Permanent Committee (Ch. 1.1)	26,750.46
	Interpretation/technical services/representation (Ch. 1.6, 1.7)	26,750.46
	UNIDROIT 90th anniversary celebrations (Ch. 1.4)	11,593.45
	Consultation / promotion	11,593.45
	Official journeys (Ch. 1.5)	325,560.89
	Total	325,560.89

Administration, support services and building management			
19	Staffing costs	Secretary-General and Professional staff (Ch. 2. 1, 3.1)	72,627.66
		General services (Ch. 2.1, 2.2, 3.1)	278,359.00
		Porter overtime (Ch.2.1)	3,000.00
		Auditor(Ch1.4)	4,682.50
Miscellaneous		Maintenance costs (Ch. 5)	175,000.00
		Compensation for retired members of staff (Ch. 3.3)	1,860.86
		Accident insurance (Ch. 3.2)	8,786.45
		Stationery, telephone, fax and Internet (Ch. 4.1, 4.2)	29,202.09
		Miscellaneous (Ch. 4.4)	2,404.05
Total			575,922.61
Total			2,236,737.19

ANNEX II

UNIDROIT Information on Extrabudgetary Contributions in 2016

		Balance 2015	Received*	Spent **	Balance ***
Principles on Netting of Financial Instruments	€	Balance 2015	Received	Spent	Balance
<i>Receipts</i>					
Donor Association of German Banks		4,281.39		4,000.00	281.39
<i>Expenditure</i>					
Total	€	4,281.39	0.00	4,000.00	281.39
Preparation of a Legal Guide on Contract Farming	€	Balance 2015	Received	Spent	Balance
<i>Receipts ****</i>					
Donor IFAD		0			
FAO		0	11,219.80	11,219.80	0,00
<i>Expenditure</i>					
Total	€		11,219.80	11,219.80	0,00
Promotion of UNIDROIT Instruments	€	Balance 2015	Received	Spent	Balance
<i>Receipts</i>					
Donor Uniform Law Foundation		15,002.60			15,002.60
<i>Expenditure</i>					
Total	€	15,002.60	0.00		15,002.60

Research Scholarship Programme		€	Balance 2015	Received	Spent	Balance
Receipts						
Donor	Scholarship General Fund (Gov.council and Various Italian Law Firms)		6.517,76	1.756,00	8.000,00	273,76
	Transnational Law and Business University (Republic of Korea)		586,49	5.000,00	5.000,00	586,49
	Uniform Law Foundation		39.871,53	10.000,00	32.700,00	17.171,53
	UK Foundation for International Uniform Law		2.425,48	0,00	2.400,00	25,48
Expenditure						
	Scholarships					
Total		€	49.401,26	16.756,00	48.100,00	18.057,26
UNIDROIT Library						
Receipts	Various Italian Law Firms		45.013,77			45.013,77
Donor						
Expenditure	Purchase of books and journals					
Total			45.013,77	0,00	0,00	45.013,77
GRAND TOTAL		€	113.699,02	27.975,80	63.319,80	78.355,02

* Estimated total receipts as of 31 December 2016, including any amounts carried over from 2015

** Estimated expenditure as of 31 December 2016

*** Estimated balance as of 31 December 2016

**** This project is expected to benefit from a final payment of 4,800 Euros from FAO upon completion in 2017