



**EN**

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**Item No. 9 on the Agenda:**  
**Classification of member States in the UNIDROIT Contributions Chart**

(Memorandum of the Secretariat)

<i>Summary</i>	<i>Review of the UNIDROIT Contributions Chart</i>
<i>Action to be taken</i>	<i>Consider and adopt the revisions recommended by the General Assembly with respect to the methodology for the classification of member States in the contributions chart in accordance with article 16 of the UNIDROIT Statute</i>
<i>Related documents</i>	<i>UNIDROIT Statute, UNIDROIT 2010 – F.C. (67) 3, UNIDROIT 1998 – A.G. (52) 8 rev., UNIDROIT 1998 – A.G. (52) 13, UNIDROIT 2004 – A.G. (58) 10, UNIDROIT 2011 – A.G. (69) 1, UNIDROIT 2012 – A.G. (71) 10, UNIDROIT 2014 – A.G. (73) 9, UNIDROIT 2017 – F.C. (81) 3 rev., UNIDROIT 2017 – F.C. (82) 2</i>

## **A. Basic rules on assessment of contributions**

1. The basic rules on the financing of UNIDROIT are set forth in Article 16, paragraphs 1-6, of the UNIDROIT Statute, which read as follows:

“1.- The yearly expenditure relating to the operation and maintenance of the Institute shall be covered by the income specified in the budget of the Institute, including in particular the ordinary basic contribution of the Italian Government, the promoter of the Institute, as approved by the Italian Parliament, which that Government declares to be set, as from 1985, at 300 million Italian lire per annum, a figure which may be revised at the end of each period of three years by the law approving the budget of the Italian State, as well as the ordinary annual contributions of the other participating Governments.

“2. – For the purpose of apportioning the part of the yearly expenditure not covered by the ordinary contribution of the Italian Government or by income from other sources among the other participating Governments, the latter shall be classified in categories. Corresponding to each category shall be a particular number of units.

“3.- The number of categories, the number of units corresponding to each category, the amount of each unit, and the classification of each Government in a category, shall be determined by a resolution of the General Assembly adopted by a majority of two thirds of the Members present and voting, on the basis of a proposal by a Committee appointed by the Assembly. In this classification, the Assembly shall take account, among other considerations, of the national income of the country concerned.

“4.- Decisions adopted by the General Assembly in accordance with paragraph 3 of this Article may be revised, every three years, by a further resolution of the General Assembly, adopted by a majority of two thirds of the Members present and voting, at the same time as its decision mentioned in paragraph 3 of Article 5.

“5.- Resolutions of the General Assembly adopted in accordance with paragraphs 3 and 4 of this Article shall be notified to each participating Government by the Italian Government.

“6.- During a period of one year following the notification mentioned in paragraph 5 of this Article, each participating Government may put forward objections against resolutions concerning its classification for consideration at the next session of the General Assembly. The Assembly shall give its decision by means of a resolution, adopted by a majority of two thirds of the Members present and voting, which shall be notified by the Italian Government to the participating Government concerned. The latter Government shall, however, have the option of withdrawing from membership of the Institute, following the procedure under paragraph 3 of Article 19.”

2. Information on the evolution of the methodology, including its use of the UN scale of assessments, since the system of mandatory contributions was introduced in 1965 – with the introduction of the current paragraphs 2 to 10 of Article 16 of the Statute – was provided to the Finance Committee at its 67<sup>th</sup> session (Rome, 25 March 2010) (UNIDROIT 2010 – F.C. (67) 3).

## **B. Methodology for the classification of member States in the chart of contributions**

3. The current methodology for the classification of member States in the UNIDROIT contributions chart in accordance Article 16, paragraph 3, of the UNIDROIT Statute, is the result of a decision taken by the General Assembly of UNIDROIT at its 52<sup>nd</sup> session (Rome, 27 November 1998),

when the Assembly resolved to adopt a classification methodology proposed by the Secretariat and approved by the Finance Committee at its 51<sup>st</sup> session (Rome, 6 October 1998).

4. That proposal made provision, as in the past, for the classification of member States of UNIDROIT into eight categories plus a special category, which reflected, with some exceptions for specific, contingent reasons, the classification of member States as based on the contributions chart of the United Nations accepted by all member States of UNIDROIT. Member States were thus to be classified as follows:

(a) Category I (corresponding to 50 units of contribution): States whose contribution to the UN budget amounted to more than 3%;

(b) Category II (corresponding to 22 units of contribution): States whose contribution to the UN budget ranged from 2% to 3%;

(c) Category III (corresponding to 18 units of contribution): States whose percentage contributions to the United Nations budget range from 1.00% to 2.00%;

(d) Category IV (corresponding to 13 units of contribution): States whose percentage contributions to the United Nations budget range from 0.960% to 0.999%;

(e) Category V (corresponding to 11 units of contribution): States whose percentage contributions to the United Nations budget range from 0.500% to 0.959%;

(f) Category VI (corresponding to 9 units of contribution): States whose percentage contributions to the United Nations budget range from 0.450% to 0.499%

(g) Category VII (corresponding to 8 units of contribution): States whose percentage contributions to the United Nations budget range from 0.115% to 0.449%

(h) Category VIII (corresponding to 5 units of contribution): States whose percentage contributions to the United Nations budget range from 0.005% to 0.114%

(i) Special category (corresponding to 1 unit of contribution): States whose percentage contributions to the United Nations budget range from 0.0% to 0.004% (see UNIDROIT 1998 A.G. (52) 8 rev. and UNIDROIT 1998 A.G. (52) 13, p. 12).

5. The General Assembly has revised the contributions chart pursuant to Article 16, paragraph 4, of the UNIDROIT Statute twice since 1998: at its 58<sup>th</sup> session (Rome, 26 November 2004), in connection with the approval of the budget for the financial year 2005 (UNIDROIT 2004 – A.G. (58) 10, pp. 8-12); and again by special resolution adopted at its 69<sup>th</sup> session (Rome, 1 December 2011) (UNIDROIT 2011 – A.G. (69) 11, Annex III), confirmed by resolution (71) 1, adopted by the General Assembly at its 71<sup>st</sup> session (Rome, 29 November 2012) (UNIDROIT 2012 – A.G. (71) 10, Annex II). In its resolution of 1 December 2011, the General Assembly expressly reaffirmed the number of categories, the number of units corresponding to each category and the criteria currently used to classify member States, as set forth in Appendix I thereto.

6. In accordance with periodicity contemplated in Article 16, paragraph 4, of the UNIDROIT Statute, the contributions chart adopted in 2011, at the 69<sup>th</sup> session of the General Assembly, should have been revised again in 2014. However, at its 73<sup>rd</sup> session (Rome, 11 December 2014), the General Assembly, when considering the Report of the Finance Committee on the work of its 76<sup>th</sup> session (Rome, 25 September 2014), 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 (see UNIDROIT 2014 – A.G. (73) 9, para. 40).

**C. The Finance Committee’s review of the Contributions Chart’s methodology and their recommended revisions**

7. At its 81<sup>st</sup> session (Rome, 6 April 2017), the Finance Committee considered in detail document UNIDROIT 2017 – F.C. (81) 3, which set out: (a) the basic rules on the assessment of contributions; (b) the methodology for the classification of member States into the Categories in the Contributions Chart; (c) the proposed adjustments to the Contributions Chart; (d) and a draft Contributions Chart showing the proposed contributions for the period 2018-2023 as compared to the Contributions Chart in force for the period 2012-2017. During its deliberations, the Finance Committee requested that the Secretariat prepare an alternative proposal – in which new Categories could be added, in view of the wide gap between Categories I and II and the potential need to add a new Category between Category 8 and the Special Category to reduce the burden for States with smaller economies – and decided to hold an additional session to consider this issue further (UNIDROIT 2017 – F.C. (81) 7, paras. 10-25).

8. At its 82<sup>nd</sup> session (Rome, 13 July 2017), the Finance Committee considered the Contributions Chart following the existing methodology (UNIDROIT 2017 – F.C. (81) 3 rev.) and the alternative proposal that had been requested by the Finance Committee and prepared by the Secretariat (UNIDROIT 2017 – F.C. (82) 2), which largely followed the existing methodology but included a new Category II to address the current gap between existing Categories I and II and a new Category X to break the current range of contributions in existing Category VIII into two. Following deliberations, the Finance Committee agreed that: (a) consideration of the proposed structural revisions to the Contributions Chart should only result in changes in contributions, if any, in 2019; (b) it should accordingly be recommended to the General Assembly that the current Contributions Chart (UNIDROIT 2016 – A.G. (75) 7, Annex) remain in place in 2018, so that member States’ contributions would remain the same in 2018 as they were in 2017; and (c) implementation of the next Contributions Chart – whether following the existing methodology or adopting the proposed revisions to that methodology – would be on the basis of the UN scale of assessments for 2019-2021, which was to be issued in 2018 (UNIDROIT 2017 – F.C. (82) 3). Following the session, pursuant to the Committee’s request, the Secretariat circulated the proposed revisions to the Contributions Chart to member States for review and comment, though no comments were received.

8. At its 83<sup>rd</sup> session (Rome, 21 September 2017), following its deliberations, the Finance Committee decided to recommend the proposed revisions, which would make use of the UN scale of assessments for 2019-2021 and come into effect in 2019, to the General Assembly for adoption (UNIDROIT 2017 – F.C. (83) 9, para. 46).

9. For ease of reference, the Contributions Chart’s existing methodology and the recommended revised methodology – which would include a new Category II to address the current gap between existing Categories I and II and a new Category X to break the current range of contributions in existing Category VIII into two – are summarised in Annex .

10. In addition, the Committee requested the Secretariat to circulate again the recommended revised methodology for the Contributions Chart to member States for review and comment, together with additional information regarding the history of the Contributions Chart and its use of the UN scale of assessments. The Secretariat, as requested, circulated via Note Verbale those revisions and the requested information, the latter of which is contained in document UNIDROIT 2010 – F.C. (67) 3, together with a request for comments by 6 November 2017. No comments, however, were received.

**ACTION TO BE TAKEN**

11. *The Secretariat invites the General Assembly to adopt the recommended revised methodology for the classification of member States in the new Contributions Chart, which would make use of the UN scale of assessments for 2019-2021 and come into effect in 2019.*

**ANNEX**

Current methodology for the classification of member States in the UNIDROIT Contributions Chart  
(as approved by the General Assembly at its 52<sup>nd</sup> session (Rome, 27 November 1998) and reaffirmed by the General Assembly at its 69<sup>th</sup> session (Rome, 1 December 2011))

Category	Units of contribution	Range of contribution to the UN budget
I	50	more than 3%
II	22	2% to 3%
III	18	1.00% to 2.00%
IV	13	0.960% to 0.999%
V	11	0.500% to 0.959%
VI	9	0.450% to 0.499%
VII	8	0.115% to 0.449%
VIII	5	0.005% to 0.114%
Special	1	0.0% to 0.004%

Recommended revised methodology for the classification of member States in the UNIDROIT Contributions Chart

(as requested by the Finance Committee at its 81<sup>st</sup> session (Rome, 6 April 2017), considered at its 82<sup>nd</sup> session (Rome, 13 July 2017), and recommended at its 83<sup>rd</sup> session (21 September 2017) for adoption by the General Assembly)

Category	Units of contribution	Range of contribution to the UN budget
I	50	more than 4%
II	36	2.5% to 3.99%
III	22	2% to 2.49%
IV	18	1.00% to 1.99%
V	13	0.960% to 0.999%
VI	11	0.500% to 0.959%
VII	9	0.450% to 0.499%
VIII	8	0.115% to 0.449%
IX	5	0.040% to 0.114%
X	4	0.005% to 0.039%
XI	1	0.0% to 0.004%