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**SUB-COMMITTEE OF THE FINANCE
COMMITTEE ON INACTIVE MEMBER STATES
Rome, 10 June 2009**

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**REPORT OF THE MEETING OF THE SUB-COMMITTEE
OF THE FINANCE COMMITTEE ON INACTIVE MEMBER STATES**

(prepared by the Secretariat)

1. The sub-Committee of the Finance Committee on Inactive member States, set up by the Finance Committee at its 65th session (Rome, 25 February 2009), held its first meeting in Rome, on 10 June 2009, at 10.00 a.m., at the seat of the Institute, with the participation of Dr Adamek of the Embassy of Germany (Chairman of the Finance Committee) Mr Cody (Embassy of the United States), Mr Fedchuk (Trade Representation of the Russian Federation), Mr Simancas Gutierrez (Embassy of Mexico), the Secretary-General and Ms Alessandra Zanobetti, Deputy Secretary-General. Ms Leimgruber (Embassy of Switzerland) had excused herself. Dr Adamek took the chair and introduced the item.

2. The sub-Committee had a thorough discussion of the issue of inactive member States¹, and in particular examined the situation of a member State that had approached the Secretariat and expressed its intention to revitalise its participation to the Institute and to seek a solution for its outstanding annual contributions. The sub-Committee recalled the discussion that had taken place during the 65th session of the Finance Committee, and took into account some proposals that had been put forward at that time, aimed in particular at encouraging the participation of inactive member States but at the same time at seeking appropriate assurances of their commitment towards the Institute. The sub-Committee agreed to recommend to the Finance Committee that the Secretary-General should be requested to convey to the member State concerned that the negative experience with the application of the arrangements introduced at the 53rd session of the General Assembly to regularize the position of Bolivia upon that country's request (see A.G. (53) 10) had led the Finance Committee to insist henceforth on the need for a member State wishing to regularise its situation to signify both its interest for the Institute, by offering a greater payment towards its outstanding contributions (not less than two years of assessed contributions), and its firm commitment to meet its financial obligations for

¹ Some countries, without formally renouncing their status as member States of the Institute, nevertheless never paid their contributions, thus allowing a sizable debt to build up over the years; at the same time, they ceased all participation to the life of the Institute. UNIDROIT sets great store by the prospect of re-establishing relations with these member States with a view to their full participation in the activities of the Institute. The General Assembly, at its 53rd session in 1999, approved a special solution to enable one such member State (Bolivia) to regularise its position by accepting payment of a symbolic sum to cover arrears, in return for that member State's formal recognition of its obligation to make an annual contribution, starting in the year 2000, and to pay a sum representing one quarter of its annual contribution into the Working Capital Fund of the Institute, as is customary for new member States (see the report of the session, document A.G. (53) 10, pp. 10-14).

the future, by only recovering its full membership and reacquiring all its rights, including the right of vote at the General Assembly, after four consecutive years of regular payment of its statutory contributions.

3. The sub-Committee agreed that this proposal was to be submitted, by electronic mail, to the members of the Finance Committee, and that, upon its approval by the Committee, the Secretary-General should consult with the member State concerned with a view to the submission of a formal proposal within those parameters to the Finance Committee at its next session (Rome, 30 September 2009), and subsequently to the General Assembly at its 65th session, together with the opinion of the Finance Committee.

4. The Chairman closed the meeting at 11.30 a.m.