



GENERAL ASSEMBLY
63rd session
Rome, 11 December 2008

UNIDROIT 2008
A.G. (63) 10
Original: English
January 2009

REPORT

(prepared by the UNIDROIT Secretariat)

Item No. 1 on the draft agenda: Opening of the session by the President of the Institute and the President of the General Assembly 2007/2008.

1. The 63rd session of the General Assembly was held at the headquarters of UNIDROIT on 11 December 2008 and was attended by the diplomatic representatives in Italy of 56 member States and one observer (*cf.* the list of participants in Appendix I). The session was opened by *H.E. Mrs Amanda Vanstone*, Ambassador of Australia in Italy, President of the Assembly for 2007-2008.

2. The *President of the Institute* welcomed the participants. He stated that while much of the Institute's work did not make headline news, it was nevertheless a necessary part of international efforts to promote higher standards of living, social progress and economic development, and this was even more true in this era of globalisation, when it helped to provide the legal certainty and predictability afforded by uniform international rules and standards that were much needed worldwide, but in particular in the developing countries.

3. While leaving the task of reporting on the significant achievements made by the Institute to the Secretary-General, the President of the Institute did stress two developments that made this session of the General Assembly particularly important. The first was that the Assembly was about to elect a new Governing Council, choosing from an impressive list of outstanding scholars, judges and civil servants put forward by the member States. This election coincided with the beginning of the mandate of a new Secretary-General. The President expressed his utmost confidence that the new incumbent would continue the highly productive work of his predecessor to review and if necessary modernise the Institute's working methods and to ensure the efficient management of the resources made available to him by the General Assembly.

4. The *President of the General Assembly* in her turn welcomed the participants and the new Secretary-General. She stated that 2008 had been a good year for UNIDROIT. The Model Law on Leasing had been adopted in November, an important achievement given the crucial role which the new law would play in attracting leasing industries to the developing countries and countries in economic transition. The Institute Secretariat had also made a significant effort to improve communications with the member States. It had hosted a successful field day which gave member States the opportunity to visit UNIDROIT headquarters and see at first hand what exactly the Secretariat did and how it contributed to facilitating commercial transactions around the world. She strongly recommended that the Secretariat consider hosting more such events at regular intervals.

5. H.E. Mrs Vanstone also expressed appreciation of the Institute's openness and willingness to work with concerned member States to present financial information in a more user-friendly manner. She concluded her address by recalling that 2008 had seen the deposit of an instrument of accession to the UNIDROIT Statute by Saudi Arabia and thanked the Secretariat for its efforts to increase membership and thus the Institute's sphere of influence around the world. She was particularly pleased, as an Australian, with UNIDROIT's efforts in the Asia-Pacific region, a region of significant and growing commercial importance.

Item No. 2 on the draft agenda: Appointment of the President of the General Assembly for the year 2008-2009

6. As her last task, the *President of the General Assembly* stated that following a series of informal consultations facilitated by the Secretariat, wide support had been expressed for the appointment of *H.E. Mrs Tasnim Aslam*, Ambassador of the Islamic Republic of Pakistan in Italy.

7. *The General Assembly accepted the proposal.*

Item No. 3 on the draft agenda: Adoption of the agenda (A.G. (63) 1 rev. 2)

8. Taking the chair, *Ambassador Aslam* expressed her delight at the opportunity to chair the General Assembly at its 63rd session and to co-operate with member Governments' representatives and the Institute's Secretariat during the coming year. She proposed a vote of thanks to the outgoing President of the General Assembly for her excellent work.

9. The President of the General Assembly then moved the adoption of the revised draft agenda, which contained one addition to the agenda communicated earlier, *i.e.* the inclusion of agenda item 11 on the composition of the Finance Committee for the 2009-2011 triennium.

10. *The draft agenda was adopted as proposed (it is reproduced in Appendix II).*

Item No. 4 on the agenda: Election of the Governing Council's members for the 1 January 2009 - 31 December 2013 quinquennium (A.G. (63) 2 corr.)

11. The *Secretary-General* briefly outlined the procedure for the election of the Governing Council which was made up of the President appointed by Italy, the host country of the Institute, and 25 members elected by the General Assembly. The election procedure was set forth in article 7 of the UNIDROIT Regulations and had been described in a Note Verbale to the member States of 1 February 2008. All member States that were not in arrears for more than two years in paying their contributions were entitled to vote. The representatives of Croatia, Chile and South Africa were designated to serve on the ballot committee to count the votes.

Item No. 5 on the agenda: Statement regarding the Organisation's activity in 2008 and the implementation of the Strategic Plan (A.G. (63) 3)

12. In introducing this item, the *Secretary-General* recalled that the Strategic Plan was a document of the Governing Council originally formulated by the Secretariat in November 2003 following a series of informal consultations between the Governing Council and members of the General Assembly in 2002 and 2003. It set forth broad objectives for the Institute's work and

reflected the Secretariat's vision of the measures needed for the Institute to fulfil its function satisfactorily. The Strategic Plan covered a time span of 10 years and was referred to as Horizon 2016.

13. It had become customary for the Secretariat to report annually to the General Assembly on the status of implementation of the Strategic Plan. The document submitted to the General Assembly this time round differed from the previous one in two ways. First, upon repeated request by the member States, the document for the first time set out the costs of each activity carried out by the Institute with a view to facilitating the General Assembly's consideration of the measures taken by the Secretariat to implement the Strategic Plan as well as the assignment of priority to the different projects. Secondly, this year's document did not include the part relating to future measures.

14. As to the costing of activities, this reflected the figures as anticipated in the 2008 budget adopted in 2007 and as such were in a sense theoretical. For 2009, the Secretariat intended to introduce a system that would allow for a more accurate assessment of the time spent by staff on the different activities, bearing in mind that staffing costs – salaries and related allowances – constituted the highest single item of expenditure of the Institute. It would also consider procedures for monitoring and generating progress reports on actual expenditure as and when projects were implemented.

15. With regard to the omission in the document of specific measures to implement the strategic objectives originally set forth in 2003, this was because the Secretary-General felt it might be appropriate for the General Assembly to give the new Governing Council an opportunity to review and perhaps suggest adjustments to the Strategic Plan at this time, five years after the Plan was first conceived.

16. The *representative of Canada* thanked the Secretariat for its dedicated work on the implementation of the Strategic Plan. He read out a statement expressing his Government's belief that effective and sound planning required not only an annual review of the implementation of strategic objectives, but a periodic in-depth review of the objectives themselves. He noted that significant changes had occurred since the adoption of the Strategic Plan in 2003 specifically with regard to the international legal framework and economic conditions. Canada was in favour of requesting the Governing Council at its next session in April 2009 to consider whether it might be appropriate to undertake an in-depth review of the Strategic Plan. To assist the Governing Council in this task, Canada recommended that member States be given the opportunity to provide written comments on the Strategic Plan and on the need for an in-depth review in advance of the Governing Council session.

17. The *representative of the United Kingdom* expressed her Government's satisfaction with the changes to the Strategic Plan progress document and welcomed the idea of costing the projects in future. She also expressed support for the suggestions made by the representative of Canada with regard to an in-depth review of the Strategic Plan and for member States to be given the opportunity to supply written comments in advance.

18. The *representative of Colombia* thanked the Secretary-General for his report and in this regard expressed particular satisfaction with the adoption of the Model Law on Leasing in November 2008.

19. The *representative of Brazil* congratulated both H.E. Mrs Aslam upon her appointment as President of the General Assembly and Mr José Angelo Estrella Faria, the first-ever Latin American every to take office as Secretary-General of UNIDROIT.

20. The *Secretary-General* thanked the representatives for their kind words as well as the various governments that had expressed interest in further consultations with the Secretariat, stressing that there was no greater asset for any international organisation than the confidence of its member States.

21. *The General Assembly took note of the report on the activities of the Institute and of the comments thereto on the part of its members.*

Item No. 6 on the agenda: Adoption of the Organisation's Work Programme for the 2009 - 2011 triennium (A.G. (63) 4)

22. In introducing this item, the *Secretary-General* recalled that the Institute's Work Programme had evolved in consultation and dialogue between the Secretariat and the Governing Council before its adoption by the General Assembly, the Governing Council having made formal recommendations to the General Assembly at its final session. With respect to *legislative activities*, this time round the Governing Council had recommended that the Institute finalise work, first, on the additional chapters of the UNIDROIT Principles of International Commercial Contracts currently being prepared and, second, on a Space Protocol to the Cape Town Convention, and that it undertake work on (a) an instrument on netting in financial services and (b) a legislative guide on principles and rules capable of enhancing trade in securities in emerging markets and, resources permitting – and possibly to be included as part of the guide –, work towards the development of rules facilitating convergence of national investor classification schemes. As regards the work related to the Cape Town system, the Council had reserved definite recommendations on the possible addition of a Protocol on matters specific to agricultural, mining and construction equipment to a later stage and likewise had discussed but not definitely included in the Work Programme work on a possible future instrument on civil liability for malfunction of satellite-based services. As to the Institute's *non-legislative activities*, the Governing Council had recommended that apart from the UNIDROIT Library's priority status, high priority should be given to the Scholarships Programme, the Uniform Law Review and the UNILAW database.

23. At the time of formulating these recommendations, the Governing Council had assumed that the ongoing work on the draft Convention on intermediated securities would have been completed in 2008. However, although extraordinary progress had been made at the diplomatic Conference to adopt the Convention that had been generously hosted and facilitated by the Swiss Government in Geneva in September 2008, the Conference had not been able to complete the project and a second session was to be held in 2009 to consider a small number of proposals for amendment of the text as well as the draft commentary now being prepared. Owing to this and bearing in mind the notorious tightness of the Secretariat's resources, the Secretariat had not deemed it prudent at this time to recommend that the General Assembly firmly adopt the full set of recommendations made by the Governing Council but had instead felt it wiser to recommend that the Institute focus on the finalisation of the three ongoing projects, *i.e.* (in the legislative sphere) the finalisation of the draft on intermediated securities, the finalisation of the additional chapters to the UNIDROIT Principles, and work towards the finalisation of the Space Protocol. As regards the other proposals for possible legislative work, the Secretariat felt it would be premature for the General Assembly to adopt these without first allowing the newly-elected Governing Council to re-evaluate them and to re-define their scope in the light both of the resources available to and within the Secretariat and (from a substantive point of view) of recent events in the world and in the financial markets. The *Secretary-General* stressed, however, that this should in no way be seen as any suggestion that these projects were of minor importance, as was borne out by the approaches made to the Secretariat by governments, industry representatives and academics expressing strong interest in such work.

24. The *representative of Canada* thanked the outgoing members of the Governing Council for their commitment to the Institute over the years, and in particular for its recommendations regarding the Institute's Work Programme. Canada agreed that it would be premature for the General Assembly to consider its adoption at this time and shared the view expressed by the Governing Council that the new Secretary-General should be given a margin of discretion to assess the situation in light of available resources. Canada also strongly supported the Secretariat's suggestion that the General Assembly be allowed to reconsider the triennial Work Programme at its next session in light of the recommendation by the new Secretary-General or any other recommendation by the incoming Governing Council, given the current economic climate and the possibility of an in-depth review of the Strategic Plan. Canada took the view that work to finalise the draft Convention on intermediated securities should receive the highest priority, and would not oppose priority being given to the finalisation of the additional chapters of the UNIDROIT Principles and of the Space Protocol.

25. The *representative of Germany* expressed the full support of his Government for the Secretary-General's recommendation that the outstanding work should first be finalised, that the new Governing Council should be allowed to re-evaluate the triennial Work Programme and that the General Assembly should assess the Council's recommendations at its next session in 2009.

26. The *representative of Switzerland* expressed his wholehearted support for the position outlined by the Secretary-General, stressing that a degree of flexibility was needed to determine the future programme. He emphasised the importance which his Government attached to the future Convention on intermediated securities and expressed confidence that a good instrument would be adopted at the final session of the diplomatic Conference which Switzerland would be honoured to host in Geneva in September 2009.

27. The *representative of Colombia* stated that Colombia took note of the Work Programme and expressed her country's support for the Secretary-General's suggestion to assign the highest priority to the completion of work on intermediated securities, the additional chapters of the UNIDROIT Principles, and the Space Protocol to the Cape Town Convention.

28. The *representative of Slovenia* stressed the importance of adopting the draft Convention on intermediated securities and took the view that projects in the area of financial markets law should be given the highest priority and that sufficient financial resources should be allocated to enable the project to be completed.

29. The *representative of Brazil* shared the view expressed by the Secretary-General and other delegations with regard to the Work Programme. He drew attention in particular to paragraph 2 of Doc. A.G. (63) 5 on the need to avoid duplication or harmful overlap with work underway in other organisations. He felt that the member States would welcome the views of the Secretary-General on this problem to assist in deciding whether work should be undertaken by UNIDROIT or should rather be carried out elsewhere.

30. The *representative of the United Kingdom* also expressed strong support for the proposals set out by the Secretary-General. The United Kingdom, as the country that had put forward the project on investor classification and strongly supported the netting proposal, thanked the Secretary-General for saying that these were important projects. The United Kingdom recognised the need for decisions to be looked at again in light of the current economic climate.

31. *There having been no further comments, the President of the General Assembly concluded that the General Assembly had endorsed the recommendations made by the Governing Council concerning the Work Programme for the years 2009-2011 and assigned the highest priority to the*

finalisation of the draft Convention on intermediated securities, the additional chapters of the UNIDROIT Principles of International Commercial Contracts currently under preparation and the Space Protocol to the Cape Town Convention. The General Assembly also agreed to reconsider the Work Programme at its next session in the light of any recommendations to that effect that the incoming Governing Council and the Secretary-General may then submit.

Item No. 7 on the agenda: Final modifications to the budget and approval of the accounts for the 2007 financial year (A.G. (63) 5)

32. The *Deputy Secretary-General* noted that 2007 had been a fairly positive year from a budget point of view, the accounts for the 2007 financial year showing that actual receipts (including the carryover from 2006), at € 2,274,232.72 had been slightly higher than the original estimates, while expenditure, at € 2,156,996.71 had been slightly lower. This had left a fairly sizable surplus to be carried over to 2008, part of which, consisting of the large donation made by the Government of the United Kingdom first in 2006, then in 2007 and again in 2008 and 2009, had however been earmarked to fund one post of Deputy Secretary-General. The Secretariat was profoundly grateful to the Government of the United Kingdom for this generous grant. The accounts having been verified by the auditor, the Finance Committee had recommended their approval at its 64th session held on 9 October 2008.

33. The *representative of Germany* indicated that Germany was pleased to approve the report relating to point 7 of the agenda and congratulated the Secretariat on the surplus registered for 2007 and its carryover to the 2008 budget.

34. The *representative of Canada* also supported the approval of the final modifications to the budget and the accounts for the 2007 financial year.

35. *No further observations having been made, the President of the General Assembly concluded that the Assembly had approved the final modifications to the budget and the accounts for the 2007 financial year.*

Item No. 8 on the agenda: Adjustments to the budget for the 2008 financial year (A.G. (63) 6)

36. The *Deputy Secretary-General* recalled that it was customary for the Secretariat to submit, first to the Finance Committee and then to the General Assembly, a paper indicating any adjustments that might need to be made to the budget for the current financial year, on the basis of the accounts available for the previous financial year, the partial accounts available for the current financial year and any other modifications due to exceptional circumstances. As regards the budget for 2008, one such unforeseen circumstance had been the fact that the work on the draft Convention on intermediated securities had not been completed as expected at what had turned out to be the first session of the diplomatic Conference in Geneva in September, and as a result certain items of expenditure had had to be adjusted for 2008 and this would also have repercussions for 2009. However, the Secretariat would be making these adjustments within the individual chapters and articles and as a consequence there was no need to submit the detail of these modifications to the General Assembly. The relevant budget allocations would be modified thanks also to a generous contribution by the Swiss Government partly to fund the salary of the research officer assigned to the intermediated securities project, which was to have been for 2008 only but which would now be continued into 2009, when the final session of the diplomatic Conference was to be held, once again hosted and organised by the Swiss Government. The accounts for 2008, which would be available in April 2009, would simply show certain adjustments within individual chapters.

37. *The General Assembly took note of the report on the adjustments to the budget for the 2008 financial year.*

Item No. 9 on the agenda: Arrears in contributions of member States (A.G. (63) 7)

38. The *Deputy Secretary-General* announced that the Secretariat having been informed that Nigeria had now paid its arrears, this now left only one State in arrears, Bolivia. On the whole, however, the situation with regard to arrears had improved and the Secretariat expressed its satisfaction at this development.

39. The *representative of Argentina* informed the General Assembly that Argentina had now solved its financial difficulties and had thus been able to honour its contribution. She thanked the Secretariat for its understanding in resolving the issue.

40. *The General Assembly took note of the report of the Secretariat on arrears.*

Item No. 10 on the agenda: Approval of the draft budget for 2009 and fixing of the contributions of member States for that financial year (A.G. (63) 8)

41. Before handing over to the Deputy Secretary-General to illustrate the individual components of the draft budget, the *Secretary-General* offered some general comments on the budget, the budget process and the financial management of the Institute. The first point he raised was related to the previous agenda item: there was always and chronically an element of uncertainty in the financial management of the Institute. While the words "assess contributions" might give an illusory impression of stability, experience showed that member States might fall into arrears and that contributions might not be forthcoming. This forced the Institute to work with reserves, making economies to cater for that element of uncertainty.

42. This in turn affected planning, which raised another issue, that of the Institute's relationship with voluntary contributions from the private sector. Some of the Institute's projects depended on such contributions, *e.g.* the UNILAW database which received much appreciated donations from the Uniform Law Foundations. The Secretariat would welcome a dialogue with the member States, the Finance Committee and the Governing Council on the appropriate frame for private sector support for the Institute's work, in particular where reliance on private sector contributions for the payment of the salaries of the staff needed to carry out its projects was concerned. Leaving aside the obvious issue of political accountability and transparency, the Secretary-General focused on the problem from a purely managerial point of view: the natural lifespan of a legislative project being at least two or three years, and private sector resources being chronically and notoriously more volatile than government resources, they did not offer the stability and predictability needed to retain the expertise within the Secretariat needed for carrying out a project.

43. The second point was that no mention was made in this draft budget of the cost of the final session of the diplomatic Conference to adopt a Convention on intermediated securities. This was to be covered by the host country, Switzerland, and the Secretariat was deeply appreciative of the Swiss Government's generosity.

44. A final comment concerned the budget format. The Secretariat would be reviewing this for next year and would consider ways of incorporating the project costing elements in the budget presentation without over-burdening it, also bearing in mind that this was the format the Institute's

accountants worked with. One way of including these elements might be to set them out in the form of annexes to the budget.

45. In introducing this item on the agenda, the *Deputy Secretary-General* recalled that the budget procedure had been slightly different this time round. In accordance with Article 31 of the Regulations, as amended by the General Assembly at its 61st session, the Secretariat had prepared first estimates for expenditures and receipts for the financial year 2009 which had been submitted, first to the Finance Committee at its 63rd session, held in Rome on 11 March 2008, then to the Governing Council at its 87th session, held in Rome from 21-23 April 2008. The Council, having taken into account the opinion expressed by the Finance Committee, had established the draft budget for 2009, which had then been submitted to member States' Governments for comment. The Governments of Canada, Colombia, Latvia and Switzerland had availed themselves of the opportunity to formulate observations. At its 64th session, held in Rome on 9 October 2008, the Finance Committee had recommended that the General Assembly approve the draft budget for 2009 at its 63rd session.

46. The draft budget for 2009, as set forth in Appendix I to document A.G. (63) 8, provided for ordinary expenditure of € 2,285,850.00, which represented an increase of 3.48% over the 2008 budget.

47. Taking the different Chapters of the budget in turn, the Deputy Secretary-General pointed out that there had been no increase in Article 1 of Chapter 2, which covered salaries and allowances and as such constituted by far the largest item of expenditure in the Institute's budget. This was because, while in accordance with Italian law salaries would continue to rise to allow for cost-of-living increases, internal staffing adjustments would absorb the roughly 3% increase this entailed. A small increase in Article 2 of Chapter 2 covered the rising cost of external collaborators.

48. In Chapter 3 on social security charges, an increase in expenditure was proposed, partly because these charges were related to the (index-linked) remuneration levels and partly because the Institute had to pay social security charges in respect of the new Secretary-General, whereas, in the case of his predecessor, those charges had been borne by the University of Heidelberg.

49. Another increase concerned Chapter 6. This was because telephone charges and postage were going up, but also because the Institute's own activity had been particularly intense. The diplomatic Conference held in 2007 to adopt a Rail Protocol, the drafting of additional chapters of the UNIDROIT Principles, the work on intermediated securities and on a Space Protocol were cases in point. Other important elements were the maintenance costs of the UNIDROIT Library's excellent new online catalogue as well as postage for the Uniform Law Review, which was unique in its kind and a valuable promotional tool for the Institute and a certain number of copies of which needed to be distributed by post now as in the past. And, while the Secretariat made a point of submitting its working documents and correspondence electronically wherever possible, it was sometimes expedient to send paper copies as well. Chapter 7 showed an increase in expenditure for local taxes which had doubled in the space of two years. Finally, in Chapter 9, covering the Library, which had remained unchanged for several years, increases were now proposed to cover the cost of binding the Uniform Law Review, which was done in-house for reasons of economy, as well as the cost of updating and maintaining the software used for the online catalogue, which involved external assistance.

50. Turning to receipts, the sum of € 80,000 that was to be carried over from the 2008 financial year was, as in past years, to constitute the small reserve to which the Secretary-General had referred earlier. Roughly the same amount was set aside for this purpose each year.

51. The statutory contribution of Italy of € 265,000 was an estimate made by the Secretariat pending approval of the Italian Finance Act, when the Italian Government would announce the exact figure.

52. The extra-statutory contribution of £ 50,000 by the United Kingdom was intended, for the fourth year running, to finance one position of Deputy Secretary-General.

53. What might be termed the Institute's own resources consisted of receipts from the sale of publications and subscriptions to the Uniform Law Review. As to the former, 2007 had seen the publication of the revised edition of the Guide to International Master Franchise Arrangements and in 2008, the publication of Sir Roy Goode's Official Commentary to the Rail Protocol, accompanied by a second edition of his Official Commentary on the Cape Town Convention and its Aircraft Protocol. While these Official Commentaries were not strictly speaking UNIDROIT publications, Sir Roy, who is an honorary member of the Governing Council, had waived his royalties and the income from the sale of these volumes went to the Uniform Law Foundation and thence to the Institute's budget, with the Foundation retaining the right to decide how these (fairly large) sums were to be spent.

54. A new member State (Saudi Arabia) having acceded to the UNIDROIT Statute, the Secretariat, following the opinion expressed by the Finance Committee on this issue at its 64th session, proposed to allocate this additional member State's contribution to supplement the receipts without producing a proportionate reduction of the contributions of member States.

55. Any shortfall that resulted after the carryover from the previous year, the contribution of Italy, any donations and the Institute's own resources had been added up, must be covered by the member States. In the draft budget for 2009, this sum totalled € 1,778,700. The Secretariat accordingly proposed that the statutory contributions of member States other than Italy for 2009 be calculated on the basis of a unit of contribution amounting to € 2,450, representing an increase of 3.29% over the unit of contribution approved by the General Assembly for 2008 (€ 2,372). On a category basis, in absolute figures the increases for 2009 would therefore be as follows: Category I: + € 3,900; Category II: + € 1,716; Category III: + € 1,404; Category IV: + € 1,014; Category V: + € 858; Category VI: + € 702; Category VII: + € 624; Category VIII: + € 390; Special Category: + € 78.

56. In the light of the foregoing considerations, the General Assembly was invited to approve the draft budget for 2009 and the proposed contributions of member States for the financial year 2009.

57. The *representative of the United States of America* reiterated the support that his country and those of the other member States had always shown to UNIDROIT which was small, with a small budget, but accomplished a great deal that was of great practical use to member and non member States alike. He congratulated the Deputy Secretary-General on the transparency of the documents she had submitted. He also expressed his support for the general comments made on the need for the incoming Governing Council and the new Secretary-General to be given some freedom to set the agenda for the coming years.

58. The *representative of Colombia* expressed her gratitude to the Secretariat for having included Colombia's comments on the draft budget, but regretted that her country's recommendation not to increase member States' contributions had not been taken into account. On behalf of her Government, she stated that owing to Columbia's current economic situation, its overall budget for international organisations had been cut and as a consequence, Colombia could not support any increase in the member States' contributions for 2009.

59. The *representative of Canada* reiterated his country's strong support for UNIDROIT's mandate and shared the concerns of many States on the importance of ensuring that the Institute had a sound and stable financial situation that would allow it to achieve that mandate and to meet the objectives of its Work Programme. However, to support the adoption of a draft budget, especially where a significant increase in statutory contributions was proposed, member States must be given clear and sound justification. Canada recognised the Secretariat's considerable efforts in providing information on the proposed estimates for expenditures for the 2009 financial year but, as noted in the written observations annexed to document A.G. (63) 8, believed that some of the proposed increases in expenditures required further justification, while others might require more funds allocated to them. Canada also took the view that providing budgetary information based on a well-defined Work Programme and on a per project basis would better ensure that sufficient funding was allocated to the various projects, thus allowing projects to proceed in a timely manner. Canada appreciated the efforts made to provide information on the costs of the various projects and activities in the Secretariat's report on the implementation of the Strategic Plan, but pointed out that this costing information was general in nature and was provided to member States retrospectively. Canada therefore called for the inclusion in the draft budgets or the detailed commentaries to the draft budgets of well-itemised information regarding proposed resource allocations and increases, based on the priorities set out in the Work Programme. At this time, if the opinion of the General Assembly was to approve the draft budget for 2009, Canada would not block consensus but would strongly urge the Secretariat to continue its efforts to minimise costs and to work toward providing clearer justification on a per project basis in future budgetary proposals.

60. The *representative of Slovenia* supported the views expressed by the representative of Canada. As it understood there were no internal reserves to prevent the roughly 3% increase in member States' contributions, it accepted the situation and the proposed solution, but urged that the most rational and transparent use be made of available resources in the future and that projects should be tailored to these resources.

61. The *representative of Egypt* stated that his country had an across-the-board, general position with regard to increases in the contributions it made to international organisations. Egypt's situation was similar to that of Colombia in this respect and it would be difficult for the delegation of Egypt to agree to any increase in its country's assessments for 2009.

62. The *representative of Nigeria* stated that since the Finance Committee, mandated by the General Assembly, had approved the draft budget at its 64th session based on detailed information, Nigeria was pleased to follow its lead and likewise supported it.

63. The *representative of Germany* expressed his support for the budget proposed by the Secretariat. He also stated that his Government agreed with the new budget procedure that had been introduced this year but like the representative of Canada took the view that even more transparency was needed. He noted, however, that the Secretariat had already made considerable efforts in this direction and that the Secretary-General had announced further changes in the way documents were to be presented for 2010. This, he felt, would go some way to further improving transparency.

64. The *Secretary-General* stated that the Secretariat was obviously committed to making rational and transparent use of the resources made available to it, as indeed it had always been in the past. This was an evolving process of exchanging views with member States on the type of information they expected of the Secretariat, which would be at pains to provide that information in the way member States found most useful for their own internal budget process. Project costing was no doubt useful to Governments and the only reason it had not been included with the current

draft budget was that there had not been time in the few months he had been in office to provide it in a manner that would be both transparent and accurate. The information contained in the document on the implementation of the Strategic Plan was an indication of the type of information that the Secretariat proposed to provide in the next budget submission.

65. The Secretary-General then drew attention to two particular aspects connected with the customary principles that governed relations between international organisations and their member States. One was the governance of the Institute itself, and in this regard the Secretariat would very much welcome the General Assembly's support in ensuring, together with the Finance Committee and the Governing Council, that the assignment of priorities took due account of the budgetary impact of projects. Too often, the Secretariat was left to its own devices to find the resources to fund projects which the Governing Council might have mandated all with equal priority status. Likewise, while ensuring transparency, it was imperative to observe the division of powers between the various organs in an organisation with a particularly complex structure, such as UNIDROIT. It was in part incumbent upon member States to ensure a proper dialogue between these various instances. The second aspect was that while all information would be provided as necessary to member States, it was important to achieve a balance between transparency and micro-management, which latter was not in the interests of either the member States or the Organisation.

66. The *President of the General Assembly* thanked the Secretary-General for these clarifications and, bearing in mind the decision taken by the General Assembly regarding the Work Programme, invited the member States to approve the budget and the increased contributions.

67. The *representative of Egypt* stated that in view of the consensus expressed at the meeting, the Egyptian Government would not block approval of the draft budget but requested that his country's position be duly reflected in the records of the meeting.

68. The *representative of Colombia* stated that her country adopted the same position as Egypt on this matter.

69. *The President of the General Assembly concluded that the draft budget for the financial year 2009 had, accordingly, been approved.*

Item No. 11 on the agenda: Composition of the Finance Committee for the 2009-2011 triennium (A.G. (63) 9)

70. The *Secretary-General* recalled that the Finance Committee was a committee of the General Assembly that played an important advisory role with regard to the preparation of the budget. Its composition was not established in the Regulations nor in the Statute but was decided by the General Assembly. In this regard, the Secretariat would welcome a discussion with the General Assembly on the desirability of formalising the composition of the Finance Committee in the future. For the present, the current members of the Finance Committee having expressed their willingness to continue serving on that body, the Secretariat suggested that the General Assembly, without prejudice to the possible inclusion of any other member of the Finance Committee, might wish to consider that they had been re-elected in that position. Without there being any clear rule on this, the Finance Committee was currently made up of the members belonging to Category 1 (France, Germany, Japan, the United Kingdom and the United States of America), most members of Category 2 (Canada, the Russian Federation and Spain – China not having volunteered to be a member of the Finance Committee), as well as a number of countries representing other categories (Austria, India, the Islamic Republic of Iran, Mexico, Romania and Switzerland). Italy as the host country is also traditionally a member of the Finance Committee.

71. *No other members of the General Assembly having come forward to serve on the Finance Committee, the President of the General Assembly assumed that the current composition of the Finance Committee had the approval of the General Assembly.*

Item No. 12 on the agenda: Any other business

72. No other business was raised.

Item No. 4 on the agenda: Election of the members of the Governing Council for the 1 January 2009 – 31 December 2013 quinquennium (A.G. (63) 2 corr.) –
Results

73. The President of the General Assembly having announced that the ballot count had been completed, and that the representatives of Egypt and Iran, who had arrived after the ballots had been collected but before counting had commenced, had been given the opportunity to vote, the *representative of Chile* on behalf of the ballot committee stated that 56 member States had cast their vote, which in accordance with the rules placed the absolute majority at 29. One vote had had to be annulled because it contained 26 preferences instead of the 25 allowed. Applying the new rule of procedure regarding the original representation, the following countries had been elected directly because they had obtained the majority: in Africa: Nigeria; in the Americas: there was a tie between Brazil and Mexico; in the Asia-Pacific region: India and Japan; in Europe: Germany, Poland and Switzerland. As a result, the member States that had been elected were: Chief Michael Kaase AONDOAKAA (Nigeria) (41 votes); Mr Hans-Georg BOLLWEG (Germany) (53 votes); Mrs Nuria BOUZA VIDAL (Spain) (48 votes), Ms Baiba BROKA (Latvia) (47 votes); Mr Antonio Paulo CACHAPUZ DE MEDEIROS (Brazil) (53 votes); Mr Sergio M. CARBONE (Italy) (49 votes); Mr Sergiu DELEANU (Romania) (48 votes); Mr Michael B. ELMER (Denmark) (49 votes); Mr Henry D. GABRIEL (United States of America) (43 votes); Mr Ian GOVEY (Australia) (48 votes); Mr Attila HARMATHY (Hungary) (52 votes); Mr Arthur S. HARTKAMP (Netherlands) (48 votes); Ms Monique JAMETTI GREINER (Switzerland) (53 votes); Mr Ricardo Luis LORENZETTI (Argentina) (50 votes); Mr LYOU Byung-Hwa (Korea) (50 votes); Mr MO John Shijian (People's Republic of China) (47 votes); Mr Didier OPERTTI BADÁN (Uruguay) (51 votes); Ms Kathryn SABO (Canada) (51 votes); Mr Jorge SÁNCHEZ CORDERO DAVILA (Mexico) (53 votes); Ms Rachel SANDBY-THOMAS (United Kingdom) (49 votes); Mr Biswanath B. SEN (India) (53 votes); Mr Stanisław J. SOLTYSIŃSKI (Poland) (53 votes); Mr Itsuro TERADA (Japan) (53 votes); Mr Daniel TRICOT (France) (52 votes); Mr Ioannis VOULGARIS (Greece) (48 votes).

74. *The President of the General Assembly congratulated all the newly elected members of the Governing Council and declared the meeting closed.*

APPENDIX I

LIST OF PARTICIPANTS/*LISTE DES PARTICIPANTS*

ARGENTINA / <i>ARGENTINE</i>	H.E. Ms Norma NASCIMBENE Chargé d'affaires a.i. Embassy of Argentina in Italy Mr Eduardo ALMIRANTEARENA Secretary Embassy of Argentina in Italy
AUSTRALIA / <i>AUSTRALIE</i>	H.E. Mrs Amanda E. VANSTONE Ambassador of Australia in Italy Ms Lee HOLLOWAY Third Secretary Embassy of Australia in Italy
AUSTRIA / <i>AUTRICHE</i>	Mrs Ingrid PECH Minister Embassy of Austria in Italy
BELGIUM / <i>BELGIQUE</i>	Mme Isabelle MANGELINCKX Consul Ambassade de Belgique en Italie
BOLIVIA / <i>BOLIVIE</i>	excused / <i>excusé</i>
BRAZIL / <i>BRESIL</i>	H.E. Mr Adhemar G. BAHADIAN Ambassador of Brazil in Italy Mr Antonio Paulo CACHAPUZ DE MEDEIROS Legal Adviser Ministry of External Relations Mr Afonso A.S. CARBONAR Minister Counsellor Embassy of Brazil in Italy Ms Tatiana GOMES BUSTAMANTE First Secretary Embassy of Brazil in Italy
BULGARIA / <i>BULGARIE</i>	Ms Boyana TRIFONOVA Second Secretary Embassy of Bulgaria in Italy
CANADA	Mr Peter EGYED Counsellor Political and Public Affairs Embassy of Canada in Italy

CHILE / <i>CHILI</i>	H.E. Mr Cristián BARROS Ambassador of Chile in Italy
	Mr Julio FIOL Counsellor Embassy of Chile in Italy
CHINA / <i>CHINE</i>	Mr WANG Jianbo Third Secretary Embassy of the People's Republic of China in Italy
COLOMBIA / <i>COLOMBIE</i>	Ms Beatriz CALVO VILLEGAS First Secretary Embassy of Colombia in Italy
CROATIA / <i>CROATIE</i>	Ms Iva PAVIĆ Second Secretary, Head of Consular Office Embassy of the Republic of Croatia in Italy
CYPRUS / <i>CHYPRE</i>	Mr Iacovos GIRAGOSIAN First Secretary Embassy of Cyprus in Italy
CZECH REPUBLIC / <i>REPUBLIQUE TCHEQUE</i>	Mr Petr JAROŠ Counsellor Embassy of the Czech Republic in Italy
DENMARK / <i>DANEMARK</i>	Mr David NEUTZSKY-WULFF Head of Section Ministry of Justice
EGYPT / <i>EGYPTE</i>	Mr Alaa ROUSHDY Counsellor Embassy of the Arab Republic of Egypt in Italy
ESTONIA / <i>ESTONIE</i>	Ms Anneli SOOBA Second Secretary Embassy of Estonia in Italy
FINLAND / <i>FINLANDE</i>	Mr Jussi TANNER Second Secretary Embassy of Finland in Italy
FRANCE	Mme Françoise TRAVAILLOT Magistrat de liaison Ambassade de France en Italie
GERMANY / <i>ALLEMAGNE</i>	Mr Peter ADAMEK Head of Consular and Legal Department Embassy of Germany in Italy

GREECE / <i>GRECE</i>	Ms Maria THEODOROU First Counsellor Embassy of Greece in Italy
HOLY SEE / <i>SAINT-SIEGE</i>	Mr Paolo PAPANTI-PELLETIER Juge adjoint près le Tribunal d'Etat de la Cité du Vatican
HUNGARY / <i>HONGRIE</i>	Mr Mark Aurel ERSZEGI Second Secretary Embassy of Hungary in Italy
INDIA / <i>INDE</i>	Mr Saurabh KUMAR Deputy Chief of Mission Embassy of India in Italy
	Mr M. SUBBARAYUDU Counsellor (Commercial) Embassy of India in Italy
IRAN (Islamic Republic of) / <i>IRAN (République islamique d')</i>	Mr Rahmatollah AZADEH Counsellor Embassy of the Islamic Republic of Iran
IRELAND / <i>IRLANDE</i>	Ms Joanne KING Second Secretary Embassy of Ireland in Italy
ISRAEL	Mr Rami HATAN Counsellor (Political Affairs) Embassy of Israel in Italy
ITALY / <i>ITALIE</i>	Mr Paolo Vincenzo MASSA Counsellor Ministry of Foreign Affairs
	Ms Maria Chiara MALAGUTI Legal expert
JAPAN / <i>JAPON</i>	Ms Mariko SHIKAKURA Second Secretary Embassy of Japan in Italy
LATVIA / <i>LETTONIE</i>	H.E. Mrs Astra KURME Ambassador of Latvia in Italy
	Ms Baiba BROKA Parliamentary Secretary Ministry of Justice
	Ms Anita ZIKMANE Director - Civil Law Department Ministry of Justice

LITHUANIA / <i>LITUANIE</i>	Mrs Laura TILŪNAITĒ Consul - Third Secretary Embassy of the Republic of Lithuania in Italy
LUXEMBOURG	M. Frank BIEVER Secrétaire de Légation Ambassade du Luxembourg en Italie
MALTA / <i>MALTE</i>	Ms Ritienne BONAVIA Alternate Permanent Representative Permanent Representation of Malta to the United Nations Specialised Agencies in Italy
MEXICO / <i>MEXIQUE</i>	Mr Diego SIMANCAS GUTIERREZ Second Secretary Embassy of Mexico in Italy
NETHERLANDS / <i>PAYS-BAS</i>	Mr Chris DEVILLERS First Secretary Embassy of the Netherlands in Italy Mr Foort VAN OOSTEN Legal Counsel Legal Affairs Department Ministry of Foreign Affairs
NIGERIA	Chief Michael Kaase AONDOAKAA, SAN Attorney General of the Federation and Minister of Justice Federal Ministry of Justice Mrs M.U. AGBAMUCHE Director, International of Comparative Law Department Mr A.Y. GULMA Director (Finance and Account) Mr F.B.I. EGOLUM Director (Planning, Research and Statistics) Federal Secretariat Federal Ministry of Justice Mr A. Anthony MALIK Special Assistant to Honourable Attorney General of the Federation and Minister of Justice Federal Ministry of Justice Mr Peter AKPER Special Assistant to Honourable Attorney General of the Federation and Minister of Justice Federal Ministry of Justice

Mr Onov TYUULGH
Special Assistant to Honourable Attorney General of the
Federation and Minister of Justice
Federal Ministry of Justice

Mrs A.A. SONAIKE-AYODEJI
Assistant Director

Ms S.A. ABURIME
Assistant Chief Legal Officer

Mrs V.C. UMOREN
Assistant Chief Legal Officer

Mr Tema Johnson YAJI
Personal Assistant to Honourable Attorney General of
the Federation and Minister of Justice
Federal Ministry of Justice

Mr Edward D. OSUNMAKINDE
Minister Plenipotentiary
Embassy of Nigeria in Italy

Mr I.A. YUSUF
Minister / Head of Chancery
Embassy of Nigeria in Italy

Mr O.K. ONAGA
First Secretary (Political & Economic)
Embassy of Nigeria in Italy

NORWAY / NORVEGE

Mr Irvin HØYLAND
Deputy Director General
Department for Legal Affairs
Ministry of Foreign Affairs

PAKISTAN

H.E. Ms Tasnim ASLAM
Ambassador of the Islamic Republic of Pakistan in Italy
President of the General Assembly

Mr Ata-ul-Munim SHAHID
Counsellor
Embassy of the Islamic Republic of Pakistan in Italy

Mr Aamer AHMED
Commercial Counsellor
Embassy of the Islamic Republic of Pakistan in Italy

POLAND / POLOGNE

H.E. Mr Jerzy CHMIELEWSKI
Ambassador of Poland in Italy

PORTUGAL	Ms Inês MATOS Legal Adviser Ministry of Foreign Affairs
	Mr Bernardo DE LUCENA Minister Counsellor Embassy of Portugal in Italy
REPUBLIC OF KOREA / <i>REPUBLIQUE DE COREE</i>	Mr JUNG Byung-won Director Multilateral Treaties Division Ministry of Foreign Affairs and Trade
	Mr KANG Young-shin First Secretary Embassy of the Republic of Korea in Italy
	Mr LEE Sang-yun, Second Secretary Office of International Organisations, Global Issues and Treaties Multilateral Treaties Division Ministry of Foreign Affairs and Trade
ROMANIA / <i>ROUMANIE</i>	Ms Alina CATANA Third Secretary Embassy of Romania in Italy
	Mr Sergiu DELEANU Vice Dean at the Law Faculty of the “Babes Bolyai” University
RUSSIAN FEDERATION / <i>FEDERATION DE RUSSIE</i>	Mr Pavel VOLKOV Director of the Legal Department Ministry of Economic Development of the Russian Federation
	Mr Oleg BEKASOV Director Department for Human Resources Management Ministry for Economic Development
	Mr Valery FEDCHUK Legal Adviser Trade Representation of the Russian Federation in Italy
SAN MARINO / <i>SAINT-MARIN</i>	S.E. Mme Barbara PARA Ambassadeur de la République de Saint-Marin en Italie
	Mme Marina EMILIANI Conseiller Ambassade de la République de Saint-Marin en Italie

SERBIA / <i>SERBIE</i>	Ms Dragana VUKOVIC-LJUBOJEVIC First Secretary Embassy of the Republic of Serbia in Italy
SLOVAKIA / <i>SLOVAQUIE</i>	Mrs Petra FRANKOVÁ Head of the Consular Section Embassy of Slovak Republic in Italy
SLOVENIA / <i>SLOVENIE</i>	Ms Mojca NEMEC Second Secretary Embassy of the Republic of Slovenia in Italy
SOUTH AFRICA / <i>AFRIQUE DU SUD</i>	Mr Duncan SEBEFELO Counsellor Multilateral Affairs Embassy of South Africa in Italy
	Ms Laura ALLIDI Embassy of South Africa in Italy
SPAIN / <i>ESPAGNE</i>	Mr Christopher GERKE Counsellor General Technical Directorate Ministry of Foreign Affairs
	Ms Vera SOLER DEL CAMPO First Secretary Embassy of Spain in Italy
	Ms Nuria BOUZA VIDAL Professor of Law School of Law, Pompeu Fabra University
SWEDEN / <i>SUEDE</i>	Mrs Sofia JUNGSTEDT Legal Adviser Division of Family Law and the Law of Contracts, Torts and Personal Property Ministry of Justice
SWITZERLAND / <i>SUISSE</i>	Mme Monique JAMETTI GREINER Vice-Directrice de Office fédéral de la justice et responsable pour le droit privé à l'Office fédéral de la justice
	Mme Manuela LEIMGRUBER Première Secrétaire Ambassade de Suisse en Italie
TUNISIA / <i>TUNISIE</i>	M. Abdelhamid ABID Conseiller Ambassade de Tunisie en Italie

TURKEY / <i>TURQUIE</i>	Ms H. Oya TUNGA Counsellor Embassy of Turkey in Italy
	Ms Nuray EKŞI Professor of Law School of Law University of Marmara
UNITED KINGDOM/ <i>ROYAUME-UNI</i>	Ms Sally MOSS Head, Legislation and International Policy Unit Department of Business, Enterprise and Regulatory Reform
	Ms Claudia GIUNCHIGLIA Trade Relations Officer Embassy of the United Kingdom in Italy
UNITED STATES OF AMERICA / <i>ETATS-UNIS D'AMERIQUE</i>	Mr Leslie deGRAFFENRIED First Secretary-Alternate Permanent Representative United States Mission to the United Nations Agencies for Food & Agriculture
URUGUAY	Mr Carlos BENTANCOUR Minister Counsellor Embassy of Uruguay in Italy
VENEZUELA	H.E. Ms Gladys F. URBANEJA DURÁN Ambassador Permanent Representation of the Bolivarian Republic of Venezuela to FAO

OBSERVERS / *OBSERVATEURS*

SOVEREIGN MILITARY ORDER OF MALTA/ <i>ORDRE SOUVERAIN MILITAIRE DE MALTE</i>	H.E. Mr Aldo PEZZANA CAPRANICA DEL GRILLO Ambassador
---	---

UNIDROIT

Mr José Angelo ESTRELLA FARIA, Secretary-General / *Secrétaire-Général*
 Mr Martin STANFORD, Deputy Secretary-General / *Secrétaire Général adjoint*
 Mrs Alessandra ZANOBETTI, Deputy Secretary-General / *Secrétaire Général adjoint*
 Ms Lena PETERS, Senior Officer

APPENDIX II**AGENDA**

1. Opening of the session by the President of the Institute and the President of the General Assembly 2007 - 2008.
2. Appointment of the President of the General Assembly 2008 - 2009.
3. Adoption of the agenda (A.G. (63) 1 rev. 2).
4. Election of the Governing Council's members for the 1 January 2009 - 31 December 2013 quinquennium (A.G. (63) 2 corr.).
5. Statement regarding the Organisation's activity in 2008 and the implementation of the Strategic Plan (A.G. (63) 3).
6. Adoption of the Organisation's Work Programme for the 2009 - 2011 triennium (A.G. (63) 4).
7. Final modifications to the budget and approval of the accounts for the 2007 financial year (A.G. (63) 5).
8. Adjustments to the budget for the 2008 financial year (A.G. (63) 6).
9. Arrears in contributions of member States (A.G. (63) 7).
10. Approval of the draft budget for 2009 and fixing of the contributions of member States for that financial year (A.G. (63) 8).
11. Composition of the Finance Committee for the 2009 - 2011 triennium (A.G. (63) 9).
12. Any other business.