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## **REPORT**

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### **Opening of the session**

1. The 67<sup>th</sup> session of the General Assembly was held at the headquarters of UNIDROIT on 1 December 2010 and was attended by the diplomatic representatives in Italy of 44 member States and one observer (*cf.* the list of participants in Appendix I).

2. The *Secretary-General of the Institute* invited the participants to observe a minute's silence in memory of the President of the Institute, Professor Berardino Libonati, who had passed away on the eve of the Assembly meeting. He then gave the floor to *Ms Dearbhla Doyle*, who was representing the outgoing President of the General Assembly (2009-2010), *H.E. Mr Patrick Hennessy*, Ambassador of Ireland.

3. *Ms Doyle*, after expressing great regret at the sudden passing of President Libonati, stated that Ireland had been proud to preside the Assembly during what had been a year of intense activity for the Organisation. It had seen the completion of the third edition of one of the landmark instruments prepared by the Institute, the *UNIDROIT Principles of International Commercial Contracts*; a revised draft of the Official Commentary to the *Convention on Substantive Rules for Intermediated Securities* had been circulated to Governments for comment; the fourth meeting of the Committee of Governmental Experts for the preparation of a draft *Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Space Assets* had made such marked progress that the Governing Council had decided to authorise the holding of a final session of the Committee in Rome from 21-25 February 2011 and, in the light of progress made at that final session, to defer to its 90<sup>th</sup> session the decision as to decide whether the preliminary draft Protocol might be referred to a diplomatic Conference for adoption. The bidding process for the establishment of the International Registry envisaged by the Luxembourg Protocol to the *Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock* was now expected to be completed in time for the entry into force of the Protocol. Then, the Governing Council had agreed to the re-structuring of the UNILAW database the better to match its objectives to existing resources. As a result, UNILAW, while focusing primarily on instruments directly resulting from the work of UNIDROIT, would offer a comprehensive and finely structured gateway to sources of information on uniform law instruments developed by other Organisations. And lastly, the Governing Council had set up an *ad hoc* working group to make proposals for revision of the 2003 Strategic Plan of the Organisation.

4. This impressive output clearly demonstrated that UNIDROIT continued to play an important role in addressing significant issues of concern to its member States and that it was an important resource for the international community.

### **Appointment of the President of the General Assembly 2010-2011**

5. *Ms Doyle* recalled that the Presidency of the General Assembly was as a rule determined by rotation on a yearly basis among the geographic regions into which the UNIDROIT membership was divided in accordance with Article 7(5)*ter* of the UNIDROIT Regulations. It was now the turn of the African group of nations to assume the Presidency.

6. *The General Assembly* agreed to the proposal by the representative of Egypt to nominate *H.E. Ms Thenjiwe E. Mtintso*, Ambassador of the Republic of South Africa in Italy, as President of the General Assembly for the period 2010-2011.

7. The newly-elected *President of the General Assembly* expressed her gratitude to UNIDROIT for her nomination and for the confidence thereby shown in South Africa. She was taking over at a time when the great social and economic advantages accruing from technological and scientific progress, accelerated in the form of globalisation, continued to co-exist in the global order with hunger and poverty. This emphasised the importance of the work undertaken by UNIDROIT, which was well-placed to provide more neutral, balanced legal rules for the global finance system that

could ensure the participation of all countries, including the developing countries. However, she urged UNIDROIT to look beyond its usual focus and attempt to examine areas unusual for it, such as climate change, food security, gender equality and infrastructure, so as to improve conditions especially in the developing world.

**Adoption of the agenda** (A.G. (67) 1)

8. The *President of the Assembly* pointed out that the report of the 68<sup>th</sup> session of the Finance Committee held in October 2010 had been distributed to the delegates and should likewise be taken into consideration under this agenda item.

9. *The General Assembly adopted the agenda with that addition (Appendix II).*

**Statement regarding the Organisation's activity in 2010** (A.G. (67) 2)

10. The *Secretary-General* introduced this item, referring in general to the Annual Report, which was submitted to the General Assembly for information only, formal approval falling to the Governing Council. Since Ms Doyle had already summarised the Institute's main achievements in 2010, it fell to him merely to add some related points in respect of the Organisation's legislative activities. First of all, the completion of the third edition of the *UNIDROIT Principles of International Commercial Contracts* had been a milestone in an area of work that had enhanced the authority and reputation of UNIDROIT in legal circles around the world. It had been an immense task, but now that publication was imminent (2011), no further changes would be made to the text for some years; the focus would now be on its promotion.

11. As to the second main item, the *preliminary draft Space Protocol* had been a relatively long time in the making. After a period of stagnation due to a lack of resources, lukewarm industry commitment and fading interest in some key participating States, 2008 had heralded a more intensive stage in the negotiation process and while some problems remained, there were signs that the project might now be completed at committee level by early 2012. Credit for this must go to the experts involved and to the efforts of their chairman, Professor Marchisio, while some important input from the space financing industry and commercial satellite operators had also been instrumental in clarifying some thorny outstanding issues. If the final committee meeting in February 2011 were to be a success, the Governing Council might authorise the transmission of the preliminary draft Protocol to a diplomatic Conference in 2011.

12. Turning to the *Geneva Securities Convention*, he briefly outlined the drafting history of the Official Commentary to date. A new version of that text had been circulated in August 2010, and as only one comment had been received so far, it might be concluded that this was now a fairly mature text. Also, a first meeting of the Committee on Emerging Markets Issues and Implementation had been held in Rome in September 2010. The Committee had agreed to pursue its work at regular intervals in the future to evaluate the state of play in respect of the Convention and to examine the possibility of future work by UNIDROIT in the capital markets area. A Secretariat memorandum explaining the Convention's declarations mechanism had been circulated and comments to that text, as well as to the Official Commentary were now awaited.

13. Informal consultations had been held back-to-back with the draft Space Protocol meeting to discuss the project on *liability for GNSS services*. This had been a highly informative meeting at which both strong interest and persistent hesitations had found expression. It would be up to the General Assembly to decide on the status of that project. The Secretariat was meanwhile pursuing its mandate to define the scope of a possible future instrument. There were plans to organise another meeting in similar vein some time in February, again back-to-back with the meeting of governmental experts to prepare the Space Protocol.

14. Finally, he recalled that for the 2007 *Luxembourg Rail Protocol* to become operational, an International Registry must first be put in place. After an initial setback with the first round of the bidding process, there were now a number of strong, qualified bidders in the field and if all continued to go well, a Registry might be in place by mid-2011.

15. Turning to the Organisation's non-legislative activities, the Secretary-General singled out the *Library*, which was a key tool in supporting the Institute's harmonisation work and facilitating research by scholars from all over the world, and the *Uniform Law Review*, the flagship of the Institute. Unfortunately, the Institute was unable to afford a fully-fledged publications programme. The UNILAW database, as had been pointed out by Ms Doyle, was to proceed with a new focus. Lastly, the promotion of existing instruments continued to suffer from a cruel lack of funds.

16. The *representative of Italy* thanked the Secretary-General for his presentation and expressed satisfaction in particular at the completion of the third edition of the UNIDROIT Principles and the Official Commentary to the Geneva Securities Convention. He also congratulated the President of the Assembly for her sharing with the Assembly her vision of the role of UNIDROIT in a changing world.

17. The *President of the General Assembly* stressed that one of the challenges faced by Africa, in particular, was the vast number of Conventions in existence which needed promoting and implementing. Any assistance that could be given by UNIDROIT in this respect would be greatly appreciated.

18. *The President of the General Assembly declared that the General Assembly had taken note of the Secretary-General's statement.*

#### **Adoption of the Organisation's Work Programme for the 2011-2013 triennium**

(A.G. (67)3)

19. In introducing this item, the *Secretary-General* recommended that the delegates read Document A.G. (67) 3) in conjunction with the summary conclusions of the 89<sup>th</sup> session of the Governing Council contained in document C.D. 89 Misc 4, which had been circulated and posted on the area of the UNIDROIT website reserved for Governments in the summer of 2010.

20. The Secretary-General presented the Governing Council's recommendations in respect of the Work Programme in three parts. The first part concerned topics on the current legislative Work Programme that were to be carried over in full or in part into the next triennium. These included the activities already referred to earlier and concerning the finalisation of all of which the Council recommended high priority (remaining work on the preliminary draft Space Protocol, publication of the Official Commentary to the Geneva Securities Convention, publication of the third edition of the UNIDROIT Principles). A second part covered ongoing activities (depository function for the Cape Town Convention; promotion and implementation; legal co-operation, the scholarships programme, publications, the UNIDROIT website, the library, the UNILAW database), all of which the Governing Council recommended should be continued but with different levels of priority. The third part concerned entirely new legislative projects to be included in the Work Programme. Since the bulk of the "old" projects had now been delivered or were near completion, many of the new projects in the Work Programme were at the starting phase, and in recommending priority levels, the Governing Council referred to the criteria proposed by the Secretariat, which were essentially two: priority to be given to the allocation of meeting costs/ time), and priority for the allocation of human resources.

21. The Organisation's meetings budget was very small, with only € 65,000 available for all project-related meetings of the Secretariat within a given financial year. Most of the meetings for a project concerned the preliminary work, and as a rule this meant that at most four small-scale meetings per project could be financed annually by the Secretariat. The Council had accordingly been invited to be very parsimonious in allocating high priority status to projects – basically, the

Institute's finances simply could not carry more than two high-priority projects in any given Work Programme. Projects allocated medium priority would be those that would take advantage of any savings made on high-priority project meetings or for one reason or another benefit from external funding. Low priority projects would remain firmly on the back burner and depend entirely on external funding or the cancellation of other projects to move forward.

22. As to the criteria for staff time, the Secretariat rated a project requiring at least 70% of a staff member's time as high priority; a medium-priority project would take no more than 50% of a staff member's time; low priority implied not more than 25%.

23. The *representative of Canada* expressed general support for the proposed Work Programme, judging that it largely achieved a delicate balance between several factors, such as addressing the need to support existing work, dealing with budget constraints and seeking to ensure that there were projects in development for the Institute to move forward on in the coming years. Specifically, however, Canada shared the perceived hesitation within the Council as to future Cape Town protocols, in particular that relating to agricultural and mining equipment. More information from the Secretariat would however be useful in this connection. As to netting, Canada agreed that this should have high priority. Canada was also encouraged to see possible work in the area of development, where there was certainly a supplemental role for UNIDROIT and which provided a very good opportunity to co-operate with other bodies. Canada's main concern in respect of the Work Programme, however, regarded the issue of third party liability for GNSS services, where Canada felt that it was premature for that project to have been given a budget at this stage and for committee meetings to be on the agenda already, with an intergovernmental stage pencilled in for 2013. While Canada appreciated the interest for UNIDROIT to move into fields at the forefront of a new era, she recalled that the Governing Council had mandated the Secretariat to look at the feasibility and desirability of UNIDROIT taking on work in this particular area, where there were already a multiplicity of liability regimes (e.g. for transport, the environment, nuclear activities) that Canada felt were adequate to address any issues that might arise out of GNSS. Canada would await the results of the Secretariat study before committing itself any further.

24. The *representative of the United States of America* expressed his appreciation that UNIDROIT was now focusing on the long-term costs of projects and on where and how funding was to be found. He also welcomed the discussion on priorities as well as the Governing Council's comprehensive review of the Strategic Plan as discussed at the previous General Assembly meeting, and supported the Secretary-General for implementing work reforms that affected the level of participation by all member States. The United States recommended that from 2011, documents for the Governing Council meeting be circulated to all member States sufficiently in advance to allow reasonable comments and recommendations to be made, and to permit member States not represented in the Governing Council to assist as observers and have a time set aside for them to make general or specific comments.

25. Turning to specific issues, the US representative commended the Geneva Securities Convention which was the first such instrument to achieve harmonisation of cross-border transfers of investment securities, and looked forward to seeing the accession documents that were to be prepared to facilitate its implementation. As to the Cape Town Protocols, the United States recognised the continued achievements of this new trading system with respect to aircraft and rolling stock, and hoped that further progress would be made on the future Space Protocol in February 2011 where, however, adequate industry support was bound to prove vital for progress. As to the projected fourth protocol on mining equipment, this project, coupled with a related phase on agricultural production finance, could potentially impact many countries and provided an ideal opportunity for UNIDROIT to work closely and substantively with FAO and other Organisations in Rome. On the issue of third party liability for GNSS services, the United States shared the view expressed by the representative of Canada not to support work towards a multilateral Convention on this issue.

26. The *representative of Mexico* hailed the sense of realism that had presided over the preparation of the Work Programme. Mexico particularly welcomed the imminent publication of the third edition of the UNIDROIT Principles, as well as the importance that continued to be given to the Cape Town system, especially the high priority accorded to the completion of the future Space Protocol. It had some doubts as to the proposed fourth protocol, deeming that some of the issues related to agricultural and to construction and mining equipment were, or might be, more appropriately covered in other instruments. As to agricultural finance, Mexico supported the approach outlined by the Secretary-General favouring co-operation with bodies such as FAO and IFAD, and given the breadth of the issue, also with WIPO, the World Bank and other international financial institutions.

27. Turning first to the netting project, the *representative of Italy* expressed the Italian delegation's strong support for this complement to the intermediated securities Convention that would address the most urgent post-crisis needs and secure UNIDROIT a place as one of the leading Organisations for the production of legal provisions for financial markets. This work should be considered in tandem with work on a legislative guide to enhance trading in securities in emerging markets. As to the GNSS project, Italy remained convinced that the issue of third party liability for GNSS service malfunction was of extreme relevance and that the fact that other international fora were also active in this field, in particular the European Union, should be no deterrent to UNIDROIT undertaking work in this area. UNIDROIT had worked well with other international Organisations in the past and doubtless would do so again. Likewise, Italy did not believe that the priority-setting argument of relative lack of human resources held water. All the Organisation's past successes spoke against this. The substantial input by external experts had enabled UNIDROIT's small staff to deal with a multiplicity of projects time and again, rather than wait for one project to be completed before tackling another. In the instant case, if the Institute had to wait for the netting project to be finalised, it would not be able to start work on GNSS before 2014 at the earliest. This would be much too late. He announced in this connection that the Italian Government could consider making available an expert to UNIDROIT to work on the GNSS project at no extra cost to the Institute.

28. As to the proposed model law on the protection of cultural property, the Italian delegation understood that priorities must be assigned to different projects. However, this specific project would not cost UNIDROIT anything since UNESCO was prepared to fund it. Since UNESCO would go ahead with the project anyway, and if UNIDROIT were not to be involved, the risk was that no further work would be done on implementing the UNIDROIT Convention. Italy therefore strongly urged that this project, too, be undertaken in 2011.

29. In conclusion, the representative of Italy recalled that countries all over the world were at present engaged both domestically and internationally upon a severe cost-cutting drive. This meant that more would have to be done with the same resources, and indeed, more would have to be done with less.

30. The *representative of Japan* stated that the Japanese Government supported the proposed Work Programme generally. Specifically, on GNSS, she indicated that her Government reserved its position as to the need for such an instrument at this time, but stressed that in launching a feasibility study, account should be taken of the GNSS providers' views.

31. Still on the subject of GNSS, the *representative of Norway* stated that in principle, his Government favoured clarification of the liability position in the event of accidents arising out of the malfunction of GNSS equipment. It did, however, advocate a more extensive evaluation of the need for such regulation before starting work, and saw a need to define more explicitly the scope of such an instrument and what was already regulated by other instruments of international law. Norway stressed the importance of pinpointing responsibility in relation to sea captains and to States' operating systems charged with identifying errors in GNSS signals.

32. The *representative of China* welcomed the impending publication of the third edition of the UNIDROIT Principles. Turning to the future Space Protocol, he suggested that enough time be set aside for member States to review it prior to the diplomatic Conference. He also joined the representative of Italy in calling for the work on cultural property to move ahead in collaboration with UNESCO.

33. The *representative of the United Kingdom* congratulated the Secretariat on its preparation of the future Work Programme. The British Government particularly commended the way in which the Governing Council had addressed the issue of priorities in allocating meeting costs and staff. It supported the Secretariat's proposal to assign priority to the finalisation of the current Work Programme, as well as its proposals in respect of the Institute's depositary function, its promotional activities and legal co-operation work. Likewise, it agreed with the way in which the Secretariat planned to fulfil its non-legislative activities. However, given the current financial situation, the UK Government had reservations about continuing work on any further Cape Town protocols and on third party liability for GNSS services.

34. The *representative of Germany* likewise commended the Secretariat's approach evidenced in the Work Programme. Germany agreed to the programme generally, but favoured priority to be given first to the Space Protocol, then to the other protocols and netting. She recalled the German Government's initiative to identify sources of funding and private sponsorship for given projects, and echoing the position taken by Italy, suggested that other States might find their way to do so as well. On GNSS, Germany agreed with Canada and the United States in wishing the project placed on ice.

35. The *representative of Spain* expressed his Government's global support for the Work Programme and for the priorities assigned, stressing in particular the importance of finalising the Space Protocol in 2011. Spain was also prepared to make an active contribution to the preparation of an instrument on netting, and agreed with the high priority assigned to that project. Finally, Spain was particularly keen to see work undertaken on the cultural property model law project and was eagerly awaiting the outcome of consultations between UNIDROIT and UNESCO in this connection, and agreed with the Italian delegation that ideally, this project should start in 2011.

36. The *representative of France* agreed with other delegations that the financial situation dictated that priorities must be set. France for its part was in favour of seeing the netting project taken forward, and of starting work in the area of private development law, especially on private law aspects of agricultural financing, which would provide an excellent opportunity to work with other Rome-based Organisations.

37. With a view to clarifying some individual points made by the different delegations, the *Secretary-General* indicated, first, that the low priority assigned to the cultural property model law project simply reflected the pace of work on the UNESCO side and the need to define the scope of the project more precisely. Once the project really got going, UNIDROIT would mobilise the necessary resources and set a level of priority adequate to it. Second, as to third party liability for GNSS services, the Secretariat was very grateful to the Italian Government for its offer to provide outside expertise for the project. He stressed, however, that this project actually already was on the Work Programme in that the Secretariat was conducting the consultations requested by the Governing Council, with a view to establishing clarity, as indeed the representative of Norway had urged, as to what it should cover, how it related to other instruments and to work undertaken by other Organisations. The area was a vast one where UNIDROIT would have to be careful to identify a very precise area of activity. Clearly, there could be no question of a draft at this stage, but the Secretariat was working on what it had been asked by the Governing Council to do, which included obtaining input, as the representative of Japan had stressed, from the operators, Governments, other Organisations, and to move forward from there.

38. The *President of the General Assembly* stated that one of the challenges facing the Organisations was that of budgetary constraints and “doing a lot with little”, as several delegations had indeed pointed out. One way was to collaborate and forge partnerships with other institutions. She joined the Secretary-General in expressing gratitude to Italy, Germany and other countries that were prepared, over and above their regular contributions, to provide other forms of support to ensure that UNIDROIT’s projects could continue.

39. The President of the General Assembly concluded that there had been no substantial opposition to proposals put forward by the Secretariat and that the Assembly endorsed the Work Programme, generally (*Appendix III*).

40. *It was so agreed.*

***Final modifications to the Budget and approval of the Accounts for the 2009 financial year*** (A.G. (67) 4)

41. The *Deputy Secretary-General* introduced this item, referring to document A.G. (67) 4). She recalled that the accounts had been first prepared in March 2010, at the closing of the financial year on 28 February 2010. The accounts had then been audited and subsequently submitted to member States’ Governments for comment. No comments had been received. The Accounts indicated that actual receipts (including the 2008 surplus amounting to € 237,798.08) totalled € 2,373,028.08 and actual expenditure came to € 2,255,628.25, yielding a surplus for the year as a whole of € 117,400.06. Receipts and expenditures in the special accounts, amounting to € 13,515.71, had shown a balance. She stressed that the Finance Committee, at its 68<sup>th</sup> session, had given its positive opinion on their approval. She accordingly invited the General Assembly to approve the Accounts for the 2009 financial year.

42. *No comments having been made, the President of the Assembly declared that the General Assembly had approved the accounts for 2009.*

***Adjustments to the Budget for the 2010 financial year*** (A.G. (67) 5)

43. The *Deputy Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (67) 5, which was relatively brief and merely specified that, as was customary, the Secretariat had prepared estimates in respect of the current financial year and had concluded that no adjustments were needed.

44. *No comments having been made, the President of the Assembly declared that the General Assembly had taken note that no adjustments to the 2010 budget were needed.*

***Arrears in contributions of member States*** (A.G. (67) 6)

45. The *Deputy Secretary-General* introduced this agenda item stressing that document A.G. (67) 6) showed that only three member States had outstanding contributions and of these, only one, Bolivia, was a source of concern, while the arrears of the two others might be a matter of internal accounting. She invited the Assembly to take note of these essentially positive developments, emphasizing that the Secretariat kept a close eye on the problem of arrears at all times, especially as regarded Bolivia, whose position had been thoroughly discussed by the Finance Committee at its 68<sup>th</sup> session.

46. The *representative of Mexico* inquired why the report of the Finance Committee had not been distributed to the General Assembly and whether this was standard practice, and if so, whether this could be changed. The Finance Committee was an advisory body to the General Assembly, and its report should be made available to the General Assembly.

47. The *President of the General Assembly* declared that the Secretariat had taken note of the point made by the representative of Mexico.

48. *No further comments having been made, the President of the General Assembly concluded that the General Assembly had taken note of the Secretariat's report on arrears.*

***Approval of the draft Budget for 2011 and fixing of the contributions of members States for that financial year (A.G. (67) 7)***

49. The *Secretary-General* introduced this item, referring delegates to document A.G. (67) 7 for details. He pointed out first of all that the draft budget for 2011 showed a cut of € 110,000 overall, which had been made for two reasons. One was the discontinuation of the extra-statutory contribution that the United Kingdom had made in previous years towards the funding of the position of the Deputy Secretary-General. The other was that, since the Finance Committee had objected, at its meeting in February 2010, to any increase in member States' contributions for the following year, the Secretariat had been requested to prepare a budget with the current value of units of contribution. Likewise, account had to be taken of the fact that the expected surplus of € 90,000 at the end of the current year had not materialised. This was not because of any overspending, but because of an income problem in 2010 due to delays in member States contributions payments. Also, the Secretariat had, with the Finance Committee's approval, spent some of the expected surplus on such of the fittings for the renovated meeting room that were not paid for by the Italian Government.

50. Cuts in the budget had been made in various chapters, particularly Chapter 1, which covered project costs, primarily because one large project, that of the UNIDROIT Principles, had now been completed, and other projects were only just starting up; and Chapter 2, which covered staff remuneration, where one staff position was being discontinued and another staff member was retiring and would be continuing on half-pay. Some savings had also been made in Chapter 6 due to lower postage and telephone costs. He stressed that UNIDROIT, as was common in other Organisations, had a very rigid budget structure, with a large proportion of the budget (some 80%) going to cover personnel-related costs, where there was legally very little room for manoeuvre. Unlike those other Organisations, however, where the remaining 20% or so would still represent a respectable figure, this left UNIDROIT with very little money indeed to carry out its appointed task. And the evolution over time showed that the picture worsened as one moved closer in time. This slow erosion of the Institute's financial resources must be addressed forthwith or UNIDROIT would find itself in 20 years' time with no money left at all for most of its activities. It needed the certainty of stable resources so as to allow it to pursue a sustainable management policy.

51. The *President of the General Assembly* concurred that any Organisation needed certainty as to the resources allocated to it to operate effectively. She urged member States to seek innovative ways of supporting the Institute, over and above the contributions they paid to it, and irrespective of their own internal budget constraints, as a firm commitment.

52. *There having been no comments from the floor, the President of the General Assembly declared that the budget for 2011 had been approved.*

53. The *President of the General Assembly* invited the Canadian delegation to present its proposals for two resolutions.

54. The *representative of Canada* congratulated the Secretariat on the draft budget for 2011. On the expenditure side, Canada felt that the projected costs associated with the projects on the Work Programme had been accurately reflected. On the income side, Canada took the view that for the sake of the Institute's sustainability and continuity, all member States should work together to ensure that continuous and predictable funding was available to the Institute to allow for realistic medium and long-term planning. In this connection, Canada believed there were two issues that needed to be addressed in order to guarantee that sufficient resources were available. One was

that the financial obligation of Italy under Article 16 of the Statute must be clarified, by means of a possible amendment to that Article, so that the amount of Italy's contribution for the coming year would no longer be considered to be a simple estimate once it had been approved by the General Assembly. The other concerned the classification of member States in the various contributions categories, which must be reviewed and updated. She suggested that the Finance Committee review the number of categories, the units, and the classification of each member State, taking into consideration the capacity of each member State to pay, in accordance with United Nations standards. This would probably result in an increase in the statutory contributions of some member States, including Canada.

55. In light of these comments, Canada was proposing two resolutions. Under the first of these proposed resolution, the General Assembly would invite the host country to consider reviewing its practice with respect to the allocation of expenditures in order to treat the contribution to UNIDROIT as a mandatory rather than a voluntary contribution. The second proposed resolution would mandate the Finance Committee to prepare a recommendation with respect to the statutory contribution categories of member States for the next session of the General Assembly in 2011.

56. *The representative of Italy* stated that Italy opposed the adoption of the resolutions moved by Canada on both substantive and procedural grounds. He stressed that there had been no time for delegations to study the proposals, as they were entitled to do in accordance with Article 16(3) of the Statute. Italy did, however, remain open to any discussion, within the General Assembly or in informal consultations following the Assembly, in accordance with multilateral diplomatic practice.

57. Taking up the matter of procedure, the *Secretary-General* referred to Article 5(1) of the UNIDROIT Regulations to conclude that the representative of Italy was essentially raising a point of order in expressing his disagreement to the matter being discussed at this Assembly session. He proposed that if the representative of Canada were to agree to withdraw the proposal referring to the Italian contribution, there would then be time to consult on the matter and for an Assembly debate to be scheduled at a later stage.

58. *The representative of Canada* agreed to withdraw the first resolution.

59. Turning to the second resolution, the *Secretary-General* added that in principle, the Finance Committee could itself recommend a revision of the contribution chart without having been asked by the General Assembly to do so, since there was a measure of automaticity involved in revising the contributions system which was linked to the United Nations range of contributions and reviewed at three-yearly intervals. In accordance with Article 16 of the UNIDROIT Statute, the revision process was one that was completed over a period of one year, with States being given a further year to object to any proposed increases. No express resolution by this General Assembly was needed, but it was free to mandate the Finance Committee to look into the matter.

60. *The President of the General Assembly* having invited the Assembly to mandate the Finance Committee to take up the points raised in the second resolution proposed by Canada in accordance with the practice established by the Statute, the *representative of China* declared that he had no instructions regarding this matter and would therefore abstain from voting. He was seconded in this by the *representative of Bulgaria*.

61. *The representative of Poland* agreed with the position taken by the representatives of China and Bulgaria, but noted that, as the Secretary-General had pointed out, there was no need actually to adopt this resolution since it referred to normal working procedure.

62. *The President of the General Assembly* took the comments made as indicating that the General Assembly took the view that this matter would not necessarily need a resolution since it was part and parcel of the regular work of the Finance Committee, and that the Finance Committee would make any recommendations it deemed necessary to the Governing Council and hence, to the

next General Assembly. This did not preclude the Finance Committee consulting individual countries as to their contribution status.

63. *It was so decided.*

64. The *representative of Mexico*, as a member of the Finance Committee, argued that the contributions issue presented a technical, a political and a legal aspect. The technical aspect was illustrated by the point made by Canada in its first resolution concerning Italy's statutory contribution, and there were different technical solutions imaginable. The political and legal aspects were more sensitive. He took the view that once the Italian Government had submitted an estimate of its contribution, the fixing of which was a purely internal matter for the Italian authorities, and it had been approved by the General Assembly, that figure should then be regarded as compulsory. Not doing so would be tantamount to querying the resolutions of a governing body of the Institute, which could set a dangerous precedent.

65. The *President of the General Assembly* noted that the relevant resolution relating to the contribution of the host country had been withdrawn and declared the discussion closed.

#### **Amendments to the Regulations of UNIDROIT (A.G. (67) 8)**

66. The *Secretary-General* introduced this item which regarded a subject first discussed by the Governing Council earlier in the year and which should not normally have been put before the General Assembly at the present session, since it related to a broader consideration of personnel management and policy, regulations of the Institute and financial management that was taking place at Permanent Committee level. The reason why it was being proposed now was a simple one. The Institute stood poised to receive from the German Banking Federation, through the good offices of the German Ministry of Justice, a substantial voluntary contribution to one of the projects on the Work Programme, *i.e.* netting of financial instruments, with a view to funding the position of one expert in the Secretariat to handle what was a highly technical project. The amount that was going to be made available would not be quite sufficient to cover that expert's salary in addition to social security payments for an expert in staff category A. Two options presented themselves. The Institute could either offer a part-time position, or make use of an article in the Regulations meant for temporary consultancy services, so that the expert would not be a member of staff and require no social security coverage. Neither of these options were satisfactory from a management point of view. The Governing Council had accordingly been seized of a proposal to amend the Regulations so as to allow the Institute to hire young lawyers for strictly temporary, project-related positions in the B category. There were precedents for such arrangements in other international Organisations.

67. *The President of the General Assembly put the proposed amendment to the vote. In accordance with the Statutes of the Institute, the text was moved for adoption by the representative of the United Kingdom and seconded by the representative of Germany, and was so agreed.*

#### **Any other business**

68. The *President of the General Assembly* proposed that the Secretariat be mandated to draft a statement on behalf of the Assembly regarding the untimely passing of President Libonati, expressing its gratitude for the way in which he had presided over the Institute's activities in the course of his tenure, and offering condolences to his family. *It was so agreed.*

69. The *President of the General Assembly thanked delegations for their participation and thanked the Secretary-General, the Deputy Secretary-General and the staff of UNIDROIT for their professional and efficient support.*

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

ARGENTINA / ARGENTINE	Mr Marcelo MASSONI Counsellor Embassy of Argentina in Italy
AUSTRALIA / AUSTRALIE	H.E. Mr David RITCHIE Ambassador of Australia in Italy  Mr Peter RAYNER Counsellor Embassy of Australia in Italy  Ms Lisa GOLDEN Officer Embassy of Australia in Italy
AUSTRIA / AUTRICHE	Ms Katharina WIESER Minister Embassy of Austria in Italy
BELGIUM / BELGIQUE	Mme Isabelle MANGELINCKX Consul Ambassade de Belgique en Italie
BOLIVIA / BOLIVIE	Excused / <i>excusé</i>
BRAZIL / BRESIL	Mr Paulo DE MORAES Counsellor Embassy of Brazil in Italy
BULGARIA / BULGARIE	Mr Vassil PETKOV Minister Plenipotentiary Embassy of the Republic of Bulgaria in Italy
CANADA	Ms Kathryn SABO General Counsel International Private Law Section Department of Justice Canada Ottawa  Mr Craig WEICHEL Counsellor Political and Economic Affairs Embassy of Canada in Italy

CHILE / <i>CHILI</i>	Mr Julio CORDANO Second Secretary Embassy of Chile in Italy
CHINA / <i>CHINE</i>	Mr WANG Yi Third Secretary Embassy of the People's Republic of China in Italy
	Mr WU Cong Attaché 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 Head of Consular Office Embassy of Croatia in Italy
CYPRUS / <i>CHYPRE</i>	Mr Iacovos GIRAGOSIAN Counsellor Embassy of the Republic 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>	Excused / <i>excusé</i>
EGYPT / <i>EGYPTE</i>	Mr Emad Magdy HANNA KAMEL First Secretary Embassy of the Arab Republic of Egypt in Italy
ESTONIA / <i>ESTONIE</i>	Excused / <i>excusé</i>
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>	Mrs Simone MAASSEN-KRUPKE Head of the Legal and Consular Office Embassy of Germany in Italy
GREECE / <i>GRECE</i>	Ms Maria THEODOROU First Counsellor Embassy of Greece in Italy

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HOLY SEE / <i>SAINT-SIEGE</i>	M. Giuseppe DALLA TORRE DEL TEMPIO DI SANGUINETTO Professeur – Président du Tribunal de la Cité du Vatican
HUNGARY / <i>HONGRIE</i>	Ms Petra KOVÁCS Third Secretary Embassy of Hungary in Italy
INDIA / <i>INDE</i>	Mr Vishwesh NEGI First Secretary Embassy of India in Italy
INDONESIA / <i>INDONESIE</i>	Excused / <i>excusé</i>
IRAN (ISLAMIC REPUBLIC OF / <i>IRAN (REPUBLIQUE ISLAMIQUE D')</i>	Mr Seyed Kamal MIRKHALAF First Secretary Embassy of the Islamic Republic of Iran in Italy
IRAQ	Excused / <i>excusé</i>
IRELAND / <i>IRLANDE</i>	Ms Dearbhla DOYLE Chargé d'affaires a.i. Embassy of Ireland in Italy
ISRAEL	Excused / <i>excusé</i>
ITALY / <i>ITALIE</i>	Mr Giorgio MARRAPODI Minister Plenipotentiary Ministry of Foreign Affairs  Mr Fernando PALLINI ONETO Counsellor Ministry of Foreign Affairs  Ms Maria Chiara MALAGUTI Ministry of Foreign Affairs
JAPAN / <i>JAPON</i>	Ms Satoko MASUTANI KOIKE Third Secretary Embassy of Japan in Italy
LATVIA / <i>LETTONIE</i>	Excused / <i>excusé</i>
LITHUANIA / <i>LITUANIE</i>	Excused / <i>excusé</i>
LUXEMBOURG	S.E. Monsieur Jean-Louis WOLZFELD Ambassadeur du Luxembourg en Italie
MALTA / <i>MALTE</i>	Ms Ritienne BONAIVIA Alternate Permanent Representative Embassy of Malta in Italy

MEXICO / <i>MEXIQUE</i>	H.E. Mr Jorge CHEN Ambassador of Mexico in Italy
	Mr Diego SIMANCAS Second Secretary Embassy of Mexico in Italy
	Ms Cecile de MAULEÓN Embassy of Mexico in Italy
NETHERLANDS / PAYS-BAS	Excused / <i>excusé</i>
NIGERIA	Excused / <i>excusé</i>
NORWAY / <i>NORVEGE</i>	Mr Richard SCARBOROUGH First Secretary Embassy of Norway in Italy
PAKISTAN	Excused / <i>excusé</i>
PARAGUAY	Excused / <i>excusé</i>
POLAND / <i>POLOGNE</i>	Mr Szymon WOJTASIK Third Secretary Embassy of Poland in Italy
PORTUGAL	Excused / <i>excusé</i>
REPUBLIC OF KOREA / <i>REPUBLIQUE DE COREE</i>	Mr SHIN Woosic First Secretary Embassy of the Republic of Korea in Italy
ROMANIA / <i>ROUMANIE</i>	Ms Alina CATANA Third Secretary Embassy of Romania in Italy
	Mr Adrian LIXANDRU Third Secretary Embassy of Romania in Italy
RUSSIAN FEDERATION / <i>FEDERATION DE RUSSIE</i>	Mr Pavel VOLKOV Director of the Legal Department Ministry of Economic Development of the Russian Federation Moscow
	Mr Alexey FILIPPOV Counsellor Legal Department Ministry of Economic Development of the Russian Federation Moscow

	Ms J. SOVOKINA Third Secretary Legal Department Ministry of Foreign Affairs Moscow
	Mr Valery FEDCHUK Legal Adviser Trade Representation of the Russian Federation
	Ms Julia CHERTKOVA Expert Federal Space Agency
SAN MARINO / <i>SAINT-MARIN</i>	S.E. Mme Daniela ROTONDARO Ambassadeur de la République de Saint-Marin en Italie
SAUDI ARABIA / <i>ARABIE SAOUDITE</i>	Mr Mohammed A.M. AL SHMMARI Director of Legal Affairs Ministry of Foreign Affairs
SERBIA / <i>SERBIE</i>	Excused / <i>excusé</i>
SLOVAKIA / <i>SLOVAQUIE</i>	Mrs Petra FRANKOVÁ Third Secretary Embassy of the Slovak Republic in Italy
SLOVENIA / <i>SLOVENIE</i>	Mrs Romana BERNIK Head of Civil Law Section International Co-operation Department Ministry of Justice Ljubljana
SOUTH AFRICA / <i>AFRIQUE DU SUD</i>	H.E. Ms Thenjiwe E. MTINTSO Ambassador of South Africa in Italy
	Mr Duncan M. SEBEFELO Counsellor - Multilateral Affairs Embassy of South Africa in Italy
SPAIN / <i>ESPAGNE</i>	Mr Emilio PIN GODOS First Secretary Embassy of Spain in Italy
SWEDEN / <i>SUEDE</i>	Excused / <i>excusé</i>
SWITZERLAND / <i>SUISSE</i>	M. Beat SCHÖNENBERGER Office fédéral de la Justice Unité droit international privé Département fédéral de la Justice Berne

	M. Mauro REINA Ministre Ambassade de Suisse en Italie
TUNISIA / TUNISIE	M. Ridha AZAIEZ Ministre Plénipotentiaire Ambassade de Tunisie en Italie
TURKEY / <i>TURQUIE</i>	Mr Makbule KOÇAK Legal Counsellor Embassy of Turkey in Italy
UNITED KINGDOM / <i>ROYAUME-UNI</i>	Ms Claudia GIUNCHIGLIA Trade Relations Officer Embassy of the United Kingdom in Italy
UNITED STATES OF AMERICA / <i>ETATS-UNIS D'AMERIQUE</i>	Mr Keith HEFFERN Alternate Permanent Representative US Mission to the UN Agencies in Rome
URUGUAY	Excused / <i>excusé</i>
VENEZUELA	Mr Edgardo IBARRA ZUÑÍGA 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
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**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*  
 Mrs Frédérique MESTRE, Senior Officer  
 Ms Lena PETERS, Senior Officer  
 Ms Marina SCHNEIDER, Senior Officer  
 Mr John ATWOOD, Senior Officer

**APPENDIX II****AGENDA**

1. Opening of the session by the President of the Institute and the President of the General Assembly 2009-2010
2. Appointment of the President of the General Assembly 2010-2011
3. Adoption of the agenda (A.G. (67) 1)
4. Statement regarding the Organisation's activity in 2010 (A.G. (67) 2)
5. Adoption of the Organisation's Work Programme for the 2011 - 2013 triennium (A.G. (67) 3)
6. Final modifications to the Budget and approval of the Accounts for the 2009 financial year (A.G. (67) 4)
7. Adjustments to the Budget for the 2010 financial year (A.G. (67) 5)
8. Arrears in contributions of member States (A.G. (67) 6)
9. Approval of the draft Budget for 2011 and fixing of the contributions of members States for that financial year (A.G. (67) 7)
10. Amendments to the Regulations of UNIDROIT (A.G. (67) 8)
11. Any other business.

**APPENDIX III****UNIDROIT Work Programme for the triennial period 2011 – 2013**(adopted by the UNIDROIT General Assembly at its 67<sup>th</sup> session – 1 December 2010)**A. LEGISLATIVE ACTIVITIES**

1. Principles of International Commercial Contracts (UPICC) – 3<sup>rd</sup> edition \*\*\*
2. Preliminary Draft Space Protocol to the Cape Town Convention \*\*\*
3. Transactions on Transnational and Connected Capital Markets
  - a) Preparation of an instrument on the Netting of Financial Instruments \*\*\*
  - b) Legislative Guide on Principles and Rules capable of enhancing trading in securities in emerging markets \*\*/\*
4. Preparation of other Protocols to the Cape Town Convention, in particular on matters specific to agricultural, mining and construction equipment \*\*/\*
5. Third Party Liability for Global Navigation Satellite System (GNSS) Services \*\*/\*
6. Model Provisions on the Protection of Cultural Property \*
7. Private law and development
  - a) Private law aspects of agricultural financing \*
  - b) Legal aspects of social business \*\*/\*

**B. IMPLEMENTATION AND PROMOTION OF UNIDROIT INSTRUMENTS - LEGAL CO-OPERATION \*\*\***

1. Depository Functions
2. Promotion of UNIDROIT instruments
3. Legal co-operation

**C. NON-LEGISLATIVE ACTIVITIES**

1. UNIDROIT Library \*\*\*
2. Publications \*\*\*/\*\*
3. Website and Depository Libraries \*\*
4. UNILAW Database \*\*

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***	High priority
***/**	Medium/high priority
**/*	Medium/low priority
*	Low priority