



EN

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Item No. 7 on the Agenda : Adjustments to the Budget for the 2012 financial year

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Explanation of the adjustments proposed by the Secretariat to the 2012 Budget</i>
<i>Action to be taken</i>	<i>To take note of the expected actual level of receipts and expenditure for the year 2012.</i>
<i>Related documents</i>	<i>UNIDROIT 2012 - Accounts of receipts and expenditure for the 2011 financial year; UNIDROIT 2012 - AG/Comm. Finances (72) 9</i>

1. It is customary for the Secretariat to submit, first, to the Finance Committee and then to the General Assembly each autumn a document indicating any adjustments that may need to be made to the Budget for that 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.

2. At the time of writing, the Secretariat considers that it is necessary to introduce a few adjustments to the budget for the 2012 financial year, as indicated in the notes to the revised budget contained in the Annex to this document. However, the Secretariat does not anticipate a need to request supplementary funding, since the Secretariat expects to be able to offset the anticipated shortfall in receipts by equivalent expenditure cuts.

3. At its 72nd session (Rome, 27 September 2012), the Finance Committee took note of the above information (UNIDROIT 2012 - AG/Comm. Finances (72) 10, para. 15).

In the light of the foregoing, the General Assembly, at its 71st session, may wish to take note of the expected level of receipts and expenditure for the financial year 2012.

APPENDIX

**ADJUSTMENTS TO THE BUDGET FOR THE 2012
FINANCIAL YEAR**

RECEIPTS (in Euro)

	2012		
	Budget	Actual receipt	Balance
Income			
Estimated balance on 1 January 2012 ¹	30,000.00	-58,484.02	-88,484.02
A) Ordinary Receipts:			
Contributions of member States			
Italian Government ²	150,000.00	100,000.00	-50,000.00
Other member States	2,104,550.00	2,023,700.00	-80,850.00
Extra-statutory contribution from member States (China)	0.00	20,000.00	20,000.00
Other Receipts			
Interest	5,000.00	5,000.00	0.00
Contribution to overhead expenses	15,000.00	15,000.00	0.00
Sale of publications	54,475.00	54,475.00	0.00
Total of receipts	2,359,025.00	2,159,690.98	-199,334.02

EXPLANATORY NOTES TO THE ADJUSTED RECEIPTS

¹ The final accounts for the 2011 financial show a lower balance than originally anticipated, which was mainly due to a shortfall in receipts in that year.

² The Secretariat expects to receive a contribution equal to the actual contribution paid by the Italian Government in 2011.

EXPENDITURE (in Euro) ¹

Expenditure	Budget	Actual Expend.	Balance
Chapter 1 – Reimbursement of expenses			
Art. 1 (Governing Council and Permanent Committee)	48,000.00	33,262.12	14,737.88
Art. 4 (Auditor)	3,605.00	3,605.00	0.00
Art. 5 (Committees of Experts)	60,000.00	60,000.00	0.00
Art. 6 (Official journey of representatives and staff)	28,000.00	30,000.00	-2,000.00
Total	139,605.00	126,867.12	12,737.88
Chapter 2 – Salaries and allowances²			
Art.1 (Salaries of Categories A, B and C staff and consultant)	1,337,200.00	1,140,000.00	197,200.00
Art. 2 (Remuneration for occasional collaborators)	20,000.00	20,000.00	0.00
Total	1,357,200.00	1,160,000.00	197,200.00
Chapter 3 – Social security charges			
Art. 1 (Insurance against disablement, old age and sickness)	465,450.00	400,000.00	65,450.00
Art. 2 (Accidents' insurance)	8,500.00	8,770.26	-270.26
Total	473,950.00	408,770.26	-65,179.74
Chapter 4			
Compensation retired members of staff	2,500.00	2,500.00	0.00
Chapter 5			
Publications' printing costs	31,500.00	31,500.00	0.00
Chapter 6 – Administrative expenses			
Art. 1 (Stationery)	21,000.00	13,803.32	7,196.68
Art. 2 (Telephone, fax and Internet)	21,000.00	26,023.83	-5,023.83
Art. 3 (Postage)	15,000.00	20,699.22	-5,699.22
Art. 4 (Representation)	4,650.00	4,650.00	0.00
Art. 5 (Interpreters)	27,500.00	27,500.00	0.00
Art. 6 (Miscellaneous)	6,700.00	3,348.84	3,351.16
Total	95,850.00	96,025.21	-175.21
Chapter 7 – Maintenance costs³			
Art. 1 (Electricity)	12,500.00	10,760.07	1,739.93
Art. 2 (Heating)	20,000.00	28,483.79	-8,483.79
Art. 3 (Water)	7,000.00	3,943.65	3,056.35
Art. 4 (Insurance of premises)	11,500.00	16,490.70	-4,990.70
Art. 5 (Office equipment)	21,000.00	15,130.04	5,869.96
Art. 6 (Upkeep of building, local taxes)	21,000.00	19,972.07	1,027.93
Art. 7 (Labour costs)	42,420.00	47,000.00	-4,580.00
Total	135,420.00	141,780.32	-6,360.32
Chapter 9 – Library			
Art. 1 (Purchase of books)	82,000.00	82,000.00	0.00
Art. 2 (Binding)	9,000.00	9,000.00	0.00
Art. 3 (Software)	22,000.00	22,224.62	-224.62
Total	113,000.00	113,224.62	-224.62
Chapter 10			
Promotion of Unidroit instruments	0.00	0.00	0.00
Chapter 11			
Legal co-operation programme	10,000.00	10,000.00	0.00
Total actual expenditure	2,359,025.00	2,090,667.53	268,357.47

EXPLANATORY NOTES TO THE ADJUSTED EXPENDITURE

¹ Savings in expenditure have been achieved – or are expected to be realised – under most chapters of the budget as a result of various factors, including, in some cases, tight expenditure control by the Secretariat: lower attendance of meetings by participants whose travel costs the Secretariat is liable to reimburse; assumption of travel costs by third parties; extra-statutory contributions to cover meetings costs; retirement of staff members; cancellation of meetings; inventory control etc. The figures provided in this document are in most cases merely best estimates by the Secretariat and should not, at this point in time, be understood as a guarantee that a certain amount of savings will indeed be realised. For ease of reading, the Secretariat refrains from providing detailed explanation on the particular nature of every such savings. The Secretariat points out, however, that in many instances savings have been achieved or sought solely for the purpose of coping with the anticipated shortfall of receipts and at the cost of full implementation of the Work Programme.

² The significantly lower expenditure under chapters 2 and 3 results from the fact that one position (Deputy Secretary-General) was vacant for several months and that the new staff member recruited for that function was hired at the lower end of the band approved for that post. Moreover, another position vacant since the retirement of the incumbent on 1 January 2012 has not been filled.

³ The higher expenditure under this chapter was mainly due to extraordinary repairs and other works needed to be done in the premises of UNIDROIT.