



INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

BUDGET 2013
Rome, December 2012

UNIDROIT 2012

BUDGET FOR THE FINANCIAL YEAR 2013
AS APPROVED BY THE GENERAL ASSEMBLY
AT ITS 71st SESSION
(ROME, 29 NOVEMBER 2012)

RECEIPTS (in Euro)

		ITEMS	Budget 2013	
Chap.	Art.		Articles	Chapters
		Estimated balance on 1 January 2013: ¹		--
		A) Ordinary Receipts:		
1		Contributions of member States		
	1	Italian Government ²	100,000.00	
	2	Other member States ³	2,031,050.00	
	3	Estimated profits on exchange rate	p.m.	
		Total		2,131,050.00 =====
2		Other Receipts		
	1	Interest	5,000.00	
	2	Contributions to overhead expenses ⁴	15,000.00	
	3	Sale of publications ⁵	54,000.00	
		Total		74,000.00 =====
3		Various receipts ⁶	--	--
		Total		-- =====
		Total ordinary receipts		2,205,050.00
		B) Extraordinary Receipts		
4		Various receipts		--
		Total extraordinary receipts		--
		Total actual receipts and balance on 1 January 2013		2,205,050.00 =====
		C) Special Accounts		
5		Revolving funds:		
	1	Receipts as balanced by expenses	p.m.	
	2	Interest on the assets of the reserve fund for retirement benefits (Article 67 Regulations)	--	
	3	Interest on the assets of the Working capital fund and contributions of new member States	--	
		Total special accounts		-- =====
		Total of receipts		2,205,050.00 =====

EXPLANATORY NOTES TO THE DRAFT BUDGET - RECEIPTS

1 Despite the severe cuts in ordinary expenditure effected by the Secretariat in 2011 (some € 150,000, pending confirmation at the closing of the 2011 accounts), the unexpected shortfall of receipts in 2011 (€ 186,000), coupled with some unanticipated expenditure (approximately € 30,000) meant that no surplus could be carried over to the year 2012. A similar situation also arose in respect of the financial year 2010. The Secretariat believes that it would be more prudent, and in line with the budgeting and accounting practice generally followed by most international organisations and national public bodies, if the budget estimates for UNIDROIT would assume an absolute balance of income and expenditure by the end of the budget cycle, rather than factor in an expected surplus to be carried over to the following financial year.

2 Estimate based on the amount which the Italian Government expects to be able to contribute to UNIDROIT in 2013.

3 The Secretariat has estimated the total receipts on the basis of a unit of contribution amounting to € 2,450, which is identical with the current unit of contribution. The total amount is € 73,500 lower than the amount stated in the first estimates (€ 2,104,550.00), and takes into account the objections that have been raised by a few member States to the revisions to the contributions chart approved by the General Assembly at its 69th session.

4 This sum represents the share of the Office for Italy and San Marino of the International Labour Organization in the operating expenses of the premises of UNIDROIT.

5 This receipt includes sales of the *Uniform Law Review* as well sales of other publications of the Institute. The draft budget for 2013 anticipate a slightly lower level of sales than is anticipated in the course of 2012 since the only new instrument expected to be published in 2013 are the UNIDROIT principles and rules on close out netting, currently under preparation.

6 As in 2012, the Secretariat deems it more prudent to revert to the previous practice of not including any such extraordinary income in the regular budgeting process.

EXPENDITURE (in Euro)

		ITEMS	Budget 2013	
Chap.	Art.		Articles	Chapters
		(a) Ordinary expenditure		
1		Reimbursement of expenses		
	1	Governing Council and Permanent Committee ¹	48,000.00	
	4	Auditor ²	3,605.00	
	5	Committees of experts ³	80,000.00	
	6	Official journeys of representatives and staff ⁴	40,000.00	
		Total		171,605.00 =====
2		Salaries and allowances:		
	1	Salaries of Categories A, B and C staff and consultant ⁵	1,197,350.00	
	2	Remuneration for occasional collaborators ⁶	20,000.00	
		Total		1,217,350.00 =====
3		Social security charges:		
	1	Insurance against disablement, old age and sickness ⁷	403,895.00	
	2	Accidents' accidents ⁸	8,500.00	
		Total		412,395.00 =====
4		Compensation retired members of staff ⁹		2,500.00 =====
5		Publications' printing costs ¹⁰		20,500.00 =====
6		Administrative expenses ¹¹		
	1	Stationery	21,000.00	
	2	Telephone, fax and Internet	21,000.00	
	3	Postage	16,000.00	
	4	Representation	5,000.00	
	5	Interpreters ¹²	32,000.00	
	6	Miscellaneous	6,700.00	
		Total		101,700.00 =====
		carried forward		1,926,050.00

		ITEMS	Budget 2013	
Chap.	Art.		Articles	Chapters
		brought forward		1,926,050.00
7		Maintenance costs ¹³		
	1	Electricity	13,000.00	
	2	Heating	22,000.00	
	3	Water	7,000.00	
	4	Insurance of premises	12,000.00	
	5	Office equipment	23,000.00	
	6	Upkeep of building, charges for public services ¹⁴	24,000.00	
	7	Labour costs ¹⁵	45,000.00	
		Total		146,000.00 =====
8		Various reserve funds:		
	1	Reserve fund for unforeseen expenditure	--	
	2	Reserve fund for retirement allowances for Categories B and C staff	--	
	3	Reserve fund for payment of compensation to staff who do not enjoy all the advantages provided for in Article 7 of the Headquarters Agreement	--	--
		Total		-- =====
9		Library		
	1	Purchase of books ¹⁶	82,000.00	
	2	Binding	9,000.00	
	3	Software	22,000.00	
		Total		113,000.00 =====
		Total ordinary expenditure		2,185,050.00 =====
		(b) Extraordinary expenditure		
10		Promotion of UNIDROIT instruments ¹⁷		10,000.00 =====
11		Legal co-operation programme ¹⁸		10,000.00 =====
		Total extraordinary expenditure		20,000.00 =====
12		Working capital fund		p.m.
		carried forward		2,205,050.00

Chap.	Art.	ITEM	Budget 2013	
			Articles	Chapters
		brought forward		2,205,050.00
13		Convening of a Diplomatic Conference for the adoption of one of the Institute's draft Conventions or of a scientific event		-- =====
		Total actual expenditure		2,205,050.00 =====
		(c) Special accounts		
14		Revolving funds:		
	1	Working capital fund (new member States)	p.m.	
	2	Expenditure as balanced by receipts	p.m.	
	3	Interest on the assets of the reserve fund for retirement benefits (Article 67 of the Regulations)	--	
	4	Interest on Working Capital Fund and contributions from new member States	--	
		Total special accounts		-- =====
		Total expenditure		2,205,050.00 =====

EXPLANATORY NOTES TO THE DRAFT BUDGET - EXPENDITURE

¹ **Purpose of expenditure:** to cover travel and subsistence expenses incurred by the members of the Governing Council and of the Permanent Committee in their attendance of sessions of those bodies.

No change is proposed for 2013.

² **Purpose of expenditure:** fees due to the auditor appointed by the General Assembly.

No change is proposed for 2013.

³ **Purpose of expenditure:** to cover the expenditure that will be incurred by the Institute in organising the meetings of committees of experts and other meetings associated with the organisation's Work Programme.

For many years, the amount available under the budget has been kept at the same nominal level, despite the steady increase in the cost of meeting facilities in Rome, thus leading to a

decline in real terms of this article of the budget, as compared to others, in particular those relating to fixed items of expenditure. An increase of € 20,000 (33%) is proposed in the 2013 with a view to progressively correcting this imbalance in the distribution of UNIDROIT resources by allocating more funds to project-related activities of UNIDROIT. The allocation of these resources in 2013 can be anticipated as follows:

(a) In 2013 the Secretariat plans to hold one or two sessions of a Committee of Governmental Experts, as well as two meetings of a study group on the principles and rules on close-out netting, a project to which the General Assembly, at its 67th session (Rome, 1 December 2010) agreed to assign the highest priority;

(b) the Secretariat foresees other meetings of study groups to carry out other work or informal consultations mandated by the General Assembly in respect of the preparation of (i) a legislative guide on principles and rules capable of enhancing trading in securities in emerging markets; (ii) other protocols to the Cape Town Convention, in particular on matters specific to agricultural, mining and construction equipment; (iii) an international instrument on third party liability for Global Navigation Satellite System (GNSS) Services; (iv) meetings of experts to prepare a legal guide on contract farming and other studies on private law aspects of agricultural investment and production.

The Secretariat will continue to make every effort to obtain external financing to cover part of these expenses. The proposed increase in this article will be achieved by reallocation of resources from other chapters of the budget, in particular from chapter 2 (Salaries and allowances), without the need for increases in contributions by member States.

4

Purpose of expenditure: to cover the travel and subsistence expenses incurred by representatives of the Institute, members of staff and collaborators in connection with the attendance of meetings of other organisations with which UNIDROIT cooperates, as well as missions intended to further awareness of the Institute's work in general and, where appropriate, to encourage accession to the Statute of the Institute.

An increase is proposed for 2013 to enable the Secretariat to better promote the work of UNIDROIT and to resume attendance of meetings of other organisations and participation in their work, which have been severely limited in recent years due to financial constraints.

5

Purpose of expenditure: to cover the salaries and allowances of the staff of the professional, administrative, secretarial and library members of the staff of UNIDROIT as well remuneration of a consultant.

Pursuant to a decision taken by the General Assembly at its 36th session (Rome, 12 December 1983), the salaries and allowances of Category A staff members follow the Salaries Scales of the Co-ordinated Organisations, albeit with increases being reduced by an amount equal to 20% and delayed in their application by six months. According to a decision taken by the General Assembly, at its 38th session (Rome, 28 November 1985), salaries and allowances of Categories B and C members of staff follow a modified version of the relevant part of the Salaries Scales of the Co-ordinated Organisations, albeit on a considerably reduced scale.

The appropriation under this article, which amounted to € 1,212,875.00 in 2011, was increased by € 124,325.00 to allow for the filling of two vacancies in the course of 2012. The new Deputy Secretary-General was appointed by the Governing Council on 8 May 2012 and has taken office on 1 October 2012. The level of appointment and the terms of the contract result in a total compensation lower than the maximum that could be allocated to

the post under the UNIDROIT Regulations. Nevertheless, the expected total level of contributions would still not suffice for filling a junior officer vacancy in the Secretariat.

6

Purpose of expenditure: to cover the Secretariat's needs for external expert or technical support, for the updating and maintenance of the Institute's stock of computers and software or for special collaborations in transcription of materials and translation as well as in the Library.

No change is proposed for 2013.

7

Purpose of expenditure: insurance coverage of all Categories A, B and C members of staff against disability, old age and sickness. With a few exceptions, all members of staff are insured for these purposes with the Italian social security system (I.N.P.S.).

For the reasons explained in note 5 above, in 2013 the Secretariat expects a slightly lower requirement for social security payments, than had been anticipated for 2012.

8

Purpose of expenditure: insurance coverage of all Categories A, B and C members of staff against accidents. All members of staff are insured for this purpose with a private Italian insurance company.

No change is proposed for 2013.

9

Purpose of expenditure: payments to two retired members of staff to cover the periods, in the past, during which they were not covered for social security purposes.

No change is proposed for 2013.

10

Purpose of expenditure: to cover the printing cost of official documents, legislative instruments and other publications of the Institute.

The Secretariat anticipates lower printing costs in 2013 as a result of a lower requirement and a re-organisation of the production and distribution process for the *Uniform Law Review*, which is currently underway.

11

Purpose of expenditure: to cover ordinary office running costs (stationary, telephone, fax, internet access), postage of correspondence and publications, and occasional representation expenses.

Marginal increases are proposed in 2013 to offset price raises.

12

Purpose of expenditure: to cover the cost of simultaneous interpretation at meetings held by UNIDROIT (General Assembly, Governing Council, Finance Committee, Committees of Governmental Experts).

A modest increase is requested for this article to offset an increase in the daily fees payable to interpreters and to allow for simultaneous interpretation in various project-related meetings.

13

Purpose of expenditure: to cover public utility charges, purchase and replacement of office equipment and building maintenance costs

Except as otherwise indicated, marginal increases are proposed in 2013 to offset price raises.

- 14 **Purpose of expenditure:** to cover building maintenance costs (ordinary repairs in the building, maintenance of elevators) and charges for municipal services (i.e. waste disposal).

A moderate increase is needed in 2013 to meet increases in municipal service charges, which only in 2011 amounted to € 12,480.74 or some 53% of the entire expenditure under this article.

- 15 **Purpose of expenditure:** buildings and library cleaning; disinfection and pest control; garden maintenance.

The amount proposed under the draft 2013 budget is based on the actual level of expenditure in 2011, the main items of which can be broken down as follows: buildings and library cleaning - € 35,557; disinfection and pest control - € 2,126.52; garden maintenance - € 3,951.33; miscellaneous - € 2,623.59.

- 16 **Purpose of expenditure:** to cover the cost of acquisitions for the library's stock of books and the maintenance of its subscriptions to law journals, as well as the cost of binding.

No change is proposed for 2013.

- 17 **Purpose of expenditure:** to cover the cost of promotion activities for UNIDROIT instruments.

The Secretariat proposes to replenish and increase this chapter of the budget, which amounted to € 5,000 in 2010 and had been reduced to zero in 2011, so as to cover the cost of organising events and undertaking travel for the purpose of promoting the Institute's work. The Secretariat will nevertheless continue seek extra-budgetary financial contributions to supplement funding under the regular budget for such activities.

- 18 **Purpose of expenditure:** to cover the cost of the Institute's contribution to its scholarships programme for lawyers from developing countries and countries engaged in the transition to a market economy. Some other scholarships are provided by special contributions of member States or of private donors.

No change is proposed for 2013.

All increases of expenditure will be achieved through reallocation of resources between different chapters of the budget.

Overall, the Secretariat proposes a total expenditure of € 2,205,050.00 for the year 2013, which represents a reduction of expenditure of € 153,975.00, as compared to the expenditure authorised as under the 2012 budget.

APPENDIX**CHART OF THE ANNUAL CONTRIBUTIONS TO UNIDROIT
OF MEMBER STATES FOR 2013**

(Each unit of contribution representing € 2,450)

Cat.	State	Units	Contribution for 2013
I	Canada	50	€ 122,500
	China	50	
	France	50	
	Germany	50	
	Japan	50	
	United Kingdom	50	
	United States of America	50	
II	Republic of Korea	22	€ 53,900
	Russian Federation	22	
	Spain	22	
III	Australia	18	€ 44,100
	Belgium	18	
	Brazil	18	
	Netherlands	18	
	Sweden	18	
	Switzerland	18	
IV	Mexico	13	€ 31,850
V	Austria	11	€ 26,950
	Denmark	11	
	Finland	11	
	Greece	11	
	Norway	11	
	Poland	11	
	Saudi Arabia	11	
VI	India	9	€ 22,050
	Ireland	9	
	Portugal	9	
	South Africa	9	
	Turkey	9	

Cat.	State	Units	Contribution for 2013
VII	Argentina	8	€ 19,600
	Chile	8	
	Colombia	8	
	Czech Republic	8	
	Hungary	8	
	Indonesia	8	
	Iran	8	
	Israel	8	
	Romania	8	
	Slovakia	8	
	Venezuela	8	
VIII	Bulgaria	5	€ 12,250
	Croatia	5	
	Cyprus	5	
	Egypt	5	
	Estonia	5	
	Latvia	5	
	Lithuania	5	
	Luxembourg	5	
	Malta	5	
	Nigeria	5	
	Pakistan	5	
	Paraguay	5	
	Serbia	5	
	Slovenia	5	
	Tunisia	5	
	Uruguay	5	
Special	Holy See	1	€ 2,450
	San Marino	1	

Giving TOTAL ANNUAL RECEIPTS OF (in Euro):

Estimated balance on 1 January 2013	--
Statutory contribution of Italy	100,000
Contributions of other member States	2,031,050
Various receipts	--
Other receipts	74,000
Special accounts	--
	<u>2,205,050</u>
	=====