



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

EN

**GENERAL ASSEMBLY
78th session
Rome, 12 December 2019**

UNIDROIT 2019
A.G. (78) 11 rev.
Original: English/French
November 2019

**Item No. 9 on the Agenda:
Classification of Member States in the UNIDROIT Contributions Chart**

(Memorandum of the Secretariat)

<i>Summary</i>	<i>Evolution of UNIDROIT Contributions Chart</i>
<i>Action to be taken</i>	<i>Adoption of the draft Resolution No. 1/2019 together with the revised Contributions Chart of UNIDROIT Member States in accordance with Article 16 of the UNIDROIT Statute</i>
<i>Related documents</i>	<u>UNIDROIT Statute</u> ; <u>UNIDROIT 2018 A.G. (77) 9</u> ; <u>F.C. (86) 3</u> ; <u>F.C. (86) 6</u> ; <u>F.C. (87) 8</u> ; <u>F.C. (87) 9</u>

A. Basic rules on assessment of contributions

1. The fundamental rules on the financing of UNIDROIT are contained in paragraphs 1-6 of Article 16 of the UNIDROIT Statute, which read as follows:

“1. – The yearly expenditure relating to the operation and maintenance of the Institute shall be covered by the income specified in the budget of the Institute, including in particular the ordinary basic contribution of the Italian Government, the promoter of the Institute, as approved by the Italian Parliament, which that Government declares to be set, as from 1985, at 300 million Italian lire per annum, a figure which may be revised at the end of each period of three years by the law approving the budget of the Italian State, as well as the ordinary annual contributions of the other participating Governments.

“2. – For the purpose of apportioning the part of the yearly expenditure not covered by the ordinary contribution of the Italian Government or by income from other sources among the other participating Governments, the latter shall be classified in categories. Corresponding to each category shall be a particular number of units.

“3. – The number of categories, the number of units corresponding to each category, the amount of each unit, and the classification of each Government in a category, shall be determined by a resolution of the General Assembly adopted by a majority of two thirds of the Members present and voting, on the basis of a proposal by a Committee appointed by the Assembly. In this classification, the Assembly shall take account, among other considerations, of the national income of the country concerned.

“4. – Decisions adopted by the General Assembly in accordance with paragraph 3 of this Article may be revised, every three years, by a further resolution of the General Assembly, adopted by a majority of two thirds of the Members present and voting, at the same time as its decision mentioned in paragraph 3 of Article 5.

“5. – Resolutions of the General Assembly adopted in accordance with paragraphs 3 and 4 of this Article shall be notified to each participating Government by the Italian Government.

“6. – During a period of one year following the notification mentioned in paragraph 5 of this Article, each participating Government may put forward objections against resolutions concerning its classification for consideration at the next session of the General Assembly. The Assembly shall give its decision by means of a resolution, adopted by a majority of two thirds of the Members present and voting, which shall be notified by the Italian Government to the participating Government concerned. The latter Government shall, however, have the option of withdrawing from membership of the Institute, following the procedure under paragraph 3 of Article 19.”

2. Information on the evolution of the methodology since the system of mandatory contributions was introduced, in 1965, with the introduction of the current paragraphs 2 to 10 of Article 16 of the Statute was provided to the Finance Committee at its 67th session (Rome, 25 March 2010) ([UNIDROIT 2010 – F.C. \(67\) 3](#)).

B. Methodology for the classification of Member States in the Contributions Chart

3. The General Assembly has revised the Contributions Chart pursuant to Article 16, paragraph 4, of the UNIDROIT Statute twice since 1998: (1) at its 58th session (Rome, 26 November 2004), in connection with the approval of the Budget for the 2005 financial year (UNIDROIT 2004 – A.G. (58) 10, pp. 8-12); and (2) by special resolution adopted at its 69th session (Rome, 1 December 2011) ([UNIDROIT 2011 – A.G. \(69\) 11, Annex III](#)) and confirmed by resolution (71) 1, which was adopted

by the General Assembly at its 71st session (Rome, 29 November 2012) (UNIDROIT 2012 – A.G. (71) 10, Appendix III).

4. In accordance with the periodicity contemplated in Article 16, paragraph 4 of the UNIDROIT Statute, the current Contributions Chart should have been revised again in 2014. However, at its 73rd session (Rome, 11 December 2014), the General Assembly, when considering the Report of the Finance Committee on the work of its 76th session (Rome, 25 September 2014), decided that the review of the classification of the contributions of Member States would occur once every six years, thus deferring the reclassification process to 2017 (see [UNIDROIT 2014 – A.G. \(73\) 9, para. 40](#)).

5. At its 76th session (Rome, 7 December 2017), the General Assembly – based on the Finance Committee’s review of the Contributions Chart’s methodology and the recommendation made at its 83rd session (21 September 2017) – considered and adopted a “revised methodology for the classification of Member States in the new Contributions Chart, which would make use of the UN scale of assessments for 2019-2021 and come into effect in 2019” (see [A.G. \(76\) 10, paras. 43-49](#)). Further to that decision, the General Assembly, in approving the Budget for the 2019 financial year at its 77th session (Rome, 6 December 2018), was informed that the new UN scale of assessments for 2019-2021 had not yet been issued, thus the new Contributions Chart would come into effect in 2020 (see [A.G. \(77\) 9, paras. 30, 47, 50-51](#); [A.G. \(77\) 7, explanatory note 1 at pages 4-5](#)).

6. The revised methodology largely follows the previous methodology but includes a new Category II to address the current gap between existing Categories I and II and a new Category X to break the current range of contributions in existing Category VIII. Accordingly, that methodology provides for the classification of Member States of UNIDROIT into the following ten categories based on UN scale of assessments for 2019-2021, which was adopted by [Resolution No. A/RES/73/271 of 22 December 2018](#).

Category I (corresponding to 50 units of contribution): States whose percentage contributions to the United Nations budget amounted to more than 4%;

Category II (corresponding to 36 units of contribution): States whose percentage contributions to the United Nations budget ranged from 2.5% to 3.99%;

Category III (corresponding to 22 units of contribution): States whose percentage contributions to the United Nations budget ranged from 2.00% to 2.49%;

Category IV (corresponding to 18 units of contribution): States whose percentage contributions to the United Nations budget ranged from 1.00% to 1.99%;

Category V (corresponding to 13 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.960% to 0.99%;

Category VI (corresponding to 11 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.5% to 0.959%;

Category VII (corresponding to 9 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.450% to 0.499%;

Category VIII (corresponding to 8 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.115% to 0.449%;

Category IX (corresponding to 5 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.040% to 0.114%;

Category X (corresponding to 4 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.005% to 0.039%; and

Special category (corresponding to 1 unit of contribution): States whose percentage contributions to the United Nations budget ranged from 0.001% to 0.004%.

7. The UN scale of assessments for 2019-2021 fixed the assessment rates at levels which, when applied to the UNIDROIT Contributions Chart, result in the reclassification of thirteen Member States (Argentina, Australia, Brazil, Egypt, India, Indonesia, Israel, Mexico, Nigeria, Pakistan, Saudi Arabia, Turkey, Venezuela) into higher categories and fourteen Member States (Belgium, Canada, Cyprus, Estonia, Finland, Greece, Ireland, Malta, Paraguay, Portugal, Serbia, South Africa, Sweden, Tunisia) into lower categories (see [UNIDROIT 2019 – F.C. \(86\) 3](#)).

8. At its 86th session, the Finance Committee was invited to consider that, once Member States are notified of the introduction of the new Chart, they would have up to one year to issue objections and comments as consistent with Article 16 (6) of the UNIDROIT Statute. Such objections would have the potential to significantly slow down the process of implementation of the new system. The Finance Committee therefore approved a methodology whereby the Secretariat would individually reach out to all the Member States impacted by the changes in order to ascertain their agreement to the new system (see [UNIDROIT 2019 – F.C. \(86\) 6](#)).

9. At the same session, the Secretariat reminded members of the Finance Committee that some of the countries reclassified into a higher category of contribution in accordance with the application of the new UN scale are or have recently been in arrears, and, therefore, that any decrease in Contributions, even if resulting from the new methodology, implied a financial risk to the activities of the Institute. In light of this, the Finance Committee agreed that the Secretariat might reasonably ask those Member States that were reclassified into a lower Category to voluntarily consider maintaining their current contribution. The Finance Committee then approved the reclassification chart, pending comments from Member States resulting from the notifications from the Secretariat.

C. Notification of adjustments to Member States and comments

10. Pursuant to the deliberations of the Finance Committee at its 86th session, the Secretariat proceeded to issue individual notifications to the above-mentioned impacted States on 24 April 2019, providing a deadline for comments by 15 June 2019. In the case of those reclassified into lower categories, in accordance with the Finance Committee's deliberations, the Secretariat proposed that they consider waiving their right to a lower contribution if they deemed this to be appropriate. A summary of the results of its communications with impacted States is provided below.

11. On 12 June 2019, the Secretariat received a Note Verbale from the Embassy of Ireland (see Annex I), stating that Ireland will voluntarily maintain its current number of units of contribution for the 2020 financial year. The Embassy of Ireland further advised that Ireland wished to maintain that level of contribution for the entire Work Programme cycle, but emphasised that this would be confirmed on an annual basis.

12. On 29 July 2019, the Secretariat received a Note Verbale from the Embassy of Portugal (see Annex II), stating that Portugal will voluntarily maintain its current number of units of contribution for the 2020-2022 triennium. Due to a clerical error this was not reflected in the previous version of

this document, however, this has now been rectified and the contributions chart has been modified accordingly.

13. Also, at the 87th session of the Finance Committee, the Representative of Brazil conveyed orally that Brazil would not be willing to accept any increase in contributions, mentioning that was not only the case for UNIDROIT alone, but also went for Brazil's participation in other intergovernmental organisations. This position was later officially transmitted to the Secretariat by Note Verbale from the Embassy of Brazil on 8 November 2019 (see Annex III).

14. At its 87th session, the Finance Committee took note of the information set out above, expressed its gratitude to those States that had indicated they wished to remain in the category in which they currently found themselves even though the application of the re-classification criteria would entitle them to move to a lower category.

15. *The Finance Committee agreed to recommend to the General Assembly to adopt the Contributions Chart which it had approved at its 86th session (Rome, 4 April 2019), with an adjustment to the contribution for Ireland. The Finance Committee invited the General Assembly to consider any formal comments submitted by States notifying their inability to adhere to the Contributions Chart approved at the Finance Committee's 86th session (Rome, 4 April 2019).*

16. *In light of the foregoing, the General Assembly is invited to adopt the draft Resolution No. 1/2019 (see Annex IV) at its 78th session together with the revised annual UNIDROIT Contributions Chart and to consider any formal comments submitted by Member States in this regard.*

ANNEX I

AMBASÁID NA HÉIREANN
EMBASSY OF IRELAND
AMBASCIATA D'IRLANDA



VILLA SPADA
VIA GIACOMO MEDICI, 1
00153 - ROMA

NOTE VERBALE

Our ref.: n° 31/2019

The Embassy of Ireland in Italy presents its compliments to the International Institute for the Unification of Private Law (UNIDROIT) and refers to its Note MSc/321 of 23 April 2019, and subsequent correspondence with the UNIDROIT Secretariat in relation to the request contained therein.

The Embassy of Ireland has the honour to confirm that Ireland will voluntarily maintain nine units of contribution in the amount of €22,770 in the 2020 financial year – one unit of contribution more than Ireland's actual category of eight units.

The Embassy of Ireland further has the honour to advise that Ireland intends to voluntarily maintain our annual contribution at nine units during the period of the Work Programme cycle (three years) but emphasises that Ireland reserves the right to reduce our contribution to our actual category of eight units during this period and will consider and confirm our contribution on an annual basis.

The Embassy of Ireland avails itself of this opportunity to renew to the International Institute for the Unification of Private Law (UNIDROIT) the assurances of its highest consideration.

Rome, 11 June 2019



International Institute for the Unification of Private Law (UNIDROIT)
Via Panisperna 28
00184 ROME

ANNEX II

EMBAIXADA DE PORTUGAL
ROMA

N. 276 / 2019

Proc. 09.02.1

The Embassy of Portugal in Rome presents its compliments to the International Institute for the Unification of Private Law (Unidroit) and, with reference to your Note Verbale MSc/324, dated April 23rd 2019, is pleased and honoured to inform that Portugal agrees to remain voluntarily in Category VI for the period 2020-2022, thus maintaining its current annual contribution level of € 22,770 (9 units).

The Embassy of Portugal in Rome avails itself of this opportunity to renew to Unidroit the assurances of its highest consideration.

Rome, 29th July 2019



On. Istituto Internazionale per l'Unificazione
Del Diritto Privato - UNIDROIT
Via Panisperna, 28
00184 ROMA

ANNEX III

N° 03

The Embassy of the Federative Republic of Brazil in Rome presents its compliments to the International Institute for the Unification of Private Law (UNIDROIT) and, with reference to the Note Verbale 2, of 27 September 2019, in conformity with Article 16 of the Statute of UNIDROIT, has the honor to convey comments regarding the reclassification of Brazil in a new draft UNIDROIT contributions chart.

2. Taking into account the current financial situation in Brazil, with a significative decrease in public expenditure in 2019 and 2020, it is impracticable to accept any increase in our financial contribution to the UNIDROIT Budget.

3. Therefore, Brazil wishes either to keep its current level of contribution - correspondent to Category IV of the revised chart - or to request the suspension of the reclassification, at least until the next revision of the chart, as previously occurred in the recent practice of the Institute.

4. In case UNIDROIT does not take into account the aforementioned request, Brazil will be forced to reconsider its participation in the organization.

The Embassy of the Federative Republic of Brazil in Rome avails itself of this opportunity to renew to the International Institute for the Unification of Private Law (UNIDROIT) the assurances of its highest consideration.

Rome, 8th November 2019



ANNEX IV**Draft RESOLUTION No. 1/2019**

(proposed for adoption by the General Assembly at its 78th session, on 12 December 2019)

The General Assembly,

Reaffirming the obligation of all Member States to bear the expenses of the Institute, as apportioned by the General Assembly, and to pay their contributions fully and on time,

Bearing in mind Article 16 of the Statute of UNIDROIT, which provides for the classification of Member States in categories, each corresponding to a particular number of units of contribution, for the purpose of apportioning the yearly expenditure of the Institute,

Noting that the number of categories, the number of units corresponding to each category, the amount of each unit, and the classification of each Government in a category, shall be determined by the General Assembly, taking into account, among other considerations, the national income of the country concerned,

Recalling that the current methodology for the classification of Member States in the UNIDROIT Contributions Chart, which was approved by the General Assembly at its 69th session, on 1 December 2011, provides for the classification of Member States in eight categories plus a special category, each corresponding to a specific range of contributions payable by those States to the United Nations budget,

Having considered the reports of the General Assembly at its 77th session, and the Finance Committee at its 86th and 87th sessions,

1. *Expands* the number of categories, the number of units corresponding to each category and the criteria currently used to classify Member States, as set forth in Appendix I to this Resolution;
2. *Approves* the recommendations of the Finance Committee for reclassification of a number of Member States in light of the scale of assessments adopted by the United Nations General Assembly through its resolution No. 73/271, of 22 December 2018;
3. *Adopts* the chart for the apportionment of the contributions of Member States to the regular budget of the Institute for 2020, 2021 and 2022, as set forth in Appendix I to this Resolution;
4. *Requests* the Finance Committee, in accordance with its mandate, to review the current methodology and consider possible enhancements, bearing in mind the principle of capacity to pay, and to make recommendations the General Assembly in due course.

Rome, 12 December 2019

Appendix I

Methodology for the classification of Member States in the UNIDROIT Contributions Chart
(as approved by the General Assembly at its 77th session, and as recommended for adoption by the Finance Committee at its 87th session)

Category I (corresponding to 50 units of contribution): States whose percentage contributions to the United Nations budget amounted to more than 4%;

Category II (corresponding to 36 units of contribution): States whose percentage contributions to the United Nations budget ranged from 2.5% to 3.99%;

Category III (corresponding to 22 units of contribution): States whose percentage contributions to the United Nations budget ranged from 2.00% to 2.49%;

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Category IX (corresponding to 5 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.040% to 0.114%;

Category X (corresponding to 4 units of contribution): States whose percentage contributions to the United Nations budget ranged from 0.005% to 0.039%; and

Special category (corresponding to 1 unit of contribution): States whose percentage contributions to the United Nations budget ranged from 0.001% to 0.004%.

Appendix II

Contribution Chart 2020

Category	Corresponding range of contribution to UN budget for purposes UNIDROIT classification	No of units	State	UN budget assessment 2019	Units	Unit value	Contr. 2020
I	4% +	50	China	12,005	50	€ 2.530	€ 126.500
		50	France	4,427	50	€ 2.530	€ 126.500
		50	Germany	6,090	50	€ 2.530	€ 126.500
		50	Italy*	3,307	50	€ 2.530	€ 126.500
		50	Japan	8,564	50	€ 2.530	€ 126.500
		50	United Kingdom	4,567	50	€ 2.530	€ 126.500
		50	United States	22,000	50	€ 2.530	€ 126.500
II	2.5%-3.99%	36	Brazil	2,948	36	€ 2.530	€ 91.080
		36	Canada	2,734	36	€ 2.530	€ 91.080
III	2.0%-2.49%	22	Australia	2,210	22	€ 2.530	€ 55.660
		22	Republic of Korea	2,267	22	€ 2.530	€ 55.660
		22	Russian Federation	2,405	22	€ 2.530	€ 55.660
		22	Spain	2,146	22	€ 2.530	€ 55.660
IV	1%-1.99%	18	Mexico	1,292	18	€ 2.530	€ 45.540
		18	Netherlands	1,356	18	€ 2.530	€ 45.540
		18	Saudi Arabia	1,172	18	€ 2.530	€ 45.540
		18	Switzerland	1,151	18	€ 2.530	€ 45.540
		18	Turkey	1,371	18	€ 2.530	€ 45.540
V	0.960%-0.99%	13			13		
VI	0.5%-0.959%	11	Argentina	0,915	11	€ 2.530	€ 27.830
		11	Austria	0,677	11	€ 2.530	€ 27.830
		11	Belgium	0,821	11	€ 2.530	€ 27.830
		11	Denmark	0,554	11	€ 2.530	€ 27.830
		11	India	0,834	11	€ 2.530	€ 27.830
		11	Indonesia	0,543	11	€ 2.530	€ 27.830
		11	Norway	0,754	11	€ 2.530	€ 27.830
		11	Poland	0,802	11	€ 2.530	€ 27.830
		11	Sweden	0,906	11	€ 2.530	€ 27.830
		11	Venezuela	0,728	11	€ 2.530	€ 27.830
		VII	0.450%-0.499%	9	Ireland**	0,371	9
9	Israel			0,490	9	€ 2.530	€ 22.770
9	Portugal***			0,350	9	€ 2.530	€ 22.770
VIII	0.115%-0.449%	8	Chile	0,407	8	€ 2.530	€ 20.240
		8	Colombia	0,288	8	€ 2.530	€ 20.240
		8	Czech Republic	0,311	8	€ 2.530	€ 20.240
		8	Egypt	0,186	8	€ 2.530	€ 20.240
		8	Finland	0,421	8	€ 2.530	€ 20.240
		8	Greece	0,366	8	€ 2.530	€ 20.240
		8	Hungary	0,206	8	€ 2.530	€ 20.240
		8	Iran	0,398	8	€ 2.530	€ 20.240
		8	Nigeria	0,250	8	€ 2.530	€ 20.240
		8	Pakistan	0,115	8	€ 2.530	€ 20.240
		8	Portugal	0,350	8	€ 2.530	€ 20.240
		8	Romania	0,198	8	€ 2.530	€ 20.240
		8	Slovakia	0,153	8	€ 2.530	€ 20.240
		8	South Africa	0,272	8	€ 2.530	€ 20.240

IX	0.040%-0.114%	5	Bulgaria	0,046	5	€ 2.530	€ 12.650
		5	Croatia	0,077	5	€ 2.530	€ 12.650
		5	Latvia	0,047	5	€ 2.530	€ 12.650
		5	Lithuania	0,071	5	€ 2.530	€ 12.650
		5	Luxembourg	0,067	5	€ 2.530	€ 12.650
		5	Slovenia	0,076	5	€ 2.530	€ 12.650
		5	Uruguay	0,087	5	€ 2.530	€ 12.650
X	0.005%-0.039%	4	Cyprus	0,036	4	€ 2.530	€ 10.120
		4	Estonia	0,039	4	€ 2.530	€ 10.120
		4	Malta	0,017	4	€ 2.530	€ 10.120
		4	Paraguay	0,016	4	€ 2.530	€ 10.120
		4	Serbia	0,028	4	€ 2.530	€ 10.120
		4	Tunisia	0,025	4	€ 2.530	€ 10.120
XI	0.001%-0.004%	1	Holy See	0,001	1	€ 2.530	€ 2.530
		1	San Marino	0,002	1	€ 2.530	€ 2.530

* Pursuant to Host Agreement

** According to the will of Ireland to maintain 9 units of contribution for 2020

*** According to the will of Portugal to maintain 9 units of contribution for 2020-2022