



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

EN

GENERAL ASSEMBLY
79th session
Rome, 17 December 2020

UNIDROIT 2020
A.G. (79) 2
Original: English
October 2020

Item No. 4 on the agenda: Organisation's activity in 2020

(prepared by the Secretariat)

<i>Summary</i>	<i>Review of the activities carried out by UNIDROIT in 2020 to implement the Work Programme adopted in 2019, including staffing and funding implications</i>
<i>Action to be taken</i>	<i>To take note of the resources allocated to carry out the current Work Programme</i>
<i>Related documents</i>	<u>UNIDROIT 2020 – F.C. (90) 3</u> ; <u>UNIDROIT 2019 – A.G. (78) 3</u>

INTRODUCTION

1. The Work Programme of UNIDROIT for the 2020-2022 triennium covers a number of topics originally recommended by the Governing Council for inclusion in the Work Programme at its 98th session (Rome, 8-10 May 2019) and approved by the General Assembly at its 78th session (Rome, 12 December 2019) (see document [UNIDROIT 2019 – A.G. \(78\) 12, paras. 38-51](#)).

2. The following criteria are applied to determine the level of priority assigned to the different activities in the Work Programme:

(a) *Priority for allocation of meeting costs:*

- (i) "high priority" – project that should take precedence over others;
- (ii) "medium priority" – projects eligible for being initiated or advanced in the event that the costs of high priority projects turn out to be lower than anticipated (e.g. because the Secretariat obtains extra-budgetary funding), thus freeing resources under the regular budget; and
- (iii) "low priority" – projects that should only be advanced after completion of other projects or on the basis of full extra-budgetary funding.

(b) *Priority for allocation of human resources:*

- (i) "high priority" – at least 70% of the time of the responsible officers;
- (ii) "medium priority" – not more than 50% of the time of the responsible officers; and
- (iii) "low priority" – not more than 25% of the time of the responsible officers.

(c) *Indispensable functions:* Indispensable functions are those that are either imposed by the Statute of UNIDROIT (e.g. library, governance) or are otherwise necessary for its operation (e.g. management and administration). These functions are by their very nature "high priority", which is why they are supported by a dedicated pool of human and financial resources.

3. The Work Programme for the 2020-2022 triennium currently includes the following activities with the priorities assigned by the General Assembly at its 78th session (Rome, 12 December 2020):

A. Legislative activities

1. Secured transactions
 - (a) Implementation of Rail and Space Protocols: high priority
 - (b) Implementation of Protocol on Matters Specific to Mining, Agricultural and Construction Equipment: high priority
 - (c) Preparation of other Protocols to the Cape Town Convention
 - (i) Ships and maritime transport equipment: low priority
 - (ii) Renewable energy equipment: low priority
2. Private law and agricultural development
 - (a) Preparation of an international guidance document on agricultural land investment contracts: high priority
 - (b) Legal structure of agricultural enterprises: medium priority
3. Transnational civil procedure
 - (a) Formulation of regional rules: high priority
 - (b) Principles of effective enforcement: medium priority

- (c) International Civil Procedure in Latin America: low priority
- 4. International sales law
Preparation of a guidance document on existing texts in the area of international sales law in cooperation with UNCITRAL and the Hague Conference on Private International Law: high priority
- 5. International commercial contracts
Formulation of principles of reinsurance contracts: low priority
- 6. Cultural property – Private art collections: low priority
- 7. Leasing and Factoring
 - (a) Model Law on Factoring: high priority
 - (b) Guide for enactment of the UNIDROIT Model Law on Leasing: low priority
- 8. Insolvency law: Harmonisation of national insolvency laws for the liquidation of banks and rules of cooperation and coordination in cross border cases: medium priority
- 9. Law and technology: Artificial Intelligence/Smart Contracts/DLT: medium priority

B. Implementation and promotion of UNIDROIT instruments

- 1. Depository functions: high priority
- 2. Promotion of UNIDROIT instruments: high priority
 - (a) UNIDROIT Principles of International Commercial Contracts
 - (b) UNIDROIT/FAO/IFAD Legal Guide on Contract Farming
 - (c) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and UNESCO-UNIDROIT Model Provisions on State ownership of undiscovered cultural objects

C. Non-legislative activities

- 1. UNIDROIT Library and Depository Libraries: high priority
 - 2. Uniform Law Review and other publications: high priority
 - 3. Internships and scholarships: high priority
4. After the approval by the General Assembly, the Secretariat received a proposal to include the topic of Warehouse Receipts in the Work Programme. The project would consist in the drafting of a Model Law on Warehouse Receipts, and would be conducted jointly with UNCITRAL. The proposal was presented and discussed at the 99th session of the Governing Council (see [UNIDROIT C.D. \(99\) A.8](#)), whose members unanimously agreed to recommend that this new item be included in the Work Programme by the General Assembly at its 79th session (see UNIDROIT A.G. (79) 3). Until now, work on the matter has been purely preparatory in nature, demanding little to no resources of the Institute. Subject to the General Assembly's approval, the new item will be placed under letter (d) of item 1. Secured Transactions.
5. The present document offers a summary indication of action taken in 2020 to implement the legislative and non-legislative activities that appear on UNIDROIT's Work Programme. More detailed information will be provided in the Annual Report 2020 to be published in 2021. Annex I to the present document includes information, in monetary terms, on the allocation of resources to the various projects and activities of the Institute in the financial year 2020, on the basis of the Budget approved by the General Assembly at its 78th session (Rome, 12 December 2019). Annex II, in turn, provides information on extra-budgetary contributions available to the Secretariat and their allocation to various activities in the year 2020.

A. Legislative activities**1. Secured transactions****(a) Implementation of Rail and Space Protocols to the Cape Town Convention ********Luxembourg Rail Protocol***

6. With Resolution No. 1, the Diplomatic Conference for the Adoption of the Draft Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock (Luxembourg, 12-23 February 2007) established a Preparatory Commission ("Rail Preparatory Commission") to act as Provisional Supervisory Authority for the establishment of the International Registry under the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock ("Luxembourg Rail Protocol"). Following the approval of the Registry Contract and Master Service Agreement, the designation of the prospective Registrar, and the signature of the Contract for the Establishment and Operation of the International Registry in 2014, the Rail Preparatory Commission set up a Ratification Task Force (RTF), which is now composed of: the Co-Chairs of the Rail Preparatory Commission; the Governments of Luxembourg and Sweden; representatives of the Rail Working Group and the Registrar; the Intergovernmental Organisation for International Carriage by Rail (OTIF) as Secretariat of the future Supervisory Authority for the Registry; and UNIDROIT. The Protocol has been ratified by Gabon, Luxembourg and Sweden and approved by the European Union. While the current COVID-19 pandemic has understandably shifted priorities for many governments, the Secretariat was informed that work towards signature and ratification is progressing in several jurisdictions (among others Mauritius, South Africa, Spain and the United Kingdom).

7. Since the publication of the Statement of Activities for the 78th session of the General Assembly in December 2019, the UNIDROIT Secretariat has undertaken numerous activities to promote the implementation and entry into force of the Protocol, in cooperation with the Rail Working Group (RWG) and the Ratification Task Force, but also with the Intergovernmental Organisation for International Carriage by Rail, the UN Economic Commission for Africa (UN ECA), the UN Economic Commission for Europe (UN ECE), the European Commission and Council, as well as academic institutions and other organisations. Events and meetings were held in Egypt (ministerial and governmental meetings together with the RWG and UN ECA); in Brussels (at the Land Transport Working Party of the Council of the EU under the Croatian Presidency, at the invitation of the DG MOVE). UNIDROIT further participated remotely in a conference organised in Lagos (Nigeria) by Aston University in cooperation with the RWG.

8. The Luxembourg Rail Protocol found further recognition in a conclusive communiqué which was issued by the Ministers and delegates to the Fifth Week of the Programme for Infrastructure Development in Africa (5th PIDA Week) urging African States to ratify the Luxembourg Rail Protocol.

9. Finally, UNIDROIT was invited to participate in a Group of Experts on the Unique Rail Vehicle Identification System created by the Luxembourg Rail Protocol (URVIS), called the "Group of Experts on Permanent Identification of Railway Rolling Stock" (GE_PIRRS), established by the UNECE Inland Transport Committee upon recommendation of its Working Party on Rail Transport.

10. More detailed information on these events and activities will be contained in the Annual Report 2020.

Space Protocol

11. Resolution No. 1 of the Diplomatic Conference for the Adoption of the Draft Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Space Assets (Berlin, 27 February – 9 March 2012) set up a Preparatory Commission ("Space Preparatory

Commission”) to act as Provisional Supervisory Authority for the establishment of the International Registry for Space Assets, under the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Space Assets (“Space Protocol”). The Commission set up an informal sub-group to reassess industry participation for the promotion and development of the Space Protocol.

12. In the course of 2020, the Secretariat continued to promote the Space Protocol at events, attended by intergovernmental, governmental and industry participants (in particular participating in the 71st International Astronautical Congress (IAC) – The CyberSpace Edition), as well as within the framework of the cooperation with the Advanced Master’s LLM in Air and Space Law Programme at Leiden University. More detailed information on these events will be contained in the Annual Report 2020.

(b) Implementation of the Protocol on Matters Specific to Mining, Agricultural and Construction Equipment ***

13. At its 97th session (Rome, 2–4 May 2018), the UNIDROIT Governing Council approved the convening of a Diplomatic Conference to formally adopt the fourth Protocol to the 2001 Cape Town Convention on International Interests in Mobile Equipment on Matters Specific to Mining, Agricultural and Construction Equipment (the “MAC Protocol”). Following this, UNIDROIT convened a Diplomatic Conference between 11 – 22 November 2019 which saw participation from over 150 delegates from 42 States, 1 regional economic integration organisation, 3 intergovernmental organisations, 4 international non-governmental organisations, and 1 technical adviser.

14. The Diplomatic Conference elected Ms Sandea de Wet (South Africa) as President of the Conference, Mr Dominique D’Allaire (Canada) as the Chair of the Commission of the Whole and Sir Roy Goode (United Kingdom) as Rapporteur. Delegations negotiated the final text of the treaty in an open, positive and collaborative spirit and were able to conclude an instrument that was supported by all participating States. Negotiating States participated actively in the subgroups created by the Diplomatic Conference, including the Credentials Committee (5 States), Drafting Committee (10 States), Final Clauses Committee (17 States) and a Working Group established to evaluate the Harmonized System (HS) codes listed in the MAC Protocol Annexes (12 States).

15. Four States (the Republic of Congo, the Republic of Gambia, the Republic of Paraguay and the Federal Republic of Nigeria) signed the treaty on adoption. During the signing ceremony on 22 November, an additional 20 States expressed their support for the treaty, and many declared their intention to initiate domestic processes to sign the instrument. In appreciation of the Republic of South Africa hosting the Diplomatic Conference, the MAC Protocol will also be known as the “Pretoria Protocol”.

16. As consistent with the Final Act of the Diplomatic Conference, in the 90 days following the Diplomatic Conference the UNIDROIT Secretariat undertook a verification process of the treaty text to ensure the English and French versions were in linguistic concordance. Following the verification process, the Secretariat identified additional minor errors in the text of the Protocol. Subsequently, on 29 April 2020, the Secretariat opened an error correction process under Article 79 of the Vienna Convention on the Law of Treaties. Having received no objection from Signatory States, and following an extensive consultation with States represented at the Drafting Committee of the Diplomatic Conference, the corrections were approved and the finalised text was transmitted to all States that attended the Diplomatic Conference via Note Verbale on 29 July 2020.

17. As consistent with the implementation of the other Cape Town Convention Protocols and following Resolution 1 of the Diplomatic Conference Final Act, a Preparatory Commission has been established to act as Provisional Supervisory Authority until the Protocol enters into force. The Preparatory Commission operates under the guidance of the Governing Council and General Assembly of UNIDROIT. The Preparatory Commission has three key responsibilities:

- (i) Selection of a Registrar to operate the MAC Protocol International Registry
- (ii) Work towards the establishment of a Supervisory Authority
- (iii) Prepare the first edition of the International Registry Regulations

18. The first session of the Preparatory Commission took place via videoconference between 21-22 May 2020. The Commission was attended by 38 participants from eight Member States of the Commission, one observing State, one observing Regional Economic Integration Organisation, three observing organisations, and ex officio observers from the Diplomatic Conference.

19. At its first session, the Preparatory Commission negotiated and adopted the Rules of Procedure and considered several issues associated with the future operation of the International Registry. The Commission also established a Working Group to draft a request for proposals for the selection of a Registrar (the Registrar Working Group), as well as a Working Group to develop draft Regulations for the International Registry (the Regulations Working Group). Finally, the Commission extended the period available to the International Finance Corporation (IFC) to accept the role of Supervisory Authority. The Regulations Working Group held its first session on 14-15 September, whereas the Registrar Working Group held its first session in 4 November 2020.

20. On 1 October 2020, the United States of America became the 5th State to sign the MAC Protocol. Secretary of State Michael R. Pompeo signed the treaty at a formal ceremony hosted at the Seat of UNIDROIT in Rome.

(c) Preparation of other Protocols to the Cape Town Convention

*(i) Ships and maritime transport equipment **

21. Based on the Governing Council's recommendation, the General Assembly at its 78th session (Rome, 12 December 2019) decided to retain in UNIDROIT's Work Programme for the 2020–2022 triennium, at a low level of priority, the preparation of an additional Protocol to the Convention on International Interests in Mobile Equipment on matters specific to ships and maritime transport equipment. In light of this decision, the Secretariat continued to monitor developments in this regard.

*(ii) Renewable energy equipment **

22. Consistent with the low priority assigned to the project in the Institute's Work Programme for the 2020-2022 triennium, the Secretariat has continued to conduct research to further determine the viability of a future Protocol on renewable energy equipment throughout 2020.

2. Private law and agricultural development

(a) Preparation of an international guidance document on agricultural land investment contracts ***

23. During UNIDROIT's Work Programme for the 2017-2019 triennium, a Working Group was set up by UNIDROIT, in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) for the preparation of a UNIDROIT/FAO/IFAD Legal Guide on Agricultural Land Investment Contracts (ALIC). In total, the ALIC Working Group held four formal meetings and three informal meetings for the preparation of the ALIC Zero Draft, which was submitted, in 2019, to a round of regional consultations with stakeholders in China, Brazil, Kenya, as well as online.

24. The ALIC Guide seeks to raise awareness of alternative investment models beyond the outright purchase of land that are consistent with the international principles and standards laid out in the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the CFS Principles for Responsible Investment in

Agriculture and Food Systems (CFS RAI Principles) and the UN Guiding Principles on Business and Human Rights. The ALIC Guide will help to ensure that –mostly long term– leases of agricultural land are done responsibly, with necessary safeguards to protect human rights, livelihoods, food security, nutrition and the environment, and that stakeholders’ rights, including those of legitimate tenure right holders, are both protected and respected.

25. Since the General Assembly’s 78th session (Rome, 12 December 2019), the Secretariat and the Working Group have taken the following key steps:

- in February 2020, the Secretariat presented the reports containing all the comments and recommendations received from the online and the regional consultation events to the Working Group members and made them available online on UNIDROIT’S website;
- on 2-3 March 2020, a hybrid (in-person and virtual) drafting committee meeting was held at UNIDROIT to review the comments and recommendations received throughout the consultation process. A number of issues were discussed, such as (a) terminology; (b) the framing of guidance; (c) the appropriate level of detail; (d) references to other instruments and sources; and (e) revisions of an editorial nature as to clarity of expression and user-friendliness;
- the Secretariat subsequently revised the ALIC Zero Draft in order to account for the decisions taken by the drafting committee.

26. On 24 September 2020, at its 99th session, the UNIDROIT Governing Council considered and adopted the final draft of the UNIDROIT/FAO/IFAD Legal Guide on Agricultural Land Investment Contracts, subject to possible minor adjustments during the process leading to the approval by FAO and IFAD. The Governing Council also took note of the prospective programme of activities for the implementation of the ALIC Guide in 2021, which will include a launch event and one-day workshop with the participation of the working group experts. In addition, the Secretariat is seeking to promote the ALIC Guide in events organised by other international organisations such as the Committee on Food Security’s 47th session, which has been rescheduled to 8-12 February 2021; the 21st Annual World Bank Conference on Land and Poverty, postponed to 22-26 March 2021; and other meetings organised by the Italian Ministry of Foreign Affairs together with the other Rome-based organisations.

(b) Legal structure of agricultural enterprises **

27. Supported by both FAO and IFAD, the project regarding ‘legal structure of agricultural enterprises’ was selected by the Governing Council, at its 98th session (Rome, 8-10 May 2019)¹ to be developed during the 2020-2022 Work Programme² and approved by the General Assembly at its 78th session, with a medium priority level.³ The Governing Council recommended that the Secretariat conduct a stocktaking exercise and feasibility analysis with respect to the legal structure for investment in agriculture activities, in order to ascertain whether UNIDROIT could make a useful contribution.⁴

28. In 2020, the Secretariat prepared and submitted to the Governing Council, at its 99th session, the requested feasibility study, which was divided into four parts. Part I provided background on UNIDROIT’S work in the field of private law and agricultural development and outlined the evolution of the topic on legal structure of agricultural enterprises. Part II provided a summary of recent

¹ At the 98th session of the Governing Council, the Secretariat proposed the following possible areas of future work in the field of private law and agricultural development: legal structure of agricultural enterprises; title to land; agricultural finance; community trust funds or similar mechanisms; and valuation of communal land. For more information, see UNIDROIT 2019 – [C.D. \(98\) 14 rev.2](#), paras. 78-82.

² UNIDROIT 2019 – [C.D. \(98\) 17](#), para. 288.

³ UNIDROIT – [A.G. \(78\) 12](#), para. 51

⁴ UNIDROIT 2019 – [C.D. \(98\) 17](#), para. 288

international initiatives which may directly and/or indirectly influence the scope of UNIDROIT's future work. Lastly, Part III evaluated whether a new UNIDROIT/FAO/IFAD instrument would be of additional benefit and provided preliminary observations on legal issues to be considered.

29. The feasibility study demonstrated that the work on legal structures of agricultural enterprises would seem to be a natural next step from the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming and the UNIDROIT/FAO/IFAD Legal Guide on Agricultural Land Investment Contracts. While the content, scope and form of the potential new instrument still requires further definition, the Secretariat proposed to build upon the gaps identified in certain international initiatives, and to further promote the thematic continuity and synergy it has developed over the years with the collaboration of FAO and IFAD in the field of private law and agricultural development.

30. The development of new legal and contractual guidance that elaborates upon the business models presented in FAO and IFAD's technical guides, that determines their pros and cons for the inclusion of smallholders, and that identifies and defines from a legal standpoint the most efficient organisational models would add to the existing state of the art. The Secretariat concluded that the project could, tentatively, identify:

- (i) which would be the optimal legal structure to promote access to adequate domestic and foreign agricultural markets by smallholders;
- (ii) how contractual and company networks can either directly or through collaboration within and across agricultural commodities increase the size of agricultural enterprises;
- (iii) which legal instruments are best suited to promote access to capital, know-how, and technology; and
- (iv) which legal and contractual remedies are available to address unfair commercial practices in agri-food activities. In addition, consideration could be given to ways to ease access to insurance, which is crucial in the agricultural sector (i.e., which legal forms are best suited to favour access to insurance markets).

31. At its 99th session, the Governing Council authorised the Secretariat to continue taking stock of other initiatives and consulting with the Secretariats of FAO, IFAD, UNCITRAL, and other relevant organisations. As a first step, the Secretariat plans to organise a colloquium in 2021 to discuss and identify the private law aspects that might be addressed in the project. As a second step, the Secretariat will consider setting up a core, limited group of experts to assist in the preparation of a document defining the scope of a new UNIDROIT/FAO/IFAD international guidance document, which will be presented at the Governing Council's 100th session in May 2021.

3. Transnational civil procedure

(a) Formulation of regional rules ***

32. In 2014, UNIDROIT and the European Law Institute (ELI) agreed on a Memorandum of Understanding specifically related to a project on regional (European) civil procedure rules based on the American Law Institute (ALI) – UNIDROIT Principles of Transnational Civil Procedure. The project was inserted in the 2014-2016 Work Programme and continued towards its finalisation in the 2017-2019 Work Programme, with a view of being completed and subject to approval to the governing bodies of both organisations in 2020.

33. The project comprised around 50 international experts representing a variety of European legal systems (who actively participated in the drafting of the instrument through ten Working Groups, under the supervision of a Steering Committee composed by representatives of both organisations), observer regional and global organisations, and academic and professional institutions.

34. In the course of 2020, the Secretariat engaged in an intense activity to ensure completion of the Rules. In accordance with the ELI's practice, the draft of the black-letter Rules and Comments in English, prepared by a restricted Drafting Team building on the texts provided by the Working Groups and the coordinating Structure Group, was submitted to the scrutiny of two ELI Assessors in January 2020. UNIDROIT and the ELI simultaneously circulated the draft to the ELI Senate, Advisory Committee, Membership Consultative Committee, as well as to the members of the UNIDROIT Governing Council. The revised version of the instrument resulting from the round of comments was submitted to the ELI Executive Council on 3 June 2020 for approval, accompanied by the French version of the Black Letter Rules, produced by a dedicated French Task Force, as well as a separate document containing articulated replies to the issues raised by the ELI Assessors and other commentators.

35. The Rules were successfully approved by the ELI Council and Membership in summer 2020, as well by the UNIDROIT Governing Council at the second meeting of its 99th session on 23-25 September 2020. The finalised Rules cover a broad range of issues concerning the commencement, structure, conduct and conclusion of civil proceedings, including a section on appeals and on collective redress. They are aimed at offering detailed guidance for further development of civil procedure in Europe and beyond. More information and the text of the approved instruments are available at <https://www.unidroit.org/english/governments/councildocuments/2020session/cd-99-b/cd-99-b-10-rev-e.pdf>.

36. The Rules were presented and discussed on 30 March 2020 at a remote lecture at the IE Law School (Madrid) as part of the Jean Monnet Chair in European Civil Procedure; at a webinar organised on 10 September 2020 in the framework of the ELI General Assembly and Annual Conference (for the video recording see <https://europeanlawinstitute.eu/about-eli/bodies/membership/mm-2020/conference-recordings/>); and at an International Workshop held in hybrid format as the closing event of the 99th session of the UNIDROIT Governing Council (25 September 2020). More information will be contained in the Annual Report 2020.

(b) Principles of effective enforcement **

37. In December 2018, the Secretariat received a proposal by the World Bank for the 2020-2022 Work Programme, regarding a project on the development of "Best Practices on Debt Enforcement". This proposal was discussed as a continuation, and at the same time as a refinement of the scope, of the "Principles of Effective Enforcement" project, which was already part of the 2017-2019 Work Programme with a low priority. The project was included in the new Work Programme by the General Assembly (A.G. (78) 12, paras. 41 and 51, and A.G. (78) 3), confirming the recommendation of the Governing Council (C.D. (98) 17, para. 245). While there was substantial agreement on the importance of the topic and on the legal, social and economic impact of the work to be conducted, the Secretariat was asked to produce a more refined scope of the project. As presented to the General Assembly at its 78th session 2019 (see A.G. (78) 3), the idea was to develop a guidance document providing legislators with a catalogue of what would be identified as already existing best practices on enforcement, while also looking forward and thinking of new solutions beyond the current state of the art. In order to reflect the nature of the instrument to be developed, the project was renamed as "Best Practices of Effective Enforcement".

38. During the remote first meeting of the 99th session of the Governing Council held in April/May 2020, Council Members commented on the revised Secretariat's paper (C.D. (99) A.3), accepted the proposal to recommend a higher priority for the project subject to the confirmation of the second meeting of the session in September 2020, and authorised the setting up of a consultation procedure to receive expert feedback on the questions raised (C.D. (99) A.8, paras. 43-44). In response to the mandate received, the UNIDROIT Secretariat launched a virtual consultation procedure with selected international experts and organisations, addressing, in particular, the issues to be considered in determining the overall scope of the project (C.D. (99) B.3).

39. The Secretariat further organised an Exploratory Workshop with participation of international experts and organisations as well as the members of the UNIDROIT Governing Council, which was held on 21 September 2020 to further discuss open issues, including a panel on the impact of technology on enforcement. The workshop involved invited experts from academia and the legal professions as well as representatives of the World Bank, the EBRD, the Max-Planck-Institute in Luxembourg, the International Union of Judicial Officers (UIHJ) and UNCITRAL.

40. This consultation procedure was instrumental in refining the guidance for the future development of the project, which was approved by the Governing Council at the second meeting of its 99th session held in hybrid form on 23-25 September 2020. The Governing Council authorised the setting up of a Working Group and recommended the confirmation of the high level of priority for the project. The first meeting of the Working Group is planned for 30 November – 2 December 2020.

(c) International Civil Procedure in Latin America *

41. Upon recommendation of the Governing Council, the General Assembly included at its 98th session the possibility of future work on the topic in the Institute's Work Programme for the 2020-2022 triennium, subject to further consultation with the Organization of American States (OAS), a feasibility analysis and availability of resources. Consistent with the low level of priority assigned to the project, throughout 2020 the Secretariat merely undertook preliminary research on this topic.

4. International sales law: Preparation of a guidance document on existing texts in the area of international sales law in cooperation with UNCITRAL and The Hague Conference on Private International Law ***

42. The Tripartite Legal Guide to Uniform Legal Instruments in the Area of International Commercial Contracts (with a focus on sales) was developed on the basis of an initiative of UNCITRAL and in cooperation among the three Secretariats of UNCITRAL, the Hague Conference on Private International Law (HCCH) and UNIDROIT. Its goal was the creation of a roadmap to the existing texts in the area of international sales law prepared by each organisation (primarily, but not exclusively, the UN Convention on Contracts for the International Sale of Goods (CISG), the UNIDROIT Principles, and the HCCH Principles), and an assessment of interactions between the texts, their actual and potential use, application, and impact, all with the goal to facilitate promotion of their appropriate use, uniform interpretation, and adoption. The Guide was drafted by a small group of international experts (Professors Neil Cohen, Lauro Gama Jr., Pilar Perales Viscasillas, Hiroo Sono, Stefan Vogenauer), in cooperation with the Secretariats of the three organisations.

43. During the course of 2020, all three organisations approved and/or authorised the publication of the Legal Guide. The Guide was submitted to the HCCH membership for discussion in March 2020 at the Council on General Affairs and Policy (CGAP), which approved the first three Chapters of the Guide and invited the Permanent Bureau to continue its cooperation with UNCITRAL and UNIDROIT towards its finalisation, publication and promotion. At the same time, the text was shared with the members of the UNIDROIT Governing Council, who provided valuable comments that were taken into consideration in the final draft. The Legal Guide was unanimously approved at the remote first meeting of the 99th session of the UNIDROIT Governing Council (April/May 2020), subject to the discussion which would take place at the UNCITRAL Commission session later in 2020. At its 53rd session held virtually in July 2020, the UNCITRAL Commission discussed the draft Tripartite Guide together with limited adjustment proposals agreed upon by the three Secretariats, and authorised the publication of the Guide. The Governing Council, in the second meeting of its 99th session held on 23-25 September 2020, took note of the adjustments and, in turn, authorised the publication of the revised text of the instrument. The Legal Guide will be published in Arabic, Chinese, French, English, Russian and Spanish. For more information and a link to the current text of the Guide in English see [C.D. \(99\) B.11](#).

44. The Tripartite Conference, which had originally been planned for the last day of the UNIDROIT Governing Council in May 2020, was held in hybrid format on September 22, with the participation of representatives of the three sponsoring organisations as well as international experts including the drafters of the Guide and UNIDROIT Governing Council members. Issues of applicable law and the interplay and impact of uniform law instruments in this area were discussed. The video of the conference is available on the [UNIDROIT YouTube Channel](#).

5. International Commercial Contracts: Formulation of principles of reinsurance contracts *

45. The project for the development of Principles of Reinsurance Contract Law (PRICL Project), led by the Universities of Zurich, Frankfurt and Vienna and with participation of academics and practitioners from different jurisdictions, is aimed at the formulation of a “restatement” of existing global reinsurance law. The project leaders expressed the view that the proposed principles presupposed the existence of adequate rules of general contract law. Rather than attempting to re-create such rules, the proposed new principles should refer to the UNIDROIT Principles of International Commercial Contracts as the general part of contract law and invited UNIDROIT to participate in the project, wholly funded by research institutions.

46. The first part of the project, covering a General Part and four additional Chapters on Duties, Remedies, Aggregation, and Allocation, was published on line in December 2019 and can be found on the dedicated website of the project at <https://www.ius.uzh.ch/de/research/projects/pricl.html>.

47. The UNIDROIT General Assembly at its 78th session in December 2019, upon recommendation of the Governing Council, adopted the continuation of the project for the Work Programme 2020-2022 at the same conditions as before, in order to complete coverage of all relevant topics.

48. The 7th PRICL Workshop was held in Zurich, Switzerland on 4-6 December 2019. The next Workshop, originally scheduled to be held in Bad Homburg on 22-24 June 2020, was postponed to 17-20 March 2021 due to the Covid-19 pandemic.

49. In the meantime, the project team has created a new section of the PRICL website where they have posted non-official translations of the Principles. So far, the PRICL have been informally translated in Japanese, Spanish and Turkish. The website also includes a list of publications and presentations on the PRICL.

6. Cultural property – Private art collections*

50. The topic of private art collections has been included in the UNIDROIT Work Programme since 2017 with a low priority level. In order to identify the aspects of private law that fall within its mandate, UNIDROIT organised a conference entitled “Private collections: Historical and legal approaches” (Rome, 16-17 March 2017)⁵ to which Ms Elina Moustaira, Professor of Comparative Law at the Faculty of Law of the National and Kapodistrian University of Athens, was invited. Ms Moustaira authored a note identifying the aspects of private law for which the particular expertise of UNIDROIT would be an additional asset in this field. In addition, the first conference held under the auspices of the 1995 UNIDROIT Convention Academic Project (UCAP) was organised by the University of Opole in Poland (UNESCO Chair on Cultural Property Law) in Gdansk on 6 and 7 June 2019, with one day focussing on private art collections.

51. At its 99th session (Rome, September 2020), the Governing Council considered the subject and encouraged the Secretariat to continue studying the feasibility of possible future work that would be in line with its mandate and the provisions of the UNIDROIT Convention of 1995 on cultural objects

⁵ A conference co-organised by the *Société internationale pour la recherche en droit du patrimoine culturel et droit de l'art* (ISCHAL), the *Institut des sciences sociales du politique* (CNRS-ENS Cachan-Université Paris-Nanterre) and the law firm BonelliErede.

and other relevant instruments in its field. The Council highlighted the importance of this subject for UNIDROIT, which fell within its mandate extending beyond commercial law.

52. The topic was also included in the UCAP for the collection of material in particular, and it was addressed during the Conference organised in Rome on 8 and 9 October 2020 to mark the 25 years of the adoption of the UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects.

7. Leasing and Factoring

(a) A Model Law on Factoring ***

53. The Model Law on Factoring Project was approved by the UNIDROIT General Assembly at its 78th session in December 2019 as a high priority project for the 2020-2022 Triennial Work Programme.

54. As consistent with the Institute's established working methodology, a Working Group has been established which will develop the Model Law on Factoring. The Working Group is composed of international legal experts representing different legal systems and geographical regions. It is chaired by member of the UNIDROIT Governing Council Professor Henry Gabriel and includes 8 additional members, as well as 11 observers representing international, regional and intergovernmental organisations, industry associations, and academia.

55. On 1-3 July 2020, the first Working Group session was held by videoconference, due to the extraordinary circumstances of the COVID-19 pandemic. The session was attended by 32 participants, comprising of the 9 Working Group members; 18 observers from international, regional and intergovernmental organisations, industry associations and academia; and 5 members of the UNIDROIT Secretariat. The Working Group's discussions focussed on determining the scope of a future Model Law. Furthermore, the content and structure of the Model Law were considered.

56. Following the first Working Group session, an informal Conflict of Laws Group was set up as a sub-group to the Factoring Working Group to consider conflict-of-laws rules in relation to the future Model Law. Factoring transactions, whether cross-border or domestic, are plagued by uncertainties as to the content and the choice of legal regime applicable to the assignment of receivables. With a view to reducing these uncertainties, the future Factoring Model Law shall contain a separate section on conflict-of-laws rules with at least two sub-sections containing articles addressing bilateral and third-party issues, respectively. The Conflict of Laws Group met twice in 2020, on 4 August and 26 October.

57. The second session of the Factoring Working Group has been confirmed for 14-16 December 2020.

(b) Guide for enactment of the UNIDROIT Model Law on Leasing *

58. Upon recommendation of the Governing Council, the General Assembly included this item on the 2020-2022 Work Programme with low priority, in order for the Secretariat to monitor developments in the area. The Secretariat would return to the Governing Council to seek approval if it determined that any additional work was necessary.

8. Insolvency law: Harmonisation of national insolvency laws for the liquidation of banks and rules of cooperation and coordination in cross border cases **

59. Following the Governing Council's recommendation, the General Assembly decided at its 78th session (Rome, 12 December 2019) to assign medium priority to this proposal, in order for the Secretariat to conduct further research and provide a more defined scope for the project, as well as further justification of its adequacy as work to be conducted by a global institution.

60. Bearing the decision of the Governing Council in mind, considering the limited resources available and the mandate to concentrate on other projects with higher priority, the Secretariat has not conducted any specific material work on this project. The Secretariat, however, has continued to canvass support and to ascertain the need and the relevance of the project, with positive results.

61. In particular, the Secretariat had several conversations with the leadership of the Financial Stability Institute (FSI), a Basel-based institution founded by the Bank of International Settlements and the Basel Committee on Banking Supervision, and has been able to confirm the interest of the project from a global standpoint. The topic is generally regarded as both practically relevant and highly topical, even more in light of the current COVID-19 circumstances. The FSI has expressed interest in partnering up with UNIDROIT to undertake work on the subject matter. They have also expressed willingness to support the joint venture financially, if required.

62. In addition to the research expertise that would be provided by the FSI, the Secretariat has taken steps to strengthen its specific expertise on the subject matter. Following contacts with the legal department of the Bank of Italy, the Secretariat submitted a formal request for a joint project consisting on the creation of a Bank of Italy-UNIDROIT Chair, with an initial duration of one year, extendable for at least one additional year. The Secretariat has recently been informed orally that the project has been approved. In light of this positive development, the Secretariat is pleased to report that the Institute now counts on a highly qualified banking law academic or expert working with the Secretariat in Rome as an additional resource.

63. In light of the above, the Secretariat presented a proposed action plan leading to the drafting of a feasibility study to the Governing Council at its 99th session in September 2020 ([UNIDROIT 2020 – C.D. \(99\) B.6, para. 7](#)). The Governing Council agreed with this proposed action plan.

9. Law and technology: Artificial Intelligence/Smart Contracts/DLT **

64. In 2015, the Secretariat received a proposal from the Ministry of Justice of Hungary, followed by a proposal in 2016 from the Ministry of Industry and Trade of Czechia relating to work in the domain of “business informatics”, focusing on distributed ledger (including blockchain) technology, artificial intelligence, and smart contracts. A similar proposal was also presented to UNCITRAL, and it was decided for both organisations to explore this domain and identify specific areas in which work could productively be undertaken.

65. To this end, UNCITRAL and UNIDROIT organised two joint workshops: the first in May 2019 in Rome, and the second in March 2020 in Vienna. At its 78th session in December 2019, the UNIDROIT General Assembly approved the inclusion of a project in the area of Artificial Intelligence, Smart Contracts and Distributed Ledger Technology (DLT) in the Work Programme of the Institute for the 2020-2022 triennium at a medium priority and asked the Secretariat to more precisely determine the scope of the project and present it for reconsideration at the next session of the Governing Council.

66. Following the mandate received, the Secretariat worked on narrowing down the scope of the project and identifying specific areas for future work. On the basis of the conclusions of the two joint workshops, a document was submitted to the Governing Council’s remote session in April-May 2020 (UNIDROIT 2020 – C.D. (99) A.4) containing the Secretariat’s proposal on the most appropriate scope for the project. Broadly, the project would aim to develop principles relating to the legal nature, transfer and use of tokens. It would focus on private law, and not regulation. It would consist of a legal taxonomy, along with consideration of specific issues arising in various contexts, such as insolvency, secured transactions, identification of the applicable law in cross-border transactions, and the legal position of intermediaries involved in the token markets, such as exchanges and custodians. It would take a functional approach, neutral as to legal culture and seek to identify the rights and obligations arising from transactions in digital assets in different jurisdictions. Further, it would consider how far the principles developed by the project were consistent with existing law.

While tokens were a new type of asset, consistency with legal treatment of other types of assets would be important, and consideration would need to be given to what extent existing legal principles could apply by analogy, and what modifications would be required. The project would also take a neutral approach, insofar as possible, in relation to technology, so as to “future proof” the principles. As such, it would seek to develop principles that could apply to any system in which data could constitute a digital asset, rather than being specifically applicable to systems based on DLT or blockchain.

67. On the basis of feedback received from the Governing Council, and with a mandate to do so, the Secretariat set up an Exploratory Working Group, chaired by Professor Hideki Kanda. The Group held five meetings between July and September and prepared a Preliminary Issues Paper which could serve as the basis of the Issues Paper which the formally constituted Working Group for this project could consider. Additionally, the Exploratory Working Group facilitated the organisation of an Exploratory Workshop on Digital Assets and Private Law which was held on 17 and 18 September 2020 in a hybrid manner.

68. The Secretariat presented the result of the deliberations of the Exploratory Working Group and the outcomes of the Exploratory Workshop at the second meeting of the 99th UNIDROIT Governing Council in September (C.D. (99) B.4 rev.). Following deliberations, this project was confirmed at high priority, allowing the Secretariat to establish a Working Group. The Governing Council approved the temporary change of name of the project and provided inputs regarding the structure and composition of the future Working Group. The project would now be referred to as the project on “Digital Assets and Private Law”. A Working Group would be established which would be assisted by a Steering Committee with a broad membership, with experts from different fields (both technical and legal), ensuring an appropriate diversity in terms of geography, legal systems, and gender.

69. The first meeting of the Working Group for Digital Assets and Private Law is scheduled to take place in Rome and via Zoom on 17-19 November 2020.

B. Implementation and promotion of UNIDROIT instruments

1. Depositary functions***

70. UNIDROIT has been designated Depositary of the Cape Town Convention on International Interests in Mobile Equipment (2001) and its four Protocols (on Matters Specific to Aircraft Equipment (Cape Town, 2001), on Matters Specific to Railway Rolling Stock (Luxembourg, 2007), and on Matters Specific to Space Assets (Berlin, 2012), and on Matters Specific to Mining, Agricultural and Construction Equipment (Pretoria, 2019) and of the UNIDROIT Convention on Substantive Rules for Intermediated Securities (Geneva, 2009). Information on the status of these instruments can be found on UNIDROIT’s website (www.unidroit.org).

2. Promotion of UNIDROIT instruments***

71. Throughout the year, UNIDROIT actively participates in numerous events (e.g. conferences and seminars) to illustrate, explain, and promote the instruments it has adopted or upon which it is working. Details on those events, relating in particular to the promotion of the Cape Town Convention and its Aircraft Protocol, as well as other existing instruments such as the Convention on Stolen or Illegally Exported Cultural Objects (1995 Rome Convention), the UNIDROIT Principles of International Commercial Contracts 2016, and the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming will be found in the Annual Report 2020 as well as in the various project-specific documents presented to the Governing Council. While travel restrictions present throughout most of 2020 have changed the way promotion is conducted, it has not prevented the Secretariat from holding a considerable number of conferences and events, in hybrid mode or remotely.

3. UNIDROIT instruments in the COVID-19 pandemic

72. In the context of the ongoing COVID-19 pandemic and the attendant economic crisis, the Secretariat is preparing a series of periodically updated guidance documents regarding the impact of COVID-19 on the application of a number of leading UNIDROIT instruments. These documents seek to address challenges regarding contractual disruptions and may also contribute to rebuild the economy in the post COVID-19 scenario by improving access to credit. The Secretariat has created a dedicated section on the Institute's website (<https://www.unidroit.org/covid-19>) to gather all these materials as well as related initiatives.

73. Although the pandemic may interfere with the ordinary execution of commercial contracts in many ways, the most obvious problems concern performance by at least one of the parties. Accordingly, the Note of the UNIDROIT Secretariat on the [UNIDROIT Principles of International Commercial Contracts \(UPICC\) and the COVID-19 Health Crisis](#) evaluates whether parties may invoke COVID-19 as an excuse for non-performance and, if so, based on which concepts and under what conditions. Furthermore, the analysis also covers the situation, likely to be common in practice, where performance is still possible, but has become substantially more difficult and/or onerous under the circumstances. The UNIDROIT Principles offer parties and adjudicators a modern, flexible and uniform approach, particularly in the provisions on "Force majeure" (Article 7.1.7) and "Hardship" (Articles 6.2.2 – 6.2.4), which have already been enormously influential in the domestic and international contexts.

74. In particular, the Note of the Secretariat on UPICC and COVID-19 aims to:

- (i) help parties use the Principles when implementing and interpreting their existing contracts or when drafting new ones in the times of the pandemic and its aftermath;
- (ii) assist courts and arbitral tribunals or other adjudicating bodies in deciding disputes arising out of such contracts; and
- (iii) provide legislators with a tool to modernise their contract law regulations, wherever necessary, or possibly even to adopt special rules for the present emergency situation.

75. In addition, UNIDROIT, FAO and IFAD are currently collaborating to prepare a joint document providing guidance on the legal implications of the COVID-19 pandemic on contract farming operations. Based on the [UNIDROIT/FAO/IFAD Legal Guide on Contract Farming](#), the joint UNIDROIT/FAO/IFAD guidance document on COVID-19 and contract farming aims at identifying best practices and lessons learnt from laws and practice in order to strengthen the legal framework underpinning contract farming. The document will include analysis on how contract clauses on force majeure, hardship/change of circumstances and remedies would apply in the current situation. It will also provide advice for the design and adaptation of contract farming arrangements to accommodate similar future pandemic situations and considers aspects that should be taken into consideration in negotiating and drafting such clauses. Guidance will be given on preparing more flexible contracts which consider the need for adjustments and for cooperation in overcoming difficulties in performing the contracts, with a view to promoting both legal certainty and a fair balance of risks between the contracting parties.

76. COVID-19 has brought on several new challenges while also exacerbating old problems for agricultural investment, including concerns that it will lead to new land grabbing cases, land conflicts, forced evictions and food insecurity. While contractual performance may still be possible, COVID-19 may lead to circumstances that render contractual compliance excessively difficult and, in these cases, the contracting parties may wonder if it is possible to renegotiate their contractual arrangements. Moreover, an investor may decide to pull out of an agricultural land investment early due to a collapse in the market demand for agricultural products. In this context, the recently adopted UNIDROIT/FAO/IFAD Legal Guide on Agricultural Land Investment Contract⁶ may be a useful tool to

⁶ For more information, see 2.a above.

analyse whether contracting parties may invoke as an excuse for non-performance, and if so, based on which concepts and under what conditions.

77. The ALIC Guide may also provide guidance on how to adapt consultations with affected communities and legitimate tenure right holders. For instance, regarding the requirement of free, prior, informed consent (FPIC) which is especially important where indigenous peoples are involved, if for some reason it becomes difficult to organise in-person consultations, the ALIC Guide recommends that the investment planning phase should be paused, and governments should suspend procedures for authorising new agricultural land investments. The Secretariat presented how the ALIC Guide may be useful in the context of COVID-19 at a webinar organised by the IBA Agricultural Law Committee and the Ukrainian Bar Association, supported by the IBA European Regional Forum, the IBA International Commerce and Distribution Committee and the IBA International Trade and Customs Law Committee, addressing the Impact of Lockdown on International Agricultural Trade.

78. In a post-COVID-19 scenario, the industries to which the [Cape Town Convention](#) on International Interests in Mobile Equipment and its Protocols⁷ apply are central pillars of the economies in most countries and will be critical in lifting the global economy out of recession. The Cape Town System provides legal certainty and an efficient, widely tested, mechanism to structure the provision of finance and international investment through secured transactions. To provide broader awareness of the Cape Town System in the context of COVID-19, the Secretariat participated in a webinar organised by OAS discussing mechanisms for the improvement of access to credit in a post pandemic economy.

79. Besides the initiatives mentioned above, the Secretariat also organised an Essay Competition, supported by Stibbe, and facilitated by the UNIDROIT Foundation. Participants were invited to author an essay in English examining the impact and usefulness of any relevant UNIDROIT instruments either during the COVID-19 pandemic, or in the post COVID-19 economy. 85 essays were received and are being evaluated.

C. Non-legislative activities

1. UNIDROIT Library and Depository Libraries***

(a) UNIDROIT Library

80. In 2020, work progressed on the digitisation project of the library. Special attention was paid to the digitisation of the historical "Gorla" collection, in order to preserve one of the Library's rarest and most valuable historical collections. The library's electronic collection was enriched by a total of 463 digitised titles, comprising of 121 of the Gorla Collection and the addition of 342 monographs, regarding, in particular, comparative law and unification of laws.

81. In order to adequately store and protect the valuable Gorla collection for the future, in particular to assure adequate protection against the negative effects of light and dust, in 2020, new suitable shelves were purchased from a specialised firm for library storage systems. The shelves have been installed, and the Collection relocated on this new, more appropriate setting.

82. As in previous years, the Library received donations in kind from the Max Planck Institute for Comparative and International Private Law (Hamburg, Germany).

⁷ 2001 [Aircraft Protocol](#); 2007 [Luxembourg Rail Protocol](#); 2012 [Space Protocol](#); and 2019 [Mining, Agriculture and Construction \(MAC\) Protocol](#).

(b) Depository Libraries

83. Traditionally, UNIDROIT asked Member States to appoint specific libraries or other official institutions to act as Depository Libraries for UNIDROIT documentation. The list of Member States on the website also indicates the [Depository Libraries](#).

2. Information resources and policy***

(a) Paper-based Publications

84. In addition to monographs directly linked to the Work Programme of the Institute and the instruments it has adopted, UNIDROIT publishes the Uniform Law Review with Oxford University Press (OUP). The Review publishes articles on international uniform law and comparative law, often linked to UNIDROIT projects, acts of international conferences of interest to the organisation, and the texts of international instruments of relevance to the sphere of activity of the Institute. The data provided by OUP confirm the great importance of the Review as a vehicle for the dissemination of information on the Institute and its activities.

85. Furthermore, the Russian version of the UNIDROIT Principles of International Commercial Contracts 2016 is due to be published in autumn 2020, and the Latvian, Portuguese and Turkish versions are under preparation. The Draft Official Commentary on the Convention on International Interests in Mobile Equipment and Protocol Thereto on Matters Specific to Mining, Agricultural and Construction Equipment, prepared by Professor Sir Roy Goode, has been sent out for comments and is expected to be published early in 2021. The third edition of the Official Commentary on the Convention on International Interests in Mobile Equipment and Luxembourg Protocol Thereto on Matters Specific to Railway Rolling Stock is under preparation. The fourth edition of the Aircraft Official Commentary exists also in an electronic version, with internal and external links. This was prepared in 2020 following an agreement between the Institute and Aviareto, the registrar of the Cape Town Convention and Protocols. The publication of the Legal Guide on Agricultural Land Investment Contracts is due in 2021, and the publication of the ELI/UNIDROIT Rules of European Civil Procedure is also expected early 2021.

(b) Electronic Sources of Information on UNIDROIT

86. The UNIDROIT website is monitored with Google Analytics as regards the points of entry, the countries of origin of users, the website pages most consulted and the age groups of users. In addition, through UNIDROIT's social media programme the organisation is present on Facebook, LinkedIn and Twitter. Facebook is the largest single source of referrals for the website.

3. Internships and scholarships***

87. In 2020, 23 interns from 14 countries⁸ worked alongside the Secretariat for a period of three months each. Eight scholars from eight different countries⁹ were granted a scholarship pursuant to the UNIDROIT Scholarships Programme. Unfortunately, due to the pandemic, which created substantial challenges for scholars to travel, only two scholars were able to undertake the scholarship during 2020. The others are expected to do so in the course of 2021. Additionally, 27 independent researchers from seven countries¹⁰ undertook their personal research in the UNIDROIT Library. The Secretariat continued and enhanced the cooperation with Universities and other research centres through numerous out-reach activities.

⁸ Brazil, France, Germany, Greece, India, Italy, Mexico, People's Republic of China, Singapore, South Africa, Switzerland, Togo, Turkey and the United Kingdom.

⁹ Bolivia, Egypt, Georgia, Greece, Iran, Philippines, Rwanda and South Africa.

¹⁰ Argentina, Austria, Chile, Italy, Greece, Poland, Spain, and United Kingdom.

88. In 2020, with the support of the UNIDROIT Foundation, the UNIDROIT Alumni Association was established to serve as a platform dedicated to the guests who have been welcomed to UNIDROIT as part of its research scholarship, internship, and independent research programmes since 1993. The Association provides alumni with an opportunity to network on a global scale and keep up to date with UNIDROIT news and events from across the world. It is overseen by UNIDROIT (due to its close association with the scholarship and internship programme) and managed by the UNIDROIT Foundation. Members of the association receive a range of benefits. Proceeds from the Association support the UNIDROIT Internship and Research Scholarship Programme to allow more young professionals and students from developing countries to come to Rome and undertake their legal research. As of 21 October 2020, 140 alumni had formally expressed an interest to join the Association, with 104 alumni having successfully made payments and joined the Association. Further information on the Association is available at <https://unidroitfoundation.org/education-and-research/unidroit-alumni-association/>.

89. Membership fees collected by the Alumni Association have allowed for the creation of an annual grant to fund an internship with the UNIDROIT Secretariat. The first UNIDROIT Alumni Association grant was awarded to a student from Togo who is conducting an internship at the Secretariat from September to December 2020. In addition, a Member of the Association has committed to sponsoring an internship at the UNIDROIT Secretariat. Accordingly, the FeldensMadruga-UNIDROIT internship was inaugurated in 2020 and the Secretariat has welcomed a student from Brazil to the Institute as the first recipient from September to December 2020.

90. Moreover, a Memorandum of Understanding between UNIDROIT and the Ministry of Commerce of the People's Republic of China on the sponsoring of China-funded Junior Professional Officers (JPOs) to UNIDROIT was concluded in 2020. Under this agreement, young professionals from China will join the Institute and work under the supervision of the Secretariat in Rome for a period of two years. The first JPO was selected in October 2020 to join UNIDROIT as of 2021.

ANNEX I

**Expenditure in Implementation of Work Programme
(estimate by 31 December 2020)**

		Priority level	<i>Regular budget</i>
Secured transactions			
(a) Implementation of Rail and Space Protocols		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		28.339,04
	General services (Ch. 2.1, 3.1)		9.932,35
Conference costs	Official journeys (Ch. 1.5)		577,03
	Interpretation/technical services/representation (Ch. 1.5)		0,00
	Official journeys of experts (Ch. 1.5)		0,00
Total			38.848,43
(b) Implementation of MAC Protocol		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		93.652,67
	General services (Ch. 2.1, 3.1)		24.649,24
Conference costs	Official journeys (Ch. 1.5)		529,43
	Interpretation/technical services/representation (Ch. 1.5)		2.000,00
	Official journeys of experts (Ch. 1.5)		0,00
Total			120.831,34
(c) Preparation of other Protocols to the Cape Town Convention		*	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		15.751,67
	General services (Ch. 2.1, 3.1)		0,00
	Experts		0,00
Total			15.751,67
(d) Warehouse Receipts		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		12.138,38
	General services (Ch. 2.1, 3.1)		792,17
Total			12.930,54
Private law and development			
(a) Agricultural Land Investment Contracts		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		96.314,27
	General services (Ch. 2.1, 3.1)		2.016,77
	Experts (Ch. 1.4)		175,43
Total			98.506,46
(b) Legal Structure of Agricultural Enterprises		**	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		34.487,77
	General services (Ch. 2.1, 3.1)		0,00
Total			34.487,77

Transnational civil procedure		
(a) Formulation of regional rules		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	41.493,40
	General services (Ch. 2.1, 3.1)	9.932,35
Conference costs	Interpretation/technical services/representation (Ch. 1.5)	2.230,28
Total		53.656,03
(b) Principles of effective enforcement		**
Staffing costs	Professional staff (Ch. 2.1, 3.1)	41.478,89
	General services (Ch. 2.1, 3.1)	7.915,59
	Interpretation/technical services/representation (Ch. 1.5)	2.230,28
Total		51.624,76
(c) International Civil Procedure in Latin America		*
Staffing costs	Professional staff (Ch. 2.1, 3.1)	0,00
	General services (Ch. 2.1, 3.1)	0,00
Total		0,00
International Sales Law		
Guidance Document on Existing texts in the area of international sales law		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	11.044,48
	General services (Ch. 2.1, 3.1)	7.915,59
	Interpretation/technical services/representation (Ch. 1.5)	2.230,28
Total		21.190,34
International Commercial Contracts		
Formulation of Principles of reinsurance contracts		*
Staffing costs	Professional staff (Ch. 2.1, 3.1)	1.843,11
	General services (Ch. 2.1, 3.1)	792,17
Total		2.635,28
International Protection of Cultural Property		
Private art collections		*
Staffing costs	Professional staff (Ch. 2.1, 3.1)	3.600,28
	General services (Ch. 2.1, 3.1)	0,00
	Official journeys (Ch. 1.5)	0,00
Total		3.600,28
Leasing and Factoring		
a) Model Law on Factoring		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	40.557,63
	General services (Ch. 2.1, 3.1)	7.392,40
	Official journeys (Ch. 1.5)	
Total		47.950,03
b) Guide for Enactment of Model Law on Leasing		*
Staffing costs	Professional staff (Ch. 2.1, 3.1)	0,00
	Consultant fees (Ch. 2.1, 3.1)	0,00
Total		0,00

Insolvency Law		
Harmonisation of Insolvency Law		**
Staffing costs	Professional staff (Ch. 2.1, 3.1)	2.270,97
	General services (Ch. 2.1, 3.1)	792,17
Consultation / promotion	Official journeys (Ch. 1.5)	0,00
Total		3.063,14
Law and Technology		
Digital Assets		**
Staffing costs	Professional staff (Ch. 2.1, 3.1)	59.166,17
	General services (Ch. 2.1, 3.1)	792,17
Consultation / promotion	Official journeys (Ch. 1.5)	459,47
	Experts (Ch 1.4)	912,57
Total		61.330,38
Implementation and promotion		
(1) Depository Functions		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	41.020,32
	General services (Ch. 2.1, 3.1)	18.135,40
Total		59.155,72
(2) Promotion of UNIDROIT Instruments		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	127.602,45
	General services (Ch. 2.1, 3.1)	2.376,50
Consultation/promotion	Official journeys (Ch. 1.5)	5.547,42
Conference costs	Official journeys of experts (Ch. 1.5)	357,86
	Consultant fees (Ch. 2.1, 3.1)	16.692,14
	Technical services (Ch 1.6)	9.000,00
Postage (Ch.4.3)		1.855,57
Total		163.431,94
Non-legislative activities		
(1) UNIDROIT Library and Depository Libraries		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	0,00
	General services (Ch. 2.1, 3.1)	154.042,24
Acquisitions	Purchase of books, legal journals, binding, software (Ch.6)	109.873,72
Total		263.915,96
(2) Publications		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	75.324,33
	General services (Ch. 2.1, 3.1)	112.942,28
Documentation/translation		
Total		191.977,76
(3) Internships and scholarships		***
Staffing costs	Professional staff (Ch. 2.1, 3.2)	33.083,39
	General services (Ch. 2.1, 3.1)	46.939,79
Total		80.023,18

Membership, institutional cooperation and governance		
Staffing costs	Secretary-General and Professional staff (Ch. 2. 1, 3.1)	117.925,81
	General services (Ch. 2.1, 3.1)	217.237,61
Conference costs	Interpretation/technical services (Ch. 1.5)	17.886,41
	GA, FC, GC and PC (Ch. 1.1)	12.090,44
Consultation / promotion	Official journeys (Ch. 1.5)	4.398,13
	Representation (Ch. 1.7)	4.195,56
Total		373.733,97
Administration, support services and building management		
Staffing costs	Secretary-General and Professional staff (Ch. 2. 1, 3.1)	42.451,16
	General services (Ch. 2.1, 2.2, 3.1)	217.237,61
	Auditor(Ch1.4)	5.000,00
	Consultant fees (Ch. 2.1, 3.1)	28.292,14
	Experts (1.4)	24.768,71
	Utilities (Ch 5.1, 5.2, 5.3)	46.799,38
	Maintenance costs, Labour costs (Ch. 5.6, 5.7)	43.423,46
	Compensation for retired members of staff (Ch. 3.3)	2.250,00
	Accident insurance (Ch. 3.2)	10.994,18
	Administration costs (Ch. 4.1, 4.2, 4.3,4.4.)	24.675,96
	Total	
Total		2.144.537,58

ANNEX II

UNIDROIT Information on Extrabudgetary Contributions in 2020						
			Initial Balance	Receipts*	Expenditure **	Balance ***
Principles on Netting of Financial Instruments		€	Initial Balance	Receipts*	Expenditure **	Balance ***
<i>Receipts</i>						
Donor	Association of German Banks		281,39			281,39
<i>Expenditure</i>						
Total		€	281,39	0,00		281,39
Preparation of a Legal Guide on Agricultural Land Investment Contracts		€	Initial Balance	Receipts*	Expenditure **	Balance ***
<i>Receipts</i>						
Donor	IFAD		62.117,31		51.607,17	10.510,14
Total		€	62.117,31	0,00	51.607,17	10.510,14
UROLA - Prize		€	Initial Balance	Receipts*	Expenditure **	Balance ***
<i>Receipts</i>						
Donor	United Rule of Law Appeal - Prize		8799,56			8.799,56
Total		€	8.799,56	0,00	0,00	8.799,56
Promotion of UNIDROIT Instruments		€	Initial Balance	Receipts*	Expenditure **	Balance ***
<i>Receipts</i>						
Donor	Uniform Law Foundation		15.002,60			15.002,60
Total		€	15.002,60			15.002,60

Cape Town Convention Academic Project		€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts						
Donor	CTCAP		28.251,18	45.193,68	34.238,06	39.206,80
	Conference sponsors			4.931,00	4.931,00	0,00
Total		€	28.251,18	50.124,68	39.169,06	39.206,80

Research Scholarship Programme		€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts						
Donor	Scholarship General Fund		11.020,90	10.000,00	10.041,47	10.979,43
	Sir Roy Goode Scholarship		52.436,00	0,00	3.002,86	49.433,14
	People's Republic of China		49.149,45	20.000,00	3.205,72	65.943,73
Expenditure						
Total		€	112.606,35	30.000,00	16.250,05	126.356,30

UNIDROIT Library		€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts						
Donor	Various Italian Law Firms		10.113,99			10.113,99
Expenditure						
	Purchase of books and journals					
Total			10.113,99	0,00	0,00	10.113,99
GRAND TOTAL		€	208.921,20	80.124,68	107.026,28	210.270,78

* Estimated total receipts as at 22 September 2020, including any amounts carried over from 2019

** Estimated expenditure as of 22 September 2020

*** Estimated balance as of 22 September 2020