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**Item No. 7 on the agenda: Private Law and Agricultural Development
(a) Preparation of a Legal Guide on Contract Farming**

(Memorandum prepared by the Secretariat)

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| <i>Summary</i> | <i>Report on the first meeting of the UNIDROIT Working Group for the preparation of a Legal Guide on Contract Farming</i> |
| <i>Action to be taken</i> | <i>The Council is invited to take note of the progress made and change the priority status of the project</i> |
| <i>Mandate</i> | <i>Work Programme 2011-2013</i> |
| <i>Priority level</i> | <i>Low</i> |
| <i>Related documents</i> | <i>C.D.(92) 13; UNIDROIT 2012 – Study 80A – Doc. 1 rev.; UNIDROIT 2013 – Study 80A – Doc. 2</i> |

1. In 2010, the General Assembly confirmed the insertion of the subject of Private Law and Agricultural Development in the Work Programme for the triennial period 2011-2013. As the first subject to be addressed, the Council considered that UNIDROIT could bring its expertise to bear on the area of contract farming arrangements and decided to authorise the establishment of a Study Group for the preparation of a legal guide on contract farming, inviting the interested international organisations to participate in its work. The high priority status proposed for this project in the triennium 2014-2016, as compared to its current low priority, responds to the high level of interest shown in this project at the 91st session of the Governing Council (see UNIDROIT 2012 – C.D. (91) 15, paras. 91-95).

2. The activities of the Secretariat in 2012 focused on co-ordination with interested international organisations, in particular, the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP), on the identification of experts to participate in the Working Group and on the preparation of documents for the first meeting of the Working Group, which was held in Rome from

28 to 31 January 2013. Consultations with FAO and IFAD and the preliminary research carried out by the Secretariat suggested that such an instrument could be useful to these organisations in the framework of their co-operation programmes in the developing countries. The World Farmers' Organization has also expressed strong support for the preparation of an instrument capable of furthering the goal of developing lasting commercial partnerships and of becoming an important source of reference for support programmes designed to assist farmers and national public authorities.

3. It is anticipated that altogether, four sessions of the Working Group will be necessary to complete the preparation of the envisaged Legal Guide on Contract Farming, the second session to be held on 3-6 June and the third session to be held on 18-21 November, while the fourth session will be held during the second quarter of 2014. It would be desirable to leave afterward sufficient time to allow the appropriate editorial work by the UNIDROIT Secretariat under the supervision of the Chairman of the Working Group. This timeframe would also allow to take into account, to the extent necessary, of the Principles for responsible agricultural investments ("RAI Principles") to be endorsed by the Committee of World Food Security in October 2014. Under such circumstances, the future UNIDROIT Guide might be formally adopted by the Governing Council at its 2015 session.

4. *The Governing Council is invited to take note of the report of the first session of the UNIDROIT Working Group for the preparation of a Legal Guide on Contract Farming which was held from 28 to 31 January 2013 (UNIDROIT 2013 - Study 80A – Doc. 2) and to give the subject a high priority status in the Work Programme for the triennial period 2014-2016.*