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GOVERNING COUNCIL
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SUMMARY OF THE CONCLUSIONS

Item 1 on the agenda: Adoption of the annotated draft agenda (C.D. (92) 1 rev. 4)

1. The Governing Council adopted the agenda as proposed in document (C.D. (92) 1 rev. 4)

Item 2 on the agenda: Appointment of the First and Second Vice-Presidents of the Governing Council (C.D. (92) 1 rev. 4)

2. The Governing Council renewed the appointment of Professor Arthur Hartkamp as First Vice-President of the Governing Council and appointed Professor Ioannis Voulgaris as Second Vice-President, both of whom will serve in this position until the 93rd session of the Council.

Item 3 on the agenda: Reports

(a) Annual Report 2012 by the Secretary-General (C.D. (92) 2)

3. The Governing Council took note of the Secretary-General's report on the activity of the Institute during 2012.

(b) Management Report for the period 2008-2013 and implementation of the Strategic Plan (C.D. (92) 3)

4. The Governing Council took note of the presentation of the document "Management Report for the period 2008-2013 and Implementation of the Strategic Plan" and thanked the Secretariat for the cost-savings and administrative efficiencies achieved in this period.

(c) Report on the Uniform Law Foundation

5. The Governing Council took note of the report by the President of the Uniform Law Foundation.

6. On the occasion of his retirement as President of the Foundation, the Governing Council also expressed its profound appreciation to Sir Roy Goode for his dedicated leadership of the Foundation and for his generous devotion of time and expertise to the Foundation and to the work of the Institute.

7. The Governing Council welcomed the appointment of Mr Jeffrey Wool as incoming President of the Foundation and took note of his vision for continuing its important contributions to UNIDROIT.

Item 4 on the agenda: International Commercial Contracts

- (a) *Adoption of Model Clauses for use by parties of the UNIDROIT Principles of International Commercial Contracts (C.D. (92) 4(a) rev.)*

8. The Governing Council took note of the report on the preparation of the Model Clauses for use by parties of the UNIDROIT Principles of International Commercial Contracts (C.D. (92) 4(a) rev.), examined the text of the Model Clauses and formally adopted them in their finalized form with a few amendments to clarify the relation between the Principles and Article 7 of the CISG and future work of the Hague Conference on Private International Law.

9. The Governing Council also asked the Secretariat to take steps to ensure the wide-spread dissemination and use of the Model Clauses.

- (b) *Possible future work on long-term contracts (C.D. (92) 4(b))*

10. The Governing Council took note of the report concerning possible future work on long-term contracts and invited the Secretariat to undertake preliminary in-house steps to identify the issues related to investment and other long-term contracts not adequately addressed in the 2010 edition of the UNIDROIT Principles of International Commercial Contracts.

Item 5 on the agenda: International Interests in Mobile Equipment

- (a) *Implementation and status of the Luxembourg Rail Protocol and of the Space Protocol (C.D. (92) 5(a))*

11. The Governing Council took note of the progress in negotiations of the Rail Preparatory Commission for the establishment the International Registry for railway rolling stock and of the first meeting of the Space Preparatory Commission for the establishment of the International Registry for Space Assets.

12. The Governing Council requested the Secretariat continue assigning high-priority to the promotion of both Protocols.

- (b) *Possible preparation of other Protocols to the Cape Town Convention*

- (i) *Agricultural, mining and construction equipment (C.D. (92) 5(b))*

13. The Governing Council took note of the report on a possible fourth protocol to the Cape Town Convention on agricultural, mining and construction equipment, as well as the expressions of support from several industry associations on its potential economic impact.

14. The Governing Council agreed to proceed with preliminary work on a potential Fourth Protocol on agricultural, mining and construction equipment, assigned medium priority -- with the possibility of increasing it to high priority should additional resources become available -- and invited member States to assist the Secretariat in obtaining external funding for this work.

(ii) Ships and maritime transport equipment (*C.D. (92) 5(c)*)

15. The Governing Council took note of the report on a possible future Protocol on ships and maritime transport equipment and requested the Secretariat prepare a feasibility study on whether satisfactory conditions exist to move forward with this work.

(iii) Off-shore wind power generation and similar equipment (*C.D. (92) 5(d)*)

16. The Governing Council took note of the report on a possible future Protocol on off-shore wind power generation equipment and, while the members agreed that there are significant legal issues to be addressed in the financing of this equipment, opinions varied on whether the Cape Town Convention system could be tailored to provide adequate solutions.

17. The Governing Council encouraged the Secretariat to maintain a potential Protocol on off-shore wind power generation and similar equipment on its Work Programme, but at a low-level of priority.

Item 6 on the agenda: Transactions on Transnational and Connected Capital Markets(a) *Adoption of the Principles on the Operation of Close-out Netting Provisions*
(*C.D. (92) 6(a)*)

18. The Governing Council commended the Committee of governmental experts for completion of the draft Principles on the Operation of Close-out Netting Provisions and adopted them together with the accompanying comments.

19. The Governing Council requested the Secretariat take steps to promote the wide-spread dissemination and national implementation of the Principles.

(b) *Principles and Rules Capable of Enhancing Trading in Securities in Emerging Markets*
(*C.D. (92) 6(b)*)

20. The Governing Council took note of the report of the Secretariat on a potential third meeting of the Committee on Emerging Markets Issues and encouraged the Committee to establish the scope and methodology for drafting the Legislative Guide on Principles and Rules Capable of Enhancing Trading in Securities in Emerging Markets. The Council invited the Committee to also consider including legal issues related to commercial trusts within the scope of its work.

Item 7 on the agenda: Private law and development(a) *Preparation of a Legal Guide on Contract Farming* (*C.D. (92) 7(a)*)

21. The Governing Council took note of the report on the first session of the Working Group for the preparation of a Legal Guide on Contract Farming and agreed to give the topic high priority with a view to completion in 2014.

22. The Governing Council also thanked the United Nations Food and Agricultural Organization, the International Fund for Agricultural Development and the World Food Programme for their important participation in the preparation of the Guide.

- (b) Possible future work on private law aspects of agricultural investment and financing (C.D. (92) 7(b))

23. The Governing Council reaffirmed its interest in possible future work on private law aspects of agricultural investment and financing (including land investment contracts, land tenure regimes, legal structure of agricultural enterprises and others) and encouraged the Secretariat to revisit these issues once the Legal Guide on Contract Farming is completed.

Item 8 on the agenda: Third Party Liability for Global Navigation Satellite System (GNSS) Services (C.D. (92) (8)

24. The Governing Council requested the Secretariat continue to monitor work undertaken by the European Union on third party liability for global navigation satellite system services to determine whether potential future work on the topic is merited.

Item 9 on the agenda: Promotion of UNIDROIT instruments (C.D. (92) 9)

25. The Governing Council took note of the progress recorded by the Secretariat over the past year in promoting UNIDROIT instruments and requested the Secretariat continue providing this work the highest level of priority in the years 2014-2016, notably to the promotion of the following instruments:.

- a) UNIDROIT Principles of International Commercial Contracts 2010
- b) Cape Town Convention and Aircraft Protocol
- c) UNIDROIT Convention on Substantive Rules for Intermediated Securities
- d) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and UNESCO-UNIDROIT Model Provisions on State Ownership of Undiscovered Cultural Objects
- e) Convention providing a Uniform Law on the Form of an International Will

Item 10 on the agenda: Correspondents (C.D. (92) 10)

26. The Governing Council took note of the Secretariat's report, agreed with the report on correspondents presented by the Governing Council's Subcommittee on UNIDROIT Correspondents (C.D. (92) 10 - Annex I) for revitalising the correspondents system, and created a Subcommittee of the Governing Council on this issue, to look into the possibility of having a new category of emeritus correspondent.

Item 11 on the agenda: Library (C.D. (92) 11)

27. The Governing Council took note of the report on the Library, and congratulated the Secretariat for its extensive collaboration with other libraries and library networks as well as the shift in resources toward the strategic acquisition of materials directly related to topics on the Work Programme of the Institute.

Item 12 on the agenda: UNIDROIT information resources and policy (C.D. (92) 12)(a) *Uniform Law Review/ Revue de droit uniforme and other publications*

28. The Governing Council welcomed the proposed changes for the Uniform Law Review including the agreement with Oxford University Press, and took note of the positive impact these changes will have on the quality and distribution of the Uniform Law Review, and the ability to redirect resources to other functions of the Institute, while allowing the Institute to ensure highest editorial and quality control for each issue.

(b) *The UNIDROIT Web Site and Depository Libraries for UNIDROIT documentation*

29. The Governing Council welcomed the development of a new UNIDROIT website, which improves design and technological features and organizes the content in more intuitive and user-friendly manner. The Council congratulated the Secretariat for this initiative and for completing the considerable task of migrating the information and documentation from the previous system.

Item 13 on the agenda: Proposals for the Work Programme for the triennial period 2014 – 2016 and comments received by the Secretariat (C.D. (92) 13, 13 Add., 13 Add. 2 and 13 Add. 3)

30. The Governing Council took note of the proposed Work Programme and Comments received from member States and UNIDROIT Correspondents, and agreed to recommend to the General Assembly the adoption of the Work Programme for the triennium 2014 – 2016 with the level of priorities indicated below:

A. Legislative activities

1. International Commercial Contracts:
 - (a) Issues relating to long-term contracts: low priority
 - (b) Issues relating to multilateral contracts: low priority
2. Secured transactions
 - (a) Implementation of Rail and Space Protocols: high priority
 - (b) Preparation of other Protocols to the Cape Town Convention
 - (1) Agricultural, mining and construction equipment: medium/high priority
 - (2) Ships and maritime transport equipment: medium priority
 - (3) Off-shore power generation and similar equipment: low priority
3. Transactions on Transnational and Connected Capital Markets
Legislative Guide on Principles and Rules capable of enhancing trading in securities in emerging markets: medium priority
4. Liability for Satellite-based Services: low priority
5. Private law and development
 - (a) Contract Farming: high priority
 - (b) Possible work in private law and agricultural development: low priority
6. Legal aspects of social business: low priority
7. Transnational civil procedure - formulation of regional rules: medium priority

B. Implementation and promotion of UNIDROIT instruments

1. Depositary functions: high priority
2. Promotion of UNIDROIT instruments: high priority

C. Non-legislative activities

1. UNIDROIT Library and Depository Libraries: high priority
2. Information resources and policy: high priority
3. Internships and scholarships: high priority

Item 14 on the agenda: Legal Co-operation Programme (C.D. (92) 14)

31. The Governing Council reaffirmed the important impact the Legal Co-operation Programme has on developing and promoting the work of the Institute and welcomed the Secretariat's proposal to make the efforts to fund this programme entirely from outside sources beginning in 2014.

***Item 15 on the agenda: Preparation of the draft budget for the 2014 financial year
(C.D. (92) 15)***

32. The Governing Council took note of the Secretariat's first estimates of receipts and expenditures for 2014, the revised organisation of the budget format, as well as the proposed moderate increase in member State contributions contained therein.

33. The Council commended the positive impact of cost-saving measures and management efficiencies have had over the past five years – achieved in a period in which there had been no increase in the unit of contribution by member States, despite significant inflationary pressures during the same period – and expressed its unanimous support for the proposed budget and the revised budget format.

***Item 16 on the agenda: Strategic Plan – comments received by the Secretariat
(C.D. (92) 16)***

34. The Governing Council requested the Secretariat to provide member States with the clarifications requested in their comments and to amend the Strategic Plan, as appropriate, in light of the comments and within the spirit of the Strategic Plan as approved by the Council at its 91st session.

35. The Governing Council took note, with particular interest, of the suggestion by the Government of the United States of America in document "Strategic Plan – comments received by the Secretariat" (C.D. (92) 16 – Annex II) that UNIDROIT and UNCITRAL explore the possibility of carrying out projects as equal partners on suitable topics. The Council invited UNIDROIT member States that are members of both organizations to promote a consideration of this matter at UNCITRAL.

Item 17 on the agenda: Extension of the appointment of the Secretary-General

36. The Governing Council unanimously accepted the President's recommendation, in accordance with Article 8 of the Statute, to extend the appointment of the Secretary-General for a second term.

Item 18 on the agenda: Date and venue of the 93rd session of the Governing Council

(C.D. (92) 1 rev. 4)

37. The Governing Council agreed that its 93rd session would be held in Rome from 7 to 9 May 2014.