



EN

FINANCE COMMITTEE
81st session
Rome, 6 April 2017

UNIDROIT 2017
F.C. (81) 7
Original: English
April 2017

REPORT

(prepared by the UNIDROIT Secretariat)

1. The 81st session of the Finance Committee was held at the seat of UNIDROIT in Rome on 6 April 2017 and commenced at 10h10.

Item No. 1 on the Agenda: Adoption of the Agenda (F.C. (81) 1)

2. The representative of Mexico, *Mr Benito Jiménez*, as the longest-serving member of the Finance Committee and consistent with UNIDROIT's practice, chaired the session.

3. The Chair proposed adoption of the draft Agenda to the Committee. *The Agenda was adopted as proposed in document F.C. (81) 1.*

Item No. 2 on the Agenda: Draft Budget for 2018 – first estimates (F.C. (81) 2)

4. The *Chair* drew the Committee's attention to the draft Budget for 2018, set forth in document F.C. (81) 2, which contained the first estimates for that year. He then gave the floor to the Secretary-General to present the document.

5. The *Secretary-General*, in presenting the document, stated that the budget for 2018 was relatively straightforward, as it strictly complied with zero nominal growth. He then pointed out two issues with the document. First, there was a minor typographical error in paragraph 2 of page 5, where the date for departure of long-serving staff members was to be 2018 instead of 2016, which was the end date of his second appointment term. Second, he noted that the first estimates were based on the assumption that the Secretariat would have roughly the same amount of net contributions, but that the total income could be about €27,000 higher if the contributions chart were to be revised using the same contribution unit, depending upon the outcome of the deliberations by the Finance Committee and the General Assembly in that regard (see Item No. 3 below). In addition, the Secretary-General pointed out that any decision taken in connection with the proposals set forth in documents F.C. (81) 5 and F.C. (81) 6 – both of which related to the ongoing review of the compensation and social security package offered to UNIDROIT staff – would also have budgetary implications. From the current calculations of the Secretariat, however, there would be no immediate short-term impact and thus no need for requests for supplementary contributions, as the proposed package could be accommodated within the Budget's existing figures.

6. The *Chair* thanked the Secretary-General for his observations on the document and opened the floor for comments and questions.

7. The *representative of Canada* thanked the Secretary-General for preparing the zero-nominal growth compliant Budget. In Canada's view, international organisations should strive to achieve zero-nominal growth and decide on projects within existing budget constraints. She stated that UNIDROIT's Work Programme for the coming years was realistic and that Canada looked forward to the discussions about it at the General Assembly.

8. The *Chair* welcomed the Secretary-General's administrative efforts in presenting a zero-nominal growth Budget. He then stated that it was Mexico's understanding that there could be financial implications arising from future decisions on the compensation and social security package for UNIDROIT staff, but that this would be discussed later on.

9. Seeing no further requests for the floor, the Chair proposed that the Finance Committee proceed with the proposed first estimates. *The Finance Committee took note of the Secretariat's first estimates of the draft Budget for 2018.*

**Item No. 3 on the Agenda: Classification of member States in the UNIDROIT
Contributions Chart (F.C. (81) 3)**

10. The *Chair* moved the Committee to the next item on the Agenda and gave the floor to the Secretary-General to present the document and to provide an explanation for those that were not familiar with the contributions classification procedure.

11. The *Secretary-General*, referring to document F.C. (81) 3, recalled that in principle the reclassification of member States' contributions was supposed to take place every three years, according to Article 16 of the UNIDROIT Statute. For the purpose of implementing Article 16, the General Assembly had established a system by which UNIDROIT member States were classified into various categories, each corresponding to a number of contribution units, based on the range of their budgetary contributions to the United Nations. The last reclassification at UNIDROIT had taken place in 2011, at which time none of the current members of the Finance Committee were present. The Secretary-General further explained that the process had taken about two years to complete, as the Statute provided for an elaborate procedure. In particular, the process was to begin during the Finance Committee's spring session with the circulation of the budget for initial review, followed by the Finance Committee's autumn session for a second review, and ending with a resolution by the General Assembly establishing each member State's classification and contribution. After that, member States which had been reclassified had one year to raise objections, which were once again put before the General Assembly. The process was very time consuming and often involved several bilateral meetings between the Secretariat and the member States which raised objections.

12. The Secretary-General then noted that, as the contributions chart had last been revised at the General Assembly's 69th session (Rome, 1 December 2011), it was to be 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 contributions chart, in accordance with Article 16 of the UNIDROIT Statute, would occur once every six years, deferring the next reclassification process to 2017. Recognising that this time had arrived, the Secretary-General stated that the Finance Committee was now free to make any recommendation it wanted to the General Assembly and that the Secretariat had prepared a revised contributions chart in accordance with the current reclassification criteria (see the Annex to document F.C. (81) 3). He noted that all member States in bold and italic print in the chart would be those affected by the reclassification one way or another and that, according to UNIDROIT's past practice, no States were moved up or down the classifications chart by more than one category. The Secretary-General then noted that the amount of contributions deriving from the reclassifications would result in a roughly 1% increase of the Budget, which was about €27,000. In order to comply strictly with actual zero-nominal growth, UNIDROIT would have to reduce the unit of contribution upon which the contributions chart was

based, which would have the undesirable effect of freezing the contributions at a lower level, making it even more difficult in the future to obtain an increase. He stated that this was a factor to consider, subject to the recommendations that the Finance Committee might wish to make to the General Assembly with respect to the contributions chart.

13. The Secretary-General then highlighted that the issue of periodicity had not been considered, and that the reassessment cycles of the UN and UNIDROIT did not coincide. In the past, member States had remarked that synchronised cycles would be desirable, while others had noted that regardless of the time the assessment was made, it would always be slightly outdated, based on economic data from previous years rather than current data. With this in mind, he explained that the reclassification of UNIDROIT contributions would be even more outdated, as they would reflect the reclassification of the UN contributions two or three years later. This practice presented advantages for some States and disadvantages for others, as economic cycles were not universal, and reclassifications were never completely satisfactory for any State. Lastly, the Secretary-General pointed out that the document did not consider the issue of revamping entirely the classification system.

14. The *Chair* thanked the Secretary-General for his explanations and opened the floor for comments and questions.

15. The *representative of Switzerland* inquired whether the member States most concerned by the reclassification had already been individually informed of the proposed changes, and whether there was a procedure in place to do so. In response, the *Chair* explained that the procedure would begin once the Finance Committee had made its recommendation to the General Assembly.

16. The *representative of the United States of America* thanked the Secretariat, remarking that the contributions chart in the Annex to the document was the most thorough chart provided to them by any organisation linked to the UN contribution system. She also thanked the Secretary-General for his explanation, and expressed the support for maintaining the highest categories as they currently were.

17. The *Chair* thanked the Secretary-General for his explanation, which was appreciated given that the contributions classification system was different from that in place at other organisations. He went on to say that the relevant authorities in Mexico had already taken note of Mexico's reclassification from Category IV to III, which translated into an increase in contribution of almost 40%. At the moment, Mexico was undergoing strong budgetary restrictions and, to be clear, Mexico were not in a position to move up to the proposed Category at that time. He expressed Mexico's dissent and inquired as to how such objections had been expressed in the past.

18. The *Secretary-General*, referring to the last time the revised classifications had been approved by the General Assembly, stated that the Finance Committee, which included representatives of States that were likely to move from one category to another, had always made its recommendation by consensus. This had been the practice, on the understanding that the disagreement of one of the member States on the Finance Committee would not block it from reaching consensus and that the final decision was a matter for the General Assembly. After that decision, States would have one year to object formally. The only unusual step that occurred the last time the General Assembly considered whether to approve the revised classifications was that a State had requested a formal vote on the matter, which normally did not happen at UNIDROIT, and the majority of the General Assembly voted to approve the revised contributions chart. Nevertheless, two States then exercised their right under Article 16 of the UNIDROIT Statute to raise formal objections, following which the General Assembly suspended their reclassification.

19. The *Chair* requested that Mexico's position be put on record, expressing its dissent to being reclassified from Category IV to Category III, given that the report would be transmitted to the General Assembly.

20. The *Secretary-General* replied that the reclassification was part of the budgetary process as well and that the reclassification chart was an Annex to the Budget. Normal procedure would require the first estimates for 2018 to be submitted to the Governing Council in May 2017, together with the revised reclassification chart, in accordance with current practices. The draft budget, as approved by the Governing Council would then be circulated to all member States together with the revised contributions chart over the summer. At that point in time, as UNIDROIT had always done, notices would be sent to all those member States that would be affected by the reclassification, pointing out that in December the General Assembly would likely take a decision that might entail the reclassification of those countries from one Category to another, which would have certain budgetary implications. Subsequently, the Secretariat would receive comments that would once again be submitted to the Finance Committee for its fall session, and then submitted to the General Assembly.

21. The *representative of Brazil* stated that, in the light of such a wide gap between Categories I and II, a possible solution would be to create an intermediate category. The *Secretary-General* replied that this issue had been raised on other occasions by the Finance Committee and that the General Assembly could indeed approve the introduction of a new category in the chart as an amendment. He stated that the Finance Committee could take this into consideration and recommend what would be the ideal percentage threshold for such a category. For example, Category I could include those contributing 4% or more to the UN budget, instead of 3%, leaving States that pay between 2% and 4% of the UN budget to form a new category, to avoid the big jump between categories. If the Finance Committee wished to revise the table, the Secretariat could provide different alternatives to that effect.

22. The *Chair* once again noted that Mexico's position was against its reclassification, but acknowledged that this would be subsequently discussed. Following up on the inquiry by the representative of Switzerland, he then asked what the next steps were.

23. The *Secretary-General* explained that the Finance Committee, in a completely neutral position, could recommend the Budget for 2018 without pronouncing itself on the revised classifications at this stage, leaving this as something to be subsequently decided by the General Assembly. Alternatively, the Finance Committee could choose not to make a formal recommendation at this stage and instead hold another meeting in the summer to consider further the classifications, as had happened in the past. He reiterated that, either way, States could raise objections within one year of the General Assembly's reclassification decision.

24. The *Chair* then remarked that this Agenda item, as well as the compensation and social security review, were worthy of further discussion in an informal meeting of the Finance Committee. The *Secretary-General* confirmed that the Secretariat would be willing to organise as many meetings as the Finance Committee requested, whether formal or informal. He then suggested that the reclassification item would be a better candidate for an informal meeting, whereas the compensation and social security review might be a better candidate for a formal meeting, because he did not expect the Finance Committee, during its current session, to make a decision on the latter review. Possibly between June and July, the Finance Committee members would have had by then the time to consult with the relevant authorities, so that the compensation and social security review could be discussed more fully.

25. *Seeing no requests for the floor, the Chair proposed that, at this stage, the Finance Committee make no formal recommendations to the General Assembly on this item and plan to reconvene in June or July.*

**Item No. 4 on the Agenda: First review of the Accounts of the financial year 2016
(F.C. (81) 4)**

26. The *Chair* moved the committee to the next item on the Agenda and gave the floor to the Secretary-General to present document F.C. (81) 4.

27. The *Secretary-General* began his explanation by referring to page 19 of the document, inviting the Committee to consult the summary table on expenditure. This page showed that the Secretariat had savings in the amount of €75,000 under the Budget for 2016 and noted that such savings were not due to exceedingly generous budgetary allocations but prudent efforts by the Secretariat to avoid running a deficit. As those members who attended the General Assembly were aware, the Secretariat usually presented the Assembly with an interim financial progress report, which the Finance Committee examined at its fall session. This document presented what the Secretariat expected to spend through the end of the year, also taking into account what it expected to receive in contributions by the end of the year. Therefore, the Secretariat was able to assess its cash flow and determine, as was often the case, that not all member States had made their contributions on time. In doing so, with a view to avoid borrowing money from the Working Capital Fund, the Secretariat could pull the break on certain expenditures, perhaps by postponing a meeting or a business trip.

28. The Secretary-General then invited the Finance Committee to take note of pages 11-12 of the document, where members could see that in 2016 there had been a shortfall of €143,000 in receipts. Apart from one rather unusual instance, members could see that a certain number of States seemed to have accumulated arrears over the years, whereas a few others had not paid last year's contributions. In at least three cases, States had already reached a level at which they would lose their right to vote in the General Assembly. Other member States' arrears were entirely unexpected, and the Secretary-General expressed his intention to take these matters up directly with the respective Ambassadors. He expressed uncertainty as to how much could be achieved through bilateral contacts with their Embassies in Rome and noted with concern that, regardless of the presence of explanations, it was disappointing to see that the fiscal discipline of UNIDROIT member States had been lowering over the years.

29. The *Chair* thanked the Secretary-General for his explanation, and opened the floor for comments.

30. The *representative of France* thanked the Secretary-General and invited the participants to turn to page 7 of the document in order to address possible concerns regarding the delay in France's payment of its contributions. He reassured the Committee that the delay had been caused by administrative difficulties which were being resolved.

31. The *Chair* thanked the representative of France, and supported the Secretary-General's proposal to meet with the relevant Ambassadors regarding arrears.

32. The *Secretary-General* thanked the Chair for his approval, and also thanked the representative of France for the good news regarding France's imminent payment, noting that this would change the financial situation for the better, allowing the Secretariat to carry over fully what had been saved in terms of expenditures in 2016.

33. *Seeing no requests for the floor, the Chair thanked the Secretariat for providing the first review of the Accounts for the 2016 financial year.*

Item No. 5 on the Agenda: Review of the compensation and social security package offered to UNIDROIT staff (F.C. (81) 5) and (F.C. (81) 6)

34. The *Chair* moved the Committee to the next item on the Agenda and commented that the documents had regrettably been presented a little late. He noted that no decisions were thus expected on the Agenda item and gave the floor to the Secretary-General to provide a brief summary of the review on the compensation and social security package offered to UNIDROIT staff, as well as the new documents, for the benefit of those who had not attended the last meeting of the informal working group in this regard.

35. The *Secretary-General* apologised for the late circulation of the documents, which was due to the fact that the Secretariat had received them late from the consultants in charge of preparing them. The Secretariat did not possess the type of expertise required, so it had to rely on external experts to produce these documents. With respect to the substance of the documents, the Secretary-General stated that he was pleased to be able to share the burden of some of the thorniest issues and, via the Chair, invited Mr Neale Bergman, a Legal Officer at the Secretariat, to present the relevant documents.

36. Mindful of the Chair's initial comment, *Mr Bergman* announced that he would not be describing the entire history of the review, but only the latest developments. He then drew participants' attention to document F.C. (81) 5, which reflected that this review had been ongoing since September 2013, at which time the Secretary-General had been authorised in accordance with the UNIDROIT Regulations to use a budgetary surplus to commence the review in order to address a series of mobility, financial and sustainability issues arising from the compensation and social security package offered to UNIDROIT staff. During the review, he noted that the Finance Committee had empowered an informal working group, which had since met four times, to offer guidance to the Secretariat.

37. Mr Bergman then noted that the informal working group had made four recommendations at its most recent meeting which took place immediately after the General Assembly's 75th session (Rome, 1 December 2016). First, with respect to compensation options, the group had recommended that the Secretary-General should consider the compensation options that had been presented – to maintain the status quo; to move all staff to the OECD salary scales; or to move all staff to the UN salary scales localised for Rome – and make a specific recommendation. Mr Bergman explained that the status quo – by which professional staff compensation was based on the OECD scales for initial placement, but then diverted from that based on UNIDROIT practices and by which general staff were on scales issued by UNIDROIT – posed a considerable administrative burden. Accordingly, the Secretary-General had directed the outside consultant on compensation aspects to forecast the costs of transitioning all staff to the UN salary scales localised for Rome, and to compare that cost to the cost of maintaining the status quo. He then quickly pointed out that the second and third recommendations related to pension aspects, which would be discussed later, and that the fourth recommendation was that these matters be moved from the informal working group back to the Finance Committee's Agenda, which was why they were now being formally discussed.

38. Mr Bergman then called the Committee's attention to the forecasts of costs contained in the Appendix to document F.C. (81) 5, in particular the outside consultant's report on ten-year cost projections for all UNIDROIT staff to be placed on the UN salary scale for Rome. He drew attention to the various tables contained in the report and noted that those of most interest were likely tables 3 and 4, which compared forecasts of costs for transitioning to the UN scales to those for maintaining the status quo. From these tables, it was apparent that there was an incremental difference in costs which, as the Secretary-General had already mentioned with respect to the draft Budget for 2018, could be accommodated within the current Budget. He then went on to highlight the

consultant's observations that UNIDROIT should complete the proposed transition in order to establish an equitable, transparent, and less administratively burdensome compensation system and that the possible incremental increase in costs might be highly necessary.

39. The *representative of Canada* stated that Canada would support the transition to the UN-based scales. She noted that the various proposed placements did not lead to significant additional costs to member States and that, for that reason, Canada was open to any of these alternatives. Canada shared the view that the transition to the UN pay structure would be a simplification over the current system, and would contribute toward showing that UNIDROIT was a competitive international employer. It was Canada's hope that the Finance Committee would be able to move swiftly and that, should there be any transition costs in the reform, Canada would support the idea of setting aside additional amounts for that purpose.

40. The *Chair* also expressed support for the idea of moving to the UN scales, subject to additional information on the budget changes that would arise from the transition. He then inquired whether, once the transition had been made, UNIDROIT could perhaps be considered for participation in the UN Joint Staff Pension Fund.

41. The *Secretary-General* made three brief observations. First, addressing the issue of costs, he noted that the consultant had projected the costs over a period of ten years, of course based on assumptions concerning the grading of staff when moved to the new scale, how long they were expected to be in service, and at which grade a replacement would be hired. Under the status quo, where professional staff members were paid according to the OECD salary scale, the General Assembly had already approved years ago that all professional categories be banded, including that of the Secretary-General, so that for all positions there was a certain amount of flexibility when hiring new staff. He stated that the Secretariat had made use of this system and had not necessarily hired staff at the highest grade possible for that level, but sometimes at the initial grade. This possibility was also envisaged in the transition to the UN scales, whereby a new Secretary-General could be hired within a D1-D2 band, a Deputy Secretary-General within a P5-D1 band, Senior Legal Officers within a P4-P5 band, Legal Officers within a P2-P4 band, and so forth. This would provide additional flexibility and could result in savings to offset any possible incremental increase in costs.

42. Second, the Secretary-General noted that, when making recommendations for the placements, the consultant had ensured that staff were placed as closely as possible to their current earnings, but were not to be paid less than before. In this regard, he further noted that, for the Senior Legal Officers, such placements would be either at the upper end of the P4 position, in which case they would have step increases for one or two years, or at the lower end of the P5 scales. The Secretary-General had recommended the latter option because the concerned members of staff had been at the same salary for more than 10 or 15 years, at a level that could not really be seen as a senior level (i.e. top of the A3 in the OECD scales) and was more of an intermediate level by UN standards. In any UN organisation, a lawyer with 30 years of experience would normally be at the P5 level, unless in a Director position. He then stated that the only position for which there would be a significant reduction would be the salary of the Secretary-General. Because the A7 salary on the OECD scales corresponded to the net pay of an Under-Secretary-General of the UN – who normally manages departments with 100-200 staff members running budgets from 10 to 20 million USD – it was better to band the position at the D1-D2 level. This placement would generate significant savings and also be more coherent with international practices.

43. Third, concerning the surplus to be set aside, the Secretary-General remarked that the exact gross budgetary implications were indicated in this document, also in the long-term. Considering the savings carried over from the last year, in light of the news of France's imminent payment of its contributions, some of that could now be reserved for some sort of fund to be used in the future, either to fund a start-up of a new pension system or for funding possible budgetary

impacts of the transition to the UN salary scales. Concerning the question raised by the Chair, the Secretary-General commented that it would indeed be desirable to explore again the avenue of joining the UN Joint Staff Pension Fund, not only for reasons of economies of scale but also because it would greatly improve mobility. The Secretary-General himself participated in the UN Pension Fund but, because of his current position, had joined the Organisation on special leave without pay from the UN. He noted that UNIDROIT's different salary scales were one of the reasons why the UN Pension Fund was not interested in allowing UNIDROIT to join the Fund, but cautioned that the other reason was that the UN did not have any particular interest in managing yet another small organisation. He then pointed out that this was why UNIDROIT had been exchanging for so long with the International Service for Remunerations and Pensions (ISRP), which provided pension schemes for the Co-Ordinated Organisations and had expressed interest in developing a start-up pension fund for a small Organisation like UNIDROIT.

44. The *Chair* thanked the Secretary-General for his clarification of the differences with the UN salary scales, particularly concerning the salary of the Secretary-General. He then moved the Committee onto the next document F.C. (81) 6, giving the floor to Mr Bergman to present it.

45. *Mr Bergman* explained that, pursuant to the recommendation made at the last meeting of the informal working group, the Secretariat had followed up with ISRP regarding a final report proposing a pension scheme for UNIDROIT based on the Third Pension Scheme (TPS), which was in place at a few Organisations, including the Council of Europe. The ISRP's report, which was attached as Appendix 1 to document F.C. (81) 6, contained final recommendations, pension rules and implementing instructions for transitioning UNIDROIT to a new, standalone TPS-aligned pension scheme. In this regard, Mr Bergman drew the Committee's attention to paragraph 2.7 et seq. at page 3 of the report, which provided ISRP's justification for retaining a TPS-based pension plan. He then pointed out, at page 6, the key parameters of this alternative proposal. With respect to the costing of the pension scheme, he turned the Committee's attention to page 9, which detailed the assumptions that had been made in the setting of the contribution rate. At the top of page 11, the Committee could see the estimated contribution rates based on two different discount rates. These two rates had been used in response to the comments that had been submitted to ISRP via the Secretariat. On this point, Mr Bergman indicated that the cumulative actuarial costs of 26.5% of salary, based on a discount rate of 3.55% (i.e. what the fund's assets can reasonably be expected to earn over the long term), was well under the 37% of salary required by the Italian social security system in which the majority of UNIDROIT staff was enrolled, and thus left plenty of room for also obtaining health, life and disability insurance. He then indicated that, even if the more conservative discount rate of 2.55% was to be used, the cumulative actuarial costs would still be less than the 37% of salary that was paid for the Italian system, and thus left some room for health, life and disability insurance. He then pointed out that the report also addressed governance and pension fund monitoring and how ISRP could assist with the administration of the new pension scheme and, at the end, included draft pension rules and implementing instructions.

46. Mr Bergman further indicated that, consistent with the recommendations of the informal group, Appendices 2 and 3 provided quotations for health, life and disability insurance from Allianz and Cigna respectively. UNIDROIT had followed up with them to inquire which of the offered insurance packages would be the most similar to the UN health package, and in both instances they had indicated that the intermediate options contained in their respective quotations would be best. In the case of the table of benefits for Allianz (on page 17 of Appendix 2), that would be the Silver plan and, for Cigna (on page 8 of Appendix 3), that would be the level 2 plan. In summary, following the consultations with the outside experts, it was believed that UNIDROIT could accommodate within existing budgetary constraints the implementation of a new pension scheme, which could be mandatory for future staff and optional for existing staff, if not at a cost-neutral level, at one that would be of an incremental additional cost.

47. The *representative of Canada*, referring to the pension options, expressed the view that the TPS-aligned scheme appeared to be not only the least disruptive in terms of implementation, but also the option which was less likely to lead to inequities among employees. She stated that Canada was also encouraged by the prospect that the pension and insurance reform could be cost neutral, and that the informal working group should keep exploring these options to be presented at the fall meeting, which could in turn be presented to the General Assembly in December. She then asked whether Italian employees would be required to contribute to the Italian social security system and therefore be prevented from contributing to any new pension scheme.

48. The *Secretary-General* clarified that UNIDROIT had no obligation under the Headquarters Agreement to pay into the Italian social security system. As a matter of fact, out of the recently hired staff members, with the exception of the Deputy Secretary-General who had worked at an Italian university for many years, the others, who were not Italian nationals, preferred to use different systems. There were thus various systems in place at UNIDROIT, depending on the situation and nationality of the staff member. It was not UNIDROIT's view that it would be under an obligation to enrol new staff in the Italian social security system and have them pay for it. That being said, the Secretary-General could not move the staff currently enrolled in the Italian system to a new one.

49. The *representative of Canada*, commenting on the health, life and disability insurance, expressed the understanding that the quotation from Allianz might be less expensive than the one from Cigna, and that from the documentation the Silver level for Allianz and level 2 for Cigna were consistent with existing standards of insurance for international employees. Overall, the two options were good working bases for the Committee's discussions. Unless there were other reasons such as better coverage for retaining the higher quote, Canada would support the less expensive option.

50. *Mr Bergman* commented that discussions with the prospective insurers were ongoing to ensure the best price for coverage that was consistent with the UN health insurance plan.

51. The *Chair* said that there were no comments from the relevant authorities in Mexico yet, but that the issue was very important and they would provide input at the next session.

52. The *representative of the United States* thanked Mr Bergman for the presentation of the documents and requested more time to review them. An initial comment had been that there was a preference on the part of the United States that any new system would be applied to future staff only and that existing staff would not be transitioned to it. In any case, more time would be required to examine all of the options. She noted that FAO was also currently negotiating its package with Allianz, and that this would be monitored for any useful information.

53. The *Secretary-General* – in consideration of the fact that this had been a matter of debate for some time and that the Committee had now reached the point at which it had all the necessary documents – suggested that the Finance Committee meet again in two months' time. This would give the Committee the chance to discuss compensation and social security aspects in a formal session, and then immediately afterwards classification and contributions questions in an informal meeting.

54. The *representative of the United States* supported the idea and suggested that the date be chosen so as to avoid FAO's conference schedule for July. An earlier meeting in June would therefore be helpful for the US delegation, and such timing was also supported by the Chair.

55. The *representative of Italy* commented that it would be easier for the Italian delegation to attend the meeting at the end of May or in July rather than June due to other meetings. The *Chair*

replied that the FAO conference was scheduled for the first week of July, so possibly just after that would be best, for the benefit of others also covering FAO matters.

Item No. 6 on the Agenda: Any other business

56. The *Chair*, seeing no requests for the floor regarding any other business, stated that there would be a meeting of the Finance Committee in July at a date to be established following the FAO conference. He then thanked the representatives for their efficient work and concluded the 81st session at 11:40am.

ANNEX**List of participants**

| | |
|-----------------------------------|----------------------------|
| Ms Konstanze GEIGER | (Austria) |
| Mr Vinicius CARDOSO BARBOSA SILVA | (Brazil) |
| Ms Claudia HINZER | (Canada) |
| Ms Maria Giovanna REPACI | (Canada) |
| Mr Pascal GAND | (France) |
| Mr Olaf REIF | (Germany) |
| Ms Emanuela CURNIS | (Italy) |
| Mr Benito JIMENEZ | (Mexico) |
| Mr Rafael OSORIO | (Spain) |
| Mr Marcus ROTHEN | (Switzerland) |
| Ms Daleya UDDIN | (United States of America) |

UNIDROIT Secretariat

| | |
|-------------------------------|---------------------|
| Mr José Angelo ESTRELLA FARIA | (Secretary-General) |
| Mr Neale BERGMAN | (Legal Officer) |