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Item No. 4 on the agenda: Organisation's activity in 2021

(memorandum prepared by the Secretariat)

<i>Summary</i>	<i>Review of the activities carried out by UNIDROIT in 2021 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 2021 – F.C. (92) 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](#)). The Work Programme was subsequently amended by the General Assembly at its 97th session (Rome, 17 December 2020) (see document [UNIDROIT 2020 – A.G. \(79\) 10, paras. 39-47](#), in conjunction with document [UNIDROIT 2020 – A.G. \(79\) 3](#)) as per the Governing Council's recommendation at its 99th session (see [UNIDROIT C.D. \(99\) A.8](#)).

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 and 79th sessions (Rome, 12 December 2019, and Rome, 17 December 2020, respectively):

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
 - (d) Model Law on Warehouse Receipts: high priority
- 2. Private law and agricultural development – Legal structure of agricultural enterprises: medium priority

3. Transnational civil procedure
 - (a) Best practices for effective enforcement: high priority
 - (b) International civil procedure in Latin America: low priority
4. International commercial contracts – Principles of reinsurance contracts: low priority
5. Cultural property – Private art collections: low priority
6. Leasing and Factoring
 - (a) Model Law on Factoring: high priority
 - (b) Guide for enactment of the UNIDROIT Model Law on Leasing: low priority
7. Bank Insolvency: medium priority
8. Digital assets and private law: high 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) Cape Town Convention and Aircraft Protocol
 - (c) UNIDROIT/IFAD Legal Guide on Land Investment Contracts
 - (d) UNIDROIT/FAO/IFAD Legal Guide on Contract Farming
 - (e) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and UNESCO-UNIDROIT Model Provisions on State ownership of undiscovered cultural objects
3. UNIDROIT instruments in the COVID-19 Pandemic
4. Launch of Summer School

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

4. This document offers a summary indication of action taken in 2021 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 2021 to be published in 2022.

5. Annexe I includes information, in monetary terms, on the allocation of resources to the various projects and activities of the Institute in the financial year 2021, on the basis of the Budget approved by the General Assembly at its 79th session (Rome, 17 December 2020). The Secretariat would invite the General Assembly to note how much work has been carried out with extremely contained costs and efficiency during the second year of the pandemic. This is due to the savings in missions and funding for experts being partly repurposed to reinforce the Institute's IT infrastructure, thus allowing for more remote meetings and progress to take place throughout the emergency. But it is, especially, a testament to the hard work of the members of the Secretariat as well as to the generosity of many experts around the world who have contributed to develop the Institute's mandate with enormous effort.

6. Annexe II, in turn, provides information on extra-budgetary contributions available to the Secretariat and their allocation to various activities in the year 2021.

A. Legislative activities

1. Secured transactions

(a) Implementation of Rail and Space Protocols to the Cape Town Convention

Luxembourg Rail Protocol

7. 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").

8. Since the publication of the Statement of Activities for the 79th session of the General Assembly, the Preparatory Commission has held its 9th session (on 8 April 2021), which was co-chaired by Peter Bloch (USA) and Antti Leinonen (Finland), hosted by OTIF, and conducted remotely. The session was attended by 28 State delegations, as well as representatives of the European Commission, the UN Economic Commission for Africa (UNECA), the United Nations Economic Commission for Europe (UNECE), and the African Union. The Preparatory Commission among others approved a revised version of the Draft [Regulations for the International Registry](#). The Preparatory Commission was additionally convened for its 10th session, conducted through a written confirmation procedure, the purpose of which was to request approval of a mandate to conduct negotiations in relation to a proposed change of ownership or control of the Registrar company. The Preparatory Commission authorised the conferral of such mandate to a Negotiating Team composed of the Co-Chairs of the Preparatory Commission and representatives of UNIDROIT, OTIF and the RWG.

9. In relation to developments as to signatures/accessions-ratifications, while the number of contracting States has remained the same since the latest session of the General Assembly, Spain's signature of the Protocol has taken place on 10 November 2021 at a ceremony held at UNIDROIT's premises. In addition, the Inter-ministerial Commission set up in Spain to work towards the implementation of the Protocol has completed its review with full endorsement, and legislative acts towards accession are underway. Moreover, during the 9th Preparatory Commission, the release of a Presidential Statement authorising the signature of the Protocol by South Africa was announced, as a preliminary step towards ratification.

10. The UNIDROIT Secretariat has continued to undertake numerous activities to promote the implementation and entry into force of the Protocol, in cooperation with the Ratification Task Force. In particular, we highlight the panel entitled "Building Back Greener: The role of the Luxembourg Rail Protocol in the Post-Covid Economy", held after the 9th session of the Preparatory Commission, which focused on the potential benefits of the Protocol to foster global sustainable growth.

11. Finally, UNIDROIT continues to actively participate in the sessions of 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 and focusing on the development of Model Rules for the practical implementation by the industry of the Unique Rail Vehicle Identification System created by the Luxembourg Rail Protocol (URVIS).

Space Protocol

12. Pursuant to Resolution 1 of the Diplomatic conference for the adoption of a Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Space Assets adopted on 9 March 2012, a Preparatory Commission was set up to act as Provisional Supervisory

Authority for the establishment of the International Registry for Space Assets. In 2017, the Commission's members agreed to constitute a Sub-Group to reassess industry participation for the promotion and development of the Space Protocol. Since the publication of the Statement of Activities for the 79th session of the General Assembly, this Sub-Group has organised a survey to examine the benefits of asset-based space financing in the post-COVID-19 economy. The results of this survey were presented in an online panel discussion on 31 March 2021, which was organised in partnership with BHO Legal.

13. In relation to promotional activities, on 6 February 2021, Mr Hamza Hameed delivered an honorary address entitled "Importance of a Uniform System of Secured Transactions Law in Order to promote Asset-based Financing in the Space Sector" at the One-Day International Seminar on Privatization of Space Sector in India - Issues and Challenges, organised by Symbiosis Law School, Hyderabad, India. Furthermore, the Space Protocol was presented at the Global Space Exploration Conference (GLEXT2021) in St Petersburg, Russia between 14-18 June 2021, where Mr Hameed delivered a presentation on a "Harmonised system of secured transactions for space assets - the Space Protocol of the Cape Town Convention" as part of the session on "International Cooperation for Space Exploration". Additionally, between 26-29 October, Mr Hameed participated in the International Astronautical Congress 2021 (IAC 2021) organised by the International Astronautical Federation (IAF) and Muhammad Bin Rashid Space Centre of the UAE in Dubai. Mr Hameed also delivered a lecture via videoconference to the students of the Advanced Master's LLM in Air and Space Law Programme at the International Institute of Air and Space Law at Leiden University.

14. In May 2021, UNIDROIT was appointed as an Observer to the Courts of Space Working Group established by the Dubai International Financial Centre Courts to share expertise in applying private international law rules in space disputes. Furthermore, UNIDROIT has increased its collaboration with the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) to further the promotion and implementation of the Space Protocol. In 2021, UNIDROIT obtained the status of a Permanent Observer at COPUOS, and the Space Protocol was presented twice as part of the 60th session of the Legal Subcommittee of COPUOS. This included a statement delivered by the Secretary-General to the Subcommittee during its session, as well as a joint presentation with Professor Bernhard Schmidt-Tedd (DLR) at the International Institute of Space Law (IISL) and European Centre for Space Law (ECSL) Space Law Symposium 2021 entitled "Space Law for the Global Space Economy". In September 2021, a Memorandum of Understanding was also concluded between the United Nations Office for Outer Space Affairs and UNIDROIT.

15. Among other planned activities in the future, Prof. Anna Veneziano and Mr Hameed will be contributing a chapter on the Space Protocol in the 2nd Edition of Contracting for Space, a book co-authored by Lesley Jane Smith and Ingo Baumann published by Taylor and Francis.

16. The Secretariat will continue to monitor the developments in relation to the Space sector and to promote the Space Protocol pursuant to its mandate.

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

17. The fourth Protocol to the Cape Town Convention on Matters Specific to Mining, Agricultural and Construction Equipment (the 'MAC Protocol') was adopted at a Diplomatic Conference in Pretoria, South Africa on 22 November 2019. As consistent with the implementation of the other Cape Town Convention Protocols and Resolution 1 of the Diplomatic Conference Final Act, a Preparatory Commission was 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.

18. The third session of the Preparatory Commission took place via videoconference between 3 and 4 June 2021. The Commission was attended by 32 participants from eight Member States of the

Commission, two observing States, one observing Regional Economic Integration Organisations, one observing organisation and *ex officio* observers from the Diplomatic Conference.

19. Throughout 2021 the Preparatory Commission made rapid progress regarding its three key responsibilities: (i) appointment of a Supervisory Authority, (ii) selection of a Registrar to operate the MAC Protocol International Registry; and (iii) preparation of a first edition of the International Registry Regulations. The Commission has established a Registrar Working Group and a Regulations Working Group to assist in achieving its objectives. Composed of experts from participating States, both Working Groups met several times during 2021. As a result of the endeavours of the Working Groups, a first draft of the MAC Protocol Regulations was approved by the Preparatory Commission and the Tender Process for the selection of the Registrar is expected to be opened in early 2022. Negotiations regarding the appointment of a Supervisory Authority are ongoing, with UNIDROIT being one possible candidate.

20. It is anticipated that in December 2021 the European Commission will discuss whether the European Union should sign the MAC Protocol. Several Member States have confirmed to the Secretariat their intention to support the signature.

21. The MAC Protocol Official Commentary by Professor Sir Roy Goode was published in May 2021 and formally launched during the 100th session of the Governing Council in September 2021. Sir Roy Goode was commissioned to prepare the Official Commentary under Resolution 4 of the MAC Diplomatic Conference Final Act.

22. The Preparatory Commission will meet for its fourth session in January 2022.

23. Furthermore, in 2021, the UNIDROIT Secretariat continued to promote the MAC Protocol at various events, including a presentation of the MAC Protocol for the Board of the Kenyan Leasing Association in September 2021. UNIDROIT is also seeking to establish a long-term secured transactions reform project with the Asia Pacific Economic Cooperation (APEC) forum, which would include the implementation of the Cape Town Convention and its Protocols in APEC member economies.

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

*(i) Ships and maritime transport equipment **

24. 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 on the viability of a future Protocol on ships and maritime transport equipment.

*(ii) Renewable energy equipment **

25. 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 on the viability of a future Protocol on renewable energy equipment. The Secretariat is following the negotiations at the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow in assessing whether a Renewable Energy Equipment Protocol would assist in improving access to finance for green energy projects.

(d) Model Law on Warehouse Receipts ***

26. The General Assembly approved the inclusion of the joint UNCITRAL/UNIDROIT Model Law on Warehouse Receipt Project at its 79th session in December 2020 as a new item with high priority in the 2020-2022 Work Programme (see document [A.G. \(79\) 10, paras. 40-47](#)).

27. Following project approval, and consistent with the Institute’s working methodology, the UNIDROIT Working Group on a Model Law on Warehouse Receipts was established. The Working Group is composed of 11 expert members representing different legal traditions and geographical regions, and it is chaired by UNIDROIT Governing Council member Professor Eugenia Dacoronia. Relevant intergovernmental organisations, private and public sector stakeholders, and academics attend the Working Group sessions as observers. All background documentation concerning the project is made available at a dedicated [project page](#).

28. The first session of the Working Group took place via videoconference between 2 and 4 December 2020. The session was attended by 30 participants, comprised of Working Group members and observers. During this session, the Working Group agreed on the scope and preliminary structure for the Model Law and considered an Issues Paper setting out different legislative approaches adopted across jurisdictions. Detailed information on the discussions and outcome of this session is set out in the [Report of the first session](#).

29. Following the first Working Group session, in order to advance the intersessional work, a Drafting Committee and a subgroup on technological aspects were established. The Drafting Committee held six remote meetings during the course of 2021 and prepared three draft chapters for the future Model Law. The subgroup on technological aspects met four times and analysed legislative approaches and technological models deployed for electronic warehouse receipts.

30. The second session of the Working Group took place via videoconference between 10 and 12 March 2021. This session was attended by 31 participants. The Working Group considered, amongst others, preliminary drafting suggestions for the future Model Law Chapter II, “Issuance of a warehouse receipt” and Chapter IV, “Transfer of warehouse receipts”. The discussions and outcome of the session are summarised in the [Report of the second session](#).

31. The Working Group held its third session between 1 and 3 September 2021 in a hybrid format. The Working Group was attended by a total of 30 participants. A number of experts participated in person at the Institute while others participated remotely. In addition to revised versions for draft Chapters II and IV, the Working Group considered draft Chapter I, “Scope and general provisions” and substantive issues. The [Report of the third session](#) contains a summary of this session.

32. The preliminary [Work Plan 2020-2022](#) for the project provided that the Working Group submit a comprehensive draft Model Law text to the Governing Council by May 2022. However, the Working Group’s discussions revealed important structural differences between legal families concerning key aspects to be addressed in the Model Law. At the same time, in-person meetings have been restricted. In view of this situation, at its 100th session in September 2021, the Governing Council authorised the extension of the project duration for one calendar year (see document [C.D. \(100\) B Misc. 2](#)). Hence a comprehensive Model Law text shall be submitted to the Governing Council at its 102nd session in May 2023.

2. Private law and agricultural development – Legal structure of agricultural enterprises **

33. Supported by both the United Nations Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD), the project regarding the Legal Structure of Agricultural Enterprises (LSAE project) was proposed for inclusion in the 2020-2022 Work

Programme¹ by the Governing Council, at its 98th session,² and was approved by the General Assembly at its 78th session, with a medium priority level.³

34. As a first step, 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. At the 99th session of the Governing Council the Secretariat prepared and submitted the requested feasibility study ([C.D. \(99\) B.5](#)), which was divided into three parts. Part I provided background on UNIDROIT's work in the field of private law and agricultural development. Part II provided a summary of recent 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. The Governing Council then authorised the Secretariat to conduct further research and consultations with a view to convene a colloquium and subsequently establish a core expert group to define the potential scope, content, and form of such an instrument.

35. In response to the mandate received, on 15 and 16 April 2021, UNIDROIT, FAO and IFAD co-organised a Consultation Webinar to discuss the LSAE project and, notably, to outline the possible topics the prospective future instrument would address. The complete report of the Webinar can be found at UNIDROIT's dedicated [website](#) and a [video](#) recording of both days is available on UNIDROIT's YouTube channel.

36. For the second meeting of the 100th session of the Governing Council, held in September 2021, the Secretariat prepared a document ([C.D. \(100\) B.5](#)) which summarised the main input received and outlined a number of topics and legal issues that could be considered in the LSAE project. The document highlighted how sustainability requirements, new technologies and alternative financing vehicles are transforming the legal structure of agricultural enterprises and the forms of collaboration among producers and other actors operating along the agricultural supply chain. In addition, the document specified that legal guidance could be provided regarding the forms of collaboration to improve access to market and critical resources by analysing, among other topics, multi-party contractual networks, corporate governance, ownership and liability rules.

37. The Governing Council was invited to approve the proposed preliminary scope of the project and to reassess upward the original priority status given in order to allow the Secretariat to establish a Working Group. The Council took note of the progress made and decided in favour of upgrading the project to high priority, therefore allowing the Secretariat to establish a Working Group. The first meeting of the Working Group is planned for February 2022 and it will be focused on the precise determination of the scope of the project.

3. Transnational civil procedure

(a) [Best practices for effective enforcement](#) ***

38. The project on Best Practices of Effective Enforcement was included in the 2020-2022 Work Programme at the 78th session of the General Assembly ([A.G. \(78\) 12](#), paras. 41 and 51, and [A.G. \(78\) 3](#)), confirming the recommendation of the 98th session of the Governing Council ([C.D. \(98\) 17](#), para. 245). During the first meeting of the 99th session of the Governing Council held remotely in April/May 2020, the Secretariat was authorised to set up an Exploratory Working Group to receive expert feedback on the refinement of the intended scope of the project ([C.D. \(99\) A.8](#), paras. 43-

¹ [UNIDROIT 2019 – C.D. \(98\) 17](#), para. 288.

² [UNIDROIT 2019 – C.D. \(98\) 14 rev.2](#), paras. 78-82.

³ [UNIDROIT 2019 – A.G. \(78\) 12](#), para. 51.

44). In response to this mandate, the UNIDROIT Secretariat conducted extensive remote consultations with selected international experts and organisations, the outcome of which was presented at the second meeting of the 99th session of the Governing Council held in Rome and remotely on 23-25 September 2020. At that session, the Governing Council approved the proposed guidelines regarding the scope of the project, confirmed the high priority status assigned to the project, and authorised the establishment of a Working Group ([C.D. \(99\) B.21](#), paras 57-58), chaired by Governing Council member Ms Kathryn Sabo.

39. The first session of the project Working Group was held in Rome and remotely on 30 November–2 December 2020. The Working Group focused, for the most part, on the more precise determination of the scope of the project, on the basis of an Issues Paper prepared by the Secretariat, as well as on methodology and organisational issues; it further discussed a specific document prepared by a Working Group member on the impact of technology in enforcement. More information on the outcome of the discussions is available in the [Report of the first session](#).

40. To advance the work on the project in the intersessional period, three sub-groups were created: Subgroup 1 on “post-adjudication” enforcement; Subgroup 2 on enforcement of security rights; Subgroup 3 on the impact of technology on enforcement. Throughout 2021, the Chair and most Working Group members and observers were involved in an intense working schedule set up by the focal points of each sub-group and supported by the Secretariat, which included exchanges of drafts and comments through emails and numerous virtual meetings. The Secretariat further conducted consultations in the form of interviews and questionnaires and additional internal research, to gather data on challenges, regulatory options, and practices for effective enforcement in diverse jurisdictions, which were the basis for two support documents, one on general enforcement and one on technology and enforcement.

41. The second session of the Working Group took place remotely on 20–22 April 2021, and its deliberations focused on the detailed Reports prepared by the three sub-groups mentioned above, which contained initial draft recommendations and comments. In particular, Sub-groups 1 and 3 had coordinated their input so as to permit discussion of general issues of post-adjudication enforcement in connection with the corresponding issues on the application of technology to such proceedings. For more information see the [Report of the second session](#).

42. Pursuant to the mandate received at the second session of the Working Group, the Secretariat continued to provide support to the Chair and Working Group members and observers for the organisation of intersessional sub-groups meetings to advance the work on the project, and organised coordination meetings to ensure consistency of the output of the sub-groups. The Secretariat is also working to ensure the necessary coordination between this project and the UNIDROIT project on Digital Assets and Private Law, for the issues concerning enforcement on digital assets.

43. The third session of the Working Group will be held in Rome and remotely on 29-30 November and 1 December 2021.

(b) International civil procedure in Latin America *

44. 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 and 2021 the Secretariat merely undertook preliminary contacts with potentially interested parties on this topic. These contacts have been recently intensified in light of the request for proposals and recommendations concerning the new Work Programme for 2023-2025.

4. 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. As the PRICL presupposed the existence of adequate rules of general contract law, UNIDROIT was invited to participate in the project, wholly funded by research institutions, to provide expertise on the UNIDROIT Principles of International Commercial Contracts. 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, together with translations in various languages and additional materials.

46. 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.

47. The 8th Workshop of the project, which had been delayed due to COVID-19 restrictions, was held remotely on 18 January 2021 and discussed preliminary documents related to the second part of the PRICL project as well as the possibility to develop a Note on PRICL and COVID-19 on the basis of the example of the Secretariat’s [Note on the UNIDROIT Principles of International Commercial Contracts and the COVID-19 Health Crisis](#) published in July 2020.

48. The Secretariat participated in a number of activities concerning the PRICL project and its promotion and dissemination. For more information see [C.D. \(100\) B.13. Detailed information on all activities will be contained in](#) the forthcoming 2021 Annual Report.

5. Cultural property – Private art collections*

49. The topic of private art collections has been included in the UNIDROIT Work Programme in 2017 with a low priority level and two conferences were organised to identify the aspects of private law that fall within its mandate (“Private collections: Historical and legal approaches” in 2017⁴ and the first conference held under the auspices of the 1995 UNIDROIT Convention Academic Project (UCAP) organised by the University of Opole in Poland (UNESCO Chair on Cultural Property Law) in Gdansk in 2019). UNIDROIT has continued to raise awareness among private collectors about ethical acquisition.

50. UNIDROIT organised a colloquium with the University of Geneva and the Gandur Foundation for Art in Geneva on 4 and 5 February 2021, “What prospects for ‘orphan works’? Reflections on Cultural Goods without Provenance” which provided an opportunity for collectors, gallerists, lawyers, historians, archaeologists, academics, and museums to come together virtually and share their ideas and perspectives on the ever-growing debate around orphan objects. The next step will be a meeting of experts to discuss possible solutions followed by a conference in the first quarter of 2022 which an institutional member of UCAP has offered to organise.

51. At its 100th session (Rome, September 2021), 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 1995 UNIDROIT Convention and other relevant

⁴ 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.

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

6. Leasing and Factoring

(a) [A Model Law on Factoring](#) ***

52. 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.

53. As consistent with the Institute's established working methodology, a Working Group was established to develop the Model Law on Factoring. The Working Group is composed of nine international legal experts representing different legal systems and geographical regions and is chaired by UNIDROIT Governing Council member Professor Henry Gabriel. A number of international, regional and intergovernmental organisations, industry associations and academics attend the Working Group sessions as observers.

54. The third session of the Working Group took place via videoconference between 26 and 28 May 2021. The Working Group was attended by 32 participants, comprising of 9 Working Group Members, 7 observers from six international, regional and intergovernmental organisations, 9 industry associations and academia and 7 members of the UNIDROIT Secretariat. An intersessional Working Group meeting on the scope of the Model Law was held on 20 September 2021. Additionally, the Working Group established subgroups on (i) conflict of laws, (ii) registration and (iii) transition to prepare draft articles on these technical issues.

55. The draft MLF has six chapters and 40 articles based primarily on the corresponding articles in the UNCITRAL Model Law on Secured Transactions. The length of the Model Law will increase once the Working Group has agreed upon additional articles.

56. The Working Group will consider a full set of the draft Model Law provisions at its fourth session (1–3 December 2021).

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

57. 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.

7. [Bank Insolvency](#) **

58. Following the Governing Council's recommendation, the General Assembly at its 78th session (12 December 2019) decided to include the project on Bank Insolvency in the 2020-2022 Work Programme with medium priority, 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.

59. In 2020, the Secretariat took steps to canvass support, ascertain the relevance of the project, and reinforce the capacity and expertise of the Institute to carry out the work. This had positive

results: (i) the Financial Stability Institute (FSI) of the Bank of International Settlements (BIS) expressed interest to collaborate with UNIDROIT by providing research expertise and, where needed, financial support, and (ii) the Bank of Italy showed willingness to create a UNIDROIT-Bank of Italy Chair, with an initial duration of one year, extendable for at least another year.

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

61. In 2021, the UNIDROIT-Bank of Italy Chair was officially established and a Chair Holder recruited. The Institute now counts on a highly qualified financial law expert working with the Secretariat as an additional resource. Furthermore, on 7 and 8 June 2021, the Secretariat and the FSI jointly organised an Exploratory Workshop on Bank Liquidation, with a view to: (i) assessing the need of an international instrument in the area of bank insolvency, (ii) determining the most suitable form of such instrument, and (iii) defining the scope of the project. During the Exploratory Workshop, which gathered 40 international experts and stakeholders, broad support was expressed for the project and for UNIDROIT leading its development.

62. The Secretariat presented the conclusions of the Exploratory Workshop and of the thorough feasibility analysis conducted by the Secretariat at the second meeting of the 100th UNIDROIT Governing Council in September 2021 ([C.D. \(100\) B.4](#)). Following deliberations, The Council approved the proposed scope of the project, subject to existing regulatory standards and underlining its focus on smaller banks, agreed to assign the project a high priority status, and authorised the Secretariat to establish a Working Group ([C.D. \(100\) B Misc 2, para. 6](#)).

63. The first meeting of the Working Group on Bank Insolvency is scheduled to take place in Rome and via Zoom on 13-14 December 2021.

8. [Digital assets and private law](#) ***

64. Carrying out the mandate received from the Governing Council at its 99th session (A), the Secretariat set up an Exploratory Working Group, chaired by Professor Hideki Kanda, member of the UNIDROIT Governing Council, which held five meetings between July and September 2020 and prepared a preliminary draft of the Issues Paper. 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. The report from the Exploratory Workshop is available in document [Study LXXXII – W.G.1. – Doc. 3](#).

65. The Secretariat presented the result of the deliberations of the Exploratory Working Group and the outcomes of the Exploratory Workshop at the September session of the 99th UNIDROIT Governing Council (C.D. (99) B.4 rev.). Following deliberations, it was confirmed to proceed with this project at high priority, allowing the Secretariat to establish a Working Group ([C.D. \(99\) B Misc. 2, paras. 7 and 8](#)). The Governing Council approved the temporary change of name of the project to “Digital Assets and Private Law” and provided inputs regarding the structure and composition of the future Working Group.

66. In light of the very broad interest generated by the project and its inherently global and interdisciplinary nature, at its 99th session (B) the Governing Council decided in favour of an “enhanced” structure for the project which would entail the setting up of a Steering Committee on Digital Assets and Private Law in addition to the establishment of a Working Group ([C.D. \(99\) B Misc. 2, paras. 7 and 8](#)).

67. The Steering Committee was established in August 2021 and is chaired by Professor Monika Pauknerová, member of the UNIDROIT Governing Council, and is comprised of experts from different fields (both technical and legal) acting in a consultative capacity to allow for wider participation, ensuring all sensitivities and domestic realities are considered and provide invaluable context-specific feedback to the Working Group. To date, thirty-six experts have been nominated to the Steering Committee by twenty-five Member States, plus the European Commission.

68. The first formal session of the full Working Group took place via videoconference between 17 and 19 November 2020. The Working Group was attended by 30 participants, comprising of (i) 12 Working Group Members, (ii) 12 observers from international, regional, and intergovernmental organisations, industry, government, and academia and (iii) 6 members of the UNIDROIT Secretariat.

69. The second session of the Working Group took place via videoconference between 16 and 18 March 2021. The Working Group was attended by 48 participants, comprising of: (i) 15 Working Group Members, (ii) 25 observers from international, regional, and intergovernmental organisations, industry, government, and academia, and (iii) 8 members of the UNIDROIT Secretariat.

70. On 31 May 2021, at the request of the Chair, a Special Workshop was held to examine more closely a range of issues relating to the issue of Digital Twins (i.e., digital assets tied to other assets). The report from the Special Workshop summarising the presentations and the ensuing discussion is available in document Study LXXXII – W.G.3 – Doc. 3.

71. The third session of the Working Group took place in a hybrid format (in person and via videoconference) between 31 June and 2 July 2021. The Working Group was attended by 47 participants, comprising of: (i) 15 Working Group Members, (ii) 23 observers from international, regional, and intergovernmental organisations, industry, government, and academia, and (iii) 9 members of the UNIDROIT Secretariat.

72. Intersessional work continued in the form of additional meetings of the four Sub-Groups: Sub-Group 1 on Control and Custody which met seven times in 2021; Sub-Group 2 on Control and Transfer which met seven times in 2021; Sub-Group 3 on Secured Transactions which met six times in 2021; and Sub-Group 4 which met four times in 2021 and features a workstream on Taxonomy, as well as a workstream on Private International Law.

73. Ahead of the 100th session of the Governing Council in September 2021, at the request of the Chair, a Special Workshop was held on 13 September 2021 to examine a range of issues relating to Custody and Control. Another Special Workshop was held on 15 October 2021 at the request of the Chair to examine a range of issues relating to Control. It is envisaged that further Special Workshops will be organised on an ad hoc basis, according to the needs of the Working Group.

74. The Working Group held its fourth session between 2–4 November 2021. The Working Group was attended by 50 participants, comprising of: (i) 15 Working Group Members, (ii) 26 observers from international, regional, and intergovernmental organisations, industry, government, and academia, and (iii) 9 members of the UNIDROIT Secretariat.

B. Implementation and promotion of UNIDROIT instruments

1. Depositary functions***

75. UNIDROIT has been designated Depositary of the Cape Town Convention on International Instruments 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).

76. Several States accessed to or signed the Cape Town Convention and/or its Protocols during the course of the year. Between September 2020 and November 2021, Kyrgyzstan and Zambia deposited their instruments of accession to both the Cape Town Convention and the Aircraft Protocol, bringing the number of Contracting Parties to 84 for the Convention, and 81 for the Protocol. On 10 November 2021, Spain signed the Luxembourg Rail Protocol, becoming the fifth signatory of the Protocol. Furthermore, between September 2020 and November 2021, the United States of America became the fifth State to sign the MAC Protocol.

2. Promotion of UNIDROIT instruments***

77. At its 98th session (Rome, 8-10 May 2019), the Governing Council recalled the importance of promoting the instruments of the Institute and hence to maintain the high priority of promotion activities in the UNIDROIT Work Programme for the 2020-2022 triennium. The General Assembly approved this recommendation at its 78th session (Rome, 12 December 2019).

78. While travel restrictions still present for many parts of the world continued to have a relevant impact on the way promotion of UNIDROIT's instruments is conducted, this has not prevented the Secretariat from holding, or taking part in, a considerable number of events. Naturally, due to the special circumstances created by the COVID-19 Pandemic, the dissemination of UNIDROIT's work has been undertaken mostly in remote mode. While this entails a limitation on the efficacy of promotional activities, it also allows for an increase in the amount and a decrease in its costs for the Institute. It is envisaged that, at least in the short-mid term, remote promotional actions will continue to take place.

79. With particular regard to the UNIDROIT Principles of International Commercial Contracts 2016, the United Nations Commission on International Trade Law (UNCITRAL), at its [54th Session](#), held in Vienna and remotely on 28 June-16 July 2021, discussed a request presented by the UNIDROIT Secretary-General that the Commission consider endorsing the UNIDROIT Principles 2016. The Commission, noting that it had already endorsed the UNIDROIT Principles 2010 at its 45th session, in 2012, that general support had been expressed for recognising that the fourth edition of the UNIDROIT Principles set forth a comprehensive set of rules for international commercial contracts, complementing a number of international trade law instruments, including the United Nations Sales Convention, that the amendments made in the UNIDROIT Principles 2016 were useful in facilitating international trade, it endorsed the UNIDROIT Principles 2016 commending their use, as appropriate, for their intended purposes.

80. In relation to the Cape Town Convention and its Protocols, the 10th Annual Conference of the Cape Town Convention Academic Project was held in Cambridge, as an in-person meeting with the possibility of remote access, on 29-30 September 2021, with participation of the UNIDROIT's Secretariat. It focused on reflections on the past, present, and future of the Cape Town Convention in its first 20 years, and on an in-depth analysis of some key topics in relation to enforcement of international interests, particularly when the debtor is insolvent. The Cape Town Convention Academic Project (CTCAP) is a partnership between UNIDROIT and the University of Cambridge Faculty of Law, with the Aviation Working Group as the Founding Sponsor. Further information on this project is available at <https://ctcap.org/event/10th-cape-town-convention-academic-conference>.

81. On 24 September 2021, the Legal Guide on Agricultural Land Investment Contracts (ALIC Legal Guide), an instrument providing innovative guidance to improve agricultural land investment contracts by operationalising a number of international principles and standards for the promotion of responsible agricultural investment, was jointly published with IFAD. The publication was

accompanied by a launch organised as a side-event to the 100th Session of the UNIDROIT Governing Council. For the video recording of the launch event see UNIDROIT's [YouTube Channel](#). Furthermore, the Guide was presented and discussed on 2 November at the 2021 Conference on Land Policy in Africa. More information and the final version of the ALIC Legal Guide are available at UNIDROIT's [website](#).

82. Details on the numerous other promotional events and activities relating in particular to the Cape Town Convention and its Aircraft Protocol, the UNIDROIT Principles of International Commercial Contracts 2016, the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming, the ELI-UNIDROIT Model European Rules on Civil Procedure, newly approved in 2020, and UNIDROIT's instrument on capital markets are detailed in document [UNIDROIT 2021 - C.D. \(100\) B.17](#) presented to the second meeting of the 100th session of the Governing Council held in Rome and remotely on 22-24 September 2021. Promotional activities will be also reported in details in the forthcoming 2021 Annual Report.

3. UNIDROIT instruments in the COVID-19 Pandemic

83. Following the publication in July 2020 of the Note of the UNIDROIT Secretariat on the [UNIDROIT Principles of International Commercial Contracts \(UPICC\) and the COVID-19 Health Crisis](#) containing guidance on the application of the modern, flexible and uniform approach of the Principles to supervening events, particularly in the provisions on "Force majeure" (Article 7.1.7) and "Hardship" (Articles 6.2.2 – 6.2.4), the Secretariat has continued to look at the impact of the COVID-19 pandemic and the attendant economic crisis on the application of leading UNIDROIT instruments.

84. *Reinsurance Contracts* - As a result of the 8th PRICL Workshop held virtually on 18 January 2021, participants agreed to create a special task force to draft a Note on the impact of the PRICL and the impact of the COVID-19 health crisis on the reinsurance market. The Note is meant to look at the impact of the PRICL in the pandemic and post-pandemic situation also in the light of the relationship between general contract law (and particularly the UNIDROIT Principles) and the specific legal regime and practice of reinsurance and insurance contracts. A first draft of the Note was discussed at the second lecture in the Transatlantic Lectures on Insurance Law (ATILA) series organised by the Insurance Law SIG at the European Law Institute, which was dedicated to the illustration of the application of the PRICL to the COVID-19 health crisis. The Secretariat is undertaking further consultations and will continue to follow up on the finalisation of the PRICL Note towards its publication.

85. *Legal Guide on Contract Farming* – UNIDROIT, together with FAO and the International Chamber of Commerce Italy (ICC Italy) have been 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](#). Specifically, the aim of the guidance document will be to provide guidance to contracting parties and legislators on how contractual arrangements can be designed or adapted to accommodate for pandemics and similar disastrous events, harmonise the approach along the food supply chain, and promote a fair balance of risks between all parties involved. The partner organisations gathered information and contacted a broad variety of stakeholders, to identifying how the pandemic and similar disastrous events impacted on supply chain contracts and how issues in performance were addressed. It is envisaged to organise a webinar for expert consultations.

4. Launch of Summer School

86. The Secretariat is pleased to inform the General Assembly that the DG for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation has approved a

generous grant to the Institute under the form of “Voluntary Contribution” (see Annexe II). This unprecedented contribution will go towards funding the first edition of the UNIDROIT International Summer School that will be organized in 2022.

87. The purposes of the UNIDROIT International Summer School, which also aims to feature distinguished lectures from Members of the Governing Council, are manifold, and include:

- to provide theoretical-practical training on legal instruments concerning the unification of private law;
- the creation of a virtual community of participants, teachers and experts that facilitates the exchange of experiences, problems and solutions, even after the end of the summer school;
- support the dissemination activities of UNIDROIT tools by the participants in their respective countries of origin.

88. Subject to the developments of the current pandemic, the first edition of the UNIDROIT International Summer School will be held in the summer of 2022, in English, and with a focus on the countries of the African continent, at the headquarters of the Institute in Villa Aldobrandini. Hybrid solutions will be contemplated should the health conditions worsen, although it is the firm intention of UNIDROIT to be able to create a network of participants who share the academic experience in person.

89. The expected duration of the Summer School is four weeks including one week online for preparatory reading, which will be mandatory and supported by three 50 minute online live Q&A sessions with members of the teaching staff to be carried out via Zoom. This will be followed by three residential weeks (45 classes of 60' for a total of 45 hours + 30 hours in-depth study) on the topics of the program, as well as short thematic seminars to be carried out in the afternoon based on the needs that can be identified during the classes, to bridge any knowledge gaps or to provide further information on topics of special interest to the participants.

90. The Summer School will aim to recruit jurists, particularly from legislative offices, ministries and judges/magistrates from developing countries, in classes of 20-25 participants. Although the 2022 edition will be held in English with a special focus on African countries, subsequent editions of the course should also cover French speaking nations and focus on different regions of the world. Trained participants, within their respective institutional roles, constitute important, influential human capital in their countries of origin, capable of informing and raising awareness with domestic policymakers on uniform law, and of providing a concrete contribution in the phases of signature, ratification and transposition into national legal systems of UNIDROIT's private law instruments.

91. In particular, judges/magistrates could avail themselves of UNIDROIT texts to solve disputes and, therefore, actively participate in their interpretation (which may also have an impact on the interpretation provided by neighbouring countries). In light of this, the Secretariat is convinced that this summer school will prove a very useful tool to promote UNIDROIT's instruments and to increase the Institute's membership in sensitive areas of the world.

92. The grant for Summer School will be managed as an extra budgetary activity, and the Summer School will have no impact on the ordinary budget of the Institute.

C. Non-legislative activities

1. UNIDROIT Library and Depository Libraries***

(a) UNIDROIT Library

93. In 2021, work progressed on the digitisation project of the library. Special attention was paid to the digitisation of the historical “Gorla” collection, and to the Chiomenti collection in order to preserve some of the Library’s rarest and most valuable historical collections. The library's electronic collection was enriched by a total of 404 digitised titles, comprising of 115 of the Gorla Collection and the addition of 289 monographs, regarding, in particular, comparative law and unification of laws.

94. Furthermore, the Library started with the cataloguing and digitising of the very precious collection of about 700 publications, mostly in the form of pamphlets, excerpts from various Italian reviews, in particular law reviews, and by collective works, between the last decades of the nineteenth century and the thirties of the twentieth century, which was donated to the Library in June 2021 by Prof. Achille de Nitto. The publications belonged to the Vittorio Scialoja library at the Institute of Roman law. Many copies contain an autographed dedication to Prof. Scialoja by the author. Other publications, in less substantial quantities, are dedicated or directed to Pietro Francisci. The names of Vittorio Scialoja, as well as Francisci, have been linked to UNIDROIT since its foundation. As in previous years, the Library received donations in kind from the Max Planck Institute for Comparative and International Private Law (Hamburg, Germany).

(b) Depository Libraries

95. Traditionally, UNIDROIT has 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

96. 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.

97. Furthermore, the Japanese, Russian and Turkish unofficial versions of the UNIDROIT Principles of International Commercial Contracts 2016 were published late in 2020. The Latvian and Portuguese versions are under preparation. The 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, was published in April 2021. The fifth edition of the Aircraft Official Commentary is under preparation, the draft having been sent to Governments for comments. The fourth edition exists also in an electronic version, with internal and external links, prepared for the use of subscribers to the International Registry following an agreement between the Institute and Aviareto, the Registrar of the Cape Town Convention and its Protocols. The English version of the ELI/UNIDROIT Model European Rules of Civil Procedure was published by Oxford University Press in August 2021, while the French integral version was finalised

by the Secretariat in November 2021. Other linguistic unofficial versions of the Rules and Comments are in preparation (Chinese, Farsi, German, Russian, Spanish, Ukrainian). The Legal Guide on Agricultural Land Investment Contracts was published by UNIDROIT in September 2021.

(b) Electronic Sources of Information on UNIDROIT

98. Data relating to the previous website as regards the points of entry, the countries of origin of users, the website pages most consulted and the age groups of users can be found in document [C.D. \(100\) B.19](#).

99. Additionally, in 2021, the Institute continued to promote its work on social media. As of 4 November 2021, UNIDROIT had 18,202 followers on LinkedIn, 4,845 followers on Facebook, 1,463 followers on Twitter, and 268 subscribers on YouTube. UNIDROIT received an official verified badge on Twitter in September 2021, and the UNIDROIT social media channels continue to be the largest source of referrals to the UNIDROIT website, after direct clicks and search engines. In 2021, posts made by UNIDROIT on all its channels collectively were delivered to people's feeds over 1 million times.

100. A new UNIDROIT website was prepared in 2021 and made available online in September. As many developments have occurred in web design and technology since 2014, when the last UNIDROIT website was designed, and the Secretariat had been seeking ways in which to modernise it and enhance its performance, while bearing in mind the core elements of its purpose.

101. A call for expressions of interest was issued on Social Media ([Facebook](#), [LinkedIn](#), and [Twitter](#)) and the UNIDROIT news section on 26 February 2021, requesting interested web-development firms to submit expressions of interest and portfolio to website@unidroit.org by 8 March 2021. The call garnered eight expressions of interest and, based on an assessment of the presented material, seven firms were provided with a detailed call for proposals requesting the submission of a proposal and quote by 20 March.

102. Six of the firms provided a proposal and, upon submission underwent an assessment by a team made up of three members of the Secretariat, who met on 26 March to provide a weighted score-based ranking of the 6 firms based on 7 criteria: Design, Portfolio, Cost, CMS, Timing, SEO, Languages.

103. Based on the scores, the group proposed inviting the three top shortlisted contenders (offers and EoIs available upon request) to present and discuss the details of their offer and the aspects requiring clarification.

104. Each firm was invited to provide reformulations of their proposals, based on the clarifications provided, within the following week, by 6 April 2021. Following the assessment of the reformulated proposals and some discussion on the merits of the offers, all of which now included a dedicated hosting component, it emerged that, out of the two firms that offered the most competitive prices, one had more experience with comparable international organisations and presented a stronger profile in terms of portfolio and references.

105. The Contract was therefore awarded to Art & Design, which designed the website presented at the 100th session of the UNIDROIT Governing Council. Art & Design's partners, Fin Green Tech, were selected as new hosting providers, so that UNIDROIT could benefit from its own hardware machine server on which to migrate the family of UNIDROIT websites, including the Academic Projects and the Foundation. This should result in a considerable increase in capacity and, specially, in security.

106. As well as its new colour palette and design, also featuring a new logo, the new structure of the website now provides users with a comprehensive and easy to navigate overview of the Institute's activities thanks to its thematic approach. The macro categories presented on the home page, which

are subject to change with the Work Programme, make it easier to discover the over 70 studies of the Institute and the numerous instruments. This grants immediate access to the work in progress (items currently on the work programme in that field), the instruments that have already been developed, as well as the studies that the Institute has prepared on the topic. In addition, the user now also has the opportunity to learn the latest news and get information on the future events that UNIDROIT will hold in that particular field.

107. The thematic approach also handles areas of overlap, meaning that details on the UNIDROIT Warehouse Receipts project can be found both on the Agriculture and the Secured transactions pages. All pages, featuring more captivating images and videos, are readily available with a simple language switch in the top right hand corner, and are well integrated with the UNIDROIT social media accounts.

3. Internships and scholarships ***

108. UNIDROIT's Research Scholarship and Internship Programmes are important tools to promote UNIDROIT's work and related research in the field of international and comparative law.⁵ UNIDROIT's Scholarship and Internship Programme welcomes law students and academics from around the world to work with the Secretariat on the Institute's Work Programme or undertake complementary legal research in the UNIDROIT Library. Since 2014, these Programmes have been entirely funded by voluntary contributions, relying on the benevolence and generosity of its sponsors, which include, amongst other, the Ministry of Commerce of the People's Republic of China (MOFCOM), the Members of the Governing Council, the UNIDROIT Alumni Association, the UNIDROIT Foundation, the Feldens Madruga law firm or the Transnational Law and Business University (TLBU).

109. During 2021, the Institute welcomed 44 interns and 12 scholars from 21 countries. Of the 44 interns, 13 were granted modest stipends for the duration of their internships. Of the 12 scholars 6 were granted stipends for the period of their research. Due to the pandemic, 12 internships were undertaken remotely. Additionally, 32 independent researchers from 7 countries undertook their research in the UNIDROIT Library.

110. The Secretariat continued to cooperate with Universities and other research centres under existing Memorandums of Understanding (MOUs) and signed new agreements with four partners.⁶

111. Furthermore, taking advantage of the presence of distinguished guests at UNIDROIT, the Secretariat began to organise a series of lectures and presentations on topics related to the guest's areas of research in 2019. These lectures were attended by members of UNIDROIT Secretariat and current guests in the library, as well as interested external experts expressly invited to participate. This initiative unfortunately was interrupted in 2020 by the outbreak of the COVID-19 Pandemic, but it was reinstated in May 2021. As at the end of June, the Secretariat held four such presentations followed by a Q&A session moderated by the Secretary-General Professor Ignacio Tirado.

⁵ For a full presentation of the Research Programme and the Internship Programme, including a list of current and former guests see: <https://unidroit.org/research-and-internships>.

⁶ These are the following: (i) The University of Hong Kong – HKU Law (China) (ii) Law Schools Global League (31 universities worldwide), (iii) University of Navarra (Spain) and (iv) Fordham University (United States of America).

ANNEXE I

**Expenditure in Implementation of Work Programme
(estimate by 31 December 2021)**

		Priority level	<i>Regular budget</i>
Secured transactions			
(a) Implementation of Rail and Space Protocols		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		28,941.20
	General services (Ch. 2.1, 3.1)		10,454.27
Conference costs	Official journeys (Ch. 1.5)		1,825.29
	Interpretation/technical services/representation (Ch. 1.5)		0.00
Total			41,220.76
(b) Implementation of MAC Protocol		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		94,596.68
	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
Total			121,775.34
(c) Preparation of other Protocols to the Cape Town Convention		*	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		15,596.21
	General services (Ch. 2.1, 3.1)		0.00
	Experts		0.00
Total			15,596.21
(d) Model Law on Warehouse Receipts		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		12,981.20
	General services (Ch. 2.1, 3.1)		844.40
Total			13,825.60
Private law and development			
(a) Agricultural Land Investment Contracts		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		103,167.23
	General services (Ch. 2.1, 3.1)		2,016.77
	Experts (Ch. 1.4)		175.43
Total			105,359.43
(b) Legal Structure of Agricultural Enterprises		**	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		36,969.01
	General services (Ch. 2.1, 3.1)		0.00
Total			36,969.01

Transnational civil procedure - formulation of regional rules		
(a) Principles of effective enforcement		**
Staffing costs	Professional staff (Ch. 2.1, 3.1)	43,075.31
	General services (Ch. 2.1, 3.1)	10,454.27
	Interpretation/technical services/representation (Ch. 1.5)	500.00
	Experts (Ch. 1.4)	10,000.00
	Official journeys (Ch 1.5)	3,042.00
Total		54,029.58
(b) 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 Commercial Contracts		
Formulation of Principles of reinsurance contracts		*
Staffing costs	Professional staff (Ch. 2.1, 3.1)	1,842.62
	General services (Ch. 2.1, 3.1)	844.40
Total		2,687.02
International Protection of Cultural Property		
Private art collections		*
Staffing costs	Professional staff (Ch. 2.1, 3.1)	3,761.95
	General services (Ch. 2.1, 3.1)	0.00
	Official journeys (Ch. 1.5)	0.00
Total		3,761.95
Leasing and Factoring		
Model Law on Factoring		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	40,650.61
	General services (Ch. 2.1, 3.1)	7,392.40
	Experts (Ch. 1.4)	10,000.00
Total		58,043.01
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		
Bank Insolvency		**
Staffing costs	Professional staff (Ch. 2.1, 3.1)	51,137.79
	General services (Ch. 2.1, 3.1)	844.40
Consultation / promotion	Experts (Ch. 1.4)	10,000.00
Total		61,982.19
Law and Technology		
Digital Assets		**
Staffing costs	Professional staff (Ch. 2.1, 3.1)	62,790.64
	General services (Ch. 2.1, 3.1)	844.40
Consultation / promotion	Official journeys (Ch. 1.5)	0.00
	Experts (Ch 1.4)	5,734.44
Total		69,369.48

Implementation and promotion		
(1) Depository Functions		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	42,857.82
	General services (Ch. 2.1, 3.1)	18,135.40
Total		60,993.22
(2) Promotion of UNIDROIT Instruments		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	166,606.02
	General services (Ch. 2.1, 3.1)	10,970.70
Consultation/promotion	Official journeys (Ch. 1.5)	3,093.09
Conference costs	Official journeys of experts (Ch. 1.5)	0.00
	Consultant fees (Ch. 2.1, 3.1)	6,202.86
Postage (Ch.4.3)		1,855.57
Total		188,728.24
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)	147,017.87
Acquisitions	Purchase of books, legal journals, binding, software (Ch.6)	144,000.00
Total		291,017.87
(2) Publications		***
Staffing costs	Professional staff (Ch. 2.1, 3.1)	36,964.22
	General services (Ch. 2.1, 3.1)	112,942.28
Total		149,906.50
(3) Internships and scholarships		***
Staffing costs	Professional staff (Ch. 2.1, 3.2)	33,861.43
	General services (Ch. 2.1, 3.1)	46,939.79
Total		80,801.22
Membership, institutional cooperation and governance		
Staffing costs	Secretary-General and Professional staff (Ch. 2. 1, 3.1)	123,083.16
	General services (Ch. 2.1, 3.1)	224,830.61
Conference costs	Interpretation/technical services (Ch. 1.5)	11,613.27
	GA, FC, GC and PC (Ch. 1.1)	37,000.00
Consultation / promotion	Official journeys (Ch. 1.5)	2,000.00
	Experts (Ch. 1.5)	7,406.62
	Representation (Ch. 1.7)	4,000.00
Total		409,933.67

Administration, support services and building management		
Staffing costs	Secretary-General and Professional staff (Ch. 2. 1, 3.1)	44,712.34
	General services (Ch. 2.1, 2.2, 3.1)	224,830.61
	Auditor (Ch1.4)	5,000.00
	Consultant fees (Ch. 2.1, 3.1)	5,426.92
	Experts (Ch. 1.5)	52,123.45
	Utilities Maintenance costs, Labour costs (Ch 5)	140,000.50
	Compensation for retired members of staff (Ch. 3.3)	2,250.00
	Accident insurance (Ch. 3.2)	5,000.00
	Administration costs (Ch. 4.1, 4.2, 4.3,4.4.,4,5)	59,000.00
Total		538,343.83
Total		2,304,344.13

ANNEXE II

UNIDROIT Information on Extrabudgetary Contributions in 2021

Principles on Netting of Financial Instruments	€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts					
Donor Association of German Banks		281,39			281,39
Expenditure					
Total	€	281,39	0,00		281,39
Preparation of a Legal Guide on Agricultural Land Investment Contracts	€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts					
Donor IFAD		10.510,14		8.991,05	1.519,09
Total	€	10.510,14	0,00	8.991,05	1.519,09
UROLA - Prize	€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts					
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 ***
Receipts					
Donor Uniform Law Foundation		15.002,60		4.813,30	10.189,30
Expenditure					
Total	€	15.002,60			10.189,30

Cape Town Convention Academic Project	€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts					
Donor	CTCAP	39.206,80	46.008,88	42.605,87	42.609,81
					0,00
Total	€	39.206,80	46.008,88	42.605,87	42.609,81

Research Scholarship and Internship Programme	€	Initial Balance	Receipts*	Expenditure **	Balance ***
Receipts					
Donor	Scholarship General Fund	10.979,43	25.293,35	15.840,98	20.431,80
	Sir Roy Goode Scholarship	46.430,28	0,00	8.518,20	37.912,08
	People's Republic of China	65.943,73		11.229,56	54.714,17
	Banca d'Italia		25.000,00	12.005,72	12.994,28
	Summer School		98.550,00		98.550,00
Expenditure					
Total	€	123.353,44	148.843,35	47.594,46	224.602,33

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	€	168.061,12	194.852,23	99.191,38	298.115,47

* Estimated total receipts as at 22 September 2021, including any amounts carried over from 2020

** Estimated expenditure as of 22 September 2021

*** Estimated balance as of 22 September 2021