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**FINANCE COMMITTEE**  
**92<sup>nd</sup> session**  
**(Rome/remote) 4 November 2021**

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## **REPORT**

(prepared by the UNIDROIT Secretariat)

1. The 92<sup>nd</sup> session of the Finance Committee was held in person in Rome and via videoconference on 4 November 2021.

### **Item No. 1 on the agenda: Opening of the session**

2. The *Chair* opened the session and welcomed all the Members of the Committee (for a complete list of participants, please see the Annex below). He invited the Secretary-General to take the floor and share introductory remarks.

3. The *Secretary-General* welcomed all the Members of the Committee and extended an especially warm welcome to those new Members of the Committee joining for the first time. He highlighted that the 92<sup>nd</sup> Session of the Finance Committee was being held in a hybrid manner in the Map Room, demonstrating the Institute's enhanced technological capacity to host online meetings thanks to the IT equipment purchased in response to the global pandemic. He briefly explained that the Finance Committee session was being held slightly later than normal due to the numerous special events and celebrations surrounding the 100<sup>th</sup> session of the UNIDROIT Governing Council in late September, after which followed the annual Cape Town Convention Academic Conference held in Cambridge, U.K.

4. The Secretary-General was pleased to report that the Institute continued to find itself in a healthy financial state. As detailed in the relevant documents, he explained that the Institute had used a portion of the savings realised due to a decrease in travel expenses for Secretariat missions abroad and expert meetings in Rome to finance the aforementioned upgrade of the Institute's IT infrastructure – an investment which would carry long-term benefits – thus explaining some of the changes made between the various chapters of expenditure in the Budget. The Secretary-General emphasised that, despite the serious challenges presented in 2020 and 2021 due to the global pandemic, the Institute was running no less than six ongoing projects – the largest number of contemporaneous ongoing projects ever – and that this would eventually require an increase in the aforementioned travel expenses. He also highlighted that the Institute was enhancing its human resources through alternative methods without having to increase the costs for Member States. In this regard, he noted the recent arrival of a Junior Professional Officer from China, as well as the forthcoming arrival in 2022 of two seconded lawyers from the Hong Kong Special Administrative Region of the People's Republic of China, a senior civil servant for a one-year period, and a secondee from the private sector for a six-month period respectively. An additional two secondment programmes were being developed with the Government of China and the Government of Italy. The Secretary-General expressed gratitude on behalf of the Institute to the sponsoring Governments for their ongoing support in bolstering the Secretariat's human resources via extrabudgetary resources rather than via increases to the Budget.

5. The Secretary-General noted the departure of a number of Members of the Finance Committee, including the former Chair, the Representative of Spain, Mr Rafael Osorio, and welcomed the new Chair of the Finance Committee, the Representative of the United States of America, Mr Samuel Rothenberg. The Secretary-General expressed his gratitude for Mr Rothenberg's acceptance to serve as the new Chair and invited him to take the floor.

6. The *Chair* thanked the Secretary-General for his kind words of welcome and expressed his thanks to the former Chair of the Finance Committee, the Representative of Spain, Mr Rafael Osorio, for his excellent work. He further thanked all of the Members of the Committee for their attendance, whether online or in person, and he extended his congratulations to the Secretary-General and the Secretariat for the successful conclusion of the special celebratory events in Rome and in Bologna surrounding the 100<sup>th</sup> session of the UNIDROIT Governing Council. Upon invitation of the *Chair* the Members of the Committee each introduced themselves.

7. The *Representative of Italy* took the floor to note that this would be his final session of the Finance Committee as he would soon be leaving to take up his next posting; he expressed his thanks to all of the Members of the Committee, the Secretary-General and the former Chair of the Finance Committee, Mr Rafael Osorio, for all their hard work, and congratulated the new Chair, Mr Samuel Rothenberg. He highlighted Italy's appreciation for the work of the Committee and the clarity of the documents presented by the Secretariat and concluded his remarks by underscoring the importance of UNIDROIT's work and wishing everyone the best of luck in continuing to carry the work forward.

8. The *Representative of China* took the floor to note that Ms Xu LingLing was departing from the Chinese Embassy in Rome to return to China. She expressed her delight at joining the Finance Committee and noted that she looked forward to continuing the fruitful collaboration.

9. The *Representative of Canada* congratulated the Chair on his nomination and extended her congratulations to the Secretary-General and the Secretariat for another successful year.

10. The *Representative of Japan* took the floor to express thanks to the Secretary-General and to congratulate the new Chair of the Committee, before expressing his hope that he would be able to attend the next session of the Finance Committee in person.

11. The *Secretary-General* thanked and welcomed the Representatives that had intervened and invited new members to not hesitate to contact the Secretariat for any additional information.

**Item No. 2 on the agenda:                      Adoption of the agenda (F.C. (92) 1 rev.)**

12. The *Chair* proposed the adoption of the agenda and opened the floor for comments. *The Chair noted the adoption of the agenda as proposed in document F.C. (92) 1 rev.*

**Item No. 3 on the agenda:                      Final modifications to the Budget and Accounts for the 2020 financial year (F.C. (92) 2 and Accounts 2020)**

13. The *Chair* drew the Committee's attention to document F.C. (92) 2 and Accounts of 2020 and invited the Secretary-General to present the document.

14. The *Secretary-General* noted that the process of continuing to review the previous year's Budget and Accounts demonstrated the Institute's full financial transparency. He noted that the 2020 Budget had originally been approved at the 79<sup>th</sup> session of the General Assembly session in 2019, and that the Accounts of 2020 had been reviewed at the 91<sup>st</sup> session of the Finance Committee.

15. Regarding the Accounts of 2020, the Secretary-General noted that the actual receipts in 2020 had been € 2,211,655.13, which was lower than the expected amount of € 2,342,500.00. However, thanks to the Institute's careful financial policy, the actual expenditure had been € 2,166,040.90, which was significantly lower than the budgeted expenditure of € 2,342,500.00. This had led to a credit balance in 2020 of € 45,614.23, which, when added to the positive balance of € 332,523.25 carried over from the 2019 financial year, resulted in a final balance of € 378,137.48. The surplus constituted a financial buffer for the Institute and was the result of the policies of fiscal austerity applied by the Secretariat.

16. Despite the lower receipts in 2020 owing to lacking contributions, the *Chair* pointed out that the estimated receipts from sales of publications of € 17,000.00 had been doubled, for a total of € 34,021.00. The *Secretary-General* remarked that this uptick in sales was due to the publication of the new edition of the official commentary to the Cape Town Convention by Sir Roy Goode, as well as to the launch of a fully linked, electronic version of the commentary.

17. *The Finance Committee took note of the above information and recommended that the General Assembly, at its 80<sup>th</sup> session (Rome, 9 December 2021), approve the final modifications to the Budget and Accounts for the 2020 financial year.*

**Item No. 4 on the agenda:                    [Adjustments to the Budget for the 2021 financial year \(F.C. \(92\) 3\)](#)**

18. The *Chair* drew the Committee's attention to document F.C. (92) 3 and invited the Secretary-General to present it.

19. The *Secretary-General* explained that document F.C. (92) 3 provided the Committee with an update regarding the running expenditure for 2021. As per the Institute's practice, a document indicating any adjustments that may need to be made to the Budget for the current financial year in light of updated information is normally submitted by the Secretariat to the Finance Committee at its autumn session. He recalled that the Budget for 2021 had initially been examined by the Finance Committee at its 88<sup>th</sup> session (Rome, remote session, March 2020), and that those first estimates had then been submitted to the Governing Council. At its 99<sup>th</sup> session (A) (Remote session April/May 2020), the Governing Council had drawn up the draft Budget for 2021 based on the Finance Committee's estimates, as set forth in the Appendix to that document ([C.D. \(99\) A.6](#)). The draft Budget resulting from this procedure had then been submitted to the Governments of UNIDROIT Member States, inviting them to share any observations that they wished to make by 4 September 2020. The resulting document had subsequently been presented to the Finance Committee at its 90<sup>th</sup> session (Rome, 22 October 2020) ([F.C. \(90\) 6 rev.2](#)), which had recommended that the General Assembly be invited to adopt the draft Budget for 2021 at its 79<sup>th</sup> session (Rome, 17 December 2020) ([A.G. \(79\) 7](#)).

20. The Secretary-General noted that several changes had been introduced as compared to the initial Budget for 2021, mostly due to the anticipated shortfall in receipts from Member State contributions, and not due to any excesses in the expenditure. In this regard, he noted that the Secretariat had been able to make some predictions regarding actual levels of receipts based on the number of Member States that had a track record of not paying their contributions. The Secretary-General noted that in terms of receipts the expected balance was € -39,660.00, which was compensated to a certain extent thanks to a number of miscellaneous receipts, such as the amount received from the UNIDROIT Alumni Association. The Secretary-General was very pleased to report that the latter was growing and becoming an increasingly important vehicle for outreach to and communication with the many friends and former visitors to the Institute.

21. Regarding the adjustments made to the expenditure, the Secretary-General noted that savings of € 13,000.00 had been realised under Chapter 1, Art. 1 (Governing Council), emphasising that they had been made in spite of the additional expenditure relating to the special celebrations surrounding the 100<sup>th</sup> session of the UNIDROIT Governing Council, which further served to underscore the Secretariat's fiscal prudence. He further noted the significant savings (€ 58,383.50) that had been realised under Art. 5 (Committees of Experts) due to the international travel restrictions, while also observing that in the second half of 2021, many experts were once again travelling to Rome to participate in meetings in person, including Working Group meetings on Digital Assets and Private Law, Factoring, Best Practices on Enforcement, and Bank Liquidation.

22. Regarding the increases in Chapter 2, Art. 1 (Salaries) and Chapter 3, Art. 1 (Insurance against disablement, old age and sickness) he noted that this was due to the arrival of a new Legal Officer in 2021, which was mostly offset with the reduction of a more senior staff member's working hours – who had found herself in the situation created by the gap between the Institute's regulations which foresaw retirement at 65 years and the Italian pension system which only began making pension payments at 67 years. The Secretary-General also noted that the Secretariat would be preparing a document regarding the longer-term sustainability of personnel costs which would be addressed in greater depth at the next session of the Committee.

23. Regarding Chapter 5, Art. 5 (Office equipment), he noted that the items corresponded to investments which the Secretariat had made in technology to enhance the Institute's ability to host virtual and hybrid meetings. An investment had also been made in purchasing marquees to be erected in the Institute's garden in order to be able to host more events outside (in compliance with anti-Covid measures) as an economically more advantageous solution compared to rentals. Regarding Chapter 6, Art. 3 (Software), he noted the increase was linked to the investments in enhancing the Institute's IT capacity, in particular in the totally revamped UNIDROIT website, which the Secretary-General noted had been very much improved in terms of functionality.

24. The *Chair* thanked the Secretary-General for his detailed presentation, congratulating the Secretariat for the new and much improved website. Upon the Chair's request for clarification on the issue of longer-term sustainability in terms of personnel costs, the *Secretary-General* noted that this was a consequence of the new remuneration system which had been introduced under the previous Secretary-General as part of a package of reforms to the compensation and pension scheme for UNIDROIT staff. The system tied the remuneration of UNIDROIT staff to the United Nations' salary scales, which foresaw periodic in-step increases, translating into higher salaries every year. These increasing expenses in terms of staffing costs without an attendant increase in Member States' contributions would require either a reduction of staffing costs by not replacing retiring staff, or an evaluation of alternative sources of receipts such as extrabudgetary contributions. Bearing the foregoing in mind, the Secretary-General noted that welcoming new Member States could be an important part of the long-term solution and he appealed to the Members of the Committee for their support in endorsing the importance of other countries joining the Institute.

25. The *Chair* thanked the Secretary-General for these additional explanations. *The Committee took note of the adjustments to the Budget for the 2021 financial year and recommended that the General Assembly at its 80<sup>th</sup> session (Rome, 9 December 2021) approve the adjustments to the Budget for the 2021 financial year.*

**Item No. 5 on the agenda:**

**Information on the extra-budgetary contributions received in 2021 and on their allocation to the activities and projects of the Institute (F.C. (92) 4 rev.)**

26. The *Chair* drew the Committee's attention to document F.C. (92) 4 and invited the Secretary-General to present.

27. The *Secretary-General* noted the importance of seeking extra-budgetary sources of contributions in order to avoid placing any additional burden on Member States, and confirmed that the Secretariat was intensifying its efforts in this regard. He noted that document F.C. (92) 4 provided a detailed account of all extrabudgetary contributions received from the various sources.

28. In particular, he highlighted that the Secretariat had received € 46,008.88 within the framework of the Cape Town Convention Academic Project – a joint venture of the Aviation Working Group, the University of Cambridge and UNIDROIT, which would serve to meet various expenses incurred in support of a range of activities dedicated to the study and promotion of the Cape Town Convention and its Protocols. Referring to the “micro-grant” of USD 70,000.00, of 2019 from the International Fund for Agricultural Development (IFAD) for the development of the Legal Guide on Agricultural Land Investment Contracts, it was noted that UNIDROIT-IFAD ALIC Legal Guide had been successfully launched during the 100<sup>th</sup> session of the UNIDROIT Governing Council in September 2021, with the participation of IFAD General Counsel. The Secretary-General also expressed appreciation for the recurring annual voluntary contribution from the People’s Republic of China amounting to € 20,000.00 to support the internship and scholarship programme.

29. The Secretary-General further highlighted the receipt of an extrabudgetary contribution from the DG for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation, amounting to € 98,550.00 to fund the inaugural edition of the UNIDROIT Summer School which would focus on the African context. In this connection, the Secretary-General noted that the initiative was much more than a summer school, as it was in fact intended to serve as a stable platform by which training would be provided on UNIDROIT instruments to key legal actors such as judges, State attorneys, and others, in particular in those parts of the world where there is less exposure to the Institute and its instruments. The Secretary-General further gratefully acknowledged a contribution from the Central Bank of Italy (Banca d’Italia) amounting to € 25,000.00 to fund the UNIDROIT – Banca d’Italia Chair Programme and noted that the first Chair had already arrived in 2021 and was working in the area of Digital Assets and financial currencies and the bank liquidation project. He noted that both of these initiatives with the Italian Government operated on an annual basis but were envisaged as collaborations which would continue into the foreseeable future.

30. The Secretary-General also hailed the generous contribution from Professor Sir Roy Goode from the proceeds from the 4<sup>th</sup> edition of the Official Commentary to the Convention on International Interests in Mobile Equipment and Protocol thereto on Matters Specific to Aircraft Equipment, noting that the moneys received were put towards the “Sir Roy Goode Grant”, whose main purpose was to support highly accomplished academics conducting research for periods of at least 6 months on topics related to the work programme of UNIDROIT.

31. The *Chair* thanked the Secretary-General for his detailed presentation, and congratulated the Secretariat on these initiatives. The Secretary-General noted that the UNIDROIT Summer School and the UNIDROIT – Banca d’Italia Chair Programme were to be reconfirmed on an annual basis, but that it was envisaged that they were to become more permanent.

32. *The Committee took note of the information on extra-budgetary contributions received by UNIDROIT in 2020.*

**Item No. 6 on the agenda: Arrears in contributions of Member States (F.C. (92) 5)**

33. The *Chair* drew the Committee’s attention to document F.C. (92) 5 and invited the Secretary-General to present that document.

34. The *Secretary-General* explained that the Secretariat was deploying efforts to engage with those Member States who had outstanding contributions. He recalled that those Member States who did not pay their annual contributions for over two years would lose their right to vote at the General Assembly; that it was in the interest of those Member States who paid regularly to prompt those States to make their annual contributions in a timely manner; and lastly, that the annual amounts were relatively very small when compared with the amount of work undertaken by the Institute.

35. The *Representative of Germany* thanked the Secretariat for its work. She noted that arrears amounting to nearly € 600,000.00 could jeopardise the work of a small and very efficient international organisation like UNIDROIT. She fully supported the efforts of the Secretary-General and the Secretariat in seeking to lessen the arrears, and further queried whether the UNIDROIT Governing Council Members might not be able to play a useful role in encouraging Member States with arrears to meet their obligations.

36. The *Representative of the United States of America* concurred with the comments of the Representative of Germany regarding the importance of all Member States ensuring that their annual contributions were made in a timely fashion. He queried whether there were any additional sanctions foreseen in addition to losing the right to vote at the General Assembly and asked the Secretariat how Member States could help the Institute further in this regard.

37. The *Secretary-General* thanked the Representatives of Germany and of the United States of America for their remarks. Regarding the range of sanctions available, he explained that the rules of the Institute foresaw the suppression of the right to vote in the General Assembly, in addition to non-written consequences, such as the fact that a State with arrears could not chair the Finance Committee. Otherwise, in cases where a Member State accumulated many years of arrears, that State would normally be declared inactive, meaning that the Member State's contributions would be removed from the Budget. He explained that this was in fact helpful for the Secretariat because it meant that the Budget would no longer contain expected receipts which were not going to arrive with almost full certainty. He noted that the Institute counted relatively few inactive States partly due to the underlying political considerations to be made before such decision is taken by the General Assembly upon recommendation of the Finance Committee. Ultimately, the ideal outcome would be for those inactive States to return to active status and continue to pay their contributions so that the Institute could focus its resources on carrying its Work Programme forward. Regarding the potential role played by UNIDROIT Governing Council Members, the Secretary-General recalled that the Members had been selected to serve in their personal capacity rather than as representatives of their respective States of origin. Regarding how Member States could further assist the Institute, he noted that this could be done via diplomatic channels by encouraging those States with arrears to meet their obligations.

38. The *Representative of the United States of America* thanked the Secretary-General for his explanations and concurred with the Representative of Germany's comments regarding the UNIDROIT Governing Council Members and their potential role in helping to encourage Member States to pay their arrears.

39. The *Chair* confirmed that the table displayed in F.C. (92) 5 listed only those Member States which were active.

40. *The Committee took note of the status of arrears in contributions of Member States.*

**Item No. 7 on the agenda:                    Draft Budget 2022 and observations submitted by  
Member States ([F.C. \(92\) 6](#))**

41.     The *Chair* drew the Committee’s attention to document F.C. (92) 6, and invited the Secretary-General to present that document.

42.     The *Secretary-General* briefly recalled the process by which a draft Budget is prepared, noting that the first draft of the Budget, providing estimates of receipts and expenditure for the 2022 financial year prepared by the Secretariat ([UNIDROIT 2021 – F.C. \(91\) 2 rev](#)), had been examined and approved by the Finance Committee at its 91<sup>st</sup> session (remote session, 25 March 2021). Those first estimates had then been submitted to the Governing Council, which had established the draft Budget for 2022 ([C.D. \(100\) A.3](#)) based on the opinion expressed by the Finance Committee at its 100<sup>th</sup> session (Remote session (A) April/May 2021). The draft Budget resulting from this procedure had subsequently submitted to the Governments of UNIDROIT Member States for their observations. The Governments of Brazil and of Argentina were the only countries that had submitted comments, both via Note Verbale to request an additional year of exceptional suspension of the application of the Contributions Chart, indicating the economic crisis caused by the global pandemic as rationale.

43.     The *Representative of Brazil* noted that the reasons for Brazil’s request remained the same as last year, namely the economic crisis, as well as the fact that the raise foreseen in the Contributions Chart for Brazil was a 100% increase as compared to Brazil’s previous level of contribution. While conceding that the increase was a consequence of the application of the updated UN scales as agreed by the General Assembly in 2017, he noted that the practical consequences of the application in this particular case were excessive, and that Brazil could not accept a 100% increase. He further noted the existence of precedents for the suspension of the reclassification being until the next reclassification exercise.

44.     The *Secretary-General* thanked the Representative of Brazil for their input. He noted that Brazil’s economic and demographic growth had led to a change in its status at the United Nations which automatically implied an increase in two steps in the Institute’s Contributions Chart, which effectively doubled the contribution amount, and which occurred in parallel with an economic crisis.

45.     He further remarked that the precedent referred to was not necessarily applicable as there had indeed been a suspension in increases until the next update of the contribution chart for Spain and Portugal in the past, however that this had simply been the case because the Contribution Chart was scheduled to be updated the following year at that time. In fact, following that update, Spain and Portugal had both resumed paying their contributions according to the Chart.

46.     The Secretary-General took the opportunity to renew his sentiments of appreciation for Portugal, which together with Ireland, had both generously decided to renounce their lower levels of contribution in favour of maintaining their previous higher contribution level, even though both countries had ended up with lower levels of contribution following the latest reclassification exercise. Bearing the foregoing in mind, the Secretary-General indicated that the Secretariat understood the circumstances which had led Brazil to request the temporary suspension of the increased contribution level, and he reiterated the importance of Brazil and Argentina for the Institute as two social and economic leaders in Latin America, and he expressed his satisfaction that they would continue to be involved in the Institute’s work and its activities.

47.     The *Representative of Brazil* thanked the Secretary-General for the clarifications provided and the Secretariat for their ongoing assistance.

48. The *Chair* requested a document summarising how the most recent reclassification process had been organised. The *Secretary-General* confirmed that the Secretariat would circulate the relevant information to the Members of the Committee via email.

49. The *Secretary-General* noted that the Budget proposed a total expenditure of € 2,335,000.00 for the year 2022, reflecting a small decrease compared to the expenditure authorised under the 2021 Budget of € 2,345,060.00, which was solely attributable to the estimated decrease in receipts from contributions of Member States (€ 10,060), resulting from the process of reclassification of Member States in the UNIDROIT Contributions Chart.

50. Regarding receipts, the *Secretary-General* noted that the Secretariat had forecast a slight increase in the sale of publications to account for the publication of a new official commentary and also because it was envisaged that the Rail Protocol to the Cape Town Convention would come into force in 2022.

51. Regarding expenditure, the *Secretary-General* noted that 2022 was expected to see a return to some level of pre-pandemic normality (at least for travel within Europe), with the Institute receiving many more experts and its officers travelling more frequently. Accordingly, this entailed a return to higher levels of expenditure with respect to Chapter 1 – Meeting and travel costs, with specific reference to Article 4 (Committees of Experts), and also Article 5 (Official journeys and promotion of activities). The *Secretary-General* explained that while the Draft Budget for 2022 appeared to show a large increase under Articles 4 and 5, the projected budget lines might be underestimating the actual expenditure needed for the six projects envisaged in the current Work Programme (2020-2022) fully underway and running simultaneously, which was indeed the highest number of simultaneous projects ever recorded. Additionally, the *Secretary-General* pointed out that the budget line for Committees of Experts was previously much higher than € 127,000.00 (€ 147,000.00), and that this was the level set in 2018 when a number of projects on the Institute's Work Programme were in the final stages. In light of this, the Secretariat might seek the Finance Committee's authorisation at the Fall meeting in 2022 to use a part of the surplus accumulated from the previous years to that end under article 38, paragraph 4, point a) of the Regulations.

52. Regarding other chapters of expenditure, the *Secretary-General* pointed out that the Secretariat had gone to great lengths to apply savings wherever possible. For instance, reductions had been made to a number of Articles under Chapter 4 – Administrative expenses, Chapter 5 – Maintenance costs, and Chapter 6 – Library. The *Secretary-General* explained that the need to seek of savings throughout the Budget was owing to the inherent natural increase in staffing costs. As mentioned previously, he noted that the Secretariat would however create a plan to ensure the long-term sustainability in terms of personnel costs.

53. The *Representative of Germany* expressed her full support for the document.

54. The *Representative of Japan* expressed appreciation for the Secretariat's efforts to find savings and expressed support for the draft Budget for 2022 and encouraged the Secretariat to continue to respect the budgetary constraints.

55. The *Representative of Canada* expressed support for the document, as well as for the proposal to use a portion of the surplus accumulated in previous years to allow the Secretariat to continue to implement the Institute's work programme.

56. The *Chair* noted that the Institute's Work Programme was a very rich one and applauded the Secretariat's efforts to make the most efficient use of its Budget.



57. *The Committee expressed itself in favour of the draft Budget for the 2022 financial year and recommended that the General Assembly, at its 80<sup>th</sup> session (Rome, 9 December 2021), adopt the draft Budget for the 2022 financial year.*

**Item No. 8 on the agenda:                      Update on the compensation and pension scheme for UNIDROIT staff (F.C. (92) 7)**

58. The *Chair* drew the Committee’s attention to document F.C. (92) 7 and invited the Secretary-General to present that document.

59. Regarding the compensation of staff, the *Secretary-General* noted that the Institute’s salary scales were directly tied to the UN system, and that the Professional Staff scales had been updated for 2021, whereas the General Support staff’s salary scales had not been updated in the UN system for some time now.

60. Regarding the pension scheme, the Secretary-General noted that the ISRP Committee for the Administration of Funds had provided the Secretariat with a Report on the status of the contributions of employees into the new pension scheme (attached to the document). At this stage, the funds were being held in a current account pending transfer, and once they reached € 500,000.00, they would enter into a Strategic Asset Allocation. At that stage there was little to report, and the Finance Committee was merely requested to take note of the updated Report of the CAF. Staff members were being added to the new scheme as they joined the Secretariat, with more expected to join in the future.

61. The *Chair* queried whether an investment policy was already needed at that stage before the fund passed the threshold. The *Secretary-General* and the *Secretariat* explained that a Strategic Asset Allocation policy would be prepared in consultation with the CAF (Committee on the Administration of Funds) and that the Finance Committee would be updated in this regard.

62. *The Committee took note of the updates with regard to the implementation of the new compensation and social security package offered to UNIDROIT staff.*

**Item No. 9 on the agenda:                      Update on the implementation of whistle-blower and anti-retaliation policy (F.C. (92) 8)**

63. The *Chair* drew the Committee’s attention to document F.C. (92) 8, and invited the Secretary-General to present that document.

64. The *Secretary-General* presented document F.C. (92) 8, which was the fruit of an invitation from the Representative of the United States of America for the Institute to introduce a whistle-blower and anti-retaliation policy, to whom he expressed gratitude for the proposal. He explained that the document laid out a broad framework without necessarily providing specific sanctions for breaches of the policy, as those sanctions needed to be reflected within the Institute’s Regulations. He noted finally that the Governing Council had already endorsed the policy.

65. The *Representative of the United States of America* expressed thanks to the Secretariat for their rapid action on this matter. He noted that this was a priority for the U.S. Government and the U.S. Congress. He shared two comments from experts in the United States of America: at para. 4 under confidentiality, it was remarked that the exceptions should be as limited as possible; and as a complement to this policy, it was remarked that including reference to a mission statement could be beneficial.

66. *The Committee took note of the whistle-blower and anti-retaliation policy and the approval by the Governing Council, expressing its own favourable opinion.*

**Item No. 10 on the agenda:            Any other business**

67. The *Chair* opened the floor for further interventions.

68. The *Secretary-General* expressed his gratitude for the extraordinary dedication and hard work of the staff of the Secretariat, particularly considering the difficult circumstances engendered by the pandemic.

69. There being no further items to be discussed, the *Chair* closed the session.

**ANNEX****LIST OF PARTICIPANTS**

Mr Eduardo BRIGIDI DE MELLO	(Brazil)
Ms Isadora LORETO	
Ms Manon DOSTIE <i>(remotely)</i>	(Canada)
Ms HU Rui <i>(remotely)</i>	(People’s Republic of China)
Ms Michaela GASTIGER <i>(remotely)</i>	(Germany)
Ms Agnes Rosari DEWI <i>(remotely)</i>	(Indonesia)
Mr Luca PASCALI <i>(remotely)</i>	(Italy)
Mr Masamichi YAMASHITA <i>(remotely)</i>	(Japan)
Mr Fernando GIRÓN PASCUAL <i>Representing Mr Moisés Morera Martín</i>	(Spain)
Ms Julie MEYLAN	(Switzerland)
Mr Samuel ROTHENBERG	(United States of America)
Ms Anya CARDWELL	(United Kingdom)

**UNIDROIT Secretariat**

Mr Ignacio TIRADO	(Secretary-General)
Ms Anna VENEZIANO	(Deputy Secretary-General)
Mr Carlo DI NICOLA	(Senior Legal Officer)