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Item No. 7 on the agenda: International Interests in Mobile Equipment

**(e) The designation of UNIDROIT as Supervisory Authority
for the MAC Protocol Registry**

(prepared by the Secretariat)

<i>Summary</i>	<i>Report on work undertaken to designate UNIDROIT as the MAC Registry Supervisory Authority and outline of next steps</i>
<i>Action to be taken</i>	<i>The Governing Council is invited to take note of UNIDROIT's designation as Supervisory Authority.</i>
<i>Mandate</i>	<i>Work Programme 2023-2025</i>
<i>Priority level</i>	<i>High</i>
<i>Related documents</i>	<u>UNIDROIT 2021 – C.D. (100) B.12</u> ; <u>UNIDROIT 2022 – C.D. (101) 15</u> ; <u>UNIDROIT 2023 – C.D. (102) 17</u>

I. INTRODUCTION

1. At the MAC Protocol Diplomatic Conference in 2019, the MAC Protocol Preparatory Commission was charged with the responsibility of designating a Supervisory Authority of the International Registry to be established under the MAC Protocol (Supervisory Authority).¹ At its third session (3-4 June 2021), the Preparatory Commission invited UNIDROIT to initiate its internal procedures to determine whether the Institute would be willing to accept the role of Supervisory Authority. After considering the matter over three sessions between 2021 and 2023, at its 102nd session (Rome, 10-12 May 2023), the Governing Council decided that it would be preferable for UNIDROIT to undertake the Supervisory Authority role, rather than establishing a new intergovernmental entity to perform the role, and referred the matter to the General Assembly.

2. This document provides a report on developments since the Governing Council's decision at its last session, and an outline of the next steps for UNIDROIT as Supervisory Authority designate.

¹ See Resolution 2 of the Final Act of the MAC Protocol Diplomatic Conference: <https://www.unidroit.org/wp-content/uploads/2023/02/Dipl-Conf-resolutions-MAC.pdf>.

II. BACKGROUND

3. As a prerequisite for entry into force, each Protocol to the Cape Town Convention requires the designation of a Supervisory Authority to monitor the operation of the International Registry to be established under that Protocol. Under earlier Protocols to the Cape Town Convention, existing international entities with responsibility for the relevant category of assets were designated as Supervisory Authorities.² Unlike the three earlier Protocols, the MAC Protocol covers international interests in equipment used in three diverse sectors (mining, agriculture, and construction). As such, there is no existing international entity with responsibility for all three sectors which could be designated as Supervisory Authority for the MAC Protocol.

4. Over the past eight years, UNIDROIT and the MAC Preparatory Commission have made strenuous efforts to identify an existing international body able and willing to undertake the role of Supervisory Authority for the MAC Protocol. Since 2017, many different candidates have been considered for the role of Supervisory Authority,³ including the World Bank Group's International Finance Corporation (IFC), the World Trade Organization (WTO), the Multilateral Investment Guarantee Agency (MIGA), the Organisation for Economic Cooperation and Development (OECD), the World Customs Organization (WCO), the International Fund for Agricultural Development (IFAD) and the United Nations Conference on Trade and Development (UNCTAD). No existing appropriate organisations were identified that were willing and able to undertake the role of Supervisory Authority.

5. As a result of the lack of other viable candidates, the Preparatory Commission, at its third session (June 2021), considered the suitability of UNIDROIT undertaking the role of Supervisory Authority. Following its deliberations, the Preparatory Commission invited UNIDROIT to initiate its internal procedures to determine whether the Institute was able and willing to accept the role of Supervisory Authority.

Consideration by the Governing Council

6. Once UNIDROIT was invited to consider becoming the Supervisory Authority by the MAC Preparatory Commission, the matter was first transmitted to the Governing Council for consideration. The Governing Council discussed a range of matters associated with the establishment of a Supervisory Authority under the MAC Protocol at its 100th and 101st sessions in 2021⁴ and 2022.⁵ In particular, the Governing Council discussed whether it would be preferable for UNIDROIT to undertake the role of Supervisory Authority, or whether a new international entity should be established to undertake the role with UNIDROIT as its Secretariat. During these sessions, the Governing Council was unable reach a consensus on this matter. In order to work intersessionally and to allow the Governing Council to make a decision at its 102nd session, the Governing Council decided to establish an *ad hoc* Committee ("the Committee") to discuss the unresolved public international law matters.

7. The Committee, composed of seven Governing Council Members and four public international law experts, met for five sessions between November 2022 and April 2023.⁶ In addition, the

² For example, the International Civil Aviation Organization (ICAO) was designated as the Supervisory Authority under the Aircraft Protocol. The Intergovernmental Organisation for International Carriage by Rail is now the Secretariat of the Supervisory Authority established under the Luxembourg Rail Protocol (although this arrangement is slightly different, as explained below).

³ For further information on recent discussions regarding potential candidates, please see documents [MACPC/2/Doc. 7](#) and [MACPC/2/Doc. 8](#).

⁴ See [UNIDROIT 2021 – C.D. \(100\) B.24 – Report](#), paras. 160-186.

⁵ See [UNIDROIT 2022 – C.D. \(101\) 21 – Report](#), paras. 285-310.

⁶ The five sessions were held on 4 November 2022, 16 December 2022, 7 February 2023, 21 March 2023 and 6 April 2023.

Secretariat requested that a treaty law expert (Dr Orfeas Chasapis Tassinis, Research Fellow, University of Cambridge) prepare independent legal advice on the public international law questions, for discussion by the Committee. The independent legal advice and the Committee Reports are available in the documentation provided to the UNIDROIT General Assembly at its 82nd session in December 2023 ([A.G. \(82\) 5](#), Annexes I and II). Both the independent legal advice and Committee found that there were no insurmountable legal barriers under public international law regarding whether UNIDROIT should undertake the Supervisory Authority role, or whether a new entity should be established to undertake the role.

8. At its 102nd session in May 2023, the Governing Council further considered the work of the Committee and the public international law legal advice. Upon further discussion of the relevant legal, policy and practical considerations, the Governing Council decided that it would be preferable for UNIDROIT to be designated as the MAC Protocol Supervisory Authority, rather than create a new international entity. The decision was not unanimous: 16 Governing Council Members supported UNIDROIT becoming Supervisory Authority, whereas three Governing Council Members supported the establishment of a new international entity to be the Supervisory Authority, with UNIDROIT as its Secretariat. As a result, the Governing Council referred the matter to the UNIDROIT General Assembly for further consideration, with a recommendation that UNIDROIT accept appointment as the Supervisory Authority to be established under the MAC Protocol.⁷

III. DESIGNATION OF UNIDROIT AS SUPERVISORY AUTHORITY

Consideration by the UNIDROIT General Assembly

9. The UNIDROIT General Assembly Considered the matter at its 82nd session in December 2023.⁸ Eleven Member States⁹ expressed support for UNIDROIT accepting the role of Supervisory Authority, whereas one State¹⁰ suggested it would be preferable to establish a new international body to perform the role. On this basis, the General Assembly agreed that UNIDROIT should inform the MAC Protocol Preparatory Commission that it would be willing to accept the role of Supervisory Authority, on the precondition that the costs associated with undertaking the function be fully compensated outside the UNIDROIT budget.

Consideration by the MAC Preparatory Commission

10. At its sixth session in April 2024, the MAC Preparatory Commission reviewed a report on the deliberations of the Governing Council and the General Assembly. The Preparatory Commission also considered the financial implications of UNIDROIT undertaking the Supervisory Authority role, as well as the proposed mechanism for UNIDROIT to recover its costs in the interim period before Registry fees would be sufficient to cover the costs (see section VI on “financial matters”, below).

11. At the end of the discussion, the MAC Preparatory Commission formally designated UNIDROIT as the Supervisory Authority under the MAC Protocol.

⁷ The Governing Council’s discussion and the different views expressed by Governing Council Members are available in the report of the 102nd session ([C.D. \(102\) 25](#), paras. 238-271).

⁸ See the report of the UNIDROIT General Assembly’s 82nd session ([UNIDROIT 2023 – A.G. \(82\) 11](#), paras. 58-76).

⁹ Australia, Brazil, France, India, Japan, Paraguay, Poland, South Africa, Spain, the United Kingdom and the United States of America.

¹⁰ Canada.

Entry into force of the designation

12. UNIDROIT has now been formally designated as the Supervisory Authority of the International Registry to be established under the MAC Protocol. However, UNIDROIT will not begin its role as Supervisory Authority until the MAC Protocol enters into force. Until that time, the Preparatory Commission continues to fulfil its function as Provisional Supervisory Authority, as appointed by the MAC Diplomatic Conference. UNIDROIT will continue to support the operations as the Secretariat to the Preparatory Commission, and participate in discussions as Supervisory Authority designate, as appropriate.

IV. NEXT STEPS

13. Now that UNIDROIT has become Supervisory Authority designate, there are several matters that the Institute must consider in preparing to undertake the role upon entry into force of the MAC Protocol: (a) decide on how the Supervisory Authority functions are to be discharged by UNIDROIT's institutional structure and establish a Commission of Experts to support UNIDROIT as Supervisory Authority; (b) determine the projected costs for UNIDROIT to undertake the Supervisory Authority function; and (c) recruit additional staffing resources to support UNIDROIT discharging its Supervisory Authority functions (not to be undertaken until a date for entry into force has been determined). These matters are outlined in more detail below.

V. DISCHARGE OF THE SUPERVISORY AUTHORITY FUNCTIONS

14. Article 17(2) of the Convention sets out the core responsibilities of the Supervisory Authority.¹¹ The Supervisory Authority has no responsibility for the interpretation of the Convention or its Protocols, their implementation in matters not pertaining to the International Registry, nor any other function or activity not related to the Registry. Similarly, the Supervisory Authority is not responsible for adjudicating on a particular registration, nor does it give instructions to the Registrar to change any data relating to a particular registration.

15. In essence, the Supervisory Authority's functions under Article 17(2) of the Convention can be divided into three categories:

- (i) Formal functions, such as the appointment or dismissal of the Registrar, the establishment or approval of Regulations and the setting of fees;
- (ii) General functions, such as the supervision of the Registrar and the operation of the International Registry, the approval of periodical reports and the establishment of complaint procedures; and
- (iii) Administrative functions, such as the publication of regulations and the communication of periodical reports to Contracting States.

¹¹ (a) establish or provide for the establishment of the International Registry; (b) except as otherwise provided by the Protocol, appoint and dismiss the Registrar; (c) ensure that any rights required for the continued effective operation of the International Registry in the event of a change of Registrar will vest in or be assignable to the new Registrar; (d) after consultation with the Contracting States, make or approve and ensure the publication of regulations pursuant to the Protocol dealing with the operation of the International Registry; (e) establish administrative procedures through which complaints concerning the operation of the International Registry can be made to the Supervisory Authority; (f) supervise the Registrar and the operation of the International Registry; (g) at the request of the Registrar, provide such guidance to the Registrar as the Supervisory Authority thinks fit; (h) set and periodically review the structure of fees to be charged for the services and facilities of the International Registry; (i) do all things necessary to ensure that an efficient notice-based electronic registration system exists to implement the objectives of this Convention and the Protocol; and (j) report periodically to Contracting States concerning the discharge of its obligations under this Convention and the Protocol.

16. Additionally, Clause 9 of the registry contract (between the Supervisory Authority and the Registrar) also requires the Supervisory Authority to collaborate with the appointed Registrar to develop a programme to promote ratification of, or accession to, the MAC Protocol, by (a) working with interested parties to prepare promotional materials, (b) coordinating with interested parties to encourage the provision of incentives for transactions to which the Protocol applies, (c) liaising with the host State of the Registry, (d) identifying appropriate opportunities to promote the Protocol, and (e) participating in any bodies created to oversee and coordinate efforts to promote ratification/accession.

17. UNIDROIT has a significant degree of flexibility in its governance structure and operation. There are several different structural models that UNIDROIT could implement to discharge the Supervisory Authority's formal and general functions (involving the Governing Council, General Assembly and/or the creation of new subgroups by either organ). The administrative functions could be discharged by the Secretariat.

18. As UNIDROIT was only designated as Supervisory Authority in April 2024, the Secretariat has not had the opportunity to prepare a detailed report on how UNIDROIT could discharge the Supervisory Authority functions through its existing governance structure. The Secretariat will now begin work on the preparation of such a report, including different options. The report will be submitted for consideration by the Governing Council at its 104th session in 2025.

Assistance to the Supervisory Authority

19. Resolution 2 of the MAC Protocol Diplomatic Conference Final Act invites the Supervisory Authority to establish a Commission of Experts with the task of assisting the Supervisory Authority in the discharge of its functions. As such, UNIDROIT will establish such a Commission of Experts upon entry into force of the Protocol, using the Commission of Experts of the Supervisory Authority of the International Registry (CESAIR) established by ICAO (in its capacity as the Supervisory Authority under the Aircraft Protocol) as a model.¹² Work to establish the Commission will begin once an entry into force date has been determined.

VI. FINANCIAL MATTERS

20. Article XVIII(2)(a) of the MAC Protocol provides that the Supervisory Authority has the right to recover the reasonable costs associated with the performance of its functions, exercise of its powers and discharge of its duties. As noted above, UNIDROIT has only accepted designation as the Supervisory Authority under the MAC Protocol on the basis that the Institute's costs associated with undertaking the function are fully compensated through extrabudgetary funding outside UNIDROIT Member State contributions. The UNIDROIT Secretariat has prepared an initial estimate of the costs of performing the Supervisory Authority role.

Supervisory Authority cost estimate

21. In preparing its cost estimate, the Secretariat has consulted with both ICAO¹³ in its capacity as Supervisory Authority under the Aircraft Protocol, and OTIF¹⁴ in its capacity as Secretariat to the

¹² A similar body has now been established for the Luxembourg Rail Protocol. To facilitate the functioning of the Committee in the initial phase of entry into force of the treaty, the Committee is composed of experts nominated by contracting Parties and additional experts appointed by the Chair of the Supervisory Authority.

¹³ The average annual cost for ICAO in performing the Supervisory Authority function under the Aircraft Protocol for the 17 years since entry into force has been USD 283,000 (the highest annual cost being USD 353,000 and the lowest being USD 179,000).

¹⁴ OTIF has the right to recover EUR 26,000 per year for the costs of performing the Supervisory Authority function.

Supervisory Authority under the Luxembourg Rail Protocol. These cost estimates were provided to the MAC Preparatory Commission at its sixth session in April 2024.

22. As set out in the below table, the Secretariat estimates the annual Supervisory Authority costs would be approximately EUR 210,000. A more detailed explanation of the cost estimate is available in the Annexe to this document.

Projected MAC Protocol Annual Supervisory Authority costs	
<u>Item</u>	<u>Cost (EUR)</u>
1. Staff costs	
a. Legal staff costs (75% one Legal Officer)	113,000
b. Support staff costs (75% one support staff)	46,418
2. Meeting costs (experts, committees)	20,000
3. Translation, editing and printing	5,000
4. Missions	10,000
5. Overhead (8%)	15,553
Total	209,971

23. The Secretariat notes that these costs would be equivalent to approximately 9% of the projected annual hosting, maintaining and operating costs of the preferred candidate to build and operate the International Registry.

24. It is anticipated that the annual costs will generally be relatively stable, but could fluctuate to some extent, depending on whether the Supervisory Authority has to undertake major actions, such as adjustment of the regulations, fee schedule, or appointment/reappointment of the Registrar.

Transitional arrangements

25. UNIDROIT is currently supporting the work of the Preparatory Commission in its role as Provisional Supervisory Authority, as consistent with the role the Institute has undertaken for the Luxembourg Rail Protocol Preparatory Commission and the Space Protocol Preparatory Commission. The costs associated with UNIDROIT undertaking the role of the Secretariat of the Preparatory Commission are provided for by the Institute's ordinary budget.

26. However, once the MAC Protocol enters into force, UNIDROIT will begin its Supervisory Authority functions and the Preparatory Commission will cease to exist. At that point, all costs associated with UNIDROIT undertaking the role will need to be provided for externally, and not from the general UNIDROIT budget.

27. It is highly likely that the Registry will not generate sufficient fees during its initial years of operation to fully cover the costs of operating the Registry, the costs of the Supervisory Authority, and the costs of the Depositary. As such, before UNIDROIT can begin its role as Supervisory Authority and in order for the Protocol to enter into force, UNIDROIT will require financial support from interested parties to compensate UNIDROIT for the Supervisory Authority and Depositary costs. These costs will need to come from industry, interested States, and/or Contracting States.

28. It is anticipated that the Registry will attract an increasing number of registrations each year, and thus generate an increasing amount of annual revenue. On this basis, it is suggested that the Registry should be expected to provide an increasing percentage of the Supervisory Authority costs each year of operation. Clause 15 of the draft Registry Contract currently provides that Registry fees will initially be allocated each year as follows: (i) first year: 20% of Supervisory Authority and

Depository costs provided for through Registry fees, 80% of costs provided by interested parties; (ii) second year: 40% of Supervisory Authority and Depository costs provided for through Registry fees, 60% of costs provided by interested parties; (iii) third year: 60% of Supervisory Authority and Depository costs provided for through Registry fees, 40% of costs provided by interested parties; (iv) fourth year: 80% of Supervisory Authority and Depository costs provided for through Registry fees, 20% of costs provided by interested parties; (v) fifth year: 100% of Supervisory Authority and Depository costs provided for through Registry fees.

29. The above provision would be the minimum amount provided through Registry fees. If surplus fees are generated above the Registry's operating costs, then the Registry would use that surplus to further compensate the Supervisory Authority and Depository for their operating costs.

30. As the Registry will only be able to reimburse fees once they have been collected, UNIDROIT will need to receive financial support from interested parties each year in advance, in order to undertake the Supervisory Authority functions. At the end of each of the first five years of operation, interested parties will be reimbursed the requisite percentage of their contribution, assuming the Registry has collected such fees. If the initial funding is not made available from interested parties, UNIDROIT will not be able to begin its role as Supervisory Authority and the MAC Protocol will not be able to enter into force, even if the treaty has the requisite five Contracting States and the Registry is operational.

31. Finally, it should be noted that the Supervisory Authority is only entitled to recover the actual costs of performing its functions, so at the end of each year UNIDROIT may need to request additional financial support from Registry fees/interested parties, or make a reimbursement.

VII. DEPOSITARY FUNCTION AND COSTS

32. While the Depository and the Supervisory Authority functions are entirely separate under the MAC Protocol, UNIDROIT will be performing both functions once the treaty enters into force.¹⁵ Further, the costs of UNIDROIT performing both roles will be funded from Registry fees. As such, the Secretariat has also prepared an initial assessment of projected Depository costs, once the MAC Protocol enters into force.

33. Regarding Depository costs, Article XVIII(2)(b) of the MAC Protocol provides that the Depository has the right to recover the reasonable costs associated with the performance of certain functions, exercise of its powers and discharges of its duties contemplated by Article 62(2)(c) of the Convention and Article XXXVII(2)(c)-(f)¹⁶ of the MAC Protocol. As set out in the below table, UNIDROIT estimates the annual Depository costs would be approximately EUR 30,000, using the same methodology utilised to estimate the Supervisory Authority costs (further explanation in the Annexe to this document).

¹⁵ From a legal perspective, both the Governing Council's *Ad Hoc* Committee and the public international law expert's advice found there would be no problem under public international law for UNIDROIT to undertake both the Depository and the Supervisory Authority functions under the MAC Protocol.

¹⁶ Article XXXVII(2) of the MAC Protocol provides that the Depository shall:

(c) provide the Supervisory Authority and the Registrar with a copy of each instrument of ratification, acceptance, approval or accession, together with the date of deposit thereof, of each declaration or withdrawal or amendment of a declaration and of each notification of denunciation, together with the date of notification thereof, so that the information contained therein is easily and fully available and assist in the performance of any related duties to ensure the proper operation of the Registry; (d) inform the Supervisory Authority and the Registrar of any pending processes under Article XXXV or Article XXXVI and of the outcomes of any such processes; (e) inform new Contracting States of any pending process under Article XXXV or Article XXXVI; and (f) perform the functions associated with the amendment of the Annexes, as referred to in Articles XXXIV, XXXV and XXXVI.

Projected Depositary costs	
<u>Item</u>	<u>Cost (EUR)</u>
1. Staff costs	
a. Legal staff costs (10% one Legal Officer)	15,069.00
b. Support staff costs (10% one support staff)	6,189.00
2. Meeting costs (experts, committees)	2,000.00
3. Translation, editing and printing	1,000.00
4. Missions	2,000.00
5. Overhead (8%)	2,100.64
Total	28,358.64

34. Unlike the Supervisory Authority costs, the potential Depositary costs are likely to fluctuate significantly, depending on whether there is an HS code revision being negotiated by the World Customs Organisation, or whether there is a Contracting State proposal under Article XXXVII. In years where there is no such activity, Depositary costs for the purposes of Article XVIII(2)(b) of the MAC Protocol are likely to be much more limited.

VIII. ACTION TO BE TAKEN

35. *The Governing Council is invited to note that UNIDROIT has been designated as Supervisory Authority of the International Registry to be established under the MAC Protocol; that UNIDROIT will not begin its role of Supervisory Authority until the MAC Protocol enters into force; and that an initial cost estimate has been prepared regarding the projected costs for UNIDROIT to perform the Supervisory Authority and Depositary functions on entry into force of the MAC Protocol.*

36. *The Governing Council will be provided with a report at its 104th session in 2025 regarding how UNIDROIT could organise the Supervisory Authority functions within its existing governance structure.*

ANNEXE

EXPLANATION OF UNIDROIT SUPERVISORY AUTHORITY COST ESTIMATE

Projected MAC Protocol Annual Supervisory Authority costs	
<u>Item</u>	<u>Cost (EUR)</u>
1. Staff costs	
a. Legal staff costs (75% one Legal Officer)	113,000
b. Support staff costs (75% one support staff)	46,418
2. Meeting costs (experts, committees)	20,000
3. Translation, editing and printing	5,000
4. Missions	10,000
5. Overhead (8%)	15,553
Total	209,971

1. Staff costs (EUR 113,000) – The staff costs for UNIDROIT to undertake the Supervisory Authority function depend on several different factors, as set out below. The projected staff costs have been calculated by averaging out a potential higher cost scenario (Scenario 1) and a lower cost scenario (Scenario 2), in order to try to find a likely middle point. The possible variations in the staff costs will depend on the following factors.

- a. The level of the staff members recruited to join the Secretariat to support the Supervisory Authority functions. It is anticipated that the function will require an experienced Legal Officer (P3) or a Senior Legal Officer (P4), and an experienced support staff member (G2-G4) to undertake the role. The two scenarios in the table below use these two levels to estimate potential costs.
- b. The amount of time each staff member will need to dedicate to the role. UNIDROIT anticipates that the Supervisory Authority function will require 75% of one full-time Legal Officer and 75% of one full-time support staff member to undertake the function, however this could vary between 60 and 90% for each staff member. As such, 75% has been chosen as the average point.
- c. The life circumstances of the staff members recruited. UNIDROIT's staff regulations provide different allowances depending on whether an officer is married with a spouse who is not working, whether he or she has children and whether he or she has to relocate internationally to undertake the role. The age of the staff member will also have an impact upon personal insurance premiums that UNIDROIT would have to pay. The two scenarios in the table below provide a high-cost scenario (Scenario 1), where several additional allowances are applicable, and a low-cost scenario (Scenario 2), where minimal allowances are applicable.

2. Meeting costs (EUR 20,000) – These costs relate to the holding of meetings of the Supervisory Authority and any relevant committees, such as the Expert Advisory Committee that it is anticipated that UNIDROIT will create. While the Supervisory Authority will not be generally responsible for providing the travel costs of Supervisory Authority members or advising experts, it is likely that under certain circumstances financial support will need to be provided. The meeting costs also take into account the need for audio-visual equipment for the meeting room and for digital participation and simultaneous translation costs for the meetings. In certain circumstances, the meetings might need to be held outside UNIDROIT's premises (possibly on occasion at the seat of the

International Registry itself), which will entail further costs in terms of hiring a location to hold the meeting, etc.

3. Translation, editing and printing costs (EUR 5,000) – These costs relate to the possible need to translate Supervisory Authority documents into languages that are not the UNIDROIT working languages of English and French, or the need to hire professional editing or printing services.

4. Missions (EUR 10,000) – These costs relate to potential missions that the Supervisory Authority staff members may need to take, such as meetings with the Registry or Government bodies, and to attend other relevant meetings (such as the annual Cape Town Convention Academic Conference). As per usual practice, UNIDROIT staff performing the Supervisory Authority functions would only undertake in-person meetings or travel where strictly necessary.

5. Overhead (8%, EUR 15,500) – UNIDROIT would also need to recover an 8% overhead cost, which would relate to a variety of items not otherwise provided, such as administrative and financial costs for the staff supporting the Supervisory Authority role, office space and supplies, utilities, and other unforeseeable expenses that might arise. The 8% overhead expense is a standard amount that UNIDROIT requests when administering projects or other extra-budgetary matters.

Legal Officer Projected Costs		
	Scenario 1 Senior Officer P4.5, married, two dependents, expatriation allowance, age 34-45, plus moving costs.	Scenario 2 Legal Officer P3.1, single, no dependents, no expat allowance, no moving costs, age 34-45.
Annual Base Salary (USD)	€ 98,858.00	€ 75,414.00
Post adjustment (Rome) (34.6)	€ 34,204.87	€ 26,093.24
Sub-total (Salary + Post Adjustment)	€ 133,062.87	€ 101,507.24
UN Exchange Rate (USD = EUR)	€ 0.91	€ 0.91
Sub-total (Salary + Post Adjustment)	€ 121,486.40	€ 92,676.11
Expatriation (10%)	€ 12,148.64	
Dependent Spouse (6%)	€ 7,289.18	
Sub-total	€ 19,437.82	€ -
	€ 133,635.04	€ 92,676.11
Social security (20.3%)	€ 24,661.74	€ 18,813.25
Medical insurance (EUR) (age 35 - 44)	€ 1,841.00	€ 1,841.00
Life Insurance (EUR)	€ 875.92	€ 668.19
Accidental Death and Disability Insurance	€ 739.85	€ 564.40
Dependent Child (345.11 EUR per month per child)	€ 8,282.64	
Travel Expenses (International flights)	€ 4,500.00	
Cost of transporting furniture and chattel	€ 5,000.00	
Sub-total	€ 45,901.15	€ 21,886.84
TOTAL	€ 186,825.37	€ 114,562.96
75%	€ 140,119.03	€ 85,922.22
Average 100%		€ 150,694.16
Average 75%		€ 113,020.62

<u>Support Staff Projected Costs</u>		
	<u>Scenario 1</u> General Staff G4.1, married, two dependents, age 34-45	<u>Scenario 2</u> General Staff G2.1, not married, no dependents, age 34-45
<u>Support Staff Projected Costs</u>		
<i>Annual Salary (EUR)</i>	€ 48,396.00	€ 41,149.00
Dependent Spouse (6%)	€ 2,903.76	
<i>Sub-total</i>	€ 2,903.76	€ -
Social security (20.3%)	€ 9,824.39	€ 8,353.25
Medical insurance (EUR) (age 35 - 44)	€ 1,841.00	€ 1,841.00
Life Insurance (EUR)	€ 348.94	€ 296.68
Accidental Death and Disability Insurance Dependent Child (345.11 EUR per month per child)	€ 294.73	€ 250.60
	€ 8,282.64	
<i>Sub-total</i>	€ 20,591.69	€ 10,741.53
<u>TOTAL</u>	<u>€ 71,891.45</u>	<u>€ 51,890.53</u>
75%	€ 53,918.59	€ 38,917.90
Average 100%	€ 61,890.99	
Average 75%	<u>€ 46,418.24</u>	