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Item No. 4 on the Agenda: Draft Budget for 2025 – First estimates

(prepared by the UNIDROIT Secretariat)

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|---------------------------|--|
| <i>Summary</i> | <i>First estimates of receipts and expenditure for 2025</i> |
| <i>Action to be taken</i> | <i>Opinion of the members of the Finance Committee with regard to the first estimates of the Secretariat prior to the formal establishment of the draft Budget by the Governing Council at its 103rd session (Rome, May 2024)</i> |
| <i>Related documents</i> | <u>UNIDROIT 2023 – A.G. (82) 9</u> ; <u>UNIDROIT 2023 – F.C. (96) 6</u> |

INTRODUCTION

1. The Appendix to this document sets out the first estimates for a draft Budget for the 2025 financial year, which the Secretariat has prepared for an initial review by the Finance Committee, in accordance with Article 26 of the Regulations.
2. These estimates will be revised, as appropriate, in light of the Finance Committee's comments, and submitted to the Governing Council for approval at its 103rd session to be held in Rome on 8-10 May 2024. On the basis of these first estimates, the Council will establish the draft Budget for 2025, to be communicated to the Member States, for their review and comments. Thereafter, the draft Budget, together with any comments received, will be submitted to the Finance Committee for consideration at its 98th session, likely to be held in October 2024. The Committee will, at that time, formulate its opinion on the draft Budget before its submission to the General Assembly for review and adoption at its 84th session, to be held in Rome in late November or early December 2024.

APPENDIX

**DRAFT BUDGET FOR THE 2025
FINANCIAL YEAR**

RECEIPTS (in Euro)

| | Budget 2024¹ | Budget 2025 |
|--|--------------------------------|---------------------------|
| Chapter 1: Contributions of Member States | | |
| Art. 1 (Member States' Contributions) | 2,472,742.00 | 2,432,574.00 ² |
| | | |
| Chapter 2: Other receipts | | |
| Art. 1 (Interest) | 0.00 | 0.00 ³ |
| Art. 2 (Contributions to overhead expenses) | 15,000.00 | 15,000.00 ⁴ |
| Art. 3 (Sale of publications) | 45,000.00 | 45,000.00 ⁵ |
| Art. 4 (Aviareto) | 23,000.00 | 23,000.00 ⁶ |
| | | |
| Total receipts | 2,555,742.00 | 2,515,574.00 |

EXPLANATORY NOTES TO THE DRAFT BUDGET – RECEIPTS

¹ The numbers given in this column correspond to those found in the Budget for 2024 approved by the Finance Committee at its 96th session on 12 October 2023 (see [UNIDROIT 2023 – F.C. \(96\) 6](#)) and subsequently approved by the General Assembly at its 82nd session in Rome on 14 December 2023 (see [UNIDROIT 2023 – A.G. \(82\) 9](#)).

² The expected amount of contributions of Member States for 2025 corresponds to the UNIDROIT Contributions Chart approved by the General Assembly at its 82nd session (Rome, 14 December 2023) (see [UNIDROIT 2023 – A.G. \(82\) 9](#) and [A.G. \(82\) 11](#)) and based on the expectation that arrears in Member State contributions would be further reduced.

³ The Secretariat estimates the interest earned on deposits in checking accounts to be close to zero again for 2025. This is a conservative approach, since the interest rates in deposit accounts are currently increasing.

⁴ This sum represents the share of the Office for Italy and San Marino of the International Labour Organization in the operating expenses of the premises of UNIDROIT.

⁵ This estimate considers (i) that the Rail Protocol entered into force in March 2024; (ii) the publication of the revised fifth edition of the Official Commentary to the Aircraft Protocol in March 2024; and (iii) the expected finalisation of the institutional framework for the MAC Protocol.

⁶ UNIDROIT is to receive in 2025 a payment of USD 25,000 from Aviareto, the International Registry under the Aircraft Protocol to the Cape Town Convention, in accordance with a renewed licencing agreement by which UNIDROIT is to provide an electronic version of the fifth edition of the Aircraft Protocol Official Commentary by Sir Roy Goode for Aviareto to make available to users of the International Registry.

EXPENDITURE (in Euro)

| | Budget 2024¹ | Budget 2025 |
|---|--------------------------------|---------------------|
| Chapter 1 – Meeting costs and official travel² | | |
| Art. 1 (Governing Council and Permanent Committee) | 53,000.00 | 53,000.00 |
| Art. 2 (Auditor) | 5,000.00 | 5,000.00 |
| Art. 3 (Administrative Tribunal) | | |
| Art. 4 (Committees of Experts) | 170,000.00 | 140,000.00 |
| Art. 5 (Official journeys and promotion of activities) | 70,000.00 | 60,000.00 |
| Art. 6 (Interpreters) | 20,000.00 | 18,000.00 |
| Art. 7 (Representation) | 8,000.00 | 6,000.00 |
| Subtotal | 326,000.00 | 282,000.00 |
| Chapter 2 – Salaries and allowances³ | | |
| Art. 1 (Salaries of Categories D, P and GS staff and consultants) | 1,367,520.00 | 1,385,328.00 |
| Art. 2 (Remuneration for occasional collaborators) | 15,000.00 | 10,000.00 |
| Art. 3 (Tax reimbursement) | 0.00 | 0.00 |
| Subtotal | 1,382,520.00 | 1,395,328.00 |
| Chapter 3 – Social security charges⁴ | | |
| Art. 1 (Insurance against disablement, old age, and sickness) | 552,972.00 | 552,567.00 |
| Art. 2 (Accidents' insurance) | 5,000.00 | 9,000.00 |
| Art. 3 (Compensation for retired members of staff) | 2,250.00 | 1,900.00 |
| Subtotal | 560,222.00 | 563,467.00 |
| Chapter 4 – Administrative expenses⁵ | | |
| Art. 1 (Stationery) | 10,000.00 | 10,000.00 |
| Art. 2 (Telephone, fax, and Internet) | 15,000.00 | 14,400.00 |
| Art. 3 (Postage) | 6,000.00 | 6,000.00 |
| Art. 4 (Miscellaneous) | 2,000.00 | 2,000.00 |
| Art. 5 (Printing of publications) | 10,000.00 | 8,000.00 |
| Subtotal | 43,000.00 | 40,400.00 |
| Chapter 5 – Maintenance costs⁶ | | |
| Art. 1 (Electricity) | 20,000.00 | 20,000.00 |
| Art. 2 (Heating) | 25,000.00 | 20,000.00 |
| Art. 3 (Water) | 5,000.00 | 5,000.00 |
| Art. 4 (Insurance of premises) | 12,000.00 | 11,000.00 |
| Art. 5 (Office equipment) | 23,000.00 | 21,379.00 |
| Art. 6 (Upkeep of building, public services) | 30,000.00 | 25,000.00 |
| Art. 7 (Labour costs) | 15,000.00 | 15,000.00 |
| Subtotal | 130,000.00 | 117,379.00 |
| Chapter 6 – Library⁷ | | |
| Art. 1 (Purchase of books) | 80,000.00 | 80,000.00 |
| Art. 2 (Binding) | 4,000.00 | 2,000.00 |
| Art. 3 (Software) | 30,000.00 | 35,000.00 |
| Subtotal | 114,000.00 | 117,000.00 |
| Total expenditure | 2,555,742.00 | 2,515,574.00 |

EXPLANATORY NOTES TO THE DRAFT BUDGET - EXPENDITURE

1 The numbers given in this column correspond to those found in the Budget for 2024 approved by the Finance Committee at its 96th session on 12 October 2023 (see [UNIDROIT 2023 – F.C. \(96\) 6](#)) and subsequently approved by the General Assembly at its 82nd session in Rome on 14 December 2023 (see [UNIDROIT 2023 – A.G. \(82\) 9](#)).

2 **Purpose of expenditure:** to cover travel and subsistence expenses incurred by the members of the Governing Council and of the Permanent Committee in their attendance of sessions of those bodies; the fees due to the auditor appointed by the General Assembly; the costs of hearings of the Administrative Tribunal, registrar services, and sums awarded by the Tribunal for settlement of claims; the costs incurred by UNIDROIT in organising meetings of committees of experts and other meetings associated with UNIDROIT's Work Programme; the travel and subsistence expenses incurred by representatives of UNIDROIT, members of staff, and collaborators in connection with the attendance of meetings of other organisations with which UNIDROIT cooperates, as well as missions intended to further awareness of UNIDROIT's work in general and, where appropriate, to encourage accession to the Statute of the Organisation; the cost of simultaneous interpretation at meetings held by UNIDROIT; and the cost of representation functions, such as receptions and similar events organised by UNIDROIT in connection with its meetings.

Compared to the Budget for 2024, the Secretariat is forecasting a slight decrease in expenditure with respect to Article 4 (Committees of Experts), Article 5 (Official journeys and promotion of activities), and Article 6 (Interpreters) considering the actual expenditure under these budget lines in 2023 and taking into account that some ongoing legislative projects are expected to be finalised in the first half of 2025.

3 **Purpose of expenditure:** to cover the salaries and allowances of the professional, administrative, secretarial and library members of UNIDROIT staff, as well as remuneration of consultants.

With respect to Article 1 (Salaries of Categories D, P and GS staff and consultants), the Secretariat deems it prudent to forecast an increase of approximately 2% in order to reflect the annual increase in salaries due to the design of the salary system.

With respect to Article 2 (Remuneration for occasional collaborators), the Secretariat foresees a more limited need to rely on occasional collaborators as envisaged in 2024, for which reason the Secretariat estimates the expenditure for this budget line in 2025 at € 10,000.

4 **Purpose of expenditure:** insurance coverage of staff members against disability, old age, sickness, and accidents, in accordance with the UNIDROIT Regulations. Article 3 concerns payments to one retired member of staff to cover the periods, in the past, during which he was not covered for social security purposes.

With respect to Article 1 (Insurance against disablement, old age, and sickness), the Secretariat estimates that expenditure would be similar as in the Budget for 2024.

With respect to Article 2 (Accidents' insurance), the Secretariat deems it prudent to increase the expenditure to € 9,000, based on the actual expenditure under this budget line in recent years.

5 **Purpose of expenditure:** to cover ordinary running expenses of UNIDROIT (purchase of stationary, telephone charges, postage of materials and correspondence, etc.).

6 **Purpose of expenditure:** to cover utility fees (electricity, water, and gas bills), building maintenance costs (insurance, ordinary repairs in the building, maintenance of elevators) and charges for municipal services (i.e. waste disposal).

⁷ **Purpose of expenditure:** to cover the cost of acquisitions for the Library's stock of books and the maintenance of its subscriptions to law journals, binding of periodicals and subscriptions to electronic journals and databases.