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**FINANCE COMMITTEE**  
**99<sup>th</sup> session**  
**Rome/remote, 27 March 2025**

UNIDROIT 2025  
F.C. (99) 6  
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## **REPORT**

(prepared by the UNIDROIT Secretariat)

1. The 99<sup>th</sup> session of the Finance Committee was held in person in Rome and via videoconference on 27 March 2025.

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

2. *The Secretary-General* opened the session and welcomed all the participating Members of the Committee (for a complete list of participants, please see [Annexe I](#)).

### **Item No. 2 on the agenda: Appointment of the Chair of the Finance Committee (F.C. (99) 1)**

3. *The Secretary-General* indicated that the Finance Committee was called upon to appoint a new Chair. He recalled that the established practice was to appoint the longest-serving individual Member State representative in the Committee as the Chair. However, the Secretary-General had exceptionally had to take on the role of Chair at the 98<sup>th</sup> session, as the Finance Committee had not been able to appoint a new one due to the intense rotation of representatives. As the institutional role of the Secretary-General prevented him from reporting to the General Assembly on behalf of the Finance Committee, Minister Michele Coduri (Switzerland) had presented the Finance Committee's report at the 84<sup>th</sup> session of the General Assembly (12 December 2024).

4. The Secretary-General explained that an update and expansion of the rules pertaining to the Finance Committee was ongoing as part of a general review of the UNIDROIT Regulations and that, in that context, it had been suggested to specify that (i) the Chair would be a Member State (rather than an individual) and would rotate among Member States that were represented in the Finance Committee based on geographical region and, within each region, in alphabetical order; and (ii) remote participation would be allowed, also for the Chair. The proposed revisions to the Regulations would be submitted to the UNIDROIT Governing Council and subsequently to the General Assembly. The Secretary-General anticipated that the Secretariat already intended to apply the proposed new rules for the autumn session of the Finance Committee.

5. The Secretariat proposed appointing Minister Coduri as Chair of the 99<sup>th</sup> session of the Finance Committee.

6. *The Finance Committee appointed Minister Coduri, representative of Switzerland, as the Chair of the Committee for the 99<sup>th</sup> session.*

**Item No. 3 on the agenda: Adoption of the agenda (F.C. (99) 1)**

7. The newly-appointed *Chair* thanked the Committee for its confidence. He proposed the adoption of the agenda and opened the floor for comments.

8. *The agenda was adopted as proposed in document F.C. (99) 1 (see [Annexe II](#)).*

**Item No. 4 on the agenda: First review of the Accounts of the financial year 2024 (F.C. (99) 2)**

9. *The Chair* drew the Committee's attention to the next item on the agenda and invited the Secretary-General to present the draft Accounts for the financial year 2024.

10. *The Secretary-General* noted that, for the first time in years, the Institute had suffered a substantial loss of about € 300,000, amounting to around 75% of the buffer the Institute had built up over the years. The negative balance was explained, first, by unpaid Member State contributions in 2024 of around € 186,000 and, second, by a higher expenditure of around € 114,000.

11. Detailing the reasons for the higher expenditure in 2024, he pointed out that there had been an increase in salary payments of around € 84,000 based on the increments of the UN salary scale that was used for the calculation of salaries of UNIDROIT staff, as well as allowances for dependents. There had also been an increase in administrative expenses of around € 10,000, mostly caused by a necessary increase in internet capacity. He noted that this should be seen as an investment in the future that would allow cost savings under other budget lines (e.g., travel). Furthermore, the upgrade had been unavoidable and complex due to the historic building in which UNIDROIT was located. New office equipment had also had to be purchased for additional temporary staff (e.g., consultants and secondees) and additional costs had been incurred to clear the clogged drains on the terraces of the Institute following a storm. He concluded by saying that these had all been necessary expenses and that the main issue was the non-payment of Member State contributions.

12. *The Chair* thanked the Secretary-General for his presentation and opened the floor for comments.

13. *The representative of Canada* thanked the Secretary-General for the first draft of the Accounts for 2024. She asked whether similar changes were expected to be reflected in the Budget for the current financial year and, if so, how the budget would be balanced in consideration of the fact that the Institute's buffer had been reduced.

14. *The Secretary-General* responded that the increase in costs had been reflected in the Budget for 2025 and in the draft Budget for 2026 as appropriate. Regarding the increase in expenditure for salaries, he noted that the UN salary scale had presumably been updated to account for inflation. He did not expect that the increase would be as large in the following years. He recalled that he had explained to the Finance Committee throughout the years that the annual increase in salaries of around 3% was a structural issue since it was not accompanied by an annual increase in Member State contributions. The Secretariat had sought to contain the issue by making the best possible use of extrabudgetary and in-kind contributions, and by using funding that had been allocated to other budget lines if needed. However, he indicated that the structural issue would need to be addressed at some point, e.g., by considering an automatic increase in Member State contributions every three years, instead of yearly, to avoid that the problem could undermine the Institute's activities.

15. *The Chair* thanked the Secretary-General for his response and invited the representative of the United States to take the floor.

16. *The representative of the United States* thanked the Secretary-General for his explanations concerning the draft Accounts. She noted that Article 29 of the UNIDROIT Regulations specified that the General Assembly authorised the Secretary-General to incur expenses and to make payments within approved limits. The same Article stipulated that the Secretary-General may submit changes to the already approved Budget for approval to the General Assembly, which had occurred in December 2024. She observed that the actual expenditure in 2024 exceeded the amount that had been approved by the General Assembly on that occasion. She asked (i) whether Member States would have to authorise any increase in total expenses in advance, and (ii) whether an external auditor would be available to review the expenses and examine whether any existing practices should be updated, in addition to a possible future decision from Member States about the structural issue.

17. *The Secretary-General* explained that the Institute's accounts were subject to a thorough verification process; they were reviewed by an external auditor and were submitted to the Finance Committee for review twice before being submitted to the General Assembly for approval. The General Assembly could request an additional review if deemed necessary, but this would require additional budget to pay for this supplementary expenditure. Regarding Article 29 of the Regulations, he considered that prior authorisation from the Finance Committee was not required for the additional costs that had been incurred in 2024. Not paying salaries was not an option and hence required no authorisation (no such authorisation has even been recorded in the Institute's documents), and the other expenses (e.g., for unclogging pipes and increasing the internet capacity) were impossible to foresee, in some cases too urgent to request authorisation, or, indeed, deemed in accordance with reasonable policy by the Secretariat. The primary issue was the non-payment of Member State contributions and the mismatch in the timing between the costs incurred by the Institute, on the one hand, and the receipts from Member States, on the other.

18. *The Chair* thanked the Secretary-General for his explanations.

19. *The Finance Committee took note of the draft Accounts for the 2024 financial year and the explanations provided by the Secretary-General.*

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

**Information on in-kind contributions in 2024  
([F.C. \(99\) 3](#))**

20. *The Chair* invited the Secretary-General to introduce document F.C. (99) 3 on in-kind contributions, which the Finance Committee had requested at its previous session.

21. *The Secretary-General* explained that the overview of in-kind contributions in 2024 had been drawn up on the request of the government of Canada. It listed all the events and activities that had benefited from support by third parties, e.g., by means of paying for accommodation and travel costs of UNIDROIT representatives and the hosting or co-organisation of events. The overview also listed in-kind contributions from UNIDROIT Governing Council members, i.e., those who had not asked for the reimbursement of expenses to attend Governing Council sessions (such expenses were either covered by their government or by them personally). As had been discussed at the previous session of the Finance Committee, the overview did not provide any financial details since those were unknown to the Secretariat. He remained available to provide any further explanations regarding the document.

22. *The Chair* thanked the Secretary-General for his introduction and for the transparency offered in the document. He opened the floor for comments.

23. *The representative of Canada* expressed gratitude to the Secretariat for having drawn up this document, which provided additional information on activities and events that had benefited from support from States or other parties.

24. *The Secretary-General* indicated that, from now on, the Secretariat would produce such overview of in-kind contributions every year.

25. *The Committee took note of the information on in-kind contributions received in 2024.*

**Item No. 6 on the agenda:                      Draft Budget for 2026 – First estimates ([F.C. \(99\) 4](#))**

26. *The Secretary-General* introduced document F.C. (99) 4, which contained the first estimates for a draft Budget for the financial year 2026. Following this first review by the Finance Committee, the Secretary-General explained that the Governing Council was responsible for drawing up the draft Budget, which would then be submitted to the Member States for comments. After that, the Finance Committee would have another opportunity to review the draft Budget before its submission to the General Assembly for adoption at its next session in December 2025.

27. He explained that the draft Budget for 2026 was slightly higher than the Budget for 2025, based on the assumption that some arrears would be settled. For one Member State, the arrears had been the result of an administrative issue (a change in the Ministry responsible for making the payment) that was expected to be resolved. He recalled that the Russian Federation had announced that it would not pay its contribution and that the Secretariat had been liaising with its government in the hopes that payment would soon resume.

28. Regarding the expenditure, he noted that the Secretariat had forecasted a decrease in expenditure with respect to interpreters (Chapter 1, Article 6) since the aim was to use online simultaneous translation services for shorter meetings. The Secretariat expected an increase in costs for salaries (Chapter 2, Article 1) due to the aforementioned design of the salary system. However, the expenditure for social security charges (Chapter 3, Article 1) was expected to be lower than in 2025 given the higher number of consultants, for whom the Institute did not provide pension contributions. He noted that this policy was not the preferred choice but it was in line with the approach taken by other international organisations and it was the only possibility given the budgetary constraints. Furthermore, it was envisaged to split up the heating system in different parts of the building, which was expected to result in a slight decrease in heating costs (Chapter 5, Article 2).

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

30. *The representative of the United States* thanked the Secretary-General for his explanations. She appreciated that the activities related to UNIDROIT's centenary were not considered in this draft Budget. She asked whether UNIDROIT had received any voluntary contributions in support of the centenary. Furthermore, she asked the Secretary-General to confirm that the envisaged increase in receipts from Member State contributions in 2026 was based on the payment of arrears rather than an increase in the amount of States' contributions. She also asked (i) whether the expected amount of receipts was realistic, given that it was higher than what had been actually received in 2024; and (ii) how it would be ensured that the expenditure would not be higher than that approved by the Member States and that the Working Capital Fund would not be used, also considering that the Institute's buffer had decreased. Finally, she asked the Secretary-General to elaborate on the envisaged increase in expenditure for labour costs by € 10,000 (Chapter 5, Article 7).

31. *The Secretary-General* indicated that he would address the preparations for the centenary under agenda item no. 8. He confirmed that the expected increase in Member State contributions in the draft Budget for 2026 was solely due to the expectation that arrears would be paid; there was no intention to adjust the Contributions Chart. He explained that it was challenging to make a realistic estimate of the receipts since whether Member States paid their contributions depended on factors that were obviously beyond the Secretariat's control. The Secretariat believed that the estimate for 2026 was realistic and was hopeful that several outstanding contributions would be paid. The

Secretariat thus counted on the estimated receipts and would do its utmost to contain the expenditure. He noted that Article 29 of the Regulations was not conceived for ordinary expenses such as the payment of salaries, but rather to address situations in which some type of extraordinary expenditure was foreseeable (e.g., the organisation of a big event). For such cases, the authorisation of the Finance Committee would be requested. Whether the receipts would be sufficient to cover the ordinary expenditure as envisaged in the budget or whether recourse would need to be had to the Working Capital Fund would only become known in the course of the relevant financial year. For the current year, the Finance Committee would receive an update on the receipts and expenditure during its next session. For the year 2026, it was hoped that arrears would be reduced and that contributions for the centenary would be made.

32. Regarding the envisaged increase in labour costs, the Secretary-General explained that this was due to expenses relating to the new Library Annexe (cleaning costs and costs relating to devices to preserve the library materials) and for additional *ad hoc* cleaning of the building in case of events, which had increased over the years. This budget line also covered, for instance, the costs paid to a consultant to review the heating system. He noted that it was challenging to appraise labour costs in advance, but he believed the estimate was reasonable.

33. *The representative of Switzerland* thanked the Secretary-General for the first estimates for a draft Budget for 2026. He considered the draft Budget to be ambitious and proposed a reassessment on the assumptions of the 2026 Budget at the next session, also based on the experience with the 2025 financial year.

34. *The Committee took note of the information in the document regarding the first estimates for the draft Budget for 2026.*

**Item No. 7 on the agenda:**

**Update on the social security package applicable to UNIDROIT staff ([F.C. \(99\) 5](#))**

35. *The Chair* drew the Committee's attention to the next item on the agenda. UNIDROIT Senior Legal Officer Ms Myrte Thijssen was invited to introduce the item.

36. *Ms Thijssen* explained that document F.C. (99) 5 provided the Finance Committee with the usual update on the developments regarding (i) the pension scheme, and (ii) the health insurance system applicable to UNIDROIT staff.

37. She recalled that UNIDROIT's pension reserve fund had been administered by the International Service for Remunerations and Pensions (ISRP) since 2019. The assets in the fund had been invested in short-term deposits since mid-2023. During its 97<sup>th</sup> session (April 2024), the Finance Committee had been informed that the indicative threshold for investment of the assets in the financial markets (€ 900,000) had been reached. The ISRP had prepared a proposed investment strategy that had been discussed in the Committee for the Administration of Funds (CAF). UNIDROIT's General Assembly had approved the proposed investment strategy – which was a composition of 55% equities, 30% fixed income and 15% alternatives – during its 84<sup>th</sup> session (December 2024). The ISRP was now taking the necessary steps to prepare for the implementation of the investment strategy. The relevant investment documentation would be presented to the CAF at its next meeting in May 2025. The investment of the assets in the financial markets was expected to commence in the second half of 2025. The Finance Committee would be updated on the progress at its autumn session. In the meantime, as the Annexe to document F.C. (99) 5 showed, the pension fund assets had increased to around € 1,3 million.

38. Regarding health insurance, Ms Thijssen indicated that the staff members were satisfied with Cigna and therefore, it was proposed to renew the current health insurance policies, which would expire end-September 2025. She indicated that, last year, the renewal had not led to an increase in

the premiums for legal reasons however an increase in premiums seemed unavoidable for the upcoming renewal although the Secretariat would do its utmost to contain the costs.

39. *The Committee took note of the update regarding the social security package applicable to UNIDROIT staff provided in document F.C. (99) 5, including its Annexe.*

**Item No. 8 on the agenda: Contributions for the UNIDROIT centenary (oral update)**

40. *The Chair* invited the Secretary-General to introduce the next item on the agenda.

41. *The Secretary-General* recalled that Member States had been invited – through the Finance Committee and the General Assembly – to consider making voluntary contributions for the envisaged activities and events for the Institute’s centenary, which mainly focused on preparing the organisation for the future.

42. Following this general request to Member States, the Secretariat had bilaterally contacted several Member States that, given their special support of the Institute in the past, might be willing to support the centenary: Australia, Canada, France, Korea, Italy, Japan, People’s Republic of China, Singapore, and the United Kingdom. The government of Germany would also be contacted. The Secretariat had explained that Member States could choose to double their yearly contribution to UNIDROIT or provide any other financial contribution deemed appropriate. Member States also had the option of providing in-kind contribution, such as secondments, which were extremely helpful for the Institute and were also in the interest of Member States given the experience that secondees would gain. Furthermore, support could be provided for translations, for an expansion of Library resources or for a Chair programme that would allow a researcher to work with the Secretariat. The Secretariat had not yet received responses to the bilateral requests, which had only been submitted recently.

43. The Secretary-General noted that this had been a first round of bilateral contacts, and that the Secretariat would gladly get in touch with other Member States that might be willing to provide support. He indicated that the government of Spain had already contributed around € 44,000.00, mostly for the translation of documents into Spanish, for which the Secretariat was most grateful.

44. He explained that the Institute was also reaching out to the private sector. For instance, the top law firms in Italy would be invited to consider making a contribution to strengthen UNIDROIT’s Library (e.g., for envisaged renovation works). Support from the private sector would also be sought to support the various workstreams that were expected to analyse UNIDROIT’s instruments and produce a white paper with recommendations for the future. Since most of the work was expected to be done remotely, the costs would be relatively low (around € 20,000 - € 30,000 per workstream).

45. Finally, the Secretary-General explained that a company from the private sector had provided in-kind support by means of a due diligence of UNIDROIT’s IT systems and cyber security. This had resulted in a comprehensive report that had identified up to 27 critical risks. The report also outlined possible solutions to address those risks. He anticipated that the Secretariat might need to request support from Member States in order to implement the proposed actions, noting that the Secretariat would limit itself to those actions that were deemed strictly necessary.

46. *The Chair* opened the floor for interventions.

47. *The representative of the United Kingdom* asked whether the report could be shared with Member States.

48. *The Secretary-General* responded that the report would be shared on a confidential basis.

49. *The representative of Spain* thanked the Secretary-General for the update. She noted that the government of Spain considered the envisaged centenary activities timely and strategic given that they would be an investment for the future. She indicated that the government of Spain was ready to provide an additional voluntary contributions (the amount was to be confirmed), likely again focused on language use since that was the government's main priority.

50. *The Chair* thanked the representative of Spain for this announcement and invited the representative of Indonesia to take the floor.

51. *The representative of Indonesia* thanked the Secretary-General for the comprehensive update on the centenary. He asked whether the Secretary-General could elaborate on the specific preparatory actions for the envisaged activities. He highlighted the importance of the centenary in promoting UNIDROIT's work and increasing its visibility. He recalled the suggestion that had been made during the previous Finance Committee session about using social media to amplify the events and their impact. The government of Indonesia was glad to assist in promotion work. Furthermore, he asked whether Member States would be involved in the preparations for the centenary.

52. *The Secretary-General* thanked the government of Spain for its generous support. In response to the question posed by the representative of Indonesia, he explained that the Governing Council had agreed with the envisaged activities and events for the centenary last year. The Secretariat was therefore implementing its decision, and had shared the plans for the centenary with the General Assembly for information. The involvement of Member States in the preparations and activities for the centenary depended on the extent to which they wished to be involved. For instance, the Secretariat envisaged regional celebratory events that could be hosted by Member States. Member States were invited to contact the Secretariat if they were interested in hosting such events.

53. The Secretary-General took this opportunity to express gratitude to the government of the People's Republic of China for its enormous support to the Institute, thanks to which UNIDROIT representatives had participated in several events in the People's Republic of China and in the Hong Kong Special Administrative Region in the last few years. This had included a conference to celebrate the 30<sup>th</sup> anniversary of the UNIDROIT Principles of International Commercial Contracts, which had been streamed online with more than 30,000 virtual participants. This showed the extraordinary possibilities that online tools offered, and he assured the representative of the government of Indonesia that use would certainly be made of such tools and social media for centenary events as appropriate.

54. *The Deputy Secretary-General* added that, in addition to the envisaged regional events, there would be two celebratory events in Rome in 2026. The dates and additional information on these events would be shared with Member States as soon as possible.

55. *The Secretary-General* explained that there would be an event early in 2026 to open the centenary, and a joint session of the Governing Council and the General Assembly in December 2026. He indicated that the Secretariat was in the process of finding a venue for the latter event and that the details would be shared with Member States once the date and venue were confirmed.

56. *The Finance Committee took note of the update regarding the contributions and preparations for the centenary.*

**Item No. 9 on the agenda:                      Update on investment of Working Capital Fund assets  
(oral update)**

57. *The Chair* invited the Secretary-General to introduce the next item on the agenda.

58. *The Secretary-General* recalled that the Finance Committee at its 97<sup>th</sup> session (April 2024) had agreed to invest a part of the assets in the Working Capital Fund in Italian treasury bonds. He indicated that this decision had now been implemented. The investment was risk-free, the return was around 2-3% (while no interest would be received if the assets were kept on a regular bank account) and if there was a need for liquidity, the bonds could be sold quickly.

59. *The Committee took note of the update on the investment of the Working Capital Fund assets.*

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

60. With no further items to be discussed, *the Chair* thanked all participants in the meeting and closed the session.



**ANNEXE I****LIST OF PARTICIPANTS**

Mr Diogo REIS	Brazil
Ms Maria Cristina PEREIRA DA SILVA	
Ms Jacqueline LALOR ( <i>Remotely</i> )	Canada
Ms Shen JING	China
Mr Yves François LE CLAIR	France
Ms Eva DA SILVA ( <i>Remotely</i> )	Germany
Mr Sudheer KJ ( <i>Remotely</i> )	India
Mr Edwinal RAHADIAN	Indonesia
Mr Jasmina SARIC ( <i>Remotely</i> )	Italy
Ms Takako SATO ( <i>Remotely</i> )	Japan
Ms Teresa BARBA CORNEJO	Spain
Mr Michele CODURI ( <i>Chair</i> )	Switzerland
Mr Edward ASHINGTON-PICKETT	United Kingdom
Mr Ian THOMPSON ( <i>Remotely</i> )	
Ms Dionandrea SHORTS	United States of America

**UNIDROIT Secretariat**

Mr Ignacio TIRADO	Secretary-General
Ms Anna VENEZIANO	Deputy Secretary-General
Ms Myrte THIJSEN	Senior Legal Officer

**ANNEXE II****ANNOTATED AGENDA**

1. Opening of the session
2. Appointment of the Chair of the Finance Committee (F.C. (99) 1)
3. Adoption of the agenda (F.C. (99) 1)
4. First review of the Accounts of the financial year 2024 (F.C. (99) 2)
5. Information on in-kind contributions in 2024 (F.C. (99) 3)
6. Draft Budget for 2026 – First estimates (F.C. (99) 4)
7. Update on the social security package applicable to UNIDROIT staff (F.C. (99) 5)
8. Contributions for the UNIDROIT centenary (oral update)
9. Update on the investment of Working Capital Fund assets (oral update)
10. Any other business