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FINANCE COMMITTEE
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Item No. 8 on the Agenda: Proposal to index Member State contributions to inflation

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Proposal to index Member State contributions to inflation</i>
<i>Action to be taken</i>	<i>For discussion</i>
<i>Related documents</i>	UNIDROIT 2025 – F.C. (100) 9 ; UNIDROIT 2025 – A.G. (82) 9 UNIDROIT 2025 – A.G. (82) 11 ; UNIDROIT 2025 – A.G. (85) 14

I. INTRODUCTION

1. At the 100th session of the Finance Committee (30 October 2025), a suggestion was made to consider a mechanism under which the Institute’s Budget would be adjusted annually based on inflation to help avoid gaps or lags between receipts and expenditure in the following years. It was noted that such a step-by-step approach might be preferable to making large adjustments all at once. The Secretary-General welcomed the proposal and raised initial questions for consideration by members of the Finance Committee ([F.C. \(100\) 9](#)). The proposal was also mentioned at the 85th session of the General Assembly (11 December 2025), though it was not discussed further ([A.G. \(85\) 14](#)).

2. It is suggested that the Finance Committee discuss this proposal at its 101st session. Possible questions to guide the discussion are provided in Section II. It is recalled that, so far, the Institute’s Budget has only been adjusted to account for inflation once; at its 82nd session (12 December 2023), the UNIDROIT General Assembly agreed to a 6% increase in Member State contributions,¹ which took effect from the 2024 financial year ([A.G. \(82\) 9](#) and [A.G. \(82\) 11](#)). That adjustment addressed a spike in inflation, which occurred especially in 2022-2023. While overall inflation has since moderated, current circumstances continue to affect the functioning of the Institute, particularly through sustained increases in travel and accommodation costs – areas in which the Institute bears the greatest financial impact. This makes the present context a strong argument in favour of these updates. It is proposed that the contributions be adjusted based on the inflation index for Italy.

¹ Detailed explanations regarding the need for the proposed increase in the Institute’s budget were provided in a confidential Explanatory Note (C.D. (102) 24 – Add.) that was shared with the Finance Committee, the Governing Council, and with Member States.

II. QUESTIONS TO GUIDE THE DISCUSSION

- 1) Would your government, in principle, support the introduction of a regular (e.g., annual) adjustment of Member State contributions based on inflation?
- 2) How might such a mechanism best be structured? For instance, while inflation data are published regularly throughout the year, the final annual inflation rate is only confirmed after the end of the calendar year. Should Member State contributions therefore be indexed to inflation with delay (e.g., of one year)? Should Member State contributions be indexed to the average inflation over a defined period (e.g., three years), with the contributions chart remaining fixed for that period?
- 3) Would the implementation of such a mechanism be operationally feasible for your government? At what point during the year is your government's contribution to the Institute for the subsequent year determined or fixed in the national budget (if applicable)?

III. ACTION TO BE TAKEN

3. *The Finance Committee is invited to discuss this proposal regarding the possible indexing of Member State contributions to inflation.*