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WHITE PAPER

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I. INTRODUCTION

A. The UNIDROIT Workstream on Sustainable Development

1. The International Institute for the Unification of Private Law (UNIDROIT), one of the world's oldest international organisations dedicated to strengthening the rule of law in the field of international private and commercial law, was founded in 1926. A key objective of UNIDROIT's Centenary is to conduct a comprehensive analysis of the Institute's work. To this end, UNIDROIT's instruments and ongoing projects have been subdivided into seven Workstreams reflecting the Institute's main areas of focus.[2] For each Workstream, a dedicated Committee comprising a Chair and relevant subject-matter experts has been established.

2. The UNIDROIT Workstream on Sustainable Development (the SD Workstream) has been set up to critically examine how UNIDROIT's instruments and activities advance sustainability across key private law domains and to consider areas of improvement and recommendations for strategy going forward. The Committee for the SD Workstream (the SD Committee)[3] was tasked with preparing a White Paper to mark UNIDROIT's Centenary including: (i) an analysis and critical assessment of the work conducted by UNIDROIT; and (ii) a strategy for future work, including recommendations.

B. The applicable framework

3. The most widely accepted definition of "sustainable development" is that set out in the Brundtland Report and which defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."[4] Sustainable development is understood as necessitating a holistic and balanced approach encompassing social, environmental, economic and, increasingly, cultural sustainability.[5] It is important to differentiate between "sustainability", which is considered a long-term goal, and "sustainable development", which refers to pathways and processes towards its realisation.

4. The principle of sustainable development has been recognised by the International Court of Justice (ICJ) as the "need to reconcile economic development with protection of the environment."[6] The ICJ noted that "[g]iven its continuous and uncontested universal recognition, ...[the principle] guides the interpretation of certain treaties and the determination of rules of customary international law, including the duty to prevent significant harm to the environment and the duty to co-operate

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[2] The seven Workstreams concern: (i) sustainable development; (ii) private law and agriculture; (iii) access to credit; (iv) contract law; (v) procedural law and dispute resolution; (vi) financial markets and technology; and (vii) cultural property.

[3] The SD Workstream is composed of: Ms Jeannette M.E. TRAMHEL (Chair) (Independent Legal Consultant; Former Senior Legal Consultant of UNIDROIT). Members (in alphabetical order): Mr Milot AHM (Principal Counsel, European Bank for Reconstruction and Development); Ms Lisa DEMARCO (Senior Partner and CEO, Resilient LLP); Ms Belinda ELLINGTON (Senior Advisor, International Emissions Trading Association, Consultant, Ellington Resolution Ltd); Ms Giuditta GIARDINI (Lawyer, PhD, Università Cattolica del Sacro Cuore); Ms Megumi HARA (Professor, Chuo University); Ms Vesselina HARALAMPIEVA (Head of Sustainable Finance Governance & Regulation, European Bank for Reconstruction and Development); Ms Emilia ONYEMA (Professor, SOAS University of London); Mr Ulrich G. SCHROETER (Professor, University of Basel); Ms María Ignacia VIAL UNDURRAGA (Professor, Universidad de los Andes, Chile; Governing Council Member, UNIDROIT); Ms Camila VILLARD DURAN (Associate Professor, ESSCA School of Management); Ms Elif Dilek YILMAZ (Associate, European Bank for Reconstruction and Development); Ms Catherine Bridge ZOLLER (Senior Counsel, European Bank for Reconstruction and Development).

[4] United Nations, Report of the World Commission on Environment and Development: Our Common Future (1987) A/42/427, *available at* https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf.

[5] UNESCO, *Culture for Sustainable Development*. https://www.unesco.org/en/sustainable-development/culture accessed 16 February 2026. See also Section III.G, para 203.

[6] International Court of Justice, *Obligations of States in Respect of Climate Change*, Advisory Opinion, July 23, 2025, para 147. (citing *Gabčíkovo-Nagymaros Project (Hungary/Slovakia), Judgment*, I.C.J. Reports 1997, p. 78, para. 140).

for the protection of the environment."[7] While the ICJ's ruling has not created direct international obligations for private actors, it has raised the standard of conduct expected of States in regulating private economic activity with climate and environmental impacts. This has indirect but important consequences for private actors, as States' international responsibilities can increasingly translate into stricter domestic regulation, supervision, and enforcement affecting corporate conduct. From a private law perspective, this indirect effect is particularly relevant: heightened State responsibility at the international level is likely to lead to tighter domestic legal frameworks, contractual requirements, and supervisory expectations for companies operating across borders. This is an area in which UNIDROIT instruments play an important enabling role.

5. In 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development (the 2030 Agenda) which includes at its core 17 Sustainable Development Goals (SDGs) and their corresponding 169 Targets.[8] As noted in the 2030 Agenda, the SDGs are universal global goals that apply to developed and developing economies alike, while recognising different national realities, capacities, and levels of development. The SDGs call for action by all States "for the full benefit of all, for today's generation and for future generations"; they are "integrated and indivisible" and aim to balance the economic, environmental, social, and cultural dimensions of sustainable development.[9]

6. This White Paper adopts the definition of sustainable development set out in the Brundtland Report as its working definition. The SDGs are used as the principal normative and analytical reference framework, rather than as a methodology for measuring the direct impact of UNIDROIT's instruments. Given the integrated and interdependent nature of the SDGs, the analysis considers not only the potential contribution of an instrument to particular sustainable development objectives, but also the conditions under which such a contribution may materialise, the interaction between different dimensions of sustainable development, and any potential limitations, trade-offs or adverse effects. In particular, the analysis in this White Paper distinguishes between the capacity of private law instruments to enable or facilitate sustainable development objectives and the actual achievement of sustainable development outcomes, which may depend on implementation, institutional capacity, public regulation and the conduct of relevant market actors. Accordingly, a link between a particular instrument and an SDG should not, in itself, be construed as evidence of a positive impact, but rather as an indication of its potential contribution to the achievement of that SDG. The existence of other potentially useful benchmarks has also been recognised, such as the UN Guiding Principles on Business and Human Rights (UNGPs)[10] and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct (the OECD Guidelines).[11]

7. The following two Parts of the White Paper present the results of the SD Committee's review of UNIDROIT's work through the lens of sustainable development. Part II provides an analysis of UNIDROIT's legislative work. Section A begins with an examination of UNIDROIT's mandate and working methodology and their relevance to sustainable development and the rule of law as a foundation for sustainable development. Section B addresses UNIDROIT instruments that expressly address sustainable development. This is followed by consideration of instruments that support agricultural development (Section C); expand access to credit (Section D); tackle financial markets and technology (Section E); address contractual arrangements (Section F); protect cultural heritage

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7 Ibid.

8 See https://sdgs.un.org/goals.

9 See https://sdgs.un.org/2030agenda. Details on the 17 SDGs, their Targets and implementation progress are available at https://sdgs.un.org/goals. See also Tramhel, J. at p. 109.

10 UN (2011), Guiding Principles on Business and Human Rights.

11 OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct.

(Section G); and harmonise transnational civil procedure (Section H).[12] In order to maximise the usefulness of an analysis of such varied instruments, the SD Committee adopted a common analytical framework which was used as a reference point in the development of each of the aforementioned sections.[13] Part III provides a brief review of UNIDROIT'S non-legislative work and how this too might foster sustainable development. Part IV offers general conclusions and recommendations.

II. SUSTAINABLE DEVELOPMENT IN UNIDROIT'S LEGISLATIVE WORK

A. UNIDROIT's mandate and working methodology as relevant to sustainable development

8. The rule of law constitutes a fundamental pillar of sustainable development, providing the legal and institutional foundations for economic prosperity, social inclusion and environmental protection. Its significance extends beyond the existence of clear and predictable rules to encompass their consistent application, effective enforcement, equality before the law and access to justice. These elements establish the conditions under which individuals and businesses can exercise their rights, discharge their obligations and engage in economic activity with confidence. By reducing uncertainty, transaction costs and the risks associated with arbitrary decision-making, the rule of law facilitates investment and long-term economic development.

9. UNIDROIT is an independent intergovernmental organisation whose statutory purpose is to develop methods for modernising, harmonising, and coordinating international private and commercial law and to formulate uniform law instruments, principles, and rules.[14] UNIDROIT currently has 65 Member States, drawn from the five continents and representing a variety of legal, economic, and political systems.[15]

10. Over the past 60 years, UNIDROIT has produced over 30 transnational private law instruments. These include instruments of hard law, such as treaties and conventions, as well as soft law instruments, such as model laws, legal guides, and principles. UNIDROIT's instruments cut across the economic, environmental, social, and cultural dimensions of sustainable development and concern areas of work including agriculture, access to credit, capital markets and financial law, contracts, and cultural heritage law. UNIDROIT develops such instruments through a process that aims to be inclusive, representative of all legal systems, and carried out under the guidance and supervision of the Institute's Member States.

11. Once an instrument has been developed, UNIDROIT works with Member State representatives, partner institutions—including other international organisations and development finance institutions—and its network of academic correspondents to raise awareness of the instrument and promote its implementation in order to harmonise transnational private law across jurisdictions and thereby increase legal certainty and predictability.

12. Legal certainty, enforceable contracts and effective dispute resolution mechanisms are essential for mobilising long-term capital, including for sustainable infrastructure, climate mitigation and adaptation. However, the mobilisation of finance is not, in itself, sufficient to ensure sustainable development outcomes. The legal arrangements governing investment also shape how environmental and social risks are identified, responsibilities are allocated and adverse impacts are addressed. The importance of these arrangements becomes particularly pronounced during periods

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[12] Although sustainable development is relevant across the full range of UNIDROIT instruments, with each contributing in a unique and specific way, as it was not considered practical for the Committee to review every instrument, those that were analysed were chosen for their particular relevance to sustainable development.

[13] See Annexe I White Paper Guidance Questionnaire.

[14] See UNIDROIT Statute, Article 1.

[15] See https://www.unidroit.org/about-unidroit/members-states-2/.

of structural transformation, including the transition to a low-carbon economy. Legal frameworks influence not only the conditions and pace of economic transformation, but also the distribution of its costs and opportunities among workers, communities and businesses. By supporting meaningful participation, proportionate allocation of responsibilities and access to effective remedies, the law can help ensure that the transition is both environmentally effective and socially just. Private law therefore performs a dual function: it facilitates the flow of capital while providing mechanisms through which sustainability-related commitments can be translated into legally meaningful obligations.

13. Against this background, UNIDROIT's work on the harmonisation and modernisation of private law has a distinctive role to play. By enhancing legal coherence and predictability across jurisdictions, its instruments can reduce legal fragmentation and facilitate cross-border investment and commercial cooperation. Equally importantly, private law instruments can support the operationalisation of sustainability objectives within the contractual and financial relationships through which economic activity is organised. This provides a concrete connection between UNIDROIT's mandate and the broader objectives of sustainable development, including SDG 8 on decent work and sustainable economic growth, SDG 9 on resilient infrastructure and inclusive and sustainable industrialisation, SDG 16 on effective institutions and access to justice, and SDG 17 on international cooperation and partnerships.

14. Indeed, the SDGs expressly recognise the rule of law as both a sustainable development goal and as a means of promoting sustainable development.[16] SDG 16 (Peace, Justice and Strong Institutions) and its Target 16.3 refer to the promotion of the rule of law at the national and international levels. SDG 16 has been described as a 'transversal' goal because its achievement is essential to the realisation of SDGs 1-15.[17] International private law, understood broadly to include uniform transnational private law, has been described as "a core element of transnational regulation" with the potential to "foster or hinder sustainable development".[18] Given that many economic and societal activities take place through private actions, strong legal frameworks and institutions help build the necessary trusted relationships between private sector parties that contribute towards the rule of law.[19] UNIDROIT helps to resolve some of the lack of harmonisation at the international level as legal certainty is important not only within one country or region but across national boundaries.

15. Some of the ways in which UNIDROIT's work in developing and disseminating inclusive transnational private law instruments is supportive of SDG 16 are highlighted below:

a. The UNIDROIT Principles on the Legal Nature of Verified Carbon Credits (the VCC Principles) foster international harmonisation of the private law treatment of VCCs and help reduce fragmentation across jurisdictions. As a soft law instrument, the VCC Principles provide flexibility for jurisdictions to adapt rules to their legal systems and encourage their adoption across variable legal environments without imposing binding obligations (see Section II.B.1).

b. The UNIDROIT-ICC Principles and Model Clauses for International Investment Contracts (the IIC Principles) provide guidance to foster the modernisation and standardisation of contracts between States (or State entities) and foreign investors. The instrument aims to harmonise international investment law and reduce

[16] See, e.g., R Michaels, V Ruiz Abou-Nigm and H van Loon (Eds.), The Private Side of Transforming our World - UN Sustainable Development Goals 2030 and the Role of Private International Law, Intersentia Online, 2021, available at https://www.intersentiaonline.com/library/the-private-side-of-transforming-our- world-un-sustainable-development-goals-2030-and-the-role-of-p; see also J Tramhel(2024), *Contributions of UNIDROIT to Sustainable Development*, in T John, R Gulati & B Köhler (Eds.), The Elgar Companion to UNIDROIT (pp. 96-113), at p. 97.

[17] See, e.g., R Michaels, V Ruiz Abou-Nigm and H van Loon (Eds.).

[18] See, e.g., R Michaels, V Ruiz Abou-Nigm and H van Loon (Eds.).

[19] Tramhel, J. at p. 111.

fragmentation between treaty-based and contract-based arbitration. The instrument's guidance on dispute settlement and tailored solutions for non-performance with sustainability obligations, including the possible role for a Joint Sustainability Committee and grievance mechanisms, directly aim to contribute to access to justice for all (see Section II.B.2).

c. By aiming to develop harmonised private law guidance for the implementation of corporate sustainability due diligence obligations, the Corporate Sustainability Due Diligence in Global Value Chains project (the CSDD project) seeks to promote the rule of law in transnational commercial relationships, enhance legal certainty, transparency and accountability, reduce information asymmetries between contracting parties, and facilitate access to effective contractual remedies (see Section II.B.3).

d. UNIDROIT's instruments in the field of private law and agriculture contribute towards the promotion of the rule of law by strengthening the legal framework for contract farming, agricultural land investment contracts, and agricultural enterprises. Aligned with, among others, the Principles for Responsible Investment in Agriculture and Food Systems (RAI Principles) and the UNGPs, instruments such as the Legal Guide on Contract Farming (the CF Guide) and the Legal Guide on Agricultural Land Investment Contracts (the ALIC Guide) promote awareness of, and adherence to, these international soft law instruments. The forthcoming Guide on Collaborative Legal Structures for Agricultural Enterprises (the CLSAE Guide) encourages legal formalisation, contributing towards decent work and economic growth (see Section II.C).

e. UNIDROIT's use of functional approaches and technological neutrality in its body of work on access to credit allows legal frameworks to remain stable while accommodating new asset classes and financing techniques. By focusing on the function of transactions rather than their form, and by avoiding dependence on specific technologies, these instruments reduce the need for frequent legislative reform and support legal systems that can adapt over time. This contributes to institutional stability by ensuring that access to credit frameworks remain usable and effective as markets evolve (see Section II.D).

f. The UNIDROIT Legislative Guide on Bank Liquidation (the Bank Liquidation Guide) promotes transparent and accountable financial governance by clarifying the allocation of responsibilities between administrative authorities and courts, establishing oversight mechanisms for liquidators, and encouraging transparency in liquidation proceedings. By recommending the adoption of a *lex specialis* governing bank liquidation and emphasising legal clarity and procedural safeguards, the Bank Liquidation Guide supports the rule of law and reinforces public confidence in financial institutions (see Section II.E.1).

g. The UNIDROIT Principles on Digital Assets and Private Law (the DAPL Principles) contribute to institutional integrity in digital financial markets by providing legal certainty regarding the ownership, transfer, and custody of digital assets, as well as their treatment in insolvency (see Section II.E.2).

h. By providing clear, balanced and predictable rules for international commercial contracts, the UNIDROIT Principles of International Commercial Contracts (UPICC) promote legal certainty, fairness, and effective dispute resolution (see Section II.F).

i. The UNIDROIT 1995 Convention on Stolen or Illegally Exported Cultural Objects (the UNIDROIT 1995 Convention) contributes to the consolidation of the rule of law and the promotion of justice by mitigating the harms arising from the illicit trafficking of cultural objects, thereby fostering conditions conducive to peacebuilding and societal

stability. Clear rules on State ownership of undiscovered cultural objects, as provided in the UNESCO-UNIDROIT Model Provisions, further strengthen legal certainty in the art market (see Section II.G).

j. The American Law Institute (ALI)/UNIDROIT Principles of Transnational Civil Procedure (the ALI/UNIDROIT Principles) and the European Law Institute (ELI)–UNIDROIT Model European Rules of Civil Procedure (the ELI-UNIDROIT Model Rules) might perhaps be the Institute's most direct contribution to equal access to justice under Target 16.3. A similar role in contributing to equal access to justice while ensuring stability and legal certainty and effective dispute resolution is pursued by the newly approved Best Practices for Effective Enforcement (BPEE).

16. Further, Target 16.8 calls for the broadening and strengthening of the participation of developing countries in the institutions of global governance. Both developed and developing economies are parties to the UNIDROIT Statute.[20] Efforts to increase UNIDROIT's membership, particularly from countries across the African continent, are ongoing. The UNIDROIT Secretariat regularly engages in bilateral and multilateral consultations with non-Member States with a view to their possible accession to the UNIDROIT Statute.[21]

17. Enhanced representation through direct participation in UNIDROIT's work and governance could in itself advance sustainable development. UNIDROIT Member States shape, guide, and approve the work of the Institute by, *inter alia*, endorsing the Work Programme, providing feedback at least annually on the projects' development, and approving any final legislative instruments.

18. Participation in UNIDROIT's activities, however, is not limited to UNIDROIT Member States. The UNIDROIT Secretariat regularly seeks to ensure balanced representation in the Working Groups tasked with developing UNIDROIT's instruments by including experts and representatives from jurisdictions outside its membership[22]. Thus, UNIDROIT's working method itself (expert Working Groups, observers, Member State and public consultations) embodies the procedural principles of participation, access to information and good governance.

19. Finally, UNIDROIT's close cooperation with other international and regional organisations, as mandated by its Statute, both in the development of transnational law instruments and in their effective implementation, reflects the Institute's strong capacity for inter-agency cooperation and aligns closely with SDG 17 (Partnerships for the Goals) and its Target 17.16, which calls for enhanced global partnerships to support sustainable development, particularly in developing countries. By way of example:

a. UNIDROIT is developing the IIC Principles in partnership with the ICC Institute of World Business Law, a think-tank providing research, training and information to the legal profession concerned with the development of international business law (see Section II.B.2).

b. UNIDROIT has partnered with other Rome-based intergovernmental organisations, such as the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) in the development of a series of instruments addressing private law and agriculture. These partnerships have

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[20] See Member States - UNIDROIT.

[21] For example, in 2025, UNIDROIT officials met with representatives of the Republic of Angola, the Dominican Republic, Moldova, Uganda, and Viet Nam. See 2025 Annual Report at pp. 11-12, available at https://www.unidroit.org/wp-content/uploads/2026/05/C.D.-107-2-Annual-Report-2025.pdf.

[22] For example, the Working Group for the UNIDROIT Principles on the Legal Nature of Verified Carbon Credits includes representatives from the Ministry of the Environment of the Republic of Togo and of the National Bank of Georgia—neither the Republic of Togo nor Georgia are currently UNIDROIT Member States

also been instrumental in aiding with the implementation of the instruments at the domestic level (see Section II.C).

c. UNIDROIT developed the Model Law on Warehouse Receipts (MLWR) jointly with the United Nations Commission on International Trade Law (UNCITRAL) (see Section II.D).

d. The Bank Liquidation Guide was developed through collaboration between UNIDROIT and a broad range of international organisations and experts from multiple jurisdictions, including the Bank for International Settlements' Financial Stability Institute, the International Monetary Fund, the World Bank, and the European Banking Institute (see Section II.E.1).

e. The private law rules enshrined in the 1995 UNIDROIT Convention are considered complementary to those of the UNESCO 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970 UNESCO Convention), a treaty establishing public law provisions (see Section II.G). UNIDROIT and UNESCO further collaborated on the development of the 2012 UNESCO-UNIDROIT Model Provisions, intended to assist in establishing domestic legislation affirming State ownership over undiscovered cultural objects.

f. UNIDROIT's partnership with specialised UN and non-UN intergovernmental organisations (ICAO and OTIF, respectively for the Aircraft Protocol and the Luxembourg Rail Protocol) ensured appropriate representation of the interests involved and support in the implementation of the treaties, while the EU accession or signature to the Cape Town Convention and its Aircraft, Luxembourg Rail, and MAC Protocols confirmed the relevance of Regional Economic Integration Organisations (REIO) in the treaty process.

20. The Institute also regularly partners with organisations providing technical assistance such as the World Bank Group, the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the Inter-American Development Bank (IADB), among several others. This complementarity between UNIDROIT, a standard-setting organisation, and organisations with field presence and technical expertise allows for the provision of on the ground assistance and helps with the implementation of UNIDROIT's instruments in developing and emerging economies.[23] It also works in reverse, serving as a mechanism for lessons learned on the ground to inform the development of pragmatic legal instruments.

B. UNIDROIT projects expressly linked to sustainable development

21. The current 2026-2028 Work Programme includes ongoing projects in which the link to sustainable development has been made express.[24] These include: (i) the VCC Principles; (ii) the Principles and Model Clauses for IICs; and (iii) the CSDD project.

22. UNIDROIT's work on Private Law and Agriculture is also especially relevant to sustainability and includes instruments which expressly refer to sustainable development. However, given the

[23] For additional examples on the cooperation between UNIDROIT and partner organisations in the context of implementation see, e.g., UNIDROIT Model Law on Factoring (C.D. (105) 20).

[24] Other projects with an express connection to sustainable development have been proposed in previous UNIDROIT Work Programmes. For example, in the 2023-2025 Work Programme, UNIDROIT had received a proposal to work on Access to Justice in Environmental Matters (See C.D. (101) 4 rev., pp. 25 - 26).

breadth and interconnectedness of UNIDROIT's work in this field, the relevant instruments are addressed as a separate body of work in Section II.C below.

1. UNIDROIT Principles on the Legal Nature of Verified Carbon Credits

(a) Overview

23. Instruments such as the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement have encouraged the development of an international market for the creation and trading of carbon mitigation outcomes in the form of carbon credits. In parallel with the development of compliance carbon markets (some of which allow the use of carbon credits to meet compliance obligations), demand for carbon credits from voluntary buyers has also grown. Verified carbon credits (VCCs) are certificates that represent an independently verified reduction or removal of one metric tonne of carbon dioxide equivalent from the atmosphere as a result of a mitigation project, in line with applicable rules and requirements. VCCs may be generated in accordance with standards and rules set by independent crediting bodies or under regulatory frameworks. In the voluntary market, VCCs are typically purchased to demonstrate support for the relevant mitigation project and to meet self-determined climate or other sustainability commitments.

24. The draft VCC Principles are a soft law instrument in the form of black-letter principles and commentary. Currently comprising an introduction and nine sections (addressing scope and definitions, private international law, creation and transfer, retirement and cancellation, illegality, registry, custody, secured transactions, and insolvency), the Principles focus on VCCs as the object of dispositions and acquisitions, and where rights and interests in VCCs are to be asserted against third parties.[25] The instrument is being developed by a Working Group comprising experts in private law, carbon markets, and financial regulation, with input from institutional observers representing crediting bodies, market participants, as well as governmental and non-governmental organisations. Following a public consultation carried out between July and September 2026, the VCC Principles are expected to be finalised and submitted to UNIDROIT's governing bodies for approval in December 2026.

25. The mandate of the Working Group is to provide internationally recognised private law guidance that clarifies the legal nature of VCCs with the goal of reducing uncertainty, thereby supporting the development and functioning of voluntary carbon markets and the greenhouse gas (GHG) mitigation projects that underpin them. This mandate was established by UNIDROIT in recognition of the fact that expanding markets for VCCs requires greater legal clarity to foster investment confidence among market participants and support capital flows to GHG mitigation projects, including but not exclusively into developing economies where VCC-generating projects are often located.

26. It is important to note that the VCC Principles focus on the period between the creation and retirement of a VCC to facilitate market activity in those VCCs. The VCC Principles do not offer guidelines to host countries or other stakeholders regarding frameworks for VCC-generating projects. Similarly, the VCC Principles do not stipulate parameters for the use of, or claims associated with, VCCs.

(b) Contribution to sustainable development

27. Broadly, the draft VCC Principles support sustainability by offering guidance that strengthens legal certainty in the VCC market. The scope of the Principles lies within private law. The Principles focus on property law aspects affecting commercial transactions between private entities including transfers by way of sale and security. Specifically, the Principles focus on key aspects where the application of legal rules is currently uncertain or is omitted altogether from existing law in many

[25] To access the latest draft of the instrument, as well as documents from the sessions of the Working Group on the Legal Nature of VCCs, visit: https://www.unidroit.org/work-in-progress/verified-carbon-credits/.

jurisdictions. For example, the Principles provide that a VCC can be the subject of proprietary rights, it sets out the circumstances in which an innocent acquirer takes a VCC free of conflicting claims, and set out methods whereby a security right in a VCC can be made effective against third parties in addition to methods under existing national law.

28. By reinforcing the legal frameworks that underpin private commercial relationships in carbon markets, the VCC Principles may increase market confidence and direct more financing toward GHG mitigation projects. This, in turn, could support the economic, social, and environmental dimensions of sustainable development and advance a wide range of SDGs and related Targets.[26]

29. In relation to the economic dimension of sustainable development, the VCC Principles promote access to climate finance and support investment by reducing legal uncertainty around the ownership and transferability of VCCs. From a governance perspective, the VCC Principles directly reduce legal uncertainty, enhance legal predictability, and promote harmonisation of transactions involving VCCs between private entities across jurisdictions. In particular, the draft VCC Principles, and the definitions and recommendations provided therein:

a. clarify property-related issues, third-party effects, and security and custodial relationships;

b. assist courts, regulators, and market participants interpret and apply the law consistently across jurisdictions, helping to facilitate a global market and raise investment; and

c. support the relationship and governance oversight of entities involved in the creation of VCCs including, but not limited to, the crediting bodies, the registries, and the validation and verification bodies.

30. The draft VCC Principles complement and support existing initiatives to facilitate the effective use of VCC markets to drive finance towards GHG mitigation projects, including those focussed on project governance, benefit sharing, quality of VCCs, and safe harbours relating to the use of VCCs.

31. Greater legal certainty and more harmonised private law concepts are likely to foster more liquid carbon markets, reduce transaction risks and costs, broaden participation, and increase investment. This would support the intended purpose of VCC market mechanisms by increasing financial resources for capital-constrained actors and regions in developing economies. The potential reduction in transaction risks and costs supports the long-term viability and resilience of VCC markets as an essential tool for financing climate mitigation and adaptation.

32. With respect to the social dimension of sustainable development, the draft VCC Principles do not directly establish requirements for social inclusion or social safeguards, which are instead stipulated by the VCC crediting bodies and domestic host country laws. However, the VCC Principles may have the following indirect social benefits:

a. Improved access to carbon finance may increase funding for projects that deliver social as well as environmental co-benefits for Indigenous Peoples, or community-led project developers (e.g., community-based restoration, access to clean energy, share in financial proceeds etc.).

b. By clarifying ownership and transfer rules, the draft VCC Principles facilitate the standardisation of commercial transactions and reduce the risk of disputes relating to ownership, which can benefit smaller market participants.

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[26] For a mapping of the SDGs and their relevance to the VCC Principles, see Annexe III.

c. Some crediting bodies apply supplementary labels to VCCs that satisfy stringent social and environmental criteria, such as biodiversity, water-related benefits, or support for social or Indigenous Peoples' rights. These labels may increase the value of the associated VCCs and encourage investment in sustainable outcomes beyond carbon mitigation.

33. The draft VCC Principles are deliberately technology and business model neutral to ensure broad applicability and focus on foundational legal concepts. Institutional capacity improvements depend largely on national implementation and supporting reforms. The finalisation of the instrument included a public consultation to ensure all interested parties—including Indigenous Peoples' representatives and local stakeholders—have an opportunity to contribute to the development of the VCC Principles.

34. Given the above, the VCC Principles advance several SDGs, including, but not limited to:

35. SDG 8 (Decent Work and Economic Growth): Greater clarity regarding applicable private law, property rights, investments, transfers, and other dealings in VCCs is likely to strengthen investor confidence and attract capital to climate-related activities. In turn, such climate-related activities can create income streams for local communities through benefit-sharing mechanisms and employment opportunities.

36. SDG 9 (Industry, Innovation and Infrastructure): By facilitating capital flows to carbon mitigation projects, the VCC Principles could further SDG 9 by supporting the financing of innovative, climate-smart infrastructure and low-carbon technologies.

37. SDG 10 (Reduced Inequalities): While the draft VCC Principles are intentionally agnostic as to which crediting body generates a VCC, organisations such as the Integrity Council for the Voluntary Carbon Market (ICVCM), the Paris Agreement's Article 6.4 Supervisory Body, and national crediting bodies generally mandate adequate safeguards and some form of local community and Indigenous Peoples' consent. In this respect, facilitating the growth of the VCCs market may bring an enhanced focus on the rights of local communities and Indigenous Peoples and facilitate the sharing in proceeds and co-benefits of VCC-generating projects.

38. SDG 13 (Climate Action): Although the draft VCC Principles do not themselves set environmental standards for VCC-generating projects, the overall purpose of the VCC market is to enhance awareness of, and adherence to, environmental protection requirements. By clarifying the legal treatment of VCCs, the draft VCC Principles support and facilitate the operational consistency of markets intended to finance environmentally beneficial climate mitigation projects. Stronger markets can theoretically channel more investment toward mitigation and removal solutions, thereby advancing climate goals. However, environmental capital and broader biodiversity outcomes depend on the underlying carbon credit methodologies and national laws, rather than on these private law principles.

39. SDG 14 (Life Below Water), SDG 15 (Life on Land): A number of nature-based methodologies through which VCCs are created require the conservation and protection of endangered environmental spaces including forests and sensitive coastal zones, thereby supporting SDG 14 and SDG 15.

(c) Recommendations

40. The draft VCC Principles are responsive to the expressed needs of a number of States Parties to the Paris Agreement, which have urged enhanced legal certainty regarding VCCs and related aspects of Article 6 of the Paris Agreement. The draft VCC Principles provide clear and practical guidance for legal practitioners, judges, and policymakers. However, the ultimate assessment of the success of the VCC Principles in addressing States' needs may require: (i) adoption by States; (ii)

translation into national legal contexts; (iii) alignment with existing constitutional, climate, and carbon market regulation; and (iv) engagement with market participants.

41. UNIDROIT has facilitated future adoption of the VCC Principles by involving a broad Working Group of experts and stakeholders, establishing a Consultative Committee comprising experts appointed by Member States, and launching a public consultation process. However, promotion and capacity building support for both developed and developing economies remain future tasks. Key challenges to the instrument's effective impact or adoption include: (i) differing legal traditions and approaches to property law; (ii) the uniqueness and legal complexity of the instrument; and (iii) sovereign rights and perceived conflict with domestically regulated climate and carbon market laws.

42. A critical measure of success will be the demonstration of enhanced climate finance flowing from jurisdictions that adopt the VCC Principles (whether or not these are the same jurisdictions in which the relevant climate mitigation projects are located). While the VCC Principles are intended to be balanced and respectful of all stakeholder voices, they have been crafted by legal experts and thus presume a fundamental grounding in property and related carbon market laws. As such, they may unintentionally privilege those stakeholders with more detailed legal and financial backgrounds. Additional capacity building may thus be advisable when the VCC Principles are released. It is therefore recommended that UNIDROIT:

a. Facilitate broad State and stakeholder awareness of the VCC Principles including of: (i) experts in Indigenous and Sharia law; (ii) the carbon market standard setting bodies and oversight bodies; (iii) major developers of VCCs; and (iv) major purchasers of VCCs.

b. Coordinate with relevant partner organisations to provide capacity building support for all interested States and stakeholders, which may include implementation toolkits and modules on technical, financial assistance.

c. Assist least developed countries in establishing a mechanism and legal context for potential adoption of the VCC Principles.

2. UNIDROIT-ICC Principles and Model Clauses for International Investment Contracts

(a) Overview

43. The draft IICs Principles are a soft law instrument comprising non-binding principles and rules that parties may choose as the governing law or incorporate into their contracts. Following a public consultation carried out between August and September 2026, the instrument is expected to be adopted by the governing bodies of UNIDROIT and the ICC in December 2026. The aim of the draft IICs Principles is to foster the modernisation and standardisation of investment contracts. The draft instrument seeks to achieve—at the contractual level—a balance between the interests of investors, States, and society as a whole, promoting sustainable investment while remaining mindful of the need to offer foreign investors appropriate protection and seeking to enhance legal certainty in the investment arena.

44. The UPICC were the basis for the development of the draft IICs Principles. An important part of the work of the Working Group on IICs was to assess to what extent the provisions in the UPICC were appropriate for IICs and to what extent modifications or additions might be needed in light of the specific features of IICs. The Working Group concluded that the vast majority of UPICC provisions are well-suited for IICs. The draft instrument therefore incorporates the UPICC for the aspects of general contract law. It then (i) adapts certain UPICC black-letter rules for IICs, (ii) provides IIC-specific commentary and model clauses for certain UPICC provisions, and (iii) includes additional

principles, commentary, and model clauses for aspects that are not addressed in the UPICC, including investor protection and sustainability.

45. The draft IICs Principles consist of an Introduction and eight Chapters that cover the entire life cycle of an IIC: (i) General Provisions Concerning the Instrument; (ii) General Principles Applicable to IICs; (iii) Formation; (iv) Validity; (v) Rights and Obligations; (vi) Change of Circumstances; (vii) Remedies; and (viii) Choice of Law and Dispute Settlement. As with the UPICC, the Principles for IICs may be used as applicable law to an IIC, as a secondary source for interpreting or supplementing domestic law or international uniform law instruments, and as inspiration for legislators and for negotiators of IICs.

(b) Contribution to sustainable development

46. Sustainability is a cross-cutting theme throughout the draft IICs Principles, as highlighted in the instrument's Introduction. The concept of sustainability is understood broadly in the instrument, encompassing human rights, environmental protection (including climate change), social responsibility, and good governance. The instrument specifically addresses sustainable development in its principles, model clauses, and commentary, including by:

a. Encouraging parties to an IIC to consider sustainability factors when making investment decisions and to pursue the investment in accordance with the highest international standards on sustainable development, including through the integration of adequate sustainability provisions in their contract. Principle 6 refers to "environmental, social, governance and human rights factors", to "climate change mitigation and adaptation" and to "commitments as to the social, economic and environmental benefits of the project, including obligations to protect human rights, the environment, the health and safety of people and workers, local communities' protection and development, and the fight against corruption".

b. Requiring the investor, in cooperation with the State party, to conduct environmental (including climate), social, and human rights due diligence and impact assessments, implement mitigation measures, and engage affected stakeholders through meaningful consultation, including local communities and Indigenous Peoples based on the principle of free, prior and informed consent (FPIC). Principle 11 and the accompanying model clause and commentary encourage parties to make completion of due diligence and the establishment of a mitigation plan a condition precedent to commencement of the project.

c. Including specific sustainability obligations inspired by the ALIC Guide and the IISD Model Contract Clauses for Responsible Investment in Agriculture[27] as well as existing IIC practice. These provisions primarily concern the obligations of the foreign investor and cover aspects including (i) human rights, including those of workers, the local community and Indigenous Peoples; (ii) social commitments, such as job targets and employment of local personnel, training and education, labour standards, non-discrimination, health and safety, and appropriate residential facilities; (iii) local sourcing of goods and services; (iv) environmental and climate commitments, including compliance with relevant international standards and host State legislation, commitment to continuous improvement in production methods and green technologies, possible environmental performance-based incentives and use of carbon credits, GHG emission reduction targets, contribution to a local climate change adaptation fund, proper waste and chemical management, respect for traditional knowledge and cultural heritage, as well as audit, monitoring, reporting and

[27] IISD, *The IISD Model Contract Clauses for Responsible Investment in Agriculture*, available at https://www.iisd.org/publications/guide/model-contract-clauses-responsible-agriculture-investment.

disclosure requirements; (v) community development agreements; and (vi) third-party beneficiaries, entitling workers, local communities and Indigenous Peoples to receive and enforce the benefits under the IIC.

d. Requiring the parties to cooperate in order to abide by the specific sustainability obligations in their contract, and to make their best efforts to (i) ensure that the project does not contribute to increasing adverse effects on climate change, and (ii) anticipate and adapt to future developments and emerging international sustainability standards and, where necessary, adjust their contractual obligations accordingly (Principle 20). Draft Principle 21 provides an obligation of continuous monitoring, with the accompanying commentary and model clause referring to the possible establishment of a Joint Sustainability Committee to serve as a platform for consultation and collaboration on environmental, social, and human rights matters affecting the project. Draft Principle 22 contains a best-efforts obligation for the investor to ensure that the highest sustainability standards applicable to it are also complied with by its subcontractors and suppliers.

e. Carving out measures adopted by the State "in good faith, in a non-discriminatory manner, and in the public interest, necessary to comply with the obligations to protect human rights, public health, the environment, climate change, or labour standards" from stabilisation commitments (draft Principle 23(3)).

f. Providing a staged mechanism for addressing non-performance of sustainability obligations in an IIC, which prioritises early notification, cooperation and negotiated remedies, while preserving access to contractual remedies, dispute resolution, and third-party claims where breaches are not remedied (draft Principle 26).

47. Together, these draft Principles and model clauses support various SDGs by operationalising sustainable investment through concrete contractual obligations. In particular:

48. SDG 5 (Gender Equality): The draft IICs Principles advance SDG 5 and notably Target 5.5 (women's full and effective participation), by requiring concrete measures to increase women's participation in employment and management, provide childcare, establish quotas where appropriate, and promote women's training and career progression. The draft Principles also support Target 5.c by embedding these commitments into contractual obligations rather than leaving them as voluntary policies.

49. SDG 8 (Decent Work and Economic Growth): The draft IICs Principles significantly contribute to SDG 8, especially Target 8.5 (full and productive employment and equal pay), through detailed obligations on local employment, gender-balanced recruitment, training, equal pay, and safe working conditions; and Target 8.7 (eradication of child labour and forced labour) and Target 8.8 (protection of labour rights and safe working environments) through commitments to internationally recognised labour standards, workers' rights, occupational health and safety, and freedom of association.

50. SDG 9 (Industry, Innovation and Infrastructure): Obligations concerning local procurement, local content, knowledge and technology transfer, scholarships, and support for research institutions contribute to SDG 9, particularly Target 9.4 (sustainable infrastructure and industries) and Target 9.5 (enhance scientific research and technological capabilities).

51. SDG 10 (Reduced Inequalities): The instrument's emphasis on protecting vulnerable groups, preventing discrimination and promoting equality supports SDG 10, particularly Target 10.2 (promote the social, economic and political inclusion of all) and Target 10.3 (ensure equal opportunity and reduce inequalities of outcome through non-discrimination measures).

52. SDG 12 (Responsible Consumption and Production): The draft IICs Principles substantially contribute to SDG 12 by integrating sustainability considerations into investment decision-making. By requiring investors to integrate responsible business conduct, sustainability reporting, due diligence, and continuous monitoring into project management, the environmental and governance clauses and Principle 21 are closely aligned particularly with Target 12.6.

53. SDG 13 (Climate Action): The draft IICs Principles also further SDG 13 and especially Target 13.2 through obligations to minimise adverse climate impacts, adapt to evolving international sustainability standards, and monitor climate-related performance throughout the life of the investment.

54. SDG 16 (Peace, Justice and Strong Institutions): The instrument supports SDG 16 by embedding human rights, non-discrimination, governance, and anti-corruption obligations into investment contracts. The Principles contribute to Target 16.7 (inclusive, participatory decision-making) through provisions protecting the rights of local communities and Indigenous Peoples and encouraging community development and benefit-sharing arrangements. In addition, Principle 23(3) contributes to Target 16.3 (promote the rule of law) and Target 16.6 (develop effective, accountable and transparent institutions); by excluding good-faith, non-discriminatory public-interest measures from the scope of economic equilibrium and fiscal stabilisation clauses, Principle 23(3) preserves the State's regulatory autonomy to fulfil its public responsibilities without automatically incurring contractual liability. It therefore promotes coherent governance by ensuring that IICs do not unduly constrain the State's ability to legislate or regulate in pursuit of legitimate societal objectives, thereby strengthening institutional capacity and the rule of law. Principle 26 also advances Target 16.3 and Target 16.6—by prioritising early remediation over adversarial enforcement, while preserving access to contractual remedies and third-party claims, the principle promotes accountability, effective governance, and access to justice for those affected by non-performance.

55. SDG 17 (Partnerships for the Goals): The instrument's encouragement of cooperation between the State, the investor and, where appropriate, relevant third parties in implementing agreed sustainability commitments supports SDG 17, especially Targets 17.16 and 17.17, by framing sustainable investment as a long-term partnership between the State and the investor based on cooperation, continuous monitoring, and shared implementation of sustainability commitments. The possibility of establishing a Joint Sustainability Committee and the emphasis on collaboratively agreed remedial measures reinforce long-term partnerships and shared responsibility for achieving sustainability objectives throughout the life of the IIC.

(c) Recommendations

56. In order to maximise the impact and reach of the draft IIC Principles, efforts should be made to encourage their adoption by States and investors. States should encourage public authorities to use the instrument in their contracts with foreign investors, from the outset of negotiations and possibly incorporating an SDG impact assessment. In addition, Member States could be encouraged to publicly affirm that whenever a government entity over which that State has control becomes party to an international investment contract, that contract should be consistent with the draft IIC Principles and Model Clauses.

57. The instrument's potential to advance sustainable investment is greatest in developing economies, where IICs are used and where institutional capacity to negotiate and implement them is often constrained. UNIDROIT, in partnership with the International Chamber of Commerce (ICC), UN Trade and Development (UNCTAD), and other relevant regional institutions, could consider developing a dedicated capacity-building programme to accompany the instrument's launch. This programme could include: (i) guidance on the instrument's key provisions for government negotiators and legal advisers in developing economies; (ii) training workshops, conducted in different languages, targeted at government officials and relevant civil society actors; and (iii) a user-

friendly repository of model IICs (beyond the instrument itself), accessible to local practitioners, with annotations identifying how each provision advances specific SDG targets.

58. Efforts should be made to publicise the instrument, both before and after its adoption, and to raise awareness of the draft IIC Principles among States and their public authorities and among foreign investors.

59. UNIDROIT should consider whether and how the draft IIC Principles might correspond with other instruments, such as the ALIC Guide, as well as those presently under development, such as the CSDD project, and how these instruments could be coordinated to strengthen their collective impact on sustainability. Because the draft IIC Principles and the forthcoming CSDD instrument address adjacent dimensions of sustainability, UNIDROIT is encouraged to establish a more formal coordination mechanism between the respective Working Groups. This could help ensure, in particular: (i) consistency in the treatment of shared legal concepts, including due diligence, grievance mechanisms, and the allocation of sustainability responsibilities along contractual chains; and (ii) appropriate cross-referencing between the two instruments in their respective commentaries.

60. Once the instrument is adopted, UNIDROIT should monitor its use and interpretation by courts and arbitral tribunals to help develop international investment law jurisprudence. Further, UNIDROIT should encourage those who teach international investment law to use the instrument.

3. Corporate Sustainability Due Diligence in Global Value Chains

(a) Overview

61. At the request of the EBRD and the International Development Law Organization (IDLO), UNIDROIT included a project on Corporate Sustainability Due Diligence in Global Value Chains (the CSDD project) in its 2023-2025 Work Programme. UNIDROIT is well-suited to undertake this project because of its experience with the UPICC and other previous contract law-based instruments in the area of agriculture (the CF Guide and the ALIC Guide, discussed in further detail in Section II.C below). Moreover, the topic is in line with the forthcoming CLSAE Guide, which is focused on the agri-food value chain, and has synergies with the future IICs Principles, discussed above.[28] The CSDD project has undergone exploratory work and is expected to commence substantive work in the first half of 2027.

62. The UNIDROIT Secretariat has completed extensive preparatory research, including the systematic monitoring of relevant international, regional, and national developments relating to corporate sustainability due diligence and global value chains. This research has covered legal, regulatory, and policy initiatives, as well as emerging standards and best practices concerning responsible corporate conduct. Through the mapping of existing frameworks, the identification of legal and policy gaps, and the assessment of relevant approaches, the Secretariat has established a robust foundation for the project.

63. Indeed, this exploratory phase has identified significant private law gaps in the operationalisation of sustainability due diligence standards along supply chains, prompting UNIDROIT to consider drafting a guidance document for due diligence-aligned contracting (including model clauses, commentary and best-practice illustrations) taking the UPICC as a starting point. The CSDD project thus builds on UNIDROIT's expertise in transnational contract law, reflecting the view that contractual arrangements constitute a key mechanism for operationalising sustainability standards across global value chains. In particular, the project seeks to address the practical question of how due diligence responsibilities can be translated into contractual rights, obligations and mechanisms

[28] UNIDROIT 2022 – C.D. (101) 4 rev., para. 90.

for cooperation, monitoring and remediation between businesses operating at different levels of a value chain.

64. The CSDD project focuses on the role of private law mechanisms in embedding due diligence (understood, on the basis of the UNGP and OECD Guidelines, as a continuous process to help enterprises identify risks relating to the environment and human rights, with a view to preventing, mitigating, or ending those risks) within commercial relationships. In doing so, the goal of the CSDD project is to provide a framework through which sustainability standards can be more effectively translated into contractual practice across global value chains. The envisaged output of the CSDD project is a guidance instrument on the private law implementation of due-diligence standards. The instrument is expected to explain how contractual tools can align with due diligence obligations and integrate environmental and human rights responsibilities across value chains. It is also expected to show how contractual design, such as framework agreements, cascading obligations, monitoring and audit provisions, and remediation mechanisms, can operationalise the UNGPs as well as emerging mandatory due diligence regimes.

65. Given that many existing frameworks emphasise public law obligations, the future guidance document will aim to equip businesses and their counterparties with practical and legally coherent tools to embed sustainability considerations within contractual relationships. By fostering the use of predictable and enforceable CSDD-aligned clauses, the CSDD project is expected to support responsible sourcing, reduce legal fragmentation, and complement legally binding provisions introduced by instruments such as the EU Corporate Sustainability Due Diligence Directive.

66. Importantly, the CSDD project is designed to complement existing public law and soft law frameworks by addressing the private law dimension of due diligence, thereby fostering greater coherence between regulatory expectations and contractual practice across jurisdictions. Consistent with UNIDROIT's established methodology, the instrument will be developed by a Working Group composed of experts representing diverse legal systems and geographical regions and based on comparative legal analysis and stakeholder engagement.

(b) Contribution to sustainable development

67. First, the CSDD project aims to strengthen the environmental and social foundations of sustainable development by providing contractual tools that help companies identify, prevent, and mitigate adverse impacts. By embedding due diligence expectations directly into commercial agreements, the CSDD project seeks to promote more responsible sourcing and reduce the fragmentation that currently characterises global value chain governance. For example, contractual arrangements may play a role in implementing due diligence expectations concerning deforestation-free sourcing, the prevention of forced and child labour, and the responsible sourcing of minerals essential to the energy transition. In such contexts, contractual mechanisms may support information-sharing, traceability, cooperation and corrective action across different tiers of the value chain, although their effectiveness will depend on the wider regulatory and commercial environment.

68. Second, the CSDD project may contribute to the procedural dimension of sustainable development, particularly transparency, accountability, and access to remedies. Private contracts often have regulatory effects: they allocate responsibilities, shape incentives, and determine whether risks are addressed early or allowed to compound. The CSDD project may strengthen fair processes, improve the ability of rightsholders to raise concerns, and encourage remediation before termination. It could also explore how contractual mechanisms may facilitate not only the prevention and mitigation of adverse impacts, but also positive transition outcomes, including decarbonisation, nature-positive business practices, circular-economy objectives and the implementation of transition plans across value chains. In doing so, the project may consider how contractual approaches can respond to multiple, interconnected sustainability risks simultaneously, recognising that environmental, human rights, labour, and transition-related issues often arise together in practice.

As value chains become increasingly regionalised and fragmented, contractual mechanisms may also play an important role in supporting consistent and effective implementation of due diligence across diverse commercial relationships.

69. Third, the CSDD project could support equity and participation, key pillars of sustainable development, by addressing structural power imbalances within global value chains. Many suppliers, particularly small and medium-sized enterprises and smallholders in developing economies, operate with limited visibility, weak bargaining power, and asymmetric access to information compared with large buyers. Carefully designed contractual tools can help reduce these asymmetries by clarifying expectations, allocating responsibilities transparently, and embedding processes for dialogue, remediation, and cooperation. In doing so, the CSDD project may support more balanced commercial relationships and enable smaller producers to comply with due diligence requirements as participants in risk mitigation rather than passive recipients of compliance demands.

70. Beyond its relevance for private actors, the CSDD project also holds significance for legislators and regulators engaged in the design or implementation of corporate sustainability due diligence frameworks.[29] While public law instruments increasingly define due diligence obligations at a high level, their guidance on how such obligations should be operationalised within complex commercial relationships is often limited. By offering practical guidance—for example in the form of model clauses and commentary—the CSDD project can serve as a reference point for public policymakers, illustrating how regulatory expectations may be translated into workable legal techniques. In this way, the CSDD project can function as a bridge between private ordering and public regulation, supporting coherence, legal certainty, and effective implementation across jurisdictions.

71. The CSDD project may also have implications for sustainable finance and investment. Due diligence expectations increasingly arise not only in supply and procurement agreements but also in financing arrangements, where contractual provisions may be used to address environmental and social risks associated with borrowers, financed activities and their value chains. The function of such provisions may differ depending on the contractual relationship and the role of the financing institution. In particular, development finance institutions may combine contractual environmental and social requirements with monitoring, technical assistance and capacity-building to support improvements in clients' practices. The CSDD project could therefore explore, without prescribing particular contractual solutions, how due diligence-related mechanisms in commercial relationships may interact with financing covenants, environmental and social standards and sustainable-finance arrangements. Greater clarity in these interactions may help reduce uncertainty for businesses and financiers, support responsible investment and strengthen the implementation of environmental and social commitments across financed value chains.

72. While the SDGs provide a useful reference framework, the contribution of corporate sustainability due diligence to sustainable development is inherently cross-cutting and cannot be neatly assigned to individual goals. Relevant SDGs include, but are not limited to:[30]

73. SDG 8 (Decent Work and Economic Growth): Targets 8.7 and 8.8 concern, respectively, the eradication of forced labour, modern slavery and child labour, and the protection of labour rights and the promotion of safe and secure working environments. In global value chains, labour conditions are shaped not only by statutory regulation and contractual obligations but also by commercial practices and purchasing decisions. The CSDD project could explore how contractual mechanisms

[29] Examples of emerging or evolving mandatory due-diligence regimes include Germany's Act on Corporate Due Diligence Obligations in Supply Chains, Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, and the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), France's Corporate Duty of Vigilance Law, all of which articulate due-diligence expectations while leaving significant scope for implementation through contractual and governance mechanisms.

[30] For a mapping of the SDGs and their relevance to the CSDD project, see Annexe III.

may contribute to addressing risks associated with forced and child labour, excessive overtime, unsafe working conditions and other adverse labour impacts, while recognising that effective protection also depends on effective enforcement, worker participation and access to remedies.

74. SDG 9 (Industry, Innovation and Infrastructure): Target 9.3 calls for increased access of small-scale enterprises, particularly in developing countries, to financial services and their integration into value chains and markets. The CSDD project could contribute to this objective by considering proportionate contractual approaches that take account of suppliers' capacities, reduce unnecessary or duplicative documentation requirements and encourage appropriate technical assistance and cooperation between buyers and suppliers. Such approaches may help smaller enterprises participate in global value chains without facing disproportionate compliance burdens, although their effectiveness will depend on the commercial terms, resources and support available to those enterprises.

75. SDG 12 (Responsible Consumption and Production): Modern value chains often span dozens of jurisdictions, and environmental standards can become diluted or inconsistently applied. By embedding sustainability obligations directly into contracts, the CSDD project may help ensure that environmental commitments are implemented not only at the level of corporate policy but throughout active commercial relationships. In this way, the CSDD project can translate the due diligence architecture of the UNGPs and OECD Guidelines into contractual practices that support responsible production.

76. SDG 17 (Partnerships for the Goals): Targets 17.14 and 17.16 emphasise policy coherence and global partnerships. In practice, value chain sustainability depends on alignment between public law frameworks and the private law tools through which companies manage their relationships with suppliers. The CSDD project may help bridge this gap by translating high-level regulatory expectations into contractual guidance that can be adopted across jurisdictions.

(c) Recommendations

77. The further development of the CSDD project is strongly supported in view of its significant potential to advance sustainable development through the effective implementation of corporate sustainability due diligence across global value chains. While international standards and emerging regulatory frameworks increasingly establish expectations concerning responsible business conduct, important gaps remain in translating these expectations into workable, coherent and balanced contractual arrangements. The CSDD project presents a valuable opportunity for UNIDROIT to address these gaps by drawing on its distinctive expertise in private law harmonisation and transnational commercial law. By promoting greater legal certainty, facilitating responsible business conduct and supporting more sustainable and equitable commercial relationships, the project could make a meaningful contribution to the implementation of sustainability due diligence across jurisdictions, particularly in developing and emerging economies. It is therefore recommended that UNIDROIT actively pursue the further development of the CSDD project, while leaving the precise scope, structure and substantive content of any eventual instrument to be determined through the established Working Group process. To maximise the project's potential contribution to sustainable development, the following issues may warrant consideration during its development, grouped under five interrelated themes:

78. Inclusive and responsible contractual governance:

a. Consider how meaningful stakeholder engagement may be supported throughout contractual relationships, including through communication, feedback, cooperation and remediation mechanisms.

b. Examine how contractual arrangements may avoid unilateral risk-shifting and instead support appropriately allocated responsibilities, corrective action and cooperation, recognising differences in bargaining power and commercial capacity.

c. Consider risk- and impact-based approaches that allow contractual responses to reflect the severity and likelihood of adverse impacts and the circumstances of the relevant commercial relationship.

79. Proportionality and supplier support:

a. Consider how proportionality may be reflected in contractual due diligence approaches, particularly to avoid excessive or duplicative compliance burdens for SMEs and smallholders.

b. Explore the role of supplier-support mechanisms, including training, technical assistance and capacity-building, in enabling suppliers to meet sustainability expectations and participate effectively in due diligence processes.

80. Fair and accessible technology: Consider the accessibility and governance of digital tools used in contractual due diligence, including interoperability, data governance and transparency of automated assessments, with particular attention to the risk of reinforcing existing information and bargaining asymmetries.

81. Realistic purchasing practices and commercial implementation:

a. Examine the relationship between sustainability-related contractual expectations and commercial terms, including delivery timelines, pricing structures and volume commitments, so that due diligence requirements are not undermined by the conditions under which suppliers operate.

b. Consider how contractual approaches may accommodate differing legal, commercial and geographic contexts while promoting clarity and comparability.

c. Consider whether sector-specific or region-specific guidance could support practical implementation, taking into account differing sustainability risks, contractual practices and market conditions.

d. Explore how contractual due diligence approaches may remain effective across increasingly fragmented, regionalised and sector-specific value chains.

82. Coherence with international frameworks and sustainable finance:

a. Explore the relationship between contractual due diligence mechanisms and sustainable-finance arrangements, including financing covenants, environmental and social standards, sustainability-linked instruments and supply-chain finance, taking into account the differing roles of commercial lenders and development finance institutions.

b. Consider relevant international, regional and national frameworks, standards and guidance when examining contractual approaches, with a view to promoting coherence and reducing legal fragmentation.

c. Take account of the evolving mandatory due diligence landscape, including the potential value of principles-based approaches and flexibility to accommodate regulatory developments, while recognising the complementary relationship between private law mechanisms and applicable mandatory requirements.

83. Given the early stage of the CSDD project, the observations in this paper are necessarily preliminary and are intended to identify issues that may warrant consideration during the

development of the instrument. They should not be understood as anticipating the conclusions of any future Working Group or the content of any eventual UNIDROIT instrument.

C. Agriculture and private law[31]

84. Since 2010, UNIDROIT has been working in partnership with FAO and IFAD to support agricultural development. [32] This institutional cooperation has so far resulted in the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming (2015) (the CF Guide) and the UNIDROIT/IFAD Legal Guide on Agricultural Land Investment Contracts (2021) (the ALIC Guide), while a third legal guide, the UNIDROIT/FAO/IFAD Legal Guide on Collaborative Legal Structures for Agricultural Enterprises (the CLSAE Guide) is expected to be finalised in late 2026. In addition, exploratory work has begun on the development of an Agricultural Financing Legal Guide (the AgriFin Guide).

85. As defined by FAO, sustainable agriculture is "the management and conservation of the natural resource base, and the orientation of technological and institutional change in such a manner as to ensure the attainment and continued satisfaction of human needs for present and future generations. Sustainable agriculture conserves land, water, plant and animal genetic resources, is environmentally non-degrading, technically appropriate, economically viable and socially acceptable." Some interpretations of this definition emphasise agroecological or organic and regenerative farming techniques while others focus on bio-synthetics, genetic modification and precision technologies as the best way to meet increasing demands. The distinctions are relevant when exploring whether and how the instruments developed by UNIDROIT promote "sustainable agriculture" in the context of sustainable development.

86. It is generally recognised that the engagement of the private sector is critical for agricultural development; however, this sector comprises a wide spectrum of actors encompassing millions of smallholders and a few megafirms with significant market control. This raises a question, as to whether UNIDROIT instruments can bridge this disparity and whom these instruments should serve and benefit.

87. The CF Guide, ALIC Guide and the forthcoming CLSAE Guide and AgriFin Guide are all soft law instruments. As such, they can be used by States to enact national legislation tailored to specific domestic situations but they can also be applied by other interested parties or by those involved in technical assistance, such as FAO, IFAD, development banks and others, without the need to change domestic laws.

88. As these are non-binding legal guidance instruments, their contribution should be understood as indirect and enabling. While they do not themselves generate development outcomes, all four instruments contribute indirectly towards the reduction of poverty (SDG 1) by alleviating hunger and by improving agricultural productivity and the livelihoods of small-scale food producers, either through improved distribution channels, access to new markets or better access to credit. As each

[31] For a mapping of the SDGs in relation to the four instruments developed in the area of agriculture and private law, see Annexe III.

[32] This partnership was prompted by a 2010 UNIDROIT study which identified that little attention had been devoted to 'the extent to which the various fields of private law that affect investment decisions, financing and marketing mechanisms for agricultural commodities in most countries promote sustainable agricultural investment facilitate the mobilisation of capital for rural enterprises or favour rational and efficient choices for marketing of agricultural commodities.' UNIDROIT, 'Private Law Aspects of Agricultural Finance' C.D. (89) 7 Add. 4 (2010). This study was followed by a colloquium in 2011, which yielded a number of suggested work topics. UNIDROIT Colloquium, 'Promoting Investment in Agricultural Production: Private Law Aspects', Uniform Law Review, Volume 17, Issue 1-2, January 2012.

instrument has a different primary objective, however, these are described separately in the discussion below.

1. The UNIDROIT/FAO/IFAD Legal Guide on Contract Farming

(a) Overview

89. Contract farming is a business arrangement made between a producer and a buyer in advance of production, in contrast with the purchase and sale of products at harvest. Although contract farming offers advantages for both buyers and producers,[33] various risks can arise, particularly for producers when affected by unstable and imbalanced market power structures. Accordingly, UNIDROIT, FAO and IFAD developed the CF Guide "to promote more stable and balanced relationships and to assist parties in designing and implementing sound contracts, thereby generally contributing to building a conducive environment for contract farming".[34]

90. The CF Guide provides a legal analysis of fair and balanced contract farming arrangements and serves as a reference tool for a broad range of stakeholders.[35] The CF Guide confirms its alignment with the Principles for Responsible Investment in Agriculture and Food Systems (RAI Principles)[36] and recommends that contract farming be conducted in accordance with the 2011 UN Guiding Principles on Business and Human Rights (UNGPs).[37] It indicates that agricultural businesses have their own independent legal responsibility to respect human rights, which should be reflected in best contractual practices implemented in the field to support sustainable agriculture. The CF Guide has been translated into four languages: French, Spanish, Portuguese, and Chinese.[38]

91. The CF Guide is one of four soft law instruments on the topic: the first was the FAO Guiding Principles for Responsible Contract Farming (2012)[39] which informed the development of the CF Guide (2015), followed by a FAO Legislative Study (2018) to assist national governments with the regulatory framework to support contract farming[40] and a FAO/IISD Model Agreement for Responsible Contract Farming (2018).[41] As these four international instruments essentially constitute a package, together with the public law instruments they seek to promote, it is difficult to assess the CF Guide's contribution towards sustainable agricultural development independently from the combined effect of these tools, as illustrated below in reference to specific SDG indicators.

(b) Contribution to sustainable development

92. The CF Guide fosters self-regulation by the parties at the negotiation and drafting stage, thereby promoting legal certainty, fair contractual practices and responsible conduct in contract farming relationships, which may support the achievement of relevant SDG targets when

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[33] Buyers can exact more consistent supply and quality with less need to acquire land but may face higher transaction costs and risks of side-selling by producers or misuse of inputs. Producers can benefit from more stable and better incomes, access to markets, inputs, credit and technical advice but may face unequal bargaining power, dependency or lock-in, and risk of increased indebtedness. FAO, Contract Farming Resource Center http://www.fao.org/in-action/contract-farming/background/en/.

[34] UNIDROIT, FAO and IFAD, 'Legal Guide on Contract Farming' (Rome, 2015).

[35] UNIDROIT, Overview Study LXXX A. 'Preparation of a Legal Guide on Contract Farming' www.unidroit.org/instruments/contract-farming/overview/.

[36] Ibid Foreword; Committee on Food Security (CFS), 'Principles for Responsible Investment in Agriculture and Food Systems' Endorsed by the CFS at its 41st session on October 15, 2014 www.fao.org/3/a-au866e.pdf (RAI Principles).

[37] UNHRC, 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' A/HRC/17/31 21 March 2011 (UNGPs).

[38] All CF Guide translations are available at https://www.unidroit.org/instruments/contract-farming/overview/.

[39] FAO, 'Guiding Principles for Responsible Contract Farming Operations' (Rome, 2012).

[40] T Viinikainen and C Bullon Caro, Development Law Service, FAO Legal Office, 'Enabling Regulatory Frameworks for Contract Farming' FAO Legislative Study 111 (Rome, 2018).

[41] FAO and IISD, 'Model Agreement for Responsible Contract Farming. With Commentary' (Rome, 2018).

implemented within an appropriate policy and regulatory framework. The CF Guide contributes to economic sustainability by promoting and supporting balanced contracts, which improve economic resilience and opportunity, risk allocation and risk sharing, as well as possible access to finance, technology transfer and innovation. It contributes to social sustainability through more balanced contractual relationships and possibly more equitable inclusion (but also the risk of more limited participation of small-holders); however, its contribution towards environmental sustainability is dependent on how the CF Guide is used (as it could promote monoculture at the expense of biodiversity and/or better agricultural practices).[42]

93. The CF Guide may contribute to the advancement of several SDGs, most notably:

94. SDG 2 (Zero Hunger):

a. Targets 2.1 and 2.2 seek to end hunger, ensure access to sufficient food for all, and to end all forms of malnutrition.[43] Underpinning SDG 2 is the right to food (RTF), which (unlike the SDGs) corresponds with certain legal obligations and responsibilities on the part of States.[44] As noted above, the CF Guide is aligned with the RAI Principles and recommends adherence to the UNGPs. As to realisation of the RTF, the CF Guide provides that this "will indirectly depend on how governments incorporate their international human rights obligations into their domestic policies and regulatory frameworks and directly depend on how buyers and producers include clauses conforming with the RTF in their contracts."[45] The UN Special Rapporteur on the RTF has highlighted that whether contract farming contributes towards the realisation of the RTF will be very much dependent on the particular context, the specific contractual arrangements and to what extent a human-rights-based approach is adopted.[46] This analysis led to a number of recommendations to States,[47] some of which are addressed in the CF Guide. For example, with respect to human rights in general, the CF Guide states that several principles should be included in negotiation and implementation of agricultural production contracts, namely, participation, accountability, empowerment, non-discrimination, transparency, human dignity and the rule of law.[48]

b. Target 2.3 seeks to "double the agricultural productivity and incomes of small-scale food producers..."[49] While the CF Guide is a neutral instrument that does not guarantee the development outcomes for a particular category of stakeholders, it

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[42] The 'Enabling regulatory frameworks for contract farming' FAO Legislative Study (2018) complements the CF Guide by providing a clear concept of responsible contract farming that encompasses sustainability duties and states that it needs to be profitable, inclusive and environmentally sensitive. It also has dedicated sections on human rights, freedom of association and the right to food, environmental law and certification, unfair trading practices and competition law, and includes enforcement and dispute resolution mechanisms. Hence, it supplements the CF Guide with respect to certain issues that the CF Guide does not refer to (e.g. gender and environmental safeguards).

[43] See https://sdgs.un.org/goals.

[44] For an explanation of the connection between the articulated goals of SDG 2 and the right to food, see Section 3 in J Tramhel, 'Zero Hunger', in R Michaels, V Ruiz Abou-Nigm and H van Loon (eds), 'The Private Side of Transforming our World – UN Sustainable Development Goals 2030 and the Role of Private International Law', Intersentia Online, 2021.

[45] CF Guide, para 59.

[46] 'The Right to ood. Note by the Secretary General. Interim Report of the Special Rapporteur on the RTF.' A/66/262, 4 August 2011, para. 11. https://www.unidroit.org/english/documents/2013/study80a/bibliogr-references/s-80a-deschutter-right.pdf

[47] UNGA, 'Report of the Special Rapporteur on the RTF. Final Report: The transformative potential of the RTF' (24 January 2014) A/HRC/25/57.

https://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session25/Documents/A_HRC_25_57_ENG.DOC

[48] CF Guide, para 58.

[49] See https://sdgs.un.org/goals.

seeks to promote fair and balanced contractual practices that can help smallholders benefit from stable and higher incomes, access to markets, inputs, credit, and technical advice. The CF Guide states that "contract farming generally sustains family farming by allowing agricultural producers to keep working on their own land…[and] opens opportunities to small-scale producers to move away from subsistence to commercial production."[50] Nonetheless, given buyer preference to negotiate with fewer but larger and more educated producers, contract farming can, at times, lead to the exclusion of small-scale producers and those in weaker bargaining positions.[51] Acknowledging this, the CF Guide suggests that contractual obligations can encourage the formation of producer groups or associations to strengthen the capacities of small-scale producers (Intro, para 32) and for certification (Ch. 3, para 107). This idea is currently being addressed by UNIDROIT through the Working Group engaged in developing the CLSAE Guide.

c. Targets 2.4 and 2.5 seek to ensure sustainable food production systems that help maintain ecosystems and genetic diversity.[52] Contract farming has the potential to improve agricultural production and encourage more eco-friendly practices through training and required compliance with standards. Recognising this, the CF Guide emphasises environmental sustainability as an increasingly important feature of contract farming arrangements and highlights the role of standards, traceability and certification schemes in promoting responsible production practices. For example, concerning Good Agricultural Practices (GAPs), the CF Guide notes that most contracts oblige the producer to follow these on-farm processes as prescribed in the contract.[53] The CF Guide also includes discussion of specific production methods (Ch. 3, paras 109-117) that are inserted into contracts to require compliance with certain contractor's specifications (e.g., pesticide use). However, the CF Guide does not stipulate the content of such clauses and does not, for example, recommend that such clauses should be formulated to encourage minimising use of chemical inputs since its focus is to provide legal guidance on contractual arrangements rather than to endorse specific agronomic practices. The CF Guide acknowledges that a shift from subsistence farming to cash crops may create risks associated with monoculture and biodiversity loss (Intro, para 16); however, it is also noted that contract farming is used across a wide range of commodities and production models that may also incorporate sustainability requirements and standards, especially given the growing attention to environmental sustainability in global supply chains (Intro, paras. 32-33).The CF Guide includes discussion of intellectual property rights in relation to seeds (Ch. 1, paras 50-53), which mentions the exception of "farmers' privilege," noting that its scope varies widely among countries. Concerns over the farmers' right to seed have been "growing" and might have implications for SDG 2, specifically, Target 2.5 to maintain the genetic diversity of seeds.

95. SDG 5 (Gender Equality): Target 5.a seeks to give women equal rights to economic resources, access to ownership and control over land and financial services.[54] RAI Principle 3 provides that responsible investment in agriculture and food systems fosters gender equality and women's empowerment[55] while the UNGPs state that business enterprises should respect human rights, which

[50] CF Guide, para 32. See also Introduction, para 2.

[51] V Vabi Vamuloh, et al, 'Achieving Sustainable Development Goals in the global food sector: A systematic literature review to examine small farmers engagement in contract farming' (2019) 2 Bus Strat Dev 276.

[52] See https://sdgs.un.org/goals.

[53] CF Guide, para 105. More generally, see Intro, paras 32 – 34; Chapter 3, paras 51, 60-61, 106-108.

[54] See https://sdgs.un.org/goals

[55] This is by: (i) Ensuring that all people are treated fairly, recognising their respective situations, needs, constraints, and the vital role played by women; (ii) Eliminating all measures and practices that discriminate or violate rights on the basis of gender; (iii) Advancing women's equal tenure rights, and their equal access to and control over productive land, natural resources, inputs, productive tools; and promoting access to extension,

include women's rights.[56] Thus, through adherence to these soft law instruments of public international law, the CF Guide promotes gender equality. However, despite acknowledging the particular challenges faced by women (Ch 1, para 58, Ch. 2, para 56), the CF Guide does not offer remedial recommendations. It has been suggested that specific measures be included to advance women's equality, such as gender-inclusive clauses, gender-responsive resource allocation provisions, gender-sensitive dispute resolution provisions, gender-balanced representation in grievance processes and that robust implementation and monitoring mechanisms should be articulated to ensure these provisions result in improved outcomes.[57]

96. SDG 8 (Decent Work and Economic Growth): Target 8.5 seeks to achieve full and productive employment and decent work for all.[58] This is strongly related to Target 2.3 and, as noted above, contract farming has the potential to open opportunities for small-scale producers and to help them to transition from subsistence to commercial production. The CF Guide also addresses labour law, decent work, working conditions and child labour (Intro, para 34, Ch 3, para 116), all of which are relevant to Targets 8.7 and 8.8.

97. SDG 10 (Reduced Inequalities): The CF Guide contributes indirectly towards the reduction of inequalities, both within countries and among countries, by enabling a contractual environment capable of improving agricultural productivity, distribution and access to markets for small-scale food producers and reducing their power imbalance in global value chains and thereby improving their income and livelihoods. Secondly, the CF Guide's discussion of customary rights, FPIC and community interests (Ch 1, paras 62-63; Ch 2, para 23) may bring attention to the rights of local communities and Indigenous Peoples and thereby help reduce inequalities.

98. SDG 12 (Responsible Consumption and Production): Targets 12.3 and 12.4 seek to reduce post-harvest losses and achieve environmentally sound management of chemicals.[59] By encouraging more eco-friendly practices through training and required compliance with given standards, contract farming can potentially reduce post-harvest loss and chemical use.

99. SDG 16 (Peace, Justice and Strong Institutions): The CF Guide addresses several topics with significance for governance and Target 16.3; these include transparency and informed contracting, good faith and fair dealing, monitoring and traceability, and in particular, dispute resolution and access to justice.

100. While it is difficult to evaluate the effects of the CF Guide and its contribution to the achievement of the SDGs on a global scale, it is possible to mention individual country examples where its implementation, either through legislative efforts or by means of model agreements, has supported sustainable development goals. These examples demonstrate dissemination, uptake and operationalisation of the CF Guide, often with extensive stakeholder engagement, and provide indirect evidence of its contributions to SDG outcomes:

advisory, and financial services, education, training, markets, and information; (iv) Adopting innovative and/or proactive approaches, measures, and processes to enhance women's meaningful participation in partnerships, decision-making, leadership roles, and the equitable sharing of benefits. RAI Principle 3.

[56] The responsibility of business enterprises to respect human rights refers to internationally recognised human rights. "Depending on circumstances, business enterprises may need to consider additional standards. For instance, ...specific groups or populations that require particular attention." (e.g., women). UNGPs Principle 12 and commentary.

[57] B Eker, 'Invisible Partners: Strengthening Gender Equality in Agricultural Contracting through the UNIDROIT/FAO/IFAD Legal Guide.' (2025) unpublished paper and Fifth Prize Winner in the 2025 UNIDROIT Essay Competition.

[58] See https://sdgs.un.org/goals.

[59] See https://sdgs.un.org/goals.

a. In Belize, FAO supported practical implementation of the CF Guide by co-developing, through extensive stakeholder consultations and training, a draft Agricultural Production Contract Bill tailored to Belize's legal system.[60]

b. Also in Belize, FAO facilitated a pilot project in the honey value chain that resulted in a model agreement (adaptable across commodities) and a gradual scaling up plan—an approach designed to embed the CF Guide's best practices on contracting and risk management tools.[61]

c. In Lesotho, FAO implemented the CF Guide via a country-led process involving several stakeholders, including regulators, representatives of the food industry and different farmers' groups, including women. The project produced a draft Contract Farming Bill created through a participatory process and a published model contract farming agreement for dried sugar beans that translates the CF Guide principles into clear, adaptable clauses. Developed from a national pilot reaching upwards of thirty farmers, the model contract embeds good faith and transparency (producer "cooling off"/withdrawal right), objective quality thresholds (moisture/defect limits) with the producer's right to be present at weighing and quality checks, a split pricing formula (market linked with a minimum floor), non-exclusivity, flexible delivery/collection options, simple recordkeeping and periodic reporting, and a graduated dispute resolution ladder, alongside force majeure and renegotiation provisions—concretely operationalizing guidance from the CF Guide on fair risk allocation and problem solving.[62]

(c) Recommendations

101. With respect to improving the impact and the reach of the CF Guide:

a. Efforts should be made to encourage use of the CF Guide by public authorities in their procurement activities in the purchase of agri-foods for institutions and by international humanitarian agencies in relief efforts, as mentioned in the CF Guide (Ch. 2, paras 39 – 42).

b. UNIDROIT could consider preparing an explanatory note or companion document describing the ways in which the CF Guide may contribute to sustainable development objectives, including through enhanced legal certainty, fair contractual practices, support for producer organisations, and consistency with internationally recognised standards such as the RAI Principles and the UNGPs. This supplement could highlight and elaborate aspects that have been mentioned above, such as the use of farmer groups to encourage participation of small-holders for greater social cohesiveness, participation of women as parties to the contract for greater inclusiveness, and integration of environmental standards into contractual terms. Such a supplement could also address climate-resilient risk allocation, drawing on the UPICC's provisions

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[60] CFRC News: *Establishment of a Legislative and Regulatory Framework to Enhance the Contract Farming in the Agriculture Sector in Belize*. Rome. FAO. https://www.fao.org/in-action/contract-farming/news/detail/news_1624549/en

[61] FAO. 2022. Model contract farming agreement for honey in Belize. Rome. FAO. https://www.fao.org/fileadmin/user_upload/contract_farming/samples/Model%20contract%20farming%20agreement%20for%20honey%20in%20Belize.pdf

[62] Viinikainen, T. & Bullon, C. 2025. Drafting contract farming legislation through participatory law-making in Lesotho – an example of good governance. Rome. FAO. https://www.fao.org/development-law-service/news/detail/drafting-contract-farming-legislation-through-participatory-law-making-in-lesotho---an-example-of-good-governance/en; Li, L., Viinikainen, T., Kometsi, L., Bullon, C., Radic, I. & Zhao, K. 2024. *A contract farming model agreement in Lesotho*. Rome, FAO; FAO. 2023. CFRC News: *Contract farming project in Lesotho successfully concluded!* Rome. FAO https://www.fao.org/in-action/contract-farming/news/detail/news_1672285/en ; Sekoboto, M & Mphatsoane. S. 2022. *Farmers to sign contract with Tasty Food Packers*. Maseru. Lesotho Times.

on hardship (Articles 6.2.2–6.2.3) and force majeure (Article 7.1.7), model clauses encouraging reduced chemical inputs and agrobiodiversity, gender- inclusive terms, and the allocation of carbon and ecosystem-service revenues.

c. The Community of Practice on Legal Aspects of Contract Farming (CoP) was originally established by UNIDROIT in collaboration with FAO and IFAD as an online platform serving as a repository for legal resources and best practices. When the initial program ended, an online Forum was established by UNIDROIT as its successor.[63] Due to lack of resources, the information on this platform has not been regularly maintained and kept up to date. It is recommended that this Forum be reactivated with dedicated resources to update and maintain the online information.

102. It has been observed that the CF Guide makes no reference to the digital transformation of agriculture.[64] Since the adoption of the CF Guide in 2015, digital technologies have assumed an increasingly important role in agricultural value chains. It is also noteworthy that traceability and deforestation-free requirements, such as the EU's rules on deforestation-free products,[65] flow down through contract farming arrangements, raising questions of data ownership and cost-sharing with smallholders. Future work could explore the implications of digital platforms, electronic contracting, digital traceability systems and data governance for contract farming relationships. However, these issues may also be addressed through complementary instruments, such as in the draft CLSAE Guide, which includes a dedicated chapter on digital platforms.

103. The CF Guide could be reviewed in light of climate change. For example, it has been suggested that traditional *force majeure* clauses may be ill-suited to slower-onset climate impacts, such as drought, and that perhaps the guidance in this respect might need to be revisited.[66]

104. It has been suggested that the areas of excuse, breach and the dispute settlement process in the CF Guide would benefit from further research. "Greater attention could be given to the nuances of contract form, formation, fulfilment, and dispute resolution to provide greater understanding of how to enhance the sustainability of contract farming relationships."[67]

2. The UNIDROIT-IFAD Legal Guide on Agricultural Land Investment Contracts

(a) Overview

105. To fund investment in agriculture, governments and local communities often resort to agricultural land investment contracts. These contracts transfer rights to large parcels of land to investors, sometimes by sale, but more commonly by long-term lease. The UNIDROIT/IFAD Legal Guide on Agricultural Land Investment Contracts (the ALIC Guide) addresses the complexity and challenges inherent in these contracts,[68] and provides guidance on how to improve them. It also helps operationalise international principles and standards that guarantee fair and sustainable

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63 https://www.unidroit.org/instruments/contract-farming/home/

64 M Nur Fitriansyah, 'Digitization of Equitable Agricultural Contracts through the implementation of UNIDROIT Principles in Indonesia's Farmer Ecosystem' (2025) unpublished paper and Second Prize Winner in the 2025 UNIDROIT Essay Competition.

65 Regulation (EU) 2023/1115 on deforestation-free products (EUDR) https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en.

66 https://news.bloomberglaw.com/us-law-week/force-majeure-clauses-in-contracts-must-adapt-to-climate-change.

67 A Bryan Endres & Jessica Guarino (2024), The Role of UNIDROIT and the development of legal structures to support contract farming, in Thomas John, Rishi Gulati & Ben Kohler (Eds.), The Elgar Companion to UNIDROIT (pp. 219-230), at p. 229. "For example, further research into the specific circumstances of non-performance and breach could help illuminate otherwise unreported *ex ante* barriers to further adoption of contract farming schemes."

68 UNIDROIT and IFAD, 'Legal Guide on Agricultural Land Investment Contracts' (Rome, 2021) (ALIC Guide) www.unidroit.org/wp-content/uploads/2021/10/ALICGuidehy.pdf.

contractual practices established by, among others, the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT),[69] the RAI Principles, the UNGPs and the UPICC.[70] The ALIC Guide excludes sales of land, encourages alternative agricultural investment models, mostly long term ones such as leases. It covers the entire process of contracting, from the pre-contractual phase through to possible breach, contract termination, return of tenure rights, grievance mechanisms, and dispute resolution.

106. The goal of the ALIC Guide is to help ensure that agricultural land investments are undertaken responsibly, with the necessary safeguards to protect human rights, livelihoods, food security, and the environment. It ensures that stakeholders' rights, including those of legitimate tenure right holders, are both protected and respected. In seeking to improve the contracting process and the contracts themselves, the Guide discusses how to identify and equitably involve all relevant parties and stakeholders.

107. The ALIC Guide provides a framework that can be used when developing contracts, domestic policies, regulatory frameworks, and corporate social responsibility programmes. Due to the sheer diversity of agricultural land investment contracts, the ALIC Guide maintains a certain level of generality regarding the various issues that might arise in practice. Similar to the CF Guide, the ALIC Guide served as a basis for the development of more detailed model provisions, such as the IISD Model Contract Clauses for Responsible Investment in Agriculture.[71]

(b) Contribution to sustainable development

108. The ALIC Guide offers guidance on engaging stakeholders, conducting due diligence, and using impact assessments throughout the course of large-scale agricultural land investments, which safeguards the tenure rights and food security of affected communities. The ALIC Guide contributes primarily to social sustainability by ensuring equitable inclusion of vulnerable stakeholders and community engagement.[72] Like the CF Guide, its contribution towards economic, social, and environmental sustainability is dependent on how it is used.

109. Agricultural land investments tend to be large-scale monoculture operations, which are detrimental to biodiversity and forest or forage cover, particularly as new land is brought under cultivation. The ALIC Guide acknowledges that many of these agreements are negotiated with limited community consultation and often result in contractual arrangements that fail to consider the social, economic or environmental dimensions at stake. Accordingly, the ALIC Guide encourages best practices that engage stakeholders through various impact assessments throughout the process to identify and mitigate environmental and social risks.

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[69] CFS, 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.' Endorsed by the CFS at its 38th (Special) Session on 11 May 2012 (VGGT) www.fao.org/docrep/016/i2801e/i2801e.pdf. The VGGT builds on the RTF Guidelines and seeks to improve tenure governance by providing guidance and information on internationally accepted practices for systems that deal with the rights to use, manage and control land. Key provisions include those in 12.4 that "responsible investments should do no harm, safeguard against dispossession of legitimate tenure right holders and environmental damage, and should respect human rights" and 12.12 that "investments should not contribute to food insecurity or environmental degradation." In addition to addressing States, the VGGT also recommends that *business enterprises* should "identify and assess any actual or potential impacts on human rights and legitimate tenure rights…".

[70] ALIC Guide, Introduction, para 10.

[71] IISD, The IISD Model Contract Clauses for Responsible Investment in Agriculture, available at https://www.iisd.org/publications/guide/model-contract-clauses-responsible-agriculture-investment.

[72] The ALIC Guide recommends a land systems approach in alignment with the VGGT and RAI Principles, one that gives due consideration to legitimate tenure rights holders and respects cultural heritage (Section 3.34). Legitimate tenure rights holders are individuals or local groups or communities who live on, work on, or otherwise occupy, use or claim the land being transacted and whose rights or claims are considered to be socially legitimate in local societies, which includes Indigenous Peoples.

110. As with the CF Guide, the ALIC Guide may contribute to the advancement of several SDGs, most notably:

111. SDG 2 (Zero Hunger):

a. Targets 2.1 and 2.2 seek to end hunger and ensure access by all people to sufficient food and to end all forms of malnutrition. The ALIC Guide does acknowledge and seek to avert possible negative impacts of agricultural land investment contracts on the food security of local populations through its recommendation of human rights impact assessments, specifically, RTF impact assessments.[73] However, the ALIC Guide could be more proactive in promoting efforts towards the actualisation of SDG 2. For example, RAI Principle 10.35 encourages States "to develop stable and long-term national food security and nutrition strategies." This might translate into a recommendation that investors should ensure that any proposed agricultural land investment contract project is consistent with the national strategic plan for food security and, if none exists, that the investor may wish to encourage such an initiative.

b. Target 2.3 seeks to double agricultural productivity and incomes of small-scale food producers, including through secure and equal access to land. Noting that many contracts are negotiated without adequate consultation, the ALIC Guide addresses the need for and offers guidance on how to identify and involve relevant stakeholders in alignment with the VGGT and RAI Principles.[74] This can be achieved through various kinds of impact assessments throughout the process with a view towards safeguarding tenure rights and food security. The ALIC Guide notes the need for independent assessments and that these be conducted using a holistic, integrated and participatory approach. Several types of assessments are considered in the instrument: strategic environmental assessments have significant policy implications because of their broader contextual focus; social impact assessments can help to align the investment with inclusive economic development; and human rights impact assessments, specifically RTF impact assessments as noted above.[75] Guidance is also offered on the FPIC principle.

c. Targets 2.4 and 2.5 seek to ensure sustainable food production systems that help maintain ecosystems and genetic diversity. Whereas "conventional" agricultural land investments typically conform to "conventional" agricultural methods (e.g., monoculture), the ALIC Guide recommends a land systems approach in alignment with the VGGT and RAI Principles, giving due consideration to legitimate tenure rights holders, verifying availability of natural resources and respecting cultural heritage.[76] More specifically, the ALIC Guide recommends that provisions be included in the contract as follows: to encourage adopting an ecosystem approach; to specify and limit water rights granted to the investor; to encourage practices that prevent soil degradation; to establish safeguards that conserve biodiversity and prevent deforestation; to, based on the precautionary principle, preclude use of certain

[73] ALIC Guide, sections 3.56 – 3.66, specifically 3.63 on right to food. This is consistent with recommendations in the Final Report of the UN Special Rapporteur on RTF, ibid, and in alignment with VGGT paras 3.2 and 12.14; RAI Principles 1 & 2. For the importance of such impact assessments, see, T Adebola, 'Agricultural land investment contracts: Analysis from an African perspective.' in 'The Elgar Companion to UNIDROIT' (2025) (pp 231 – 247).

[74] RAI Principle 9 calls for "engaging with and seeking the support of those who could be directly affected by investment decisions prior to decisions being taken and responding to their contributions, taking into account existing power imbalances…" Also noteworthy is RAI Principle 5, which confirms respect for legitimate tenure rights in line with the VGGT and Principle 7, which calls for respect of cultural heritage and traditional knowledge.

[75] ALIC Guide, sections 3.42-3.66.

[76] ALIC Guide, section 3.34. RAI Principles 6 & 7.

chemicals, and possibly also genetically modified organisms; to respect and protect traditional knowledge; to include practices for mitigation of and adaptation to climate change; to prevent pollution, based on the polluter pays principle, providing that the investor will be responsible for damage caused by use of chemicals.[77] The ALIC Guide recommends drafting climate-related contractual clauses in alignment with the Paris Agreement.[78]

112. SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities): While acknowledging that in some States there may be no social or legal recognition of land ownership by women, given that the VGGT and RAI Principles expressly recognise gender equality as essential, the ALIC Guide suggests that "contracting parties may consider taking specific measures to achieve *de facto* equality when necessary."[79] The ALIC Guide recommends that social impact assessments include criteria to evaluate gender equality[80] and the inclusivity of women in consultations and contract negotiations.[81]

113. SDG 8 (Decent Work and Economic Growth): The ALIC Guide contributes towards Target 8.5 by helping to ensure that, when large-scale agricultural investments are made, the livelihoods of all stakeholders are taken into consideration, including legitimate tenure rights holders, Indigenous Peoples, small-scale farmers, youth and other marginalised groups. Chapter 4, section B of the ALIC Guide is dedicated to employment creation, access to jobs and labour rights and covers a number of relevant matters, including addressing labour law in the contract.

114. SDGs 13 (Climate Action) and SDG 15 (Life on Land): Chapter 4 of the ALIC Guide includes a section dedicated to the environment, which covers topics to be considered among investor's obligations, such as: preventing pollution, protecting water, preventing soil degradation, conserving biodiversity, prohibition of chemicals, and GHG mitigation. In addition, the ALIC Guide also considers the importance of environmental impact assessments and the relevance of environmental performance bonds.

(c) Recommendations

115. UNIDROIT Member States could be encouraged to draft domestic legislation on agricultural land investment consistent with the ALIC Guide. Member States could also be encouraged to affirm that whenever a public entity or an entity controlled by that State becomes party to an agricultural land investment contract, that contract should be consistent with the ALIC Guide. This might also include dissemination, tracking of uptake and coordination with the IICs Principles.

116. UNIDROIT might consider preparing a short note to explain how safeguards in the ALIC Guide on tenure, FPIC, benefit-sharing and the return of land apply to land-based carbon and conservation projects, which are, in substance, a new form of agricultural land investment.

3. UNIDROIT/FAO/IFAD Legal Guide on Collaborative Legal Structures for Agricultural Enterprises

(a) Overview

117. Designed to complement and be used in conjunction with the CF and ALIC Guides, the forthcoming draft UNIDROIT/FAO/IFAD Legal Guide on Collaborative Legal Structures for Agricultural Enterprises (the CLSAE Guide) aims to provide guidance on collaborative legal structures with a particular focus on smallholders and agricultural Micro, Small and Medium Enterprises (agri-MSMEs) to facilitate access to agri-food value chains, enhance sustainable agricultural development, and

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77 ALIC Guide, sections 4.113 – 4.119.

78 ALIC Guide, section 4.121

79 ALIC Guide, section 2.6

80 ALIC Guide, section 3.55

81 ALIC Guide, section 3.81

facilitate participation in agri-food systems. Providing this guidance is economically and socially relevant because smallholders and agri-MSMEs are indispensable to global agriculture, particularly in low- and middle-income countries, and to global value chains, since they produce a large portion of the world's food supply and manage a significant percentage of agricultural land.[82] It is estimated that over 608 million family farms manage 70–80% of global farmland, produce approximately one-third of the world's food by value, and contribute substantially to national GDP.[83]

118. Following a public consultation, the CLSAE Guide is expected to be submitted for adoption by UNIDROIT, FAO, and IFAD at the end of 2026. The instrument is practically addressed to governments, producer organisations, development agencies, financial institutions, and legal counsels providing advisory and capacity building support to smallholders and agri-MSMEs. Structuring collaboration in agri-food chains is also practically relevant for several reasons; it enables agri-MSMEs' access to finance, technology, inputs and distribution channels, which is crucial to guarantee food security and to develop the national economy. Moreover, collaboration among agri-MSMEs has positive implications for sustainable development and sustainable agriculture and opens opportunities for smallholders, many of whom already produce for markets, to participate more equitably in local, regional and global value chains.

119. The CLSAE Guide proposes the use of three main legal structures for agricultural collaboration—multiparty contracts, cooperatives, and companies—as well as digital platforms, to facilitate sales, purchase and leasing of equipment, access to markets, and the collection and use of technical and economic data, depending on the needs of smallholders and agri-MSMEs. The Guide presents these three collaborative legal vehicles to be used by smallholders and agri-MSMEs, independently or in combination, to maximise production, processing, distribution and selling opportunities within agri-food value chains.

120. The fundamental similarities and differences between the legal structures covered in the CLSAE Guide are explained in four chapters covering the selected legal structures and digital platforms by considering their purposes, formation and entry requirements, governance and decision-making procedures, scope of liability, remedies and sanctions for breach, requirements for exit and dissolution, and dispute prevention and resolution mechanisms. A final chapter is devoted to comparing and choosing legal structures for collaboration in agriculture.

(b) Contribution to sustainable development

121. The desire, need, or requirement to conduct agri-food activities in a manner that is socially, economically, and environmentally sustainable may be a significant driver for engaging in a collaborative endeavour. The draft CLSAE Guide contributes towards economic sustainability through improved access to market and finance opportunities and by enabling better and increased agricultural production. It also contributes to social sustainability by helping to secure food production and improving livelihood standards of farmers, as well as access to innovative technologies and techniques.

122. The Introduction of the forthcoming Legal Guide refers to sustainable development as a principle recognised by the ICJ and to its indirect implications for private actors. It recognises a broader range of sustainable agricultural approaches, from technology-based to ecological ones (such as agroecology, regenerative agriculture and nature-based solutions), and identifies climate adaptation, food security and food sovereignty as drivers of collaboration. It addresses the fair allocation of the costs of meeting sustainability standards, both along the value chain and within collaborative structures, so that sustainability requirements do not become barriers to market access for smallholders. It also recognises group certification and participatory guarantee systems as forms

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[82] FAO (2012), Smallholders and Family Farmers Factsheet. https://www.fao.org/3/ar588e/ar588e.pdf.

[83] FAO (2021), Small family farmers produce a third of the world's food. Retrieved from https://www.fao.org/newsroom/detail/Small-family-farmers-produce-a-third-of-the-world-s-food/en.

of collaboration, and the potential of collaboration to give smallholders access to green finance, carbon markets and payment schemes for environmental services.

123. The draft CLSAE Guide may contribute to the advancement of several SDGs:

124. SDG 2 (Zero Hunger): At the request of FAO and IFAD and under their guidance, the CLSAE Guide aims to diminish food insecurity and secure the human right to food for all (Indicator 2.1.2), as well as to increase agricultural productivity and the income of small-scale food producers—of any ethnicity or gender—by easing access to investment, technology, seeds and other inputs, agricultural information, financial services and markets (Target 2.3, 2.a, 2.c). In addition, it aims to reduce the percentage of under-productive land and unsustainable agriculture by fostering access of agri-MSMEs to agricultural value chains and reducing the risk of them remaining in or falling into subsistence agriculture. The CLSAE Guide's emphasis on participatory legal design may support a diversity of agricultural models, including more sustainable food production and distribution systems, along with the previous UNIDROIT legal instruments on agriculture. This contribution might prove significant for the transformation of agri-food systems in the long term.

125. SDG 5 (Gender Equality): SDG 5 is promoted in general terms and indirectly throughout the CLSAE Guide since the collaborative legal structures that the draft instrument proposes apply equally to collaborative agri-structures composed of men and women of any ethnic origin. In addition, the draft CLSAE Guide intends to secure balanced rights and fair relationships between members who are collaborating in the agribusiness. Because of this, the draft CLSAE Guide might be particularly beneficial to women involved in agri-food production in countries where they are traditionally excluded from decision-making, are unable to enter into a contract, own agricultural land or share in agri-food economic profits. In this way, the draft instrument might contribute towards achieving Target 5.a, since the three legal structures proposed can foster women's full and effective participation in agricultural value chains and move national legislators "to undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources".

126. SDG 8 (Decent Work and Economic Growth): The CLSAE Guide is purposely drafted to achieve Target 8.2 since collaborative agricultural production and distribution result in higher and upgraded economic productivity and establish the foundation for increased innovation and diversification of food production. Concurrently, the draft Guide promotes Target 8.3 since it encourages the creation, legal formalisation and growth of agri-MSMEs, by enabling their access to financial services and other shared resources. Additionally, the CLSAE Guide contributes to Target 8.4 to improve resource efficiency in consumption and production of agri-food products as a result of collaborative work that permits better and shared use of information, infrastructure, seeds, agricultural machinery, distribution channels, etc. The CLSAE Guide's contribution to these targets might be particularly relevant in developing economies.

127. SDG 12 (Responsible Consumption and Production): While promoting collaboration between agri-MSMEs fosters sustainable management and better use of natural resources, (Target 12.2), the draft CLSAE Guide might also assist countries and private agri-preneurs in strengthening their technological capacity to adopt more sustainable patterns of food consumption, distribution and agricultural production (Target 12.a).

128. SDG 13 (Climate Action) and SDG 15 (Life on Land): The CLSAE Guide recognises climate adaptation and mitigation as drivers of collaboration, as climate resilience often requires the shared management of natural resources, such as irrigation schemes, and supports soil health and biodiversity (Targets 13.1 and 15.3). Collaboration may also enable smallholders to participate in carbon markets and payment schemes for environmental services, which typically require a minimum scale and collective monitoring.

(c) Recommendations

129. The Working Group might wish to consider whether the CLSAE Guide should address public procurement in the supply of agri-foods to public institutions and international humanitarian agencies for relief efforts and whether such public authorities could be encouraged to facilitate access to the procurement process by collaborative enterprises composed of agri-preneurs.

130. The Working Group might consider giving greater prominence in the CLSAE Guide to the risk of power imbalances affecting small farmers, small communities and women. It might also consider highlighting how the CLSAE Guide's cooperatives and multiparty structures can support generational renewal in farming by helping young people enter and succeed to agricultural enterprises. It might also consider giving attention to the customary and collective structures through which Indigenous Peoples and local communities organise agricultural activity, with their representative organisations engaged in the consultation.

131. For the implementation phase, UNIDROIT is encouraged to consider: (a) developing practical tools, such as model clauses and drafting considerations, that integrate sustainability provisions and a fair allocation of compliance costs, in coordination with the CSDD project; (b) highlighting how collaborative structures can support generational renewal in farming; and (c) engaging representative organisations of Indigenous Peoples and local communities and illustrating how customary and collective structures interact with the legal structures covered in the Guide.

4. Agricultural Financing Legal Guide

(a) Overview

132. The AgriFin Guide, a project commenced in 2026, sits at the intersection of UNIDROIT's work on agricultural development and access to credit. It aims to consolidate existing best practices in agricultural lending and financing and to provide a comprehensive legal framework covering the full range of transactions across the entire agricultural supply chain.

(b) Contribution to sustainable development

133. Access to credit can either enhance or constrain business activity. While important across all sectors of the economy, access to credit is essential in the agricultural sector for operators both large and small. It is also particularly difficult for agri-MSMEs to obtain. In many parts of the world, lenders still prefer traditional forms of collateral—land and large equipment. Producers without such assets are either unable to access credit at all, or can only access it in unsecured form at very high rates of interest. Because of the nature of agricultural production, supply is variable and prices are volatile; credit provides producers with liquidity to "weather the storm." Those without access to credit, usually smallholders, are often forced to sell their crops immediately upon harvest in order to pay debts and/or buy inputs for the next season. However at harvest, there is frequently an abundance of supply that typically forces prices to their lowest levels. Without adequate liquidity or credit in times of crisis, agri-MSMEs may have to resort to selling off their business assets—such as equipment, inventory, seedstock, or livestock. Access to credit also enables producers to expand operations, diversify, and climb the value chain. It is important for larger operators to finance the acquisition of costly equipment, storage facilities, etc.

134. The AgriFin Guide aims to foster secure and equal access to financial services. These two measures, improved access to markets and credit, are expected to lead to improved livelihoods for smallholders and agri-preneurs. Accordingly, the AgriFin Guide is expected to contribute largely towards economic sustainability through improved access to credit. In terms of the SDGs, the AgriFin Guide is expected primarily to address SDG 2 and its Target 2.3 which seeks to "double agricultural productivity and incomes… including through secure and equal access to…*financial services*…" Given

the continuing gender gap in financial inclusion, particularly for women in rural areas, it is recommended that the AgriFin Guide attempt to tackle this issue.[84]

(c) Recommendations

135. The Working Group should include participation of organisations and associations representing smallholders, agripreneurs, agri-MSMEs and those who advise these groups, and in particular, groups that represent marginalised communities, such as women farmers, Indigenous Peoples, and youth. It should also include the participation of institutions that offer financial services to such groups, including international development organisations, banks, financial cooperatives, and micro-lending entities.

136. It might be worth considering whether financing should be made conditional and tied to the purposes for which it will be used. One avenue might be through the development of accompanying soft law instruments, such as a guide to implementation for sustainable lending practices. Lenders should be given criteria against which they will extend financing. Such linkages could be made to a catalogue of equipment certified as "eco-friendly" in accordance with standards set by an international body, such as the International Organization for Standardization (ISO). Another mechanism could be through steps taken by States themselves, such as incentives or public policies that outline more favourable credit terms for the financing of eco-friendly equipment and that would encourage actions by the private sector to contribute towards that State's efforts to achieve its domestic SDG targets or reach its Nationally Determined Contributions (NDCs) under the Paris Agreement. In this regard sustainability could be examined from two perspectives: whether financing is accessible and fairly structured, and whether financing supports environmentally and socially sustainable agricultural activity. In any case, conditions attached to financing should be proportionate and adaptable, and the verification process should be affordable, otherwise eligibility requirements could unintentionally exclude smallholders, who are those most in need of finance.

137. The Working Group should also consider including insurance within its scope of work, if possible, given its importance to economic sustainability in the agricultural sector.

138. Further, the forthcoming instrument should consider how warehouse receipt systems (see Section II.D below) operate in practice, particularly in relation to access to credit for smallholders within agricultural value chains (SDGs 2, 8, 10, and 12). In this context, guidance could usefully address how participation barriers arise and how they may be reduced. This includes, for example, the use of legally recognised aggregation structures (such as cooperatives or producer organisations) through which smallholders can pool commodities to meet minimum volume and quality requirements; the design of warehouse licensing systems to ensure that certified storage facilities are accessible; and the structuring of warehouse obligations and supervision so that access to storage and receipt issuance is not limited in practice to a small number of large market participants. In addition, the Guide could address how warehouse receipt financing may be linked to sustainable agricultural practices in a way that does not undermine the reliability of receipts as collateral. This includes, for example, storage practices that reduce post-harvest losses and participation in certified or traceable supply chains. Clarifying how such elements can be reflected in financing arrangements would support both access to credit and sustainable agricultural outcomes.

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[84] World Bank Group. 'Enabling the Business of Agriculture' 2019. In evaluating financial inclusiveness, this study considered whether a woman can legally open a bank account in the same way as a man and whether the law prohibits discrimination by creditors on the basis of sex or gender.

D. Access to credit

1. Overview of UNIDROIT's work

139. Access to credit is often treated primarily as a financial issue, but its availability and cost are also shaped by the legal framework governing financing transactions.In asset- based financing, legal certainty concerning rights in assets, their effectiveness against third parties, priority, and enforcement is particularly important. Where these conditions are absent, economically viable activities remain underfinanced despite demand. UNIDROIT's work addresses this legal dimension.

140. Over several decades, UNIDROIT has developed instruments that expand the range of assets and financing structures capable of supporting credit by clarifying proprietary effects, priority, and enforcement. UNIDROIT's contribution in this field is substantial and cumulative. The Institute has developed a connected body of instruments—spanning equipment, receivables, warehoused commodities, and leasing—that has steadily expanded the categories of value capable of supporting credit. It has also established common legal techniques now reflected in domestic reforms and in the work of other international organisations. The significance of that contribution lies less in any single instrument than in their combined effect: together they reorient the legal basis of secured credit towards the productive value of enterprises rather than the personal standing of borrowers. These instruments include:

141. The 2001 Convention on International Interests in Mobile Equipment (the Cape Town Convention): The Cape Town Convention concerns asset-based financing. It currently has 90 Contracting States and has been approved by the European Union (as a Regional Economic Integration Organisation). The Convention provides a detailed legal framework for the secured financing and leasing of uniquely identifiable high-value mobile equipment used in key industry sectors. This is accomplished through a two-tier umbrella structure, with the Convention providing the general legal framework supplemented by individual protocols for specific sectors (i.e., aircraft, rail, space, and mining, agricultural, and construction). Of the four Protocols, the Aircraft Protocol (in force since 2006) and the Luxembourg Rail Protocol (in force since March 2024) are operative, while the Space Protocol (2012) and the Mining, Agricultural and Construction Equipment (MAC) Protocol (2019) are not yet in force. Consequently their contribution to sustainable development, though potentially significant, remains prospective and depends on ratification.

142. The UNIDROIT Model Law on Factoring (MLF) and Guide to Enactment: The MLF is a complete, self-standing legal regime to facilitate factoring transactions. It is designed to provide a set of black-letter rules for States that have not yet implemented a modern, comprehensive secured transactions registry. For States that have undertaken a secured transactions reform, the MLF provides additional rules that could further strengthen their legal framework and encourage factoring, the assignment of receivables, and trade finance.

143. The UNCITRAL-UNIDROIT Model Law on Warehouse Receipts (MLWR) and Guide to Enactment: The MLWR establishes a modern legal framework for electronic and paper-based warehouse receipts, facilitating their issuance, transfer and use as collateral in financing transactions. Its main objectives are to: (i) enhance legal certainty for warehouse receipt systems; (ii) facilitate access to credit, particularly for smallholder farmers and small enterprises, by enabling the use of stored agricultural products as collateral; (iii) promote international trade and financial inclusion; and (iv) support digital innovation, including blockchain and distributed ledger technologies.

144. The Model Law or Legal Guide on Legal and Regulatory Aspects of Investment-Based Crowdfunding: UNIDROIT's project on investment-based crowdfunding, endorsed for the 2026–2028 Work Programme and pursued in partnership with the World Bank Group, is at present at a preparatory and exploratory stage. Recognising that investment-based crowdfunding has emerged as an increasingly important alternative finance mechanism through which small and medium-sized

enterprises may raise capital from a vast, global pool of investors, the project aims to address the private law dimensions of investment-based crowdfunding, including contract law, liability, property and corporate law, as well as insolvency law.

145. The UNIDROIT Model Law on Leasing (2008): Building on the 1988 UNIDROIT Convention on International Financial Leasing (Ottawa), the Model Law on Leasing provides a template for States, including those without a developed secured-transactions regime, to give legal effect to leasing as a means of asset-based finance. By allocating risk through rights in the asset rather than the lessee's general creditworthiness, leasing extends access to productive equipment without significant upfront capital, and is among the few private law techniques already suited to circular-economy models in which the lessor retains an enduring interest in the durability, repair, and end-of-life recovery of the asset.

146. The UNIDROIT Best Practices for Effective Enforcement (2026): This instrument aims to provide legislators and other actors in the enforcement process with a set of recommendations accompanied by extensive commentary on how to improve the effectiveness of the general procedures for the execution of creditors' rights. Effective enforcement of creditors' rights is a vital element of a developed credit market and is considered relevant for improving access to credit, increasing trade and investment, and overall economic development and sustained growth. It is also recognised, however, that enforcement mechanisms and procedures are hampered in many legal systems by various challenges, including excessive length, complexity, costs, and lack of transparency. Moreover, many legal systems still limit the possibility for creditors to effectively enforce their claims extrajudicially, which is especially problematic in the case of secured claims. The general aim of this instrument is to offer legal guidance to address the current challenges to a well-functioning domestic law system of enforcement, while at the same time ensuring sufficient and adequate protection for all parties involved.

147. UNIDROIT's body of work is also differentiated by legal form and intended audience, and this is itself a source of strength. UNIDROIT calibrates the form of each instrument to the problem it addresses and to the capacities of the States most likely to use it. Conventions and their protocols, such as the Cape Town Convention, create binding, uniform regimes for high-value assets that move across borders, where a single predictable set of rules is indispensable. Model laws—on factoring, leasing, and warehouse receipts—offer adaptable templates that States can enact or draw on to modernise domestic law. Several of these instruments were drafted with the needs of developing and emerging economies expressly in view, where secured transactions law is often least advanced and the financing gap for smaller enterprises most acute. Legal guides and guidance documents address areas, including agriculture, where the appropriate response is not a single rule but a structured account of the legal choices available. This graduated toolkit allows the same underlying techniques to reach jurisdictions at very different stages of legal and market development.

148. Yet, across these instruments, a consistent approach can be identified: functional treatment of security rights, mechanisms for publicity (registration or control), clear priority rules, and effective enforcement. In more recent work, these are complemented by technological neutrality. Together, these techniques enable different forms of value—including movable, intangible, and emerging assets—to support credit across jurisdictions.

2. Contribution to sustainable development

149. Access to credit operates as critical infrastructure for sustainable development. It underpins economic activity and employment, investment in infrastructure and innovation, and broader participation in financial systems. Environmental objectives, including sustainable production and climate action, likewise depend on access to long-term and cost-efficient financing. UNIDROIT contributes to sustainable development by enabling access to credit through legal design. By reducing legal uncertainty and transaction costs, UNIDROIT's instruments broaden access to finance and support

investment and productive activity. At the same time, the instruments remain neutral. They enable credit and investment flows but do not determine their allocation. Sustainability outcomes—such as support for sustainable production or climate-related investment—depend on implementation, including regulatory frameworks, institutional capacity, and financing practices.

150. Taken together, UNIDROIT's access to credit instruments map closely onto the agricultural value chain and the supply chains that extend from it. Leasing and equipment finance under the Cape Town Convention and its MAC Protocol support mechanisation at the production stage; warehouse receipt finance allows the use of stored crops and other commodities to secure credit through storage and the post-harvest period; and receivables finance under the MLF enables the claims generated when produce is sold to be converted into immediate liquidity, sustaining working capital along the chain. Where these instruments are adopted together, a producer can in principle finance inputs, equipment, storage, and sales across successive stages rather than depending on a single form of collateral—an outcome of particular value in agriculture, where value is concentrated in movable and future assets and access to finance is chronically constrained.

151. Predictable enforcement is not only a precondition of access to credit but a condition of its contribution to sustainable development. Security is useful only if it can be realised quickly and at reasonable cost: an asset over which enforcement takes years is of little value as collateral, and lengthy or uncertain procedures fall most heavily on the small creditors and small enterprises that can least afford delay. The MLF and the MLWR accordingly provide for expeditious and inexpensive realisation, and UNIDROIT's work on Best Practices for Effective Enforcement (BPEE) (see Section II.H below) addresses the same concern across instruments. Enforcement that is swift, foreseeable, and accessible is therefore integral to inclusive credit markets.

152. With this background in mind, UNIDROIT's access to credit instruments contribute to several SDGs, including:

153. SDG 2 (Zero Hunger): UNIDROIT's work on agricultural finance contributes directly to SDG 2, and in particular Target 2.3, which seeks to double the agricultural productivity and incomes of small-scale food producers, including through secure and equal access to productive resources and inputs, financial services and markets. The MLWR, alongside the MLF and the MAC Protocol, provides complementary legal frameworks that facilitate access to finance at different stages of the agricultural value chain. The MLWR enables agricultural producers and other value chain participants to use stored agricultural products as collateral for credit, thereby unlocking the value of their produce, improving access to working capital and facilitating investment in inputs, storage and post-harvest activities. By supporting the development of reliable warehouse receipt systems, it can also strengthen agricultural markets, improve the efficiency of commodity trading and help reduce post-harvest losses. The MLF complements this framework by enabling producers and agricultural enterprises to convert receivables arising from the sale of their produce into immediate liquidity, while the MAC Protocol facilitates the financing and leasing of agricultural machinery and equipment, supporting mechanisation and productivity gains. Taken together, these instruments can help address financing constraints that disproportionately affect small-scale producers, including those who lack access to traditional forms of collateral, and strengthen their capacity to participate in agricultural value chains and markets. Their contribution to Target 2.3 ultimately depends on effective implementation and on the extent to which the resulting financing opportunities reach small-scale producers.

154. SDG 8 (Decent Work and Economic Growth): The frameworks addressed by UNIDROIT's instruments speak to a structural change now underway in many economies: demographic transition. As populations age and, in a growing number of countries, begin to decline and concentrate in fewer centres, several of the assumptions on which traditional lending rests are weakening. The value of real estate collateral becomes less dependable outside major urban areas; the ageing of business owners turns succession and transfer into a systemic rather than an individual problem; and the

physical delivery of financial services becomes harder to sustain in shrinking regions. Asset-based and receivables finance respond directly to the first of these pressures, allowing credit to rest on productive assets and cash flows rather than on land values or personal guarantees, while the separation of use from ownership in leasing lowers the capital threshold for enterprises operating in thinner markets. In this way, the instruments help preserve access to credit precisely where demographic pressure would otherwise erode it, supporting continued economic activity, employment, and inclusion as populations change. The same instruments answer the opposite demographic condition with equal force. In the many developing economies whose populations are young and growing, the binding constraint is not succession but the entry of new and younger participants into markets that collateral-based, balance-sheet lending has historically excluded. Asset-based and receivables finance meet both conditions through a single mechanism—anchoring credit in productive assets and cash flows rather than in accumulated wealth—and so support decent work and youth employment (Target 8.6) as directly as they support continuity in ageing societies. For example:

a. By ensuring that assignments of receivables are effective against third parties and not invalidated by contractual restrictions, the MLF enables enterprises to convert receivables into liquidity. This supports supply-chain finance and stabilises cash flow, particularly for SMEs.

b. By enabling warehouse receipts to function as transferable or negotiable documents, the MLWR allows stored agricultural products to serve as collateral. This facilitates access to credit for storage, inputs, and post-harvest activities, and can reduce post-harvest losses and improve supply-chain efficiency.

155. SDG 9 (Industry, Innovation and Infrastructure): By providing uniform priority rules, creditor remedies, and an international registry, the Cape Town Convention and its protocols reduce legal risk and borrowing costs for high-value mobile equipment. This facilitates investment in productive assets, with implications for energy use and emissions depending on the equipment financed. The Cape Town Convention's protocol structure gives the system a sector-specific reach into sustainable development that its existing protocols already illustrate. The Luxembourg Rail Protocol brings uniform priority, an international registry, and predictable enforcement to the financing and leasing of railway rolling stock. By lowering the cost of that finance, it supports investment in rail—the lowest-carbon mode of mass and freight transport—and the renewal of fleets in developing as well as developed markets. The Space Protocol, though not yet in force, would extend the same technique to space assets that include earth-observation and climate-monitoring satellites and communications capacity for underserved regions, with implications for climate action, disaster response, and connectivity. The MAC Protocol extends the same framework to mining, agricultural, and construction equipment. Construction equipment carries a distinct sustainable development significance: it is central to the reconstruction of infrastructure in post-conflict and post-disaster settings, where the ability to create and enforce a security interest in high-value, and often specialised or remotely operated machinery can accelerate its deployment across borders and draw private capital into recovery at an earlier stage than would otherwise be possible. By lowering the legal risk of financing such equipment, the MAC Protocol can mobilise private-sector participation in recovery and in the renewal of the agricultural and construction capacity on which many developing economies depend. In each case a single asset-based technique is directed at a different class of high-value equipment on which particular sustainable development outcomes depend. Further, by allocating risk through rights in the asset rather than personal guarantees, leasing enables access to equipment without significant upfront capital, supporting technological upgrading.

156. The contribution of these instruments is clearest when access to credit is traced across the stages of recovery finance that follow disaster or armed conflict. Recovery typically proceeds from relief, funded by grant aid where commercial credit is not yet possible; to pilot and demonstration projects, in which the private sector begins to participate but public funding remains necessary

because conditions are not yet stable; to financing supported by export credit agencies, which require collateral, and for which equipment that can be secured under the Cape Town Convention—construction, agricultural, and rail equipment—is well suited; and finally to private finance extended on the strength of security interests, for which the Convention provides an effective legal basis. At each stage, UNIDROIT's instruments, working alongside the World Bank and other international financial institutions, help to convert productive assets into a basis for credit as an economy moves from relief towards self-sustaining investment.

157. The financing of Cape Town equipment is reinforced by the export-credit framework. Under the OECD Arrangement, the Aircraft Sector Understanding establishes a "Cape Town discount": States that ratify the Convention and the Aircraft Protocol and make the qualifying declarations are listed for a reduction in the minimum premium rates charged on officially supported export credits, an incentive widely credited with advancing ratification. A comparable discount has begun to extend to rail, the Export Credit Insurance Corporation of South Africa having pledged a reduction of up to 20 per cent for qualifying rail financing. The same logic could be extended to MAC equipment, to the particular benefit of developing economies, through cooperation with export credit agencies. At present, however, the OECD export-credit framework contains no sustainability criteria; aligning it with sustainability objectives—and recognising that rail is a markedly lower-emission mode than air transport—would allow the private law architecture of the Cape Town Convention and the public incentives of the export-credit system to operate in the same direction.

158. SDG 10 (Reduced Inequalities): UNIDROIT's access to credit instruments expand both the range of assets and the range of financing channels available. This supports the inclusion and diversification of finance, particularly for MSMEs and new market participants. UNIDROIT's frameworks support the inclusion of new entrants by shifting the basis of financing from personal guarantees and inherited wealth to enterprise value and asset-based credit. Where legal systems recognise and enforce rights in receivables, inventory, equipment, and other assets, financing can be tied to productive activity rather than personal balance sheets. This reduces reliance on intergenerational guarantees and facilitates business continuity and succession. It further enables new entrants, including younger entrepreneurs, to access finance without dependence on accumulated family wealth. By way of example, the promise for sustainable development of UNIDROIT's work on crowdfunding lies in widening participation in finance for smaller and early-stage enterprises, including in digital and green sectors. The intergenerational dimension proper—the duties owed to future generations in the use of the environment—lies elsewhere: because asset-based finance can prolong the economic life of the equipment it funds, it bears on whether long-lived financed assets lock in, or help avoid, environmental burdens borne by future generations. Because they rest on movable assets and receivables rather than on land, these techniques can also extend credit to enterprises and communities whose land is held collectively or without formal title, and to women, who are disproportionately excluded from land-based collateral (Targets 1.4 and 5.a).

159. SDG 13 (Climate Action): With respect to the clean-energy sector, UNIDROIT's instruments function as a modular toolkit from which each industry draws the elements suited to its asset profile. Generation and storage assets can be acquired through leasing rather than outright purchase, keeping capital free at the point of deployment; and the payment streams these assets generate—under equipment-supply contracts upstream and power-purchase or offtake arrangements downstream—can be advanced through receivables finance. Because clean-energy investment is heavily front-loaded in capital while its returns arrive over long horizons, the cost and availability of asset-based finance bear directly on whether projects proceed, above all in developing economies where the financing gap is widest. Lowering the legal risk and borrowing cost attached to generation, storage, and grid equipment supports investment in the assets on which the energy transition depends. Leasing contributes a further, distinct dimension: by retaining ownership, the lessor keeps an enduring interest in the durability, repair, and end-of-life recovery of the asset, aligning asset-based finance with circular business models.

160. If widely ratified, the Cape Town Convention and its Protocols stand to yield significant environmental benefits that follow from their central function: by lowering the cost of asset-based credit, they accelerate the replacement of older, less efficient equipment with newer and cleaner alternatives. The MAC Protocol is illustrative. Much of the equipment within its scope embeds fuel-efficient engines and drivetrains, telematics, auto-guidance, section control, variable-rate technology, and precision irrigation—technologies that lower fuel use and emissions, raise yields, and use water and agrochemicals more sparingly. By financing the turnover of the capital stock on which production depends, the Cape Town system contributes directly to climate change mitigation and to the more efficient use of natural resources.

161. In relation to climate action, the Luxembourg Rail Protocol, if widely ratified, can produce specific additional benefits deriving from the expected growth in investment in rail and enhancement of passenger and freight transportation through low carbon-emission means, thereby reducing transportation by road and directly contribute to climate change mitigation. The potential role of the Protocol in this respect was recognised by various regional intergovernmental organisations, including the EU (Council and Commission) and the African Union (in particular through the Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy in collaboration with the African Union Development Agency (AUDA-NEPAD), the African Development Bank (AfDB), and the United Nations Economic Commission for Africa (ECA), set up to consider policies and strategies for accelerating infrastructure to deliver on the AU Agenda 2063.

162. Because the instruments enable credit without directing it, their contribution carries risks worth stating plainly. Asset-based finance can encourage over-indebtedness. Enforcement against essential assets—livestock, tools, or stored crops—may secure the creditor at the cost of a household's livelihood; responsible enforcement and proportionate remedies therefore belong to the sustainable-development case rather than detracting from it. And finance that prolongs the life of high-emission equipment may entrench it: the Aircraft Protocol, which has renewed fleets and sustained connectivity for small-island and landlocked States, has also accompanied a rise in aviation emissions. None of this tells against the instruments. It confirms that the outcomes they serve depend on how, and for what, the credit they unlock is used.

163. A further condition cuts across all of these channels. The reliability of the legal and technical infrastructure on which financing markets depend—registries and the digital systems used to record, transfer, and enforce rights—is itself a precondition for confidence in access to credit. The integrity, auditability, and accessibility of these systems determine whether the certainty that the instruments create in law is realised in practice. As these systems become more heavily digitalised, that reliability acquires a further dimension. Digitalisation improves the speed, reach, and auditability of financing infrastructure, but it also concentrates risk: markets come to depend on a small number of registries, platforms, and data systems whose failure, compromise, or manipulation would affect many transactions at once. Operational resilience, security against cyberattack, the integrity and recoverability of records, and the availability of fallback arrangements are therefore not incidental technical questions but conditions of the very legal certainty the instruments are designed to provide. Frameworks that rely on digital infrastructure should accordingly address continuity and accountability when that infrastructure fails, so that the rights they create remain secure in practice as well as in law.

3. Recommendations

164. To strengthen the contribution of UNIDROIT's work on access to credit to sustainable development, the following actions are recommended:

165. Reconstruction and recovery finance: UNIDROIT could give greater attention to the role of its access to credit instruments in facilitating post-conflict and post-disaster reconstruction and economic recovery. As also recognised in the Access to Credit Workstream's White Paper, the Cape

Town Convention system, particularly the MAC Protocol, has significant potential to facilitate financing and leasing of construction and agricultural equipment essential to restoring infrastructure and productive capacity. The Luxembourg Rail Protocol can facilitate the restoration of a functioning transportation network for both passengers and freight by supporting greater investment in the rail sector. By providing a uniform legal framework for asset-based financing, including an International Registry, the Cape Town Convention system can offer particular advantages where domestic legal and registration infrastructure has been disrupted, once the relevant Protocol is operational. Other UNIDROIT instruments, including the Model Law on Leasing, the MLF and the UNCITRAL–UNIDROIT MLWR, could complement this framework by supporting the recovery of enterprises and agricultural supply chains.

166. UNIDROIT could explore this potential through focused consultations with international financial institutions, export credit agencies, equipment manufacturers and financiers, and organisations involved in reconstruction programmes. Such consultations could inform the development of practical guidance mapping the relevance of different UNIDROIT instruments to the various stages of reconstruction and economic recovery, from the immediate restoration of essential infrastructure and productive capacity to the resumption of commercial activity and longer-term investment. The guidance could also present the potential economic benefits of these instruments in an accessible manner, drawing on available evidence and practical financing examples. Particular attention could be given to how asset-based financing frameworks can complement public and development finance, facilitate the mobilisation of private capital, and support a gradual transition from reliance on public funding towards sustainable commercial financing. By illustrating how existing legal frameworks can support this transition, such work could help governments and financing institutions identify opportunities to use UNIDROIT instruments in reconstruction and recovery programmes, contributing to SDGs 8, 9, 11 and 17.

167. Development of a Cape Town Convention Protocol on renewable energy equipment: The sustainable development reach of the Cape Town Convention system could be extended by considering a protocol on renewable energy equipment. Since 2012, the UNIDROIT Secretariat has considered the feasibility of a future Protocol to the Cape Town Convention covering renewable energy equipment. As a low-priority item in the UNIDROIT Work Programme, a limited amount of resources have been devoted to this item so far and broader consultations with the industry have not yet been undertaken.

168. The Convention operates through equipment-specific protocols each bringing a uniform international interest, clear priority, an international registry, and predictable cross-border enforcement to a defined class of high-value assets, and thereby lowering the legal risk and cost of financing them. Applied to renewable energy equipment, this machinery would address a financing constraint that bears directly on climate objectives: the deployment of wind, solar, and storage assets is capital-intensive and long-dated, and in many developing economies the cost and availability of finance determine whether projects proceed at all. The principal design question is that most renewable-generation equipment is affixed to land and so differs from the mobile assets the system has covered to date. The MAC Protocol shows, however, that the system can be adapted to equipment defined by function and identification rather than by mobility, and the strongest case—high unit values, genuine cross-border financing, and identifiable assets—lies in offshore wind. A protocol beginning there, and with modular or serialisable assets, would channel asset-based finance towards the assets on which the energy transition depends, in support of affordable clean energy and climate action. A feasibility study should also consider the modular solar and storage assets that matter most for energy access in least developed countries and examine how equipment affixed to land interacts with local tenure and community rights, so an asset-based regime does not displace those whose land hosts it.

169. Extension of premium discount to Rail and MAC Protocols: UNIDROIT could encourage the OECD and export credit agencies to consider extending a Cape Town style premium discount to the

Rail and MAC Protocols, and reflecting sustainability considerations within the export-credit framework, so that officially supported export credits might support both wider ratification and lower-emission equipment.

170. Development of supplements setting out sustainable development benefits: To support wider adoption of the Protocols already concluded, UNIDROIT could prepare short briefing materials setting out the sustainable development benefits of the Luxembourg Rail, Space, and MAC Protocols for States considering ratification, so that the case for the existing Protocols is made as actively as the case for any new one.

171. Greater emphasis should be placed on how asset-based financing frameworks can be used in practice to support sustainability-linked financing: While UNIDROIT instruments establish the legal conditions for access to credit, their contribution to sustainable development depends on how they are used in financing structures and transactions. In this respect, UNIDROIT could develop targeted guidance on how sustainability related conditions may be incorporated into financing practices without affecting the legal certainty of priority and enforcement: guidance mapping how each protocol serves particular SDGs, together with accompanying activities such as model provisions and awareness work directed at governments and financiers, would help States treat the protocols within sustainable development and not only as instruments of commercial finance. In the case of the Cape Town Convention and the MAC Protocol, this includes examining how financing supported by the Convention is used to facilitate investment in equipment with improved environmental performance, such as energy-efficient or lower-emission machinery. Clarifying how such conditions interact with registration, priority, and enforcement would support the use of these frameworks in infrastructure and climate-related investment, thus supporting, among others, SDGs 9 (Industry, Innovation and Infrastructure), 12 (Responsible Consumption and Production) and 13 (Climate Action). More specifically, guidance could clarify how sustainability-linked lending—in which pricing or other terms are tied to the borrower's achievement of measurable sustainability performance targets—can be combined with asset-based structures without disturbing the certainty of priority and enforcement on which those structures rest. The integrity of such arrangements turns on the credibility of the performance indicators used: robust and verifiable metrics are what distinguish genuine sustainability-linked lending from labelling, and are therefore central to its contribution to the SDGs.

172. With respect to receivables financing under the MLF: Relevant issues include how financing structures can incorporate criteria linked to environmental or social performance within supply chains. Guidance could address how such criteria operate alongside the legal effectiveness of assignments, including in cross-border contexts, and how they can be implemented without undermining predictability or enforceability. Across these areas, the focus should be on clarifying how existing legal frameworks can be used in conjunction with sustainability-linked financing practices, rather than modifying the underlying instruments.

173. As to the AgriFin Legal Guide: The instrument (see Section II.C above) offers a natural vehicle for consolidating this contribution, and its treatment of financing techniques could usefully incorporate blended finance. Building on UNIDROIT's established work in agriculture and the MLWR, the AgriFin Legal Guide could set out how the security, priority, and enforcement rules established by these instruments interact with blended finance structures. The project's distinctive contribution lies in the private law questions that blended finance raises—in particular the intercreditor priority and first-loss arrangements through which concessional and commercial capital are combined. Access to finance remains the weakest link in the agricultural value chain. The financing needs of agricultural small and medium-sized enterprises far outstrip available supply, and conventional lenders continue to treat the sector as high-risk. Blended finance arrangements, including guarantees and other risk-sharing mechanisms, are among the approaches used to mobilise private finance for agricultural enterprises. As demonstrated by the World Bank Group at scale—through the risk-sharing facilities and guarantees of the International Finance Corporation and the Multilateral Investment Guarantee Agency, and through initiatives such as AgriConnect—the deployment of concessional or first-loss

public capital alongside commercial lending lowers the effective risk borne by private financiers, improves the bankability of agricultural transactions, and mobilises private capital that would not otherwise be committed. Guidance clarifying how such arrangements sit alongside security in warehoused commodities or agricultural equipment would allow blended finance techniques to be applied with legal certainty and across borders (SDGs 1, 2, 8, 9, 13, and 17).

174. With respect to investment-based crowdfunding: UNIDROIT could clarify the legal structure of platform-based financing in a manner that supports reliable and inclusive access to finance, particularly for smaller enterprises and early-stage projects (SDGs 8 and 10). This requires clear allocation of rights and obligations between platforms, investors, and issuers, so that participation in crowdfunding markets is not limited by legal uncertainty or uneven risk allocation. Guidance should address the legal characterisation of platforms, the minimum content and reliability of information disclosed to investors, and the treatment of cross-border offerings. These elements are central to building trust in platform-based financing, which is a precondition for expanding access to finance beyond traditional credit channels. Particular attention could be given to issues of responsibility and liability, including the extent to which platforms may incur liability in cases of misleading disclosures, fraud, or operational failure, and how such liability interacts with contractual arrangements and non-contractual liability regimes. Clear allocation of responsibility is essential to ensure that risks are not disproportionately shifted to investors or smaller market participants, which would otherwise undermine participation and limit crowdfunding's contribution to inclusive and sustainable financing. This work should aim to reduce legal fragmentation across jurisdictions while remaining complementary to domestic financial regulatory frameworks, thereby supporting the development of cross-border financing channels that can contribute to sustainable economic activity (SDGs 8, 10, and 17). Guidance should also address the conflict-of-laws dimension of cross-border offerings — the applicable law and the jurisdiction in which investors' rights may be enforced — since uncertainty on these questions bears directly on the reliability of platform-based finance.

175. Registries and digital systems: Further work should also address the reliability of the legal and technical infrastructure supporting access to credit, including registries and digital systems. This includes issues such as data integrity, auditability, and accessibility of systems used for registration, transfer, and enforcement of rights, which are essential for maintaining confidence in financing systems and supporting scalable access to credit (SDGs 9 and 16). The needs of smallholders and small enterprises—reasonable fees, practical access, adequate notice, and the fair disposition of collateral—could be reflected in UNIDROIT's work on Best Practices for Effective Enforcement and in the registry design contemplated by the MLF and the MLWR, so that enforcement and registration remain accessible to the smallest participants.

E. Financial markets and technology

176. UNIDROIT has developed several instruments addressing the legal infrastructure of financial systems. Within the context of sustainable development, financial stability and inclusion, three initiatives are particularly relevant: (i) the UNIDROIT Legislative Guide on Bank Liquidation (the Bank Liquidation Guide, 2025); (ii) UNIDROIT's project on a legal guide on the insolvency of insurance enterprises and harmonisation of national regimes (ongoing); and (iii) the UNIDROIT Principles on Digital Assets and Private Law (the DAPL Principles, 2023). These instruments address different dimensions of financial governance: the orderly liquidation of non-systemic banks and insurance providers and the legal treatment of emerging digital assets. While each instrument contributes to the progressive harmonisation of private law, they operate through different normative techniques: the Legislative Guide on Bank Liquidation and the ongoing project on the insolvency of insurance enterprises offer legislative guidance for institutional design, whereas the DAPL Principles provide a conceptual framework of legal principles applicable to private law relations.

177. This Section also addresses, more briefly, three earlier instruments that also provide the private law foundations of financial markets: the UNIDROIT Principles on the Operation of Close-Out Netting Provisions (the Netting Principles, 2013), the UNIDROIT Convention on Substantive Rules for Intermediated Securities (the Geneva Securities Convention 2009) and the UNIDROIT Legislative Guide on Intermediated Securities (the Intermediated Securities Guide, 2017). The instruments' relevance to sustainable development operates through financial stability, investor protection and legal certainty in capital markets.

178. Taken together, these instruments contribute to strengthening the legal foundations of financial systems and aim to enhance legal certainty, institutional resilience, and the effective functioning of financial and capital markets. Although most of the instruments do not explicitly refer to sustainable development or the SDGs, the Intermediated Securities Guide is an exception. Its Foreword describes UNIDROIT's capital markets work as seeking to promote legal certainty and "sustainable growth." Even where no explicit reference to sustainability is made, however, these instruments can contribute to the economic, social, and institutional dimensions of sustainable development through their effects on financial stability, digital infrastructure, financial inclusion, and governance. The Bank Liquidation Guide and UNIDROIT's project on the insolvency of insurers focus on the stability and orderly functioning of traditional banking and insurance systems. They aim to strengthen the resilience and credibility of such systems by preventing value destruction, protecting depositors and policyholders, and ensuring transparent and predictable procedures in situations of financial distress. The DAPL Principles provide the legal architecture necessary for emerging forms of digital financial activity, including potential applications in sustainable finance such as tokenised environmental assets or climate-finance instruments.

179. Together, these instruments reinforce trust in financial and digital financial systems—an essential condition for mobilising capital towards long-term economic development and sustainability objectives. From a systemic perspective, these instruments operate at different but interrelated levels of financial governance. The Bank Liquidation Guide and the project on insolvency of insurance enterprises aim to stabilise the institutional dimension of banking and insurance systems, while the DAPL Principles structure the property law dimension of digital financial activity. In functional terms, the first two instruments seek to contain institutional failure and limit its broader economic and social consequences, whereas the third provides the legal architecture necessary for responsible financial innovation.

1. UNIDROIT's work on insolvency law for financial institutions

(a) Overview

180. The Bank Liquidation Guide provides guidance to legislators and policymakers on designing legal frameworks for the liquidation of banks that do *not* pose systemic risks. The instrument was developed in the context of the post-2008 reform agenda, which led to the creation of international standards for the resolution of systemically important financial institutions. While those reforms focused primarily on resolution regimes for systemic banks, the Guide addresses the liquidation of non-systemic banks and the wind-down of residual entities following resolution.

181. The Bank Liquidation Guide complements two earlier UNIDROIT instruments governing financial contracts and intermediated securities in insolvency. The Netting Principles protect the enforceability of close-out netting in insolvency and resolution, while allowing stays or other resolution measures subject to appropriate safeguards. The Geneva Securities Convention protects rights and interests effective against third parties against the insolvency of the relevant intermediary, requires intermediaries to hold or have available sufficient securities, and provides for the allocation of shortfalls among account holders. The Intermediated Securities Guide provides guidance to legislators on these rules.

182. Notably, the Bank Liquidation Guide aims to reduce the economic and social costs of bank failures by promoting orderly liquidation procedures that preserve value and protect depositors. It proposes a flexible legislative framework that can be adapted to different legal and institutional contexts. Key elements include early triggers for initiating liquidation, mechanisms enabling the sale of the bank as a going concern, and the transfer of assets and liabilities to other institutions. The Guide also emphasises depositor protection and discourages reliance on public funds in bank liquidation procedures.

183. Building on this work, UNIDROIT will commence a project on the liquidation of insurance companies in the second half of 2026. Proposed by Italy's insurance supervisor (IVASS), the project aims to develop guidance for legislators and policymakers on the design of effective legal frameworks for the liquidation of non-systemic insurers. The project aims at addressing the following areas: institutional models (court-based and administrative), initiation of liquidation proceedings, procedural and operational matters (including the liquidator's role), liquidation tools such as run-off and portfolio transfer, funding arrangements and the function of policyholder protection schemes, creditor hierarchy (particularly policyholder ranking), and group and cross-border considerations. The fundamental differences between insurers and banks, notably in their business models and the nature of their liabilities, mean the Working Group cannot simply transpose the banking framework, but must develop tailored guidance specific to insurers.

(b) Contribution to sustainable development

184. The Bank Liquidation Guide and the project on insolvency of insurance enterprises contribute to several SDGs, including:

185. SDG 8 (Decent Work and Economic Growth): By supporting the orderly liquidation of non-systemic banks and insurers in a manner that minimises disruption to the real economy, the instruments advance SDG 8 and in particular Target 8.10. Banks play a central role in modern economic systems because they issue deposits through lending and provide credit to households and enterprises. Disorderly failures may therefore impair access to finance, destroy economic value, and threaten employment. The insurance sector is socially and economically relevant because it safeguards individuals and businesses against acute losses and provides long-term financial security against morbidity and mortality. An insurer failure would leave policyholders, often ill-equipped to assess insurer solvency themselves, without the protection they have relied upon, frequently at the moment of greatest need. The Guide and the project on insolvency of insurers promote mechanisms designed to preserve value and continuity in essential banking and insurance services. The Bank Liquidation Guide includes the possibility of selling a failing institution as a going concern and transferring assets and liabilities to other institutions, thereby safeguarding credit relationships and payment functions. Forward-looking triggers for liquidation enable earlier intervention and help reduce contagion and the broader economic and social costs of financial distress. The Guide also emphasises that public funds should not be used to finance bank liquidation procedures, thereby supporting fiscal sustainability and intergenerational fairness.

186. The benefits described above should be read alongside the distributional consequences of the mechanisms recommended. General depositor preference subordinates unsecured wholesale and interbank creditors in the creditor hierarchy. In jurisdictions with underdeveloped wholesale funding markets, this may raise the cost, or reduce the availability, of unsecured bank funding, with second-order effects on lending capacity. Similarly, while limiting reliance on public funds supports fiscal sustainability, the experience of jurisdictions with underfunded or nascent deposit insurance schemes suggests that an insufficiently resourced industry-funded alternative can itself be a source of instability, particularly where liquidation coincides with sector-wide stress. The Guide's contribution to SDG 8 and SDG 10 should accordingly be read as conditional on the adequacy of the funding and market structures within which these mechanisms operate.

187. SDG 13 (Climate Action): The Bank Liquidation Guide does not currently address climate-related financial risks as factors that may affect institutional failure, asset valuation or the assessment of triggers for liquidation. Given the growing recognition of climate-related risks as a source of prudential concern in international financial work, including through scenario analysis developed by the Network for Greening the Financial System (NGFS), States implementing the Guide could consider whether and how such risks should be reflected within their broader prudential and insolvency frameworks. The forthcoming project on the insolvency of insurance enterprises should likewise consider the relevance of climate-related risks to insurer failure, valuation and policyholder protection. This is particularly important given the distinctive role of insurance in climate adaptation and disaster resilience, including through catastrophe and parametric insurance and other disaster-risk financing mechanisms. The persistent insurance protection gap (i.e., the difference between total economic losses and insured losses arising from climate-related events, particularly in developing economies) further highlights the relevance of effective insurance frameworks to sustainable development, impacting the achievement of other SDGs, such as 1, 11 and 13.

188. SDG 9 (Industry, Innovation and Infrastructure): The instruments contribute to SDG 9 since they may support the stability and predictability of financial and insurance systems by providing harmonised legislative guidance for the management of failures. By clarifying institutional responsibilities and promoting efficient liquidation procedures, the instruments reduce legal uncertainty and strengthen the institutional infrastructure supporting financial markets. Predictable liquidation regimes are particularly important for investment and innovation, as they ensure that capital can be allocated and recovered in a stable and reliable legal environment.

189. SDG 10 (Reduced Inequalities): The Bank Liquidation Guide and the project on insolvency of insurers also contribute to SDG 10 by emphasising the protection of depositors and policyholders, and the preservation of access to essential banking and insurance services. For instance, banks function not only as financial intermediaries but also as money-creating institutions and central nodes in payment infrastructures. Their balance sheets therefore underpin the liquidity and payment mechanisms on which households and firms depend. The Bank Liquidation Guide recognises that the failure of even relatively small banks can generate significant social consequences, particularly for individuals and small enterprises whose economic activity depends on uninterrupted access to deposits and payment services. By recommending mechanisms such as general depositor preference in creditor hierarchies and the use of industry-funded deposit insurance arrangements to facilitate transfers of deposits to other institutions, the Guide seeks to maintain confidence in the banking system and prevent financial exclusion. These measures may be particularly significant in developing economies where community banks play a key role in financial inclusion. However, the Guide does not address the direct social consequences for the employees of the failed institution, including job losses and disruption to occupational pension or benefit entitlements, nor whether the incidence of these consequences is likely to fall disproportionately on particular groups, for example, where women are overrepresented in retail branch or administration functions, which is relevant for assessing SDG 5 (Gender Equality).

190. SDG 16 (Peace, Justice, and Strong Institutions): The Bank Liquidation Guide and the ongoing project on insurer insolvency can contribute to SDG 16, particularly Targets 16.3 and 16.6. Bank liquidation involves significant public powers affecting private rights. The Guide therefore recommends bank-specific legal frameworks with clear triggers, procedures and safeguards for depositors and creditors. By clarifying institutional responsibilities and providing for oversight, judicial review, reporting and liquidator accountability, it also promotes institutional transparency and effective governance. Clear and accessible rules may further facilitate depositors' and policyholders' ability to identify and assert their rights. However, these contributions remain conditional on domestic implementation, institutional capacity and effective judicial review. Moreover, early-intervention powers and creditor-ranking choices involve trade-offs between predictability, speed and procedural protection. The Guide should therefore be understood as *enabling* legal certainty and

accountability, rather than demonstrating their achievement in practice. Cross-border cooperation and institutional capacity-building are addressed under SDG 17, below.

191. SDG 17 (Partnerships for the Goals): The Bank Liquidation Guide also furthers international legal cooperation in advancing sustainable development, since the instrument is designed to assist jurisdictions lacking dedicated bank-liquidation frameworks and thereby support capacity-building and the dissemination of regulatory knowledge. In addition, the Guide includes provisions encouraging cross-border cooperation among supervisory and liquidation authorities, facilitating international coordination in the management of bank failures. Importantly, the distinct home-host coordination questions arise where systemically relevant banking activity in a developing or emerging economy is conducted through the subsidiary of a foreign banking group, including the allocation of loss, access to group resources, and consistency between home- and host-State liquidation outcomes. These considerations bear directly on the host State's financial stability and on SDG 17's emphasis on effective international cooperation. These policy aims should also integrate the project on insolvency of insurance enterprises.

192. In addition, the Netting Principles, the Geneva Securities Convention and the Intermediated Securities Guide can also contribute indirectly to SDGs 8, 10, 16 and 17. The Netting Principles reduce counterparty and market risk by supporting the enforceability of close-out netting, while the Convention protects account holders in intermediary insolvency and strengthens the integrity of the intermediated securities system.The Guide further develops these rules and promotes their compatibility with international standards, thereby supporting financial stability, legal certainty and effective governance. Yet, these contributions are conditional and unevenly distributed. First, close-out netting primarily benefits eligible financial market participants, while excluding natural persons acting for personal, family or household purposes. This concern qualifies the stability benefits of netting and should be considered alongside the distributional effects of depositor preference mentioned above. Second, the Convention's proportional loss-sharing rule exposes account holders to shortfalls, while retail protection depends partly on domestic safeguards, including the protection funds or insurance schemes recommended by the Guide. Finally, their influence depends directly on domestic implementation. Therefore, the instruments' contribution to the SDGs should therefore be understood as potential rather than demonstrated.

(c) Recommendations

193. Implementation efforts may benefit from focusing on jurisdictions where financial regulatory frameworks remain underdeveloped. In such contexts, the adoption of coherent bank and/or insurance liquidation regimes may reduce systemic vulnerabilities and strengthen access to financial services. The Bank Liquidation Guide was developed in part to assist jurisdictions lacking specialised frameworks for managing bank failures. Implementation in emerging and developing economies may therefore generate significant benefits in terms of financial resilience and institutional capacity.

194. It is recommended that future guidance accompanying the Bank Liquidation Guide, and the forthcoming insurance insolvency project, address the interaction between climate-related asset deterioration and the triggers for early intervention.

195. Further, several initiatives could be undertaken to evaluate implementation. Such assessments should focus primarily on legal and institutional indicators, rather than on the direct measurement of SDG outcomes. The contribution of these legal frameworks to sustainable development is indirect and context-dependent, and evaluation could therefore focus on the institutional effects of implementation. Relevant indicators may include, for example:

a. the adoption of bank-specific, or in the future insurance-specific, liquidation frameworks in domestic legislation, including provisions enabling early intervention and orderly liquidation of non-systemic banks and insurers;

b. the use of mechanisms such as sale of the bank as a going concern, or transfer of assets and liabilities in liquidation procedures;

c. the existence of depositor-protection mechanisms, including depositor preference and industry-funded deposit insurance arrangements;

d. the continuity of essential banking services, including deposits, payments, and credit relationships, during liquidation procedures; and

e. the availability of gender-disaggregated data on the incidence and impact of bank and insurer liquidation on depositors, policyholders, and affected employees, to allow assessment of whether protective mechanisms operate equitably across groups.

196. In view of the distributional considerations identified above, it is recommended that, in supporting the implementation of the Bank Liquidation Guide, UNIDROIT encourage States to include, among the indicators they develop, (i) the observed effects of depositor preference on the cost and availability of unsecured wholesale bank funding and (ii) the adequacy of industry-funded deposit insurance arrangements when assessed against sector-wide stress scenarios, particularly in jurisdictions with less developed funding markets.

197. With respect to the project on the insolvency of insurers, given that it is expected to commence in the second half of 2026, the UNIDROIT Secretariat could ensure that the project is developed in coordination with the Bank Liquidation Guide from the outset. The Working Group for the insurer insolvency project could draw on the methodology, legislative framework, and lessons learned in the development of the Bank Liquidation Guide, with a view to producing a coherent suite of instruments governing the orderly exit of non-systemic financial institutions. Where possible, common structural elements (including trigger mechanisms, policyholder protection principles, and cross-border cooperation provisions) could be harmonised between the two instruments. Coordination should, however, be pursued with due regard to the fact that the banking framework cannot simply be transposed to insurance: harmonisation should not extend to matters where insurers' distinct business models and liability profiles call for a different analytical approach. In particular, it is recommended that the sustainable development dimension of the insurance insolvency project be embedded from the outset, including consideration of the distinctive role of insurance in climate adaptation and disaster resilience, as well as the protection gap in developing economies. The composition of the Working Group should accordingly include expertise in climate risk and disaster risk financing.

198. It is recommended that future dissemination and implementation guidance for the Bank Liquidation Guide, particularly materials directed at developing and emerging economies, give explicit treatment to the home-host coordination questions, including through engagement with the home-country supervisory and resolution authorities of foreign banking groups active in the relevant jurisdictions.

199. Finally, it is recommended that UNIDROIT's promotion, implementation support and future development of the Netting Principles, the Geneva Securities Convention and the Intermediated Securities Guide explicitly address their distributional effects and interaction with other instruments analysed in this Section. For intermediated securities, priorities include retail investor protection, guidance on loss allocation in intermediary insolvency and on protection funds or insurance schemes, as well as coordination with the DAPL Principles on tokenised securities (Section II.E.2, below). For close-out netting, attention should be given to eligible parties, effects on non-netting creditors, and coordination with the Bank Liquidation Guide's limited stays and the insurer insolvency project, particularly given the inclusion of insurance and reinsurance companies among qualifying financial market participants. Implementation support should prioritise emerging and developing financial markets and use corresponding legal and institutional indicators.

2. The UNIDROIT Principles on Digital Assets and Private Law

(a) Overview

200. The DAPL Principles establish a harmonised framework for the private law treatment of digital assets, with particular emphasis on proprietary rights. The DAPL Principles apply to digital assets capable of being subject to "control" and address issues such as the acquisition and disposition of digital assets, custody arrangements, secured transactions, insolvency, procedural law, and relevant aspects of private international law.

201. A central feature of the instrument is the recognition that digital assets can be objects of proprietary rights. This principle enables digital assets to function within existing property law frameworks and facilitates their use in commercial transactions, including transfers, collateral arrangements, and custody relationships. The DAPL Principles were designed to be technology-neutral and jurisdiction-neutral. They are intended for use across civil law and common law systems and aim to provide guidance to legislators, courts, and market participants seeking to address the legal implications of digital assets within domestic legal frameworks. By establishing predictable rules for ownership, transfer, and custody, the DAPL Principles contribute to the legal infrastructure supporting digital economic activity.

(b) Contribution to sustainable development

202. The DAPL Principles may contribute to the following SDGs:

203. SDG 8 (Decent Work and Economic Growth): The DAPL Principles may support economic resilience by facilitating access to finance through digital markets. By recognising proprietary rights in digital assets and enabling their use as collateral, the DAPL Principles support the development of secured lending arrangements and digital credit markets that may extend financing opportunities to small and medium-sized enterprises and other economic actors. In this way, they may contribute to expanding financial access and productive economic activity, consistent with the objectives of SDG 8, including Targets 8.2, 8.3, and 8.10.

204. SDG 9 (Industry, Innovation and Infrastructure): The DAPL Principles reinforce the legal foundations of digital economies by clarifying the private law treatment of digital assets. Clear rules governing control, transfer, custody, and insolvency treatment foster trust, interoperability, and investment in digital infrastructures. These features may be particularly relevant for low- and middle-income economies seeking to develop regulatory capacity and digital financial markets. By strengthening the legal infrastructure of digital assets, the DAPL Principles contribute to SDG 9, including Targets 9.3, 9.a, and 9.b relating to financial inclusion, infrastructure development, and technological capacity.

205. The reliability of the digital registries and technical infrastructure underpinning the custody and control of digital assets, notably so-called "linked assets" under the DAPL Principles, raises considerations closely analogous to those addressed above in relation to access to credit registries (Section II.D). This raises a question of internal coherence relevant to both SDG 9 and SDG 16, as the two discussions ultimately concern the same underlying condition: the operational resilience and reliability of the digital infrastructure on which the legal certainty and effectiveness of UNIDROIT's instruments depend.

206. SDG 10 (Reduced Inequalities): The DAPL Principles further financial inclusion by enabling digital assets to serve as collateral and by establishing secure custody frameworks. Legal recognition of proprietary rights in digital tokens and digital receivables may facilitate the development of more inclusive digital credit markets and expand access to finance for underserved populations. By supporting cross-border payments, remittances, and digital financial services, these mechanisms may contribute to reducing financial inequalities, consistent with SDG 10, including Targets 10.5,

10.b, and 10.c. These benefits should, however, be considered alongside the risk that the same legal certainty which facilitates cross-border digital-asset transfer may also lower the friction associated with capital flight, regulatory arbitrage, and illicit financial flows, particularly in jurisdictions where anti-money-laundering and counter-terrorist-financing capacity is limited (i.e., a risk documented in the works of the Financial Action Task Force and the Financial Stability Board on crypto-assets). The inclusion benefits described above further presuppose a level of digital connectivity, digital infrastructure, and digital literacy that is unevenly distributed. The DAPL Principles' contribution to SDG 10 is accordingly conditional on complementary digital-infrastructure development.

207. SDG 13 (Climate Action): The DAPL Principles are technology-neutral and therefore do not themselves distinguish between digital assets recorded through energy-intensive consensus mechanisms, such as proof-of-work, and those recorded through materially less energy-intensive alternatives. While this neutrality may be an appropriate design choice for an instrument of private law, it also means that the DAPL Principles, by facilitating legal certainty and market development for digital assets generally, may indirectly support continued investment in energy-intensive digital-asset infrastructure in the absence of complementary regulatory or disclosure measures (a consideration that should be weighed against the instrument's contribution to SDG's 8 and 9 discussed above).

208. SDG 16 (Peace, Justice and Strong Institutions): The DAPL Principles also contribute to institutional integrity in digital financial markets by providing legal certainty regarding the ownership, transfer, and custody of digital assets, as well as their treatment in insolvency (e.g., Targets 16.4, 16.6, 16.7, 16.10). These rules help reduce disputes concerning digital assets and may ensure that client assets are segregated from custodians' estates in insolvency proceedings.

209. SDG 17 (Partnerships for the Goals): Finally, the DAPL Principles contribute to SDG 17 by promoting cross-border consistency in the private-law treatment of digital assets. Harmonised legal standards may support legal interoperability between jurisdictions and facilitate the development of global digital-asset markets. Through these mechanisms, the Principles may contribute to international cooperation and capacity-building initiatives associated with SDG 17, including Targets 17.3, 17.5, 17.8, 17.13, 17.14, 17.16, and 17.7.

(c) Recommendations

210. The DAPL Principles may provide additional entry points for integrating sustainability considerations at the stage of domestic implementation, beyond those expressly reflected in their current formulation and outlined in the previous section. Digital asset systems rely on personal and transactional data. Embedding data-protection standards into national implementations aligns the DAPL Principles with the human rights dimension of sustainable development by safeguarding privacy, promoting transparency, and reducing digital exclusion. While digital rights—including privacy and data protection—are not expressly mentioned within SDGs, they are relevant to SDG 16, particularly Target 16.10 (public access to information and protection of fundamental freedoms).

211. In addition, although the DAPL Principles were designed to be technology neutral, their implementation may also take into account sustainability concerns associated with certain digital-asset technologies, notably those adopting energy-intensive consensus mechanisms. Domestic frameworks governing digital asset markets may incorporate measures that consider the environmental footprint of digital infrastructures. For example, the EU Regulation on Markets in Crypto-Assets (MiCA) requires crypto-asset issuers and service providers to disclose information relating to energy consumption and other sustainability indicators. While the DAPL Principles operate as a private law instrument, private law itself shapes market design by providing the legal architecture within which economic activities develop. Integrating environmental considerations into the property law framework for digital assets would also advance other SDG Targets: 9.4 (sustainable infrastructure and clean technologies), 8.4 (resource efficiency and decoupling growth from

environmental degradation), 17.7 (transfer of environmentally sound technologies to developing countries), and 17.14 (policy coherence for sustainable development).

212. Moreover, coordination between UNIDROIT initiatives may further strengthen the sustainable development dimension of these instruments. In particular, the interaction between the DAPL Principles and UNIDROIT's work on VCCs illustrates how digital asset frameworks may support emerging forms of sustainable finance. The legal concepts governing control, transfer, and custody of digital assets may also apply to tokenised environmental assets. Greater legal certainty in these areas may reduce risks in carbon credit trading and other sustainable finance applications, thereby indirectly supporting SDG 13 (Climate Action).

213. In addition, coordination should also extend to the Geneva Securities Convention and the Intermediated Securities Guide. The Guide recognises that distributed ledger technology should, for the most part, comply with the Convention's basic principles and rules. The Convention's approach to innocent acquisition has also informed Principle 8 of the DAPL Principles. As tokenised securities may be held directly or through intermediaries, the interaction between the DAPL Principles' control-based approach and the Convention's account-based rules may generate legal fragmentation and unequal investor protection, particularly in insolvency and loss allocation. Future guidance should address this interface and incorporate the sustainability considerations identified above, including energy consumption, data protection and disclosure.

214. When it comes to the evaluation of the implementation of the DAPL Principles, relevant indicators may include, for example: (i) the legal recognition of digital assets as objects of proprietary rights within domestic private-law frameworks; (ii) the establishment of custody and segregation rules ensuring that client digital assets are separated from the insolvency estates of custodians; (iii) the use of digital assets within secured lending frameworks, including SME finance and trade finance; (iv) the reduction of disputes concerning ownership, custody, or insolvency treatment of digital assets; (v) the development of cross-border consistency in the private-law treatment of digital assets; (vi) the use of DAPL-consistent private-law rules in tokenised carbon-credit and climate-finance mechanisms; and (vii) the reduction of legal risk in transfer and custody of environmental digital assets.

215. When promoting domestic implementation of the DAPL Principles, the Secretariat could develop supplementary guidance addressing the intersection of digital asset custody and control arrangements with applicable data protection frameworks. This guidance could address: (i) the categories of personal and transactional data generated in digital asset custody, transfer, and insolvency proceedings; (ii) the obligations of custodians and platform operators with respect to data minimisation, purpose limitation, and security; and (iii) the treatment of data in cross-border digital-asset transactions, including interaction with applicable private international law rules. This guidance could be developed in consultation with relevant data protection authorities and reference established frameworks (e.g., the OECD Privacy Guidelines).

216. In addition, when promoting domestic implementation of the DAPL Principles, the Secretariat could develop supplementary guidance addressing the environmental footprint of digital asset technologies employing energy-intensive consensus mechanisms, such as proof-of-work protocols. Such guidance need not depart from the technological neutrality of the DAPL Principles, but could instead assist States in calibrating their domestic implementing frameworks to account for sustainability considerations without prejudicing the private law characterisation of digital assets as objects of property. This guidance could address, in particular: (i) the categories of information relevant to assessing the energy consumption and broader environmental impact of digital asset infrastructures; (ii) the extent to which custodians, issuers, and platform operators might be expected to disclose sustainability-related indicators to counterparties and end-users as a matter of market practice, distinct from any public-law disclosure obligations that may separately apply; and (iii) the interaction between such disclosure practices and secured-lending or custody arrangements

governed by the DAPL Principles, insofar as energy-intensity considerations may bear upon risk assessment, valuation, or due diligence undertaken by market participants. Such an approach would maintain coherence between the DAPL Principles, the current CSDD project, and the broader sustainability considerations, while preserving the instrument's character as a private law framework rather than a regulatory or environmental standard-setting instrument.

217. To give this guidance operative effect, the Secretariat could develop, alongside the principles-based guidance described above, a set of model disclosure clauses for use in custody, secured-lending, and platform-operator agreements governed by the DAPL Principles, consistent with UNIDROIT's established practice of pairing principles with model clauses. The Secretariat could further consider whether supplementary guidance is warranted to address the DAPL Principles' interaction with central bank digital currencies and fiat-referenced stablecoins, given their growing prominence in cross-border payment and remittance infrastructure and their direct bearing on the financial-inclusion and monetary-sovereignty dimensions of sustainable development discussed above.

F. Contract law

1. Overview of UNIDROIT's work

218. UNIDROIT's core instrument in the area of general contract law is the UNIDROIT Principles of International Commercial Contracts (UPICC). First adopted in 1994, the most recent edition of the UPICC was published in 2016.

219. In recent years, UNIDROIT has also developed a number of contractual guidance instruments for special contracts that are building on the UPICC's general provisions, including the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming (2015) (addressed above in Section II.C) and the upcoming Principles and Model Clauses on IICs (expected in late 2026) (addressed above in Section II.B.2). Further, a new project on the development of international principles on construction and engineering contracts, to be conducted in partnership with the International Federation of Consulting Engineers (FIDIC), has been included in UNIDROIT's 2026-2028 Work Programme, with substantive work expected to commence in the second half of 2026.

2. Contribution to sustainable development

220. Neither the UPICC's black-letter rules nor the Official Comments accompanying them make any express reference to sustainability considerations, because the preparatory work for the UPICC, whose original version was adopted in 1994, predated the broader discussion of sustainability matters. Also on occasion of subsequent amendments of the Principles (most recently in 2016), no express provisions regarding sustainability were added. The UPICC can nevertheless make valuable contributions towards sustainable development and the achievement of the SDGs.

221. The UPICC contribute to sustainable development by ensuring that contracts and contractual terms are clear, understood, and lead to harmonisation, which will reduce transactional costs and reduce disputes with a clear focus on performance and preservation of commercial relationships, something which can be mapped against most of the SDGs.

222. Two general characteristics of the UPICC—their "soft law" character on the one hand, and their broad scope on the other hand—influence the ways in which they contribute to sustainability.

223. Their "soft law" character distinguishes the UPICC from other UNIDROIT instruments that constitute binding law once ratified by States. In contrast, the UPICC (primarily) govern contracts if and to the extent that private contracting parties have agreed on the Principles; the UPICC are therefore not implemented by States, but by private parties. This in turn means that the UPICC operate within the framework of private contracts. In accordance with Article 1.5 UPICC, any

sustainability components within the UPICC therefore only apply to the extent that the parties have not agreed otherwise in their contract, since party autonomy prevails. The perspective on sustainability may be different if one looks at the UPICC as an international "restatement" of contract law,[85] because the restatement function gives the UPICC's content an objective nature (despite their soft law character), including sustainability components (if any) forming part thereof.

224. The UPICC's broad scope stems from their design as a "general part" of international commercial contract law. In contrast to many other UNIDROIT instruments, the UPICC focus neither on one type of transaction nor on one industry, instead containing legal rules with a general scope suitable to apply, in principle, to every kind of commercial transaction. Similarly, the UPICC were not created with the goal of fixing specific insufficiencies of or improving the balance within existing laws on a narrower topic. As a result, the UPICC are less closely connected to specific SDGs.

225. In light of both the soft law character and scope of the UPICC, the Principles' substance directly contributes to greater sustainability[86] by the neutral and balanced nature of the rules provided, which are widely recognised as striking a fair balance between the rights and obligations of parties irrespective of their social, economic, or domestic legal background. This characteristic contributes to SDG 10 (Reduced Inequalities), notably Target 10.3 (ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard).

226. In terms of the UPICC's interaction with other sustainability regulations, Article 1.4 UPICC clarifies that nothing in the Principles restricts the application of mandatory rules, whether of national, international or supranational origin, which are applicable in accordance with the relevant rules of private international law—something that would also be true without an express clause in the UPICC, given their 'soft law' nature. Article 1.4 UPICC thereby affirms the priority of mandatory rules aimed at implementing sustainability goals, which currently mostly exist on a national and supranational (notably EU law) level and are applicable according to the relevant rules of private international law Given that sustainability-related rules of this kind are predominantly public law or regulatory law provisions, they can often be qualified as mandatory or even overriding mandatory rules in the private international law definition of this term. Where they exist, and depending on the applicable conflict-of-law rules, the UPICC play a merely supplementary role.

227. Article 1.4 UPICC also prevents frictions between the UPICC and legal provisions enacted by States in accordance with their obligations in respect of climate change outlined by the ICJ in its Advisory Opinion of 2025, which requires rules and measures that regulate the conduct of public and private operators within the States' jurisdiction or control and are accompanied by effective enforcement and monitoring mechanisms to ensure their implementation[87].

228. The UPICC can furthermore operate as rules of law accommodating contractual sustainability clauses agreed by contracting parties, and providing remedies in case of their potential breach.[88] The same is true for codes of conduct including sustainability-related obligations that have been incorporated into contracts.[89] The modern and sufficiently flexible design of the UPICC's rules on contract formation, contractual obligations (including duties of best efforts, Article 5.1.4(2) UPICC, which are rarely expressly addressed in older domestic contract laws) and their breach as well as on remedies makes the Principles a suitable vehicle for parties' agreed move towards sustainability. In

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[85] See Michael Joachim Bonell, An International Restatement of Contract Law: The UNIDROIT Principles of International Commercial Contracts, 3rd ed. (2005).

[86] Nicholas Mouttotos, 'The UNIDROIT Principles on International Commercial Contracts and sustainable development', Unif. L. Rev. (2024), 362, 364.

[87] ICJ, Advisory Opinion 'Obligations of States in Respect of Climate Change', 23 July 2025, at para. 282.

[88] See Ekaterina Pannebakker, 'Sustainable development clauses in international contracts through the lens of the UNIDROIT principles', Unif. L. Rev. (2024), 352, 356.

[89] Mouttotos, note 86 above, at 368.

this regard, the UPICC may be more suitable than contract law provisions in older domestic contract law regimes that sometimes operate with fixed categories of contract terms and of remedies for their breach, making it more challenging to accommodate novel sustainability-related contractual obligations.

229. In addition, the Principles may bind the parties to sustainability standards that qualify as a practice[90] or a usage[91] in the sense of Article 1.9 UPICC. The binding nature of such standards is unproblematic if and as far as the parties have contractually agreed on them as a usage or have in the past established a practice of observing these standards between them (Article 1.9(1) UPICC). As Article 1.9 UPICC contains no restrictions regarding the content of practices or usages, the provision can also accommodate those relating to sustainability issues.

230. The matter is more complicated in relation to usages that the parties have not contractually agreed upon. According to Article 1.9(2) UPICC, the parties are bound by such usages if they are 'widely known to and regularly observed in international trade by parties in the particular trade concerned…'. Article 1.9(2) UPICC could therefore result in a binding nature of sustainability standards, if those standards are actually regularly observed by market participants not only in a domestic context, but in international trade. The 'regularly observed' requirement will be the most important hurdle in this context – Article 1.9(2) UPICC refers to party behaviour that is, not party behaviour that should be. To what extent sustainable behaviour is currently already practiced internationally then needs to be assessed.

231. Another way of incorporating sustainability considerations into the UPICC's application could be to interpret broadly worded terms in UPICC provisions in light of sustainability standards. A pertinent example is the term "reasonable" appearing in a significant number of UPICC provisions. However, the UPICC employ relatively few general wordings of this kind in provisions that govern the performance of party obligations other than payment obligations (as, for example, the seller's obligation to deliver goods or the carrier's obligation to transport items), and activities of the latter kind are arguably the ones that may have an effect on the environment, the climate or other sustainability aspects. (By contrast, the conclusion of contracts, the assignment of rights or the calculation of damages—examples for classical contract law topics addressed in the UPICC—do not appear to raise any sustainability issues.) The Principles' lack of specificity in this regard is due to its general scope (addressed in para. 178 above); provisions addressing the performance of delivery obligations are instead found in more specific international instruments on, for example, sales of goods or transportation contracts. UNIDROIT instruments for specific types of contracts inspired by the UPICC's general provisions (para. 173 above) may therefore be even better suited for an application in light of sustainability considerations. The UPICC's own provisions on remedies nevertheless also leave room for taking into account sustainability factors, like the "fundamental non-performance" test as a prerequisite for contract terminations (Article 7.3.1 UPICC).

232. General notions of good faith and fair dealing have been suggested as a further basis for sustainability-related party obligations under UPICC contracts.[92] The wording of Article 1.7(1) UPICC appears to be sufficiently flexible to include sustainability considerations,[93] in the sense that "fair dealing in international trade" could be read as also extending to fairness towards the environment and the climate. In considering whether such an innovative interpretation would be wise, at least two factors seem to call for caution: First, construing "fair dealing in international trade" in Article 1.7(1) UPICC in such a manner may introduce a significant degree of uncertainty into the UPICC and their practical application to commercial contracts, because it is not clear what sustainability

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90 Isabel Zuloaga Rios & María Ignacia Vial Undurraga, 'Sustainability as a general principle of transnational commercial contract law', Unif. L. Rev. (2025), 1, 14.

91 Mouttotos, note 86 above, at 371, 373–4.

92 See Mouttotos, note 86 above, at 371, 374–5 (with a focus on the parties' obligation to renegotiate).

93 *Contra* Zuloaga Rios & Vial Undurraga, note 90 above, at 20.

requirements thus imported would require of the parties and their behaviour. And second, the effect of such a construction would be greatly sharpened by Article 1.7(2) UPICC, which states that "[t]he parties may not exclude or limit this duty". Quite apart from the logical conundrum raised by the existence of a mandatory provision in a non-binding instrument, Article 1.7(2) UPICC—when interpreted strictly—would further enhance the need for precise contours of sustainability standards derived from Article 1.7(1) UPICC, because they would prevail over all other clauses in the contract.

233. Finally, it has been argued in recent legal writings that sustainability is a general principle of transnational commercial contract law that is mandatory in nature and therefore included in every contract, even in the absence of an express commitment of the parties or of a specific domestic or international mandatory provision.[94] The proposal deserves careful consideration, but raises a number of questions. These *inter alia* concern the proposal's compatibility with Article 1.6(2) UPICC (where recourse to general principles is limited to gap-filling regarding "[i]ssues within the scope of these Principles" by general principles underlying the UPICC themselves – is sustainability an issue within the UPICC's scope?); the suggested unwritten mandatory nature of the general principle of sustainability, which would require a particularly solid basis and reasoning, as it limits the parties' freedom of contract (Article 1.5 UPICC); and the general principle's rather unclear content, which may be particularly worrisome to commercial actors who consider a contractual choice of the UPICC. The ICJ's Advisory Opinion on Obligations of States in Respect of Climate Change (2025) does not seem to be of direct relevance in this context, because it deals with the obligation of States to regulate the activities of private actors as a matter of due diligence,[95] without in itself creating obligations of private parties.

3. Recommendations

234. All recommendations concerning possible steps that UNIDROIT could take to further improve the UPICC's interaction with sustainability considerations profit from the Principles' soft law character (see para. 223 above), which ensures that such actions could be comparatively easily implemented, as none of them would require amendments of, or additions to a binding legal instrument, as would be the case for a Convention. Options in this respect include:

a. Undertaking further work, potentially culminating in a technical instrument providing contractual guidance, could be conducted on the inclusion of sustainability clauses into UPICC contracts and on the way the UPICC's remedy provisions would operate if such a clause is breached. Another area of work could be the interaction of mandatory national sustainability requirements with the UPICC.

b. Adding a new sustainability-related model clause to the existing Model Clauses for the Use of the UNIDROIT Principles of International Commercial Contracts.

c. Preparing an express provision (or provisions) on sustainability requirements for future inclusion into the UPICC's black letter rules, or the drafting of a future Official Comment on point, would also be possible. These steps reach further than other recommendations, as their eventual implementation would require an amendment of the UPICC. It is therefore not clear whether an isolated action of this kind would be sensible or whether it would be more suitable to include it as part of a more general revision of the UPICC, should such a revision be planned in the future.

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94 Zuloaga Rios & Vial Undurraga, note 90 above, at 4, 10.

95 ICJ, note 87 above, at para. 428.

G. Cultural Property

1. Overview

235. The protection and circulation of cultural objects, and their lawful presence on the art market, have long been central to the Institute's work. The 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects (the 1995 UNIDROIT Convention) is one of UNIDROIT's most successful instruments, with 56 States Parties (as of November 2026).[96] Of these, 36 may be classified as Global South countries[97] representing approximately 64.3 per cent of the total number of States Parties. By contrast, 20 States Parties belong to the Global North, representing 35.7 per cent of the total. Among these, only a limited number correspond to major art market countries, namely Italy and Spain (two States, approximately 3.6 per cent of the number of the States Parties). China is the only leading art market to have become a party to the Convention;[98] other established art market countries, such as France, Switzerland and the Netherlands have signed but not ratified it.

236. The 1995 UNIDROIT Convention seeks to promote fairness within the art market by harmonising rules concerning the good-faith acquisition of cultural objects and by reconciling differences among national legal systems. The Convention builds upon two pillars: the restitution of stolen cultural objects (Chapter II) and the return of illegally exported cultural objects (Chapter III).[99]

237. In cases involving stolen cultural objects (defined in Article 2 and the Annex),[100] for instance, Chapter II of the Convention establishes a mechanism for the restitution of the object to its rightful owner (Article 3(1)), while allowing a possessor who can prove that they exercised due diligence at the time of acquisition to obtain fair and reasonable compensation for the loss of a unique object (Article 4(1) and (4)).[101] A similar mechanism applies to illegally exported cultural objects (Article 5), albeit with two main differences: first, the category of cultural objects subject to return is narrowed down by Article 5(3); second, the requesting party is invariably a State whose export laws have been violated (Article 5(1)).[102]

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[96] The UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects (Rome, 24 June 1995; entered into force 1 July 1998). See UNIDROIT, States Parties, https://www.unidroit.org/instruments/cultural-property/1995-convention/status/ (last accessed 8 November 2026); UNIDROIT 2026 – C.D. (107) 14, para. 3.

[97] They are: Afghanistan, Algeria, Angola, Argentina, Azerbaijan, Benin, Bolivia, Botswana, Brazil, Burkina Faso, Cambodia, China, Colombia, Côte d'Ivoire, Ecuador, El Salvador, Gabon, Ghana, Guatemala, Honduras, Iran, Lao People's Democratic Republic, Madagascar, Mexico, Morocco, Myanmar, Nigeria, Panama, Paraguay, Peru, South Africa, Syrian Arab Republic, Togo, Tunisia, Uruguay, and Yemen. In line with common usage within the United Nations system, where "Global South" refers to developing countries, this analysis adopts the classification of developing economies used for statistical purposes by UN Trade and Development (UNCTAD). See UNCTAD, UNCTADstat – Classifications, https://unctadstat.unctad.org/EN/Classifications.html (last accessed 8 November 2026).

[98] In 2025, China accounted for 14 percent of global art sales by value (approximately USD 8.5 billion), ranking as the world's third-largest art market. See C. McAndrew, *The Art Basel and UBS Global Art Market Report 2026* (Art Basel and UBS, 2026), https://www.ubs.com/artmarket (last accessed 8 November 2026)

[99] For a more detailed analysis of the 1995 UNIDROIT Convention, see the White Paper prepared by the UNIDROIT Workstream on Cultural Property.

[100] L. V. Prott and P. J. O'Keefe, '"Cultural Heritage" or "Cultural Property"?' (1992) 1(2) *International Journal of Cultural Property* 307; M. Frigo, 'Cultural Property v Cultural Heritage: A "Battle of Concepts" in International Law?' (2004) 86 *International Review of the Red Cross* 367; Lucas Lixinski, *A Research Agenda for Cultural Heritage Law* (Edward Elgar 2019) 33, 36; F. Francioni, 'A Dynamic Evolution of Concept and Scope: From Cultural Property to Cultural Heritage' in A. A Yusuf (ed), *Standard-Setting at UNESCO: Normative Action in Education, Science and Culture* (vol 1, UNESCO 2007) 225; A. F. Vrdoljak, 'Introduction' in F. Francioni and A. F. Vrdoljak (eds), *The Oxford Handbook of International Cultural Heritage Law* (OUP 2020) 4.

[101] C. Roodt, 'Article 4 of the UNIDROIT Convention: Possessor's Rights and Claims for Restitution of Cultural Objects' in A. F: Vrdoljak, A, Chechi and A. Jakubowski (eds), *The 1970 UNESCO and 1995 UNIDROIT Conventions on Stolen or Illegally Transferred Cultural Property: A Commentary* (OUP 2024) 561 ff.

[102] A. Chechi and K. Lee, 'Article 5 of the UNIDROIT Convention: Claim for Illegally Exported Cultural Objects' in A. F. Vrdoljak, A. Chechi and A. Jakubowski (eds), *The 1970 UNESCO and 1995 UNIDROIT Conventions on Stolen or Illegally Transferred Cultural Property: A Commentary* (OUP 2024) 579 ff.

238. The private law rules enshrined in the 1995 UNIDROIT Convention are considered complementary to those of the 1970 UNESCO Convention, a treaty concerning matters of public law, which seeks, *inter alia*, to protect cultural heritage and to regulate the art market by requiring States Parties to return cultural objects (as defined by Articles 1 and 7(b)(i)) stolen and illegally imported into their territory (Article 7(b)(ii)).[103]

239. The 1995 UNIDROIT Convention was the first international instrument concerning cultural property to pay specific attention to the cultural heritage of tribal and Indigenous communities. Under Article 3(8), claims for the restitution of stolen sacred or communally important objects belonging to and used by such communities are subject to the more favourable time limitation applicable to public collections. Under Article 5(3)(d), the impairment of the traditional or ritual use of an object by a tribal or Indigenous community is a ground for ordering the return of an illegally exported object. Under Article 7(2), Chapter III applies even to contemporary objects made by members of such a community for its traditional or ritual use, provided that the object is returned to that community. These provisions give binding effect, among Contracting States, to the principles later set out in Articles 11 and 12 of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) of 2007, notably restitution and repatriation of cultural and ceremonial property.

240. Article 3(2) of the 1995 UNIDROIT Convention provides that cultural objects which have been "illegally excavated or lawfully excavated but unlawfully retained" shall be considered stolen where this is consistent with the law of the State in which the excavation took place. Through this and other provisions[104] the 1995 UNIDROIT Convention aims to protect undiscovered archaeological objects, a category of objects not expressly included within the scope of the 1970 UNESCO Convention.[105]

241. Article 3(2) has often been described as particularly responsive to the concerns of Global South States, as it aims to reinforce the effectiveness of national laws that vest ownership of undiscovered cultural objects in the State, thereby strengthening restitution claims. However, both before and after the adoption of the Convention, such ownership laws have repeatedly been tested before foreign national courts in restitution proceedings. In several cases, restitution was denied because the relevant legislation did not vest ownership in the State with sufficient clarity, was construed as a mere export restriction, or because the State could not prove that the objects had been removed from its territory after the entry into force of its ownership law.

242. In response to these challenges, in 2012 UNESCO and UNIDROIT adopted the Model Provisions on State Ownership of Undiscovered Cultural Objects (the UNESCO-UNIDROIT Model Provisions).[106] This instrument consists of six core principles, each accompanied by a detailed commentary designed to clarify their interpretation and application. Drafted by a group of experts convened by the secretariats of both organisations, the Model Provisions are intended to assist in establishing domestic legislation affirming State ownership over undiscovered cultural objects, with a view, *inter alia,* to strengthening restitution claims in cases of unlawful removal (Provisions 1-3 and 6). In particular, Provision 3 vests ownership of undiscovered cultural objects in the State "provided there is no prior existing ownership", thereby preserving pre-existing title while leaving States free to recognise other ownership regimes under their domestic law (e.g., by recognising the ownership of tribal and Indigenous communities over their sacred and communally important objects). Provision

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103 S. K. Urice and G. A. Levy, 'Article 7(b)(ii) of the UNESCO Convention: Cooperation for the Return of Cultural Property' in A. F. Vrdoljak, A. Chechi and A. Jakubowski (eds), *The 1970 UNESCO and 1995 UNIDROIT Conventions on Stolen or Illegally Transferred Cultural Property: A Commentary* (OUP 2024) 245 ff.

104 *See,* recitals 3 and 8 of the Preamble, art 2 and the Annex, letters (c) and (d), art 3(4) and art 3(5).

105 A. Jagielska-Burduk and D. Fincham, 'Article 3 of the 1995 UNIDROIT Convention' in A. F. Vrdoljak, A. Chechi and A. Jakubowski (eds), *The 1970 UNESCO and 1995 UNIDROIT Conventions on Stolen or Illegally Transferred Cultural Property: A Commentary*, *cit.,* 545-560.

106 UNESCO and UNIDROIT, *Model Provisions on State Ownership of Undiscovered Cultural Objects with Explanatory Report and Guidelines* (2012), https://www.unidroit.org/instruments/cultural-property/2012-model-provisions/ (last accessed 8 November 2026).

4 calls on States to treat cultural objects excavated contrary to the law or licitly excavated but illicitly retained as stolen objects. The text also includes private law provisions, inspired by the principle of *nemo dat*, according to which the transfer of ownership of a cultural object deemed to be stolen is null and void, unless it can be established that the transferor had valid title to the object at the time of the transfer (Provision 5).[107] For a more detailed analysis of the UNESCO-UNIDROIT Model Provisions, reference is made to the White Paper prepared by the UNIDROIT Workstream on Cultural Property.

243. Since 1995, the majority of training and capacity-building activities carried out by the Secretariat in relation to the 1995 UNIDROIT Convention and the 2012 UNESCO–UNIDROIT Model Provisions have taken place in Global South countries, as well as in developing and emerging economies. This reflects both the geographical distribution of ratifications and the demand for legal and institutional support in strengthening national frameworks for the protection of cultural heritage.

244. UNIDROIT is currently working on a project addressing private art collections and orphan objects together with the University of Geneva's Art-Law Center (ALC) and the Fondation Gandur pour l'Art. The project has been elevated to high priority in the 2026-2028 Work Programme. The aim of the initiative is to address cultural objects, as defined in Article 2 and the Annex of the 1995 UNIDROIT Convention, that lack complete or partial provenance documentation for reasons not necessarily connected with looting or other crimes against cultural objects.[108]

245. As of November 2026, the draft instrument contains six guidelines (A-F) addressing the definition of "orphan (cultural) objects", in private collections, as well as issues relating to provenance research, due diligence, evidence and publication or documentation. The guidelines are intended to strengthen the provisions of the 1995 UNIDROIT Convention by, *inter alia,* detailing the standards of provenance research and due diligence required when possessing or collecting cultural objects.

246. Moreover, the decision to opt for a soft law instrument resonates with the target audience of the initiative, namely the art market. The aim is to influence self-regulation by instilling good practices inspired by the provisions of the 1995 UNIDROIT Convention.

2. Contribution to sustainable development

247. The 1995 UNIDROIT Convention, as well as the UNESCO-UNIDROIT Model Provisions,[109] were not adopted with the specific aim of advancing sustainable development. However, in subsequent years, both instruments have been interpreted through the lens of sustainability.

248. Indeed, the objectives pursued by the 1995 UNIDROIT Convention are consistent with those reflected in the SDGs and in broader sustainable development frameworks. For example, the Convention's actions of restitution (Articles 3-4) and return (Articles 5-6) of cultural objects are not merely patrimonial measures of redress; they are deeply rooted in human rights principles.[110] When a cultural object is stolen, from a private home, a museum, or, most crucially, from the ground, multiple links are severed: the link with the object's community of origin, the link with its contextual and archaeological information, and the link with its past and future narratives (Recital 3).

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107 *Ibidem.*

108 UNIDROIT, Study LXXB – W.G.3 – Doc 4, Annex III (2025) 21.

109 Similarly to the 1995 UNIDROIT Convention, the topic of sustainability is not the core focus of the text of the Model Provisions. However, they help create a sustainable environment by directly or indirectly fostering justice, promoting the economic growth of communities and archaeological areas, combating (economic and educational) inequalities, and preventing the destruction of ecosystems caused by the indiscriminate excavation carried out by looters.

110 See, for instance, the *Report of the Special Rapporteur in the field of cultural rights*, A/HRC/31/59, 2016, <https://documents.un.org/doc/undoc/gen/g16/016/97/pdf/g1601697.pdf?OpenElement> (accessed October 2025) and subsequent reports.

249. In a world where cultural objects are increasingly regarded as common goods or, to use the words of Recital 3 of the Preamble of the 1995 UNIDROIT Convention, "the heritage of all peoples", the harm caused by their loss extends beyond that suffered by the individual owner. It affects all those who share rights and legitimate interests in such objects—the human right to access culture, the interest in their preservation and study[111] and the broader public interest in cultural heritage.[112] From an intergenerational perspective, the damage inflicted does not only affect the present generation but also undermines the rights and interests of future generations.[113]

250. Moreover, the systematic transfer of cultural objects to major museums in the Global North has historically generated deep inequalities, depriving countries of origin of educational opportunities and cultural capital, while negatively impacting their national and local economies. Illicit trafficking and looting also cause tangible harm to the environment in which cultural sites are located. Non-scientific excavations destroy ecosystems and irreversibly damage the archaeological landscape, as recognised in judicial decisions.[114] This phenomenon is particularly acute during armed conflicts, when the collapse of State control over cultural sites allows looting to take place, illustrated by satellite imagery of Palmyra during the Syrian civil war.[115]

251. Against this background, when examined through the analytical framework of the SDGs, the 1995 UNIDROIT Convention primarily advances the following objectives and targets:[116]

252. SDG 3 (Good Health and Well-Being) and SDG 4 (Quality Education): Once cultural objects are returned and the human right of access to culture is restored, they benefit communities by enriching learning, strengthening cultural identity and supporting cultural continuity, in line with Target 4.7. Displayed in their communities of origin, returned cultural objects can also help repair the sense of loss caused by their removal and reinforce collective identity, thereby supporting, albeit indirectly, the promotion of mental health and well-being under Target 3.4.

253. SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth): The restitution or return of cultural objects, including to small or medium-sized museums located in decentralised or suburban areas, has a positive impact on vulnerable local economies by restoring economic value and cultural capital to communities of origin (Target 1.4) and by attracting visitors and supporting sustainable cultural tourism (Target 8.9). Overall, the 1995 UNIDROIT Convention seeks to reduce the uncertainty that has long characterised this field by legitimising transactions and ensuring transparency. It promotes a lawful art market that supports sustainable cultural and creative industries (Target 8.3) and contributes to heritage-based economic opportunities benefiting local communities (by generating income and creating decent jobs). Moreover, lawful exchanges are encouraged through the promotion of responsible collecting and trade practices, as well as ethical acquisition policies and due diligence standards within the art market and museum sector.

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111 See, Recital 3 of the 1995 UNIDROIT Convention.

112 See, in particular, Recital 2 and 3 of the 1995 UNIDROIT Convention. See also, 2012 *UNESCO-UNIDROIT Model Provisions on State Ownership of Undiscovered Cultural Objects* <https://www.unidroit.org/instruments/cultural-property/2012-model-provisions/> accessed October 2025.

113 G. Giardini, M. Schneider, "Back to the Future: the UNIDROIT Convention at 30 years old" in S. Vigneron, J. Ulph, A. Maget Dominicé, *Research Handbook on Art, Culture and Heritage Law,* Elgar (2026).

114 In the decision rendered by the Tribunal of Rome against Gianfranco Becchina, the Judge, in considering the illegal excavations carried out by the defendant, underscored the harmful consequences of such actions for the archaeological environment, as the objects were placed in Greek chamber tombs underground: «in order to commercialise the many artefacts in question, the archaeological structures that contained them were altered, decontextualised, and destroyed at least ten times, lost forever to scientific research, causing irreparable cultural damage». See, Sent. Trib. di Roma, 10 February 2011, no. 1113, deposited on 22 June 2011, p. 109.

115 J. Amos, "Palmyra: Satellite Image of IS Destruction" (*BBC News*, August 28, 2015) <https://www.bbc.com/news/science-environment-34090536> accessed November 2026.

116 Labadi, F. Giliberto, I. Rosetti, L. Shetabi and E. Yildirim, *Heritage and the Sustainable Development Goals: Policy Guidance for Heritage and Development Actors* (Paris, ICOMOS, 2021), p. 107; UNESCO, *UNESCO Global Report on Cultural Policies. Culture: The Missing SDG* (Paris, UNESCO, 2025), p. 17.

254. SDG 10 (Reduced Inequalities): According to the UNESCO Global Report on Cultural Policies, the 1970 UNESCO Convention and the 1995 UNIDROIT Convention contribute to SDG 10 by ensuring access to and restitution of cultural objects, thereby rebalancing cultural resources among nations and communities.[117] The 1995 UNIDROIT Convention also provides uniform rules that facilitate international claims and enhance access to justice for States of origin and dispossessed owners with limited resources. In addition, it addresses the information asymmetries of the art market: by making the possessor's compensation conditional on proof of due diligence at the time of acquisition (Article 4(1) and (4)), it places the burden of proof on the possessor and creates an incentive to seek provenance information before acquiring an object, reducing inequalities of outcome between market actors and claimants (Target 10.3). Moreover, the UNESCO-UNIDROIT Model Provisions require States to preserve undiscovered cultural objects "for present and future generations" (Provision 1), reflecting a notion of intergenerational justice that the commentary describes as "a significant factor for the sustainable development of all communities".[118] As model legislation, they also promote the appropriate legislation called for by Target 10.3 and support the inclusion of the communities whose heritage is at stake (Target 10.2).

255. SDG 11 (Sustainable Cities and Communities): The 1995 UNIDROIT Convention and the UNESCO-UNIDROIT Model Provisions are directly applicable and particularly relevant to the achievement of Target 11.4, which aims to strengthen efforts to protect and safeguard the world's cultural and natural heritage.

256. SDG 15 (Life on Land): A responsible art market reduces demand for looted objects, leading to a decline in incentives for looters and tomb robbers to carry out illegal excavations that damage both heritage and the environment. In this way, SDG 15 is supported by curbing the looting and illegal excavation of archaeological sites, thereby preventing land degradation (Target 15.3) and protecting cultural landscapes and ecosystems affected by illicit trafficking (Target 15.1). The UNESCO-UNIDROIT Model Provisions establish that undiscovered cultural objects belong to the State, provided that no prior ownership exists (Provision 3). The aim is to protect cultural objects that have yet to be discovered, whether through authorised excavations or through fortuitous discoveries. By affirming State ownership, the provisions seek to discourage clandestine excavations carried out for private profit, which often result in the destruction of archaeological contexts. In doing so, the Model Provisions contribute to SDG 15 by protecting archaeological landscapes and surrounding ecosystems, reducing the environmental degradation caused by illicit digging and reinforcing the protection of cultural heritage belonging to local, Indigenous and tribal communities.[119] This objective is further reinforced in Provisions 4 and 6, the latter providing that "for the purposes of ensuring the return or restitution to the enacting State of cultural objects excavated contrary to the law or licitly excavated but illicitly retained, such objects shall be deemed stolen objects".

257. SDG 16 (Peace, Justice and Strong Institutions): The 1995 UNIDROIT Convention contributes to the consolidation of the rule of law (Target 16.3) and the promotion of justice by mitigating the harms arising from the illicit trafficking of cultural property, thereby supporting conditions conducive to peacebuilding and societal stability. By establishing uniform rules for the restitution and return of stolen and illegally exported cultural objects, it contributes to strengthening the recovery and return of stolen assets and to combating the forms of organised crime associated with the illicit trafficking of cultural property, including transnational trafficking networks, money laundering and the financing of armed groups (Target 16.4). Scholars have also regarded the 1995 UNIDROIT Convention as a tool

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117 P. Gerstenblith, 'Protecting Artists and Culture at Risk: Bolstering Resilience, Peace and Security', in *UNESCO Global Report on Cultural Policies: Culture – The Missing SDG*, op. cit., 264 ff.

118 UNIDROIT, 'Model Provisions on State Ownership of Undiscovered Cultural Objects' <https://www.unidroit.org/instruments/cultural-property/2012-model-provisions/> accessed 8 November 2026.

119 THE 1995 UNIDROIT Convention was the first international treaty on cultural property to make specific provision for objects of tribal and Indigenous communities (Articles 3(8), 5(3)(d) and 7(2)), anticipating Articles 11–12 of the UN Declaration on the Rights of Indigenous Peoples (2007).

for redressing past wrongs[120] and promoting principles of restorative justice.[121] It also calls upon States to harmonise their domestic laws and to engage in international cooperation to prohibit and prevent illicit trafficking.[122] The UNESCO-UNIDROIT Model Provisions also contribute to SDG 16 by providing legislative guidance to affirm State ownership of cultural objects, supporting the introduction of offences relating to cultural objects, strengthening institutional capacity and governance (Target 16.a) and ultimately facilitating restitution and return claims.

258. SDG 17 (Partnerships for the Goals): The 1995 UNIDROIT Convention encourages international cooperation in restitution and return cases and the harmonisation of private law rules, promoting a common legal language among States (Target 17.14). The UNESCO-UNIDROIT Model Provisions represent an example of the partnership between UNESCO and UNIDROIT in implementing the objectives of the 1995 UNIDROIT Convention in complementarity with the 1970 UNESCO Convention, thereby contributing to SDG 17. The training and capacity-building activities carried out by the Secretariat, largely in developing and emerging economies, support Target 17.9, while the ongoing project on orphan objects with the University of Geneva's Art-Law Center and the Fondation Gandur pour l'Art illustrates the value of public-private and academic partnerships (Target 17.17).

3. Recommendations

259. To further strengthen the implementation of the 1995 UNIDROIT Convention and the UNESCO-UNIDROIT Model Provisions and their contribution to sustainable development, it is recommended that:

a. The UNIDROIT President consider convening a second Special Committee to Review the Practical Operation of the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects, pursuant to Article 20 of the Convention. Such a meeting would provide an opportunity to assess the Convention's practical operation since the First Review Meeting in 2012, examine its contemporary relevance and further explore its relationship with sustainability objectives.

b. In connection with such a review, consideration be given to commissioning a study on the impact on Indigenous and tribal communities of the restitution and return of cultural objects, whether or not the Convention is directly applied. The study should focus in particular on the synergies between the 1995 UNIDROIT Convention, UNDRIP and other instruments and mechanisms available to Indigenous and tribal communities to facilitate the return of their cultural objects, drawing also on relevant case law. On the basis of its findings, the study could recommend that UNIDROIT cooperate with the relevant UN bodies, such as the Expert Mechanism on the Rights of Indigenous Peoples and the Permanent Forum on Indigenous Issues, and develop model documents or guidance to facilitate the use of the Convention by Contracting States acting on behalf of such communities.

c. In September 2026, the UN General Assembly proclaimed 2027–2036 the International Decade of Culture for Sustainable Development (the Decade), entrusting UNESCO with its implementation. Among the objectives of the Decade is the use of cultural knowledge for climate change adaptation and environmental

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120 E. Novic, 'Remedies' in F. Francioni and A. F. Vrdoljak (eds), *The Oxford Handbook of International Cultural Heritage Law* (OUP 2020) 644 ff.

121 M. Desboeufs, '70 ans de la Convention de La Haye de 1954: la nécessité d'aller au-delà des conflits armés concernant la protection du patrimoine culturel' (2024) 41 *KGS Forum* <https://www.babs.admin.ch/dam/fr/sd-web/tNafmC3D25Qi/KGS_Forum_41_INH_2024-10-29_web_low.pdf> accessed 6 March 2026. *See* also A. F. Vrdoljak, 'Cultural Heritage, Transitional Justice, and Rule of Law' in F. Francioni and A. F. Vrdoljak (eds), The Oxford Handbook of International Cultural Heritage Law (OUP 2020) 187 ff.

122 UNESCO global report on cultural policies, Culture : the missing SDG, op. cit., p. 17.

protection. As part of the network of international organisations active in this field, UNIDROIT could join forces with UNESCO and other relevant stakeholders in a series of initiatives aimed at the protection of cultural property. In this context, the studies referred to above could also serve as a contribution by UNIDROIT to the future Action Plan for the implementation of the Decade.

d. In its ongoing work and in its future work in this field, UNIDROIT ensure broad and inclusive participation by involving local, tribal and Indigenous Peoples' representatives and other relevant stakeholders and promote a balanced representation of women and men among experts and participants, where appropriate.

H. Procedural law and dispute resolution

1. Overview

260. UNIDROIT's contribution to the field of procedural law and dispute resolution encompasses work related to transnational civil procedure, procedural harmonisation, enforcement, arbitration, and the dispute resolution mechanisms embedded in sector-specific instruments. UNIDROIT's instruments in this area span the principal stages and scope of civil dispute resolution—from the harmonisation of procedural principles, through the formulation of regional model rules, to the effective enforcement of judgments and awards. These instruments include:

261. The ALI/UNIDROIT Principles of Transnational Civil Procedure (2004): The ALI/UNIDROIT Principles, developed jointly by the American Law Institute (ALI) and UNIDROIT, are a soft law instrument comprising 31 Principles accompanied by a commentary, which set out a framework of fundamental procedural norms for the adjudication of transnational commercial disputes, promoting fairness, efficiency, and judicial cooperation. The Principles encompass foundational guarantees of judicial integrity—the independence, impartiality, and qualifications of the court (Principle 1)—and enshrine core procedural rights: the equality of the parties (Principle 3), the right to counsel (Principle 4), due notice and the right to be heard (Principle 5), prompt justice (Principle 7), and access to information and evidence (Principle 16). Other Principles govern the conduct of proceedings, balancing party initiative against judicial supervision: the parties control the scope of the dispute (Principle 10), while the court manages the process (Principle 14). Other provisions address multiple claims and parties (Principle 12), oral and written presentations (Principle 19), and the burden of proof (Principle 21). Reflecting the cross-border context, the Principles also set standards for the recognition of foreign judgments (Principle 30) and encourage international judicial cooperation (Principle 31).

262. ELI-UNIDROIT Model European Rules of Civil Procedure (2020): The ELI-UNIDROIT Model Rules, developed jointly by the European Law Institute (ELI) and UNIDROIT, comprise 225 Model Rules with accompanying commentary, organised into twelve Parts: General Provisions; Parties; Case Management; Commencement of Proceedings; Proceedings Preparatory to a Final Hearing; Service and Due Notice of Proceedings; Access to Information and Evidence; Judgment, Res Judicata and Lis Pendens; Means of Review; Provisional and Protective Measures; Collective Proceedings; and Costs. At their foundation lies a principle of cooperation, fostering collaboration among the court, the parties, and their lawyers to ensure fair, efficient, and speedy dispute resolution. This is reinforced by a principle of proportionality, requiring courts to handle cases in a manner commensurate with the nature, importance, and complexity of the dispute and its associated costs, and by the right to be heard as a constitutive element of procedural justice.

263. The UNIDROIT Best Practices for Effective Enforcement (BPEE) (2026): The BPEE is a soft law instrument that was adopted by the UNIDROIT Governing Council in May 2026 and preparation of its publication is underway at the time of writing. The instrument's aim is to make the enforcement of

creditors' claims more effective while securing adequate protection for debtors and third parties. Addressed primarily to domestic legislators, they are structured in three Parts, subdivided into Chapters containing Recommendations and Commentary—some framed as provisions that could be enacted directly, others as guidance for designing or reforming more tailored enforcement rules. Part I addresses enforcement by public authority, offering global standards for general enforcement procedures. Part II covers the enforcement of security rights, focusing on extrajudicial mechanisms and complementing existing international instruments, including those developed by UNCITRAL, with new guidance on expeditious relief and on enforcement over immovables. Part III deals with enforcement on digital assets, aligning with and supplementing the DAPL Principles.

264. The UNIDROIT Work Programme also includes a project on International Civil Procedure in Latin America, which is conceived as building upon the ALI/UNIDROIT Principles and continuing the Institute's work of regional procedural harmonisation as evidenced by the ELI-UNIDROIT Model Rules. The project is currently has low priority status in the Work Programme, meaning that substantive work is yet to commence.

265. A project on Access to Justice in Environmental Matters was also considered by the Governing Council at its 101st session in 2022 and placed under the Transnational Civil Procedure area of work in the 2023–2025 Work Programme for exploratory work. The proposal envisaged a Model Law, or comparable instrument, addressing the divergences between national regimes, particularly in cross-border cases, on standing (including that of NGOs), collective redress, jurisdiction, the choice of competent courts and available remedies, going beyond the more general guarantees of the UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (the Aarhus Convention). While acknowledging the value of UNIDROIT's procedural expertise, the Governing Council called for further consultation with environmental law bodies.[123]

[123] See UNIDROIT 2022 – A.G. (81) 3, paras. 101–104.

2. Contribution to sustainable development

266. Although the instruments were not expressly designed as a mechanism for implementing the 2030 Agenda, the ALI/UNIDROIT Principles, the ELI-UNIDROIT Model Rules, and the BPEE promote procedural standards that are closely aligned with its objectives: effective access to justice, equality before the law, fair and efficient dispute resolution, judicial independence, institutional accountability and international cooperation. The instruments' contribution to the SDGs is therefore both direct, through the promotion of fair and effective civil justice systems, and indirect, through the creation of legal conditions conducive to sustainable economic and social development. Taken together, the three instruments address complementary dimensions of effective justice: the conduct of civil proceedings, the development of harmonised procedural standards, and the effective implementation of judicial decisions and other enforceable claims.

267. SDG 16 (Peace, Justice and Strong Institutions): The ALI/UNIDROIT Principles advance Target 16.3 (calling for the promotion of the rule of law and equal access to justice for all), Target 16.6 (concerning the development of effective, accountable and transparent institutions) and Target 16.7 (emphasising inclusive, participatory and representative decision-making) through their recognition of judicial independence and impartiality (Principle 1), procedural equality (Principle 3), due notice and the right to be heard (Principle 5), the requirement that justice be rendered within a reasonable time (Principle 7), and the obligation to provide reasoned judicial decisions (Principle 23). The Principles' emphasis on active judicial case management (Principle 14), good-faith conduct by parties and lawyers (Principle 11), and effective enforcement and recognition of judgments (Principles 29–30) further supports the development of reliable and accountable justice institutions. In this respect, the ALI/UNIDROIT Principles address not merely the formal availability of judicial remedies, but also the conditions necessary for those remedies to be meaningful and effective.

268. The ELI-UNIDROIT Model Rules develop these objectives further by translating the general standards of the ALI/UNIDROIT Principles into a more detailed procedural framework adapted to European legal traditions and fundamental rights standards. In particular, Rules 2–4 establish a general duty of cooperation between courts, parties and their lawyers, require good-faith conduct and place responsibility for active and effective case management on the court. Rule 5 further establishes proportionality as a general principle governing civil proceedings, while the provisions on costs seek to ensure that litigation expenses remain reasonable and proportionate to the amount in dispute, the complexity of the proceedings and their importance to the parties and the public interest (Rule 8). These provisions are particularly relevant to Target 16.3 because equal access to justice requires procedures that are affordable, proportionate, timely and practically accessible. By seeking to reduce unnecessary procedural complexity, excessive costs and undue delay, the Model Rules can help address structural obstacles that might otherwise prevent individuals and businesses from obtaining effective judicial protection. The emphasis on cooperation and consensual dispute resolution (Rules 2, 3 and 9–10) also contributes to more constructive and efficient dispute resolution, while preserving the parties' right to pursue adjudication.

269. The BPEE complement the preceding instruments by addressing the effective enforcement of judicial decisions and other claims. The instrument responds to the recognition that the right of access to justice and the right to a fair procedure cannot be fully realised if judgments and other enforceable claims cannot be implemented effectively in practice. It seeks to provide national legislators and policymakers with global standards and best practices for improving domestic enforcement frameworks, covering both post-adjudication enforcement and extrajudicial enforcement mechanisms, as well as secured and unsecured claims. Particularly relevant to Target 16.3 is the BPEE's focus on addressing excessive delays and costs, improving transparency, strengthening the effectiveness of enforcement mechanisms and responding to the challenges posed by technological developments, including the enforcement of rights over digital assets. By promoting enforcement systems that are effective, predictable and accessible, the project seeks to bridge the gap between the formal recognition of legal rights and their practical realisation. It also contributes

to Target 16.6 by encouraging the development of more transparent, accountable and efficient enforcement institutions and mechanisms. Importantly, effective enforcement must also be balanced against the protection of debtors' rights and fundamental procedural guarantees, thereby ensuring that the pursuit of efficiency does not undermine fairness or proportionality.

270. The three instruments also have a broader institutional and governance dimension. Their emphasis on judicial independence, impartiality, transparency, reasoned decisions, good-faith procedural conduct and international cooperation reflects the understanding that sustainable development depends upon the existence of trustworthy and effective institutions. This is particularly relevant to Target 16.6, which calls for effective, accountable and transparent institutions, and Target 16.7, which promotes inclusive and participatory decision-making.

271. SDG 8 (Decent Work and Economic Growth): The instruments may also be considered to contribute to SDG 8, particularly Targets 8.3 and 8.10, concerning productive economic activity, entrepreneurship and access to financial services. Although the instruments primarily concern procedural rather than substantive rights, effective civil justice is an important institutional precondition for sustainable economic development. Predictable procedures, effective enforcement of judgments, recognition of foreign judgments and international judicial cooperation reduce legal uncertainty and the risks associated with cross-border transactions. The ALI/UNIDROIT Principles address these matters expressly through their provisions on effective enforcement (Principle 29), recognition of judgments (Principle 30) and international judicial cooperation (Principle 31). The ELI-UNIDROIT Model Rules build upon this framework by providing more detailed procedural standards for domestic and cross-border civil and commercial disputes.

272. The BPEE add a further economic dimension by seeking to improve the effectiveness of mechanisms for the enforcement of creditors' claims, including secured claims. Effective enforcement contributes to well-functioning credit markets, improved access to credit, increased trade and investment, and overall economic development and sustained growth. Reliable and predictable enforcement mechanisms can strengthen the confidence of creditors and investors, reduce the risks associated with lending and commercial transactions, and facilitate access to finance, particularly for businesses and entrepreneurs.

273. Together, these instruments can contribute to a more reliable legal environment in which businesses, including smaller enterprises, can enforce contractual rights, resolve disputes and participate in economic activity with greater confidence. Effective dispute resolution can also support the protection of workers, consumers and other parties whose economic interests depend upon the practical enforceability of their rights.

274. SDG 10 (Reduced Inequalities): The instruments may also contribute to SDG 10, particularly Target 10.3, which seeks to ensure equal opportunity and reduce inequalities of outcome, including through the elimination of discriminatory laws and practices. Procedural equality is fundamental in this respect. The ALI/UNIDROIT Principles expressly require equal treatment and reasonable opportunities for litigants to assert or defend their rights, including protection against discrimination based on nationality or residence (Principle 3). The ELI-UNIDROIT Model Rules reinforce this approach through their requirements of equal treatment, cooperation and effective judicial case management. Furthermore, the Model Rules' provisions concerning collective redress are potentially significant in addressing situations in which individuals face difficulties in bringing proceedings independently, particularly where the value of an individual claim is relatively small or the harm affects a large number of persons. The BPEE may complement these objectives by promoting enforcement mechanisms that are accessible, transparent and proportionate, while taking account of the legitimate interests and procedural rights of both creditors and debtors. In particular, reducing excessive enforcement costs and delays may help prevent inequalities in the practical ability to obtain satisfaction of legal claims. In this way, the instruments can help mitigate inequalities in the ability to enforce legal rights, including those arising from differences in financial resources, bargaining

power and geographical location. More specifically, though the primary goal of the BPEE is to ensure effective enforcement of creditors' claims, they recognise the need to protect vulnerable individual debtors and their families in specific circumstances through appropriate legislative action.

275. Nevertheless, it should be noted that, as soft law instruments, the practical impact of the ALI/UNIDROIT Principles, the ELI-UNIDROIT Model Rules and the BPEE depends on the instruments' implementation in national legal systems and the availability of adequate judicial resources and legal assistance. The instruments' significance lies principally in providing internationally developed standards and a framework for procedural reform.

3. Recommendations

276. The ultimate success of these three UNIDROIT instruments in promoting improved procedural standards will require: (i) promotion and capacity-building; (ii) implementation by States; and (iii) translation into national legal contexts. UNIDROIT may wish to develop a plan to promote and encourage adoption and coordinate with relevant partner organisations to provide capacity building support for all interested States and stakeholders.

277. In particular, UNIDROIT may wish to consider:

a. Whether to upgrade the priority status of the International Civil Procedure In Latin America project, and whether to develop similar regional initiatives with other relevant partner organisations in the Middle East, Africa or Asia.

b. Developing of a Note to accompany each of these instruments to explain their particular potential contribution towards sustainable development.

c. A policy that will require new and future instruments to integrate these three instruments into the relevant sections on procedure and dispute settlement. This is of particular relevance to the forthcoming initiatives on agriculture finance and access to credit.

d. How these three instruments will affect digital transactions and, in turn, how these three instruments may be affected by the shift towards digitalisation of procedures and dispute settlement. This could be explored in conjunction with the UNIDROIT DAPL Principles.

III. SUSTAINABLE DEVELOPMENT IN UNIDROIT'S NON-LEGISLATIVE ACTIVITIES

278. In addition to its legislative work and pursuant to its mandate, UNIDROIT also conducts numerous non-legislative activities, including studies, conferences and publications, which contribute to sustainable development. In particular, UNIDROIT is involved in a wide range of educational and training programmes through the UNIDROIT Academy. These include:

a. Academic Projects: UNIDROIT currently has two ongoing Academic Projects: (i) the Cape Town Convention Academic Project (CTCAP); and (ii) the 1995 UNIDROIT Convention Academic Project (UCAP). These initiatives aim to facilitate and further the academic study and assessment of two of the most successful UNIDROIT conventions.

b. Academic Institutes: UNIDROIT has established four Academic Institutes, which aim to promote research and scholarship in the field of transnational commercial law and international arbitration, with a focus on topics related to UNIDROIT's uniform law initiatives, projects and instruments. These include: (i) the Queen Mary University of London/UNIDROIT Institute for Transnational Commercial Law; (ii) the Roma Tre –

UNIDROIT Centre for Transnational Commercial Law and International Arbitration; (iii) the UNIDROIT Centre for Nordic Studies and Transnational Private Law; and (iv) the Asian Transnational Law Centre (ATLC). The Academic Institutes organise conferences and other initiatives aimed at furthering knowledge of commercial law and UNIDROIT instruments such as, for example, the UNIDROIT Summer School and UPICC International Arbitration Moot sponsored by the ATLC.[124]

c. UNIDROIT International Programme on Law and Development (IPLD): The IPLD is carried out with the support of the Italian Ministry of Foreign Affairs and International Cooperation's Directorate General for Development and Cooperation (DGCS-MAECI). It aims to raise awareness of UNIDROIT instruments and activities, foster exchanges among legal professionals across jurisdictions, strengthen legal frameworks to support sustainable development, and, ultimately, promote peaceful relations among States and communities. In 2025, two editions were held: (i) the Africa Plus edition, which consisted of a four-week programme bringing together legal professionals from 15 African countries: Burkina Faso, Burundi, Cameroon, Egypt, Eswatini, Ethiopia, The Gambia, Ghana, Kenya, Mauritius, Nigeria, Tanzania, Uganda, Zambia, and Zimbabwe; and (ii) a new pilot edition focusing on the Balkans, Eastern Partnership, Central Asia, and the Caucasus (BEPCAC) which brought together legal experts from Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Montenegro, Serbia, Tajikistan, and Uzbekistan.

d. UNIDROIT Scholarship, Internship and Research Programme: The programme comprises several initiatives that facilitate opportunities for legal professionals at various stages of their careers to visit UNIDROIT to conduct research. Since it was launched in 1993, the programme has enabled the Institute to host over 800 scholars and interns from more than 76 countries to undertake research and internship opportunities. All participants in the programme are selected through a robust and competitive selection process, which in 2025 attracted a record total of 446 internship applications and 284 scholarship applications.

279. Further, in 2026 UNIDROIT, together with the Associazione Italiana per l'Arbitrato (AIA) and with the support from the Italian Ministry of Foreign Affairs (MAECI), launched a pilot training programme for Zambian public officials and staff of the Lusaka International Arbitration Center (LIAC). The programme aims to provide training to public officials and the LIAC staff on ADR and international commercial law, with the goal of promoting relations with African states. The goal is that the programme could be implemented in additional countries following this pilot year.

280. UNIDROIT's library, which houses an extensive collection covering a wide range of areas of private law (and even beyond), is not only a prominent research centre that supports the programme of the UNIDROIT Academy described above, but also an enriching meeting point for people from different legal cultures. The main reading room of the Library (Sala Rodinò) also serves as a venue for those engaged in UNIDROIT's legislative activities and for international conferences on numerous topics in the field of international private law. UNIDROIT also maintains a network of Correspondents who act as (i) source of information on national law for the Secretariat, (ii) expert counsel on matters of transnational law, and (iii) informal ambassadors of UNIDROIT in their country of origin, helping to arrange missions of the Secretariat, organise events in their jurisdictions, and establish a network of relations with local governments and institutions aimed at furthering awareness and implementation of UNIDROIT's instruments. UNIDROIT's network of Correspondents includes both individual and institutional correspondents (the Hellenic Institute of International and Foreign Law (Greece), the

[124] For further information see 2025 Annual Report, *available at* https://www.unidroit.org/wp-content/uploads/2026/05/C.D.-107-2-Annual-Report-2025.pdf.

Max Planck Institute for Comparative and International Private Law (Germany), and the Swiss Institute for Comparative Law (Switzerland)).

281. In addition, UNIDROIT publishes the *Uniform Law Review* (ULR), a bilingual (French-English) quarterly journal that examines issues both directly and indirectly related to the mandate of UNIDROIT, and it tracks the continuing progress achieved in the field of the unification of law around the world. The ULR regularly integrates articles on sustainability and in 2024, featured several contributions from the annual UNIDROIT essay competition, which that year focused on sustainable development. All of these non-legislative activities promote global citizenship and education for sustainable development (Target 4.7); nonetheless, there may be additional ways to bring sustainable development more cohesively into the UNIDROIT ecosystem (see recommendations).

282. The above initiatives contribute to sustainable development by, *inter alia*, strengthening the quality and accessibility of legal education and knowledge-sharing, thus advancing SDG 4 (Quality Education) as well as SDG 17 (Partnerships for the Goals). They also raise awareness of and support implementation of UNIDROIT's instruments, thereby furthering SDG 16 and specifically its Target 16.3 (promote the rule of law at the national and international levels and ensure equal access to justice for call).

283. It is suggested that UNIDROIT consider expanding its network of Correspondents to include more academic institutions in addition to individual academics and whether it might wish to invite Correspondents to submit an annual report on developments regarding the implementation of UNIDROIT instruments in their respective country or jurisdiction. This might encourage a more expansive network to include law students and young researchers who would become engaged in the assessment and evaluation of UNIDROIT instruments, particularly from the perspective of sustainability.

284. As to non-legislative activities more broadly, consideration might be given on ways to embed sustainable development into the UNIDROIT ecosystem. For example, sustainable development modules might be included in the IPLD Programme and a sustainability aspect might regularly be included in the moot problem on the UPICC.

IV. CONCLUSION AND RECOMMENDATIONS

285. This White Paper has examined UNIDROIT's contribution to sustainable development holistically, by considering the Institute's mandate, working methodology, main areas of legislative activity, as well as its principal non-legislative initiatives.

286. The key objective of UNIDROIT, as expressed in its mandate, contributes to sustainability by its own nature. Promoting the rule of law, peace, justice and strong legal institutions, fostering fair economic development, reducing inequalities among people and jurisdictions and fostering collaboration and multilateralism among countries and international organisations are inherent in the work of UNIDROIT.

287. As indicated herein, through its significant work advancing the harmonisation of transnational private law in areas such as agriculture, contracts, access to credit, new technologies, cultural heritage, and procedural law, UNIDROIT supports sustainable development by promoting transnational governance, building bridges across jurisdictions, reducing legal uncertainty, promoting cross border commerce and access to finance, as well as furthering access to justice and predictability in legal outcomes.

288. The analysis of UNIDROIT's instruments, both established and more recent, shows that:

a. All instruments potentially contribute in some way towards sustainability goals, recognising that such contributions may be indirect and not always explicit. As many instruments are neutral, without express reference to sustainability, their impact may very well be dependent on how the instrument is implemented or applied.

b. The drafting and methodological procedure followed by UNIDROIT in preparing the instruments shows a constant effort towards proposing fair, functional, neutral, and universal solutions that are respectful of different legal systems. This is evidenced in the selection of the Working Group's experts and observers, the wide consultation on the instruments amongst legal communities and stakeholders, and the efforts to implement them worldwide and through numerous capacity-building activities across jurisdictions. The soft law character of most of UNIDROIT's instruments makes them applicable and adaptable to all legal systems and facilitates updates over time without the need for law reform.

c. UNIDROIT'S collaborative work with other international organisations (such as, but not limited to UNCITRAL, UNESCO, FAO, IFAD, the World Bank Group and the ICC) represents a concrete effort towards sustainability by furthering the development of meaningful instruments that provide legal solutions to specific and critical issues that foster economic growth and care for people and natural resources. At the same time, this collaborative work respects and enriches synergies amongst organisations.

289. The Committee has identified recommendations that relate, primarily to: (i) the potential future work of UNIDROIT, including in relation to the development of supplements to existing instruments; (ii) the process for the development of forthcoming instruments and their scope; (iii) the implementation and usage monitoring of existing UNIDROIT instruments; (iv) coordination across existing UNIDROIT instruments and initiatives; and (v) institutional-level recommendations, including in relation to non-legislative activities. These recommendations are summarised below and included in detail in Annexe II.

290. UNIDROIT might wish to designate a focal point within the Secretariat for sustainability with primary responsibility for oversight of the implementation of decisions by the Institute's governing bodies that might result from the recommendations herein or otherwise. Such designation should not, however, detract from the advantages to be gained from a transversal approach that seeks to integrate sustainability throughout UNIDROIT's future work programme.

A. Potential future work of UNIDROIT

291. First, in terms of future work, the Committee has identified several instrument or area-specific recommendations that are summarised below:

a. Contractual allocation of carbon and ecosystem-service rights: Contracts for agricultural land and production increasingly allocate rights to soil carbon, ecosystem-service payments and biodiversity credits such that the CF and ALIC Guides now intersect directly with the VCC Principles. As new markets for natural resources continue to emerge, the question arises repeatedly over who holds, and who benefits from, the value of land and resources. In the agricultural sector, the answer is increasingly written into private contracts suggesting that the allocation of carbon and ecosystem-service rights between landholders, farmers, investors and communities deserves explicit treatment which UNIDROIT may wish to consider.

b. Impact of new technologies and digitalisation: UNIDROIT should ensure that its instruments remain current as the environment in which they operate changes. Digitalisation is reshaping how rights are created, recorded, and transferred—through electronic registries, electronic warehouse receipts, and the tokenisation of assets—

and the functional, technology-neutral design of UNIDROIT's instruments should be kept under review so that it continues to accommodate these developments rather than being overtaken by them. In addition, future work could explore the impact of new technologies and digitalisation on, for example, contract farming relationships (Section II.C), as well as the technical infrastructure supporting access to credit (Section II.D).

c. Cape Town Protocol on renewable energy equipment: The sustainable development reach of the Cape Town Convention system could be extended by considering a protocol on renewable energy equipment (Section II.D).

d. Sustainability and the UPICC: With respect to its work on contract law, the Secretariat could consider exploring the development of a technical instrument providing contractual guidance on the inclusion of sustainability clauses into UPICC contracts and on the way the UPICC's remedy provisions would operate if such a clause is breached. Another area of work could be the interaction of mandatory national sustainability requirements with the UPICC. UNIDROIT could also consider adding a new sustainability-related model clause to the existing Model Clauses for the Use of the UPICC as well as preparing an express provision (or provisions) on sustainability requirements for future inclusion into the UPICC's black letter rules, or the drafting of a future Official Comment on point, would also be possible (Section II.F).

e. Regional civil procedure instruments: UNIDROIT may wish to consider whether to upgrade the priority status of the International Civil Procedure in Latin America project, and whether to develop similar regional initiatives with other relevant partner organisations in the Middle East, Africa or Asia (Section II.H).

292. Second, it is suggested that UNIDROIT consider developing supplements to existing instruments to provide targeted guidance on sustainable development. For example, this could include:

a. A short supplement to the CF Guide explaining its relevance to sustainable development (Section II.C).

b. A short note explaining how the safeguards in the ALIC Guide on tenure, FPIC, benefit-sharing and the return of land apply to land-based carbon and conservation projects (Section II.C).

c. Targeted guidance addressing how sustainability-related conditions may be incorporated into financing practices without affecting the legal certainty of priority and enforcement. Rather than modifying the underlying instruments, the focus could be on clarifying how existing legal frameworks on access to credit can be used in conjunction with sustainability-linked practices (Section II.D).

d. Practical guidance mapping the relevance of different UNIDROIT access to credit instruments to the various stages of reconstruction and economic recovery, from the immediate restoration of essential infrastructure and productive capacity to the resumption of commercial activity and longer-term investment (Section II.D).

e. Short briefing materials setting out the sustainable development benefits of the Luxembourg Rail, Space, and MAC Protocols for States considering ratification (Section II.D).

f. Supplementary guidance addressing: (i) the intersection of digital asset custody and control arrangements with applicable data protection frameworks; (ii) the environmental footprint of digital asset technologies employing energy-intensive consensus mechanisms, such as proof-of-work protocols; and (iii) the DAPL Principles' interaction with central bank digital currencies and fiat-referenced

stablecoins, given their growing prominence in cross-border payment and remittance infrastructure and their direct bearing on the financial-inclusion and monetary-sovereignty dimensions of sustainable development (Section II.E).

g. A set of model disclosure clauses for use in custody, secured-lending, and platform-operator agreements governed by the DAPL Principles (Section II.E).

h. Future guidance accompanying the Bank Liquidation Guide and the forthcoming insurance insolvency project, addressing the interaction between climate-related asset deterioration and the triggers for early intervention (Section II.E).

i. For the Netting Principles, the Geneva Securities Convention and the Intermediated Securities Guide, targeted guidance addressing their distributional and sustainability implications (Section II.E).

j. A short supplement to the ALI/UNIDROIT Principles, the ELI-UNIDROIT Model Rules and the BPEE explaining the instruments' relevance to sustainable development (Section II.H).

B. Development of forthcoming instruments

293. Recommendations concerning the scope and content of specific forthcoming instruments are included in the relevant sections of this White Paper and in Annexe II.

294. With respect to the processes and methodologies of instrument development, UNIDROIT should continue to ensure inclusiveness in both process and substance, by involving diverse stakeholders through Working Groups that are expert-based and representative of various regions, economic systems, and States at different stages of development, as well as targeted consultations, regional engagement, and sector-specific pilots. In particular:

a. Consistent with the proposed scope and intended reach of each particular instrument, the Institute should facilitate broad State and stakeholder engagement, including participation of experts in Indigenous and Sharia law, in addition to civil and common law, and representatives of marginalised communities, such as, women and Indigenous Peoples.

b. Stronger links could be built between UNIDROIT's non-legislative activities and its legislative work. For instance, the work and connections developed through the IPLD could support greater participation of experts from African countries in Working Groups, thereby helping to promote diversity in legislative activities.

c. Where a project has direct implications for specific under-represented communities (such as Indigenous Peoples, civil society organisations, or SME associations), targeted outreach to secure such communities' meaningful participation could be included as a standard element of project development.

d. An SDG impact assessment that includes indicators could be undertaken during the scoping phase of proposed new projects. The rights of Indigenous Peoples, gender equality and the interests of future generations should be standing elements of such a scoping assessment. This would assist UNIDROIT's governing bodies in evaluating projects against sustainability criteria as part of the Work Programme approval process and would help ensure that SDG linkages are articulated from the outset, rather than retrospectively. Consideration could be given to the questions that were developed by the SD Committee as the common analytical framework used in this White Paper (See Annexe I).

e. A mentoring programme could be developed to allow experts with experience in UNIDROIT Working Groups to help facilitate the engagement and participation of newer members.

C. Implementation and usage monitoring of existing UNIDROIT instruments

295. With respect to the implementation of completed instruments, it is recommended that:

a. The links between UNIDROIT's existing instruments and the SDGs be articulated more explicitly in dissemination and implementation activities. Although the instruments themselves are not framed in sustainability terms, their objectives and effects align with various SDGs, notably those relating to sustainable growth (SDG 8), economic resilience, infrastructure and innovation (SDG 9), reduced inequalities (SDG 10), strong institutions (SDG 16), and international cooperation (SDG 17). Clarifying these connections may facilitate engagement with policymakers and development institutions concerned with the implementation of the 2030 Agenda.

b. The Institute work with relevant partners such as international organisations, regional institutions, and national authorities to provide technical assistance, legal reform programmes, and capacity-building initiatives for States and stakeholders, with particular attention to developing countries. Such efforts may include implementation toolkits and modules on technical, financial assistance. These entities should also be recognised as important partners in assessing implementation and monitoring the effectiveness of UNIDROIT instruments in achieving sustainability goals.

c. UNIDROIT should continue to strengthen its engagement with development finance institutions and export credit agencies, which play a key role in applying many of its frameworks in practice. Cooperation in this area could focus on identifying standard approaches to risk allocation, documentation, and sustainability-linked conditions in transactions structured based on UNIDROIT instruments (SDGs 9, 13, and 17).

296. It is suggested that UNIDROIT monitor the usage of its instruments. In particular, it is recommended that UNIDROIT:

a. Build in continuous learning and adaptation, including through, as applicable, periodic review of model clauses and an accessible repository of case studies in adoption, remediation and responsible exit.

b. Assess each instrument periodically to measure its contribution towards sustainability and determine the need for updates or amendments. To this end, UNIDROIT could develop assessment tools and methodologies to review the practical contribution of its instruments to sustainable development along with their implementation.

c. Develop a digital repository to collect information on the use of UNIDROIT instruments in achieving the SDGs (or sustainable development more broadly, to avoid submissions becoming dated). To assist in this regard, a template could be developed to offer guidance on the type of information sought (e.g., description of how the instrument was applied in the specific context, the process of the application and stakeholders that were engaged, and how this is expected to contribute towards particular sustainability goals). Submissions could be made by States, agencies, international organisations or others involved in the process, and/or affected stakeholders. It is further suggested that submissions should be accompanied by a standardised mapping to specific SDG targets. This would make the data generated through the repository more consistent and analytically useful for UNIDROIT, while also facilitating assessment of the instruments' contribution to the SDGs.

D. Coordination between UNIDROIT instruments and initiatives

297. UNIDROIT is encouraged to consider whether and how internal coordination between UNIDROIT instruments and initiatives may further strengthen the sustainable development dimension of these instruments. For example, UNIDROIT is encouraged to:

a. Consider whether and how the draft IIC Principles might correspond with other instruments, such as the ALIC Guide, as well as those currently under development, such as the CSDD project, and how these instruments could be coordinated to strengthen their collective impact on sustainability (Section II.B).

b. Consider strengthening the links between the CF Guide, the ALIC Guide and the CLSAE Guide by incorporating relevant subsequent developments from the ALIC Guide into the CF Guide. Consideration could also be given to developing a mechanism whereby these three instruments could be introduced cohesively by technical agencies working with governments on implementation. UNIDROIT might also wish to consider the development of a shared repository of model agreements developed under the Guides (Section II.C).

c. With respect to the project on the insolvency of insurers, ensure that the project is undertaken in coordination with the Bank Liquidation Guide from the outset. The Working Group on the insurer insolvency project could draw on the methodology, legislative framework, and lessons learned in the development of the Bank Liquidation Guide, with a view to producing a coherent suite of instruments governing the orderly exit of non-systemic financial institutions (Section II.E).

d. Emphasise the interaction between the DAPL Principles and UNIDROIT's work on VCCs to, for example, illustrate how digital asset frameworks may support emerging forms of sustainable finance (Section II.E).

e. Consider strengthening coordination between the DAPL Principles, the Geneva Securities Convention and the Intermediated Securities Guide. As tokenised securities may be held directly or through intermediaries, the interaction between the DAPL Principles' control-based approach and the Convention's account-based rules may generate legal fragmentation and unequal investor protection, particularly in insolvency and loss allocation. Future guidance should address this interface and incorporate sustainability considerations, including energy consumption, data protection and disclosure (Section II.E).

f. Consider a policy that will require new and future instruments to integrate the provisions of the ALI/UNIDROIT Principles, ELI-UNIDROIT Model Rules and BPEE into the relevant sections on procedure and dispute settlement. This is of particular relevance to the forthcoming initiatives on agriculture finance and access to credit (Section II.H).

E. Institutional-level recommendations

298. It is suggested that consideration be given to the developing a guidance document on the implementation of UNIDROIT instruments in relation to the SDGs that would assist States in the preparation of their annual Voluntary National Reviews (VNRs).[125] Such a guide might include steps for implementation and outline the relevance to specific SDG targets to ensure consistency with VNR reporting. Alternatively, rather than producing an independent document, this information could be proposed for incorporation into the Handbook on VNRs or similar guides prepared by the UN agencies responsible for SDG implementation. Moreover, if a State is considering becoming party to a UNIDROIT convention or is contemplating domestic reforms on the basis of UNIDROIT guidance documents, said State could be encouraged to include this information in its VNR as a way to raise the profile of these instruments and to encourage similar participation by other States.[126]

299. In terms of institutional partnerships and cooperation, UNIDROIT's continued collaboration with other international organisations could enrich both the input and output of UNIDROIT's work, enhance the practical implementation of its instruments, create synergies among international organisations, and contribute to fostering multilateralism. It is further recommended that:

a. UNIDROIT consider strengthening its engagement with the Organisation for the Harmonisation of Business Law in Africa (OHADA), given the need for greater engagement in this region.

b. UNIDROIT explore the complementarity of its work with instruments developed by other organisations where relevant.

c. UNIDROIT consider collaboration with participants in the Sustainable Development Workshop, in particular, in furtherance of offers to feature the work of UNIDROIT at various public international law venues (e.g., Climate Law and Governance Day during COP 31 in Antalya or COP 32 in Addis Ababa and Biodiversity Law and Governance Day during CBD COP 17 in Yerevan).

300. As the SDGs approach their renewal point, UNIDROIT might consider preparing a short statement of the contribution of private law to sustainable development to inform the post-2030 agenda, perhaps as a Centenary declaration. Alternatively, it may wish to consider issuing a joint statement, perhaps in partnership with UNCITRAL and HCCH.

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125 For example, in the VNR submitted by Costa Rica in 2020, reference is made to the work of the Judiciary in promoting access to transnational justice, in collaboration with the Hague Conference on Private International Law. https://hlpf.un.org/sites/default/files/vnrs/2021/26894second_voluntary_national_review_sdg_costa_rica.pdf at p. 72.

126 Tramhel, J. p. 112.

ANNEXE I

WHITE PAPER GUIDANCE QUESTIONNAIRE

301. The below questions were developed by the Committee for the Workstream on Sustainable Development (the SD Committee) as guidance in the development of the White Paper.

302. The SD Committee was encouraged to primarily focus on how the substance of the relevant instruments advances sustainability and on concrete recommendations. With respect to the instruments' scope and implementation, it was suggested that care be taken to ensure that these are addressed as they relate to sustainable development and not more broadly, since that could duplicate the work of other Workstreams. With respect to the recommendations, the SD Committee was encouraged to focus on actionable and forward-looking assessments rather than critiques based on hindsight.

I. SCOPE

303. What was the mandate and aim of the relevant instrument and to what extent does that aim advance sustainable development? Consider:

a. Economic: access to finance or other form of resource or capital, investment facilitation, economic resilience or improvement?

b. Social: equitable inclusion (SMEs, consumers, vulnerable minorities, indigenous peoples), safeguards, community improvement?

c. Environmental: climate/biodiversity/natural capital and outcomes, resource use, incentives?

d. Governance: legal certainty and clarity, institutional capacity?

e. Harmonisation and collaboration between jurisdictions and across developed and developing and emerging economies.

304. Are there any risks of adverse sustainability impacts and how are these risks addressed by the instrument?

305. Does the instrument address particular issues relating to indigenous peoples?

a. How, if at all, does the type of instrument (e.g., soft law or hard law, principles or model law) affect the instrument's impact on sustainable development?

II. HOW DOES THE SUBSTANCE OF THE INSTRUMENT ADVANCE SUSTAINABILITY?

306. How does the substance of the instrument advance sustainable development? Does the substance reflect the mandate and aim?

307. Does the substance of the instrument address the needs of relevant states and other stakeholders? E.g. is it sufficiently clear and practical to be implemented in relevant jurisdictions?

308. Does the paper strike the right balance between the needs of relevant stakeholders? Does the paper inadvertently privilege certain sectors or locations? Consider states in developed countries

and in developing and emerging economies and also potentially minority stakeholders, indigenous peoples and/or consumers.

309. How does the instrument complement other initiatives?

III. IMPLEMENTATION

310. Consider not only whether the instrument has been implemented within developing and emerging economies but whether its implementation in developed economies has benefitted developing and emerging economies.

311. What evidence exists of uptake, implementation, or reliance on UNIDROIT's instruments in practice?

312. To what extent has UNIDROIT facilitated uptake of its instruments in particular by states and stakeholders in developing and emerging economies?

313. What barriers (practical, legal, political, economic, or institutional) have limited their impact or adoption?

314. Is there a practical collaboration or any institutional channel between UNIDROIT and other organizations to make it possible to implement the instrument in different states or jurisdictions?

IV. RECOMMENDATIONS

315. What governance, consultation, or dissemination improvements are recommended?

316. Would the relevant instrument benefit from an update or a supplement in order to maintain or enhance its contribution to sustainable development, and if so in what aspects? Is this due to the evolution of legal, policy, economic, technical and/or other landscape or due to a perception in retrospect of a gap?

317. What partnerships or collaborations would strengthen the sustainability aspect of the work of UNIDROIT going forward generally or in the relevant subject area?

318. Are there any specific work streams UNIDROIT should consider going forward?

ANNEXE II

SUMMARY TABLE OF RECOMMENDATIONS

319. The below table summarises the recommendations provided by the SD Committee and applies to them the following categories for readers' ease of reference: (i) future work; (ii) supplement to existing instrument; (iii) development process for prospective instrument; (iv) content of prospective instrument; (v) implementation; (vi) coordination across UNIDROIT initiatives; and (vii) institutional.

No.	Recommendation	Category	Suggested priority level
Section II.B – UNIDROIT instruments expressly linked to sustainable development			
Verified Carbon Credits (VCC Principles)			
B.1	Facilitate broad State and stakeholder awareness of the VCC Principles including by experts: (i) in Indigenous, Sharia, and civil law; (ii) from the carbon market standard setting bodies and oversight bodies; (iii) from major developers of VCCs; and (iv) from major purchasers of VCCs.	Implementation	High
B.2	Coordinate with relevant partner organisations to provide capacity building support for all interested States and stakeholders, which may include implementation toolkits and technical, financial assistance modules.	Implementation	High
B.3	Assist least developed countries in establishing a mechanism and legal context for potential adoption of the VCC Principles.	Implementation	High

No.	Recommendation	Category	Suggested priority level
International Investment Contracts (IIC Principles)			
B.4	Efforts should be made to encourage their adoption by States and investors. States should encourage public authorities to use the instrument in their contracts with foreign investors, beginning at the outset of negotiations and possibly incorporating an SDG impact assessment. In addition, Member States could be encouraged to publicly affirm that whenever a government entity over which that State has control becomes party to an international investment contract, that contract should be consistent with the draft IIC Principles and Model Clauses.	Implementation	High
B.5	UNIDROIT, in partnership with the International Chamber of Commerce (ICC), UN Trade and Development (UNCTAD), and other relevant regional institutions, could consider developing a dedicated capacity-building programme to accompany the instrument's launch. This programme could include: (i) guidance on the instrument's key provisions for government negotiators and legal advisers in developing economies; (ii) training workshops, conducted in different languages, targeted at government officials and relevant civil society actors; and (iii) a user-friendly repository of model IICs (beyond the instrument itself), accessible to local practitioners, with annotations identifying how each provision advances specific SDG targets.	Implementation	Medium
B.6	Efforts should be made to publicise the instrument, both before and after its adoption, and to raise awareness of the draft IIC Principles and Model Clauses among States and their public authorities and among foreign investors.	Implementation	High

No.	Recommendation	Category	Suggested priority level
B.7	UNIDROIT should consider whether and how the draft IIC Principles and Model Clauses might correspond with other instruments, such as the ALIC Guide, as well as those presently under development, such as the CSDD project, and how these instruments could be coordinated to strengthen their collective impact on sustainability. Because the draft IIC Principles and the forthcoming CSDD instrument address adjacent dimensions of sustainability, UNIDROIT is encouraged to establish a more formal coordination mechanism between the respective Working Groups.	Coordination across UNIDROIT initiatives	Medium
B.8	Once the instrument is adopted, UNIDROIT should monitor its use and interpretation by courts and arbitration tribunals to help develop international investment law jurisprudence. Further, UNIDROIT should encourage those who teach international investment law to use the instrument.	Implementation	High
Corporate Sustainability Due Diligence in Global Value Chains (CSDD project)			
B.9	It is recommended that UNIDROIT actively pursue the further development of the CSDD project, while leaving the precise scope, structure and substantive content of any eventual instrument to be determined through the established Working Group process.	Future work	High
B.10	Consider how meaningful stakeholder engagement may be supported throughout contractual relationships, including through communication, feedback, cooperation and remediation mechanisms.	Content of prospective instrument	High
B.11	Examine how contractual arrangements may avoid unilateral risk-shifting and instead support appropriately allocated responsibilities, corrective action and cooperation, recognising differences in bargaining power and commercial capacity.	Content of prospective instrument	High

No.	Recommendation	Category	Suggested priority level
B.12	Consider risk- and impact-based approaches that allow contractual responses to reflect the severity and likelihood of adverse impacts and the circumstances of the relevant commercial relationship.	Content of prospective instrument	High
B.13	Consider how proportionality may be reflected in contractual due diligence approaches, particularly to avoid excessive or duplicative compliance burdens for SMEs and smallholders.	Content of prospective instrument	Medium
B.14	Explore the role of supplier-support mechanisms, including training, technical assistance and capacity-building, in enabling suppliers to meet sustainability expectations and participate effectively in due diligence processes.	Content of prospective instrument	High
B.15	Consider the accessibility and governance of digital tools used in contractual due diligence, including interoperability, data governance and transparency of automated assessments, with particular attention to the risk of reinforcing existing information and bargaining asymmetries.	Content of prospective instrument	High
B.16	Examine the relationship between sustainability-related contractual expectations and commercial terms, including delivery timelines, pricing structures and volume commitments, so that due diligence requirements are not undermined by the conditions under which suppliers operate.	Content of prospective instrument	Medium
B.17	Consider how contractual approaches may accommodate differing legal, commercial and geographic contexts while promoting clarity and comparability.	Content of prospective instrument	High
B.18	Consider whether sector-specific or region-specific guidance could support practical implementation, taking account of differing sustainability risks, contractual practices and market conditions.	Content of prospective instrument	High

No.	Recommendation	Category	Suggested priority level
B.19	Explore how contractual due diligence approaches may remain effective across increasingly fragmented, regionalised and sector-specific value chains.	Content of prospective instrument	Medium
B.20	Explore the relationship between contractual due diligence mechanisms and sustainable-finance arrangements, including financing covenants, environmental and social standards, sustainability-linked instruments and supply-chain finance, taking account of the differing roles of commercial lenders and development finance institutions.	Content of prospective instrument	High
B.21	Consider relevant international, regional and national frameworks, standards and guidance when examining contractual approaches, with a view to promoting coherence and reducing legal fragmentation.	Content of prospective instrument	High
B.22	Take account of the evolving mandatory due diligence landscape, including the potential value of principles-based approaches and flexibility to accommodate regulatory developments, while recognising the complementary relationship between private law mechanisms and applicable mandatory requirements.	Content of prospective instrument	High
Section II.C – Agriculture and private law			
Legal Guide on Contract Farming (CF Guide)			
C.1	Efforts should be made to encourage use of the CF Guide by public authorities in their procurement activities in the purchase of agri-foods for institutions and by international humanitarian agencies in relief efforts.	Implementation	Medium
C.2	Consider preparing an explanatory note or companion document describing the ways in which the CF Guide may contribute towards sustainable development objectives.	Supplement to existing instrument	High

No.	Recommendation	Category	Suggested priority level
C.3	The online Forum established by UNIDROIT as successor to the Community of Practice on Legal Aspects of Contract Farming (CoP) has not been kept up to date due to lack of resources. It is recommended that this Forum be reactivated with dedicated resources to update and maintain the online information.	Institutional	High
C.4	Future work could explore the implications of digital platforms, electronic contracting, digital traceability systems and data governance for contract farming relationships.	Future work	Low
C.5	The CF Guide could be reviewed in light of climate change. For example, it has been suggested that traditional force majeure clauses may be ill-suited to slower-onset climate impacts, such as drought, and that perhaps the guidance in this respect might need to be revisited.	Future work	Low
C.6	It has been suggested that the areas of excuse, breach and the dispute settlement process in the CF Guide would benefit from further research.	Future work	Low
Legal Guide on Agricultural Land Investment Contracts (ALIC Guide)			
C.7	UNIDROIT Member States could be encouraged to draft domestic legislation on agricultural land investment consistent with the ALIC Guide. Member States could also be encouraged to affirm that whenever a public entity or an entity controlled by that State becomes party to an agricultural land investment contract, that contract should be consistent with the ALIC Guide.	Implementation	High
C.8	Consider preparation of a short note to explain how safeguards in the ALIC Guide on tenure, FPIC, benefit-sharing and the return of land apply to land-based carbon and conservation projects, which are, in substance, a new form of agricultural land investment.	Supplement to existing instrument	Medium

No.	Recommendation	Category	Suggested priority level
Collaborative Legal Structures for Agricultural Enterprises (CLSAE Guide)			
C.9	The Working Group might wish to consider if the CLSAE Guide should address public procurement in the supply of agri-foods to public institutions and to international humanitarian agencies for relief efforts and whether such public authorities could be encouraged to facilitate access to the procurement process by collaborative enterprises comprised of agri-preneurs.	Content of prospective instrument	Low
C.10	The Working Group might consider giving greater prominence in the CLSAE Guide to the risk of power imbalances affecting small farmers, small communities and women. It might also consider highlighting how the CLSAE Guide's cooperatives and multiparty structures can support generational renewal in farming by helping young people enter and succeed to agricultural enterprises. It might also consider giving attention to the customary and collective structures through which Indigenous Peoples and local communities organise agricultural activity, with their representative organisations engaged in the consultation.	Content of prospective instrument	Medium
C.11	For the implementation phase, the Working Group might consider: (a) developing practical tools, such as model clauses and drafting considerations, that integrate sustainability provisions and a fair allocation of compliance costs, in coordination with the CSDD project; (b) highlighting how collaborative structures can support generational renewal in farming; and (c) engaging representative organisations of Indigenous Peoples and local communities, and illustrating how customary and collective structures interact with the legal structures covered in the Guide.	Implementation	High

No.	Recommendation	Category	Suggested priority level
Agricultural Financing Legal Guide (AgriFin Guide)			
C.12	Include participation of organisations and associations representing smallholders, agri-preneurs, agri-MSMEs and those who advise these groups, and in particular, groups that represent marginalised communities, such as women farmers, Indigenous Peoples, and youth. It should also include participation of those institutions that offer financial services to such groups, including international development organisations, banks, financial cooperatives, and micro-lending entities.	Development process for prospective instruments	High
C.13	Consider whether financing should be made conditional and tied to the purposes for which it will be used. One avenue might be through the development of accompanying soft law instruments, such as a guide to implementation for sustainable lending practices.	Content of prospective instrument	High
C.14	Consider including insurance within its scope of work, if possible, given its importance to economic sustainability in the agricultural sector.	Content of prospective instrument	High
C.15	Consider how warehouse receipt systems operate in practice, particularly in relation to access to credit for smallholders within agricultural value chains. In this context, guidance could usefully address how participation barriers arise and how they may be reduced. In addition, the Guide could address how warehouse receipt financing may be linked to sustainable agricultural practices in a way that does not undermine the reliability of receipts as collateral.	Content of prospective instrument	Medium
C.16	Given the continuing gender gap in financial inclusion, particularly for women in rural areas, it is recommended that the AgriFin Guide attempt to tackle this issue.	Content of prospective instrument	Medium

No.	Recommendation	Category	Suggested priority level
Cross-cutting recommendations on private law and agriculture			
C.17	Contracts for agricultural land and production increasingly allocate rights to soil carbon, ecosystem-service payments and biodiversity credits. The allocation of these rights between landholders, farmers, investors and communities deserves explicit treatment, which UNIDROIT may wish to consider.	Future work	Medium
C.18	Consider linking the CF Guide, the ALIC Guide and the CLSAE Guide, for example, by enriching the CF Guide with subsequent developments from the ALIC Guide. Consideration could also be given to the development of a mechanism whereby these three instruments could be introduced cohesively by technical agencies working with governments on implementation.	Coordination across UNIDROIT initiatives	Low
C.19	Consider development of a shared repository of model agreements developed under the Guides.	Institutional	High
Section II.D – Access to credit			
D.1	UNIDROIT could give greater attention to the role of its access to credit instruments in facilitating post-conflict and post-disaster reconstruction and economic recovery. UNIDROIT could explore the potential of the Cape Town Convention system (particularly the MAC Protocol) and other instruments in this context through focused consultations with international financial institutions, export credit agencies, equipment manufacturers and financiers, and organisations involved in reconstruction programmes. Such consultations could inform the development of practical guidance mapping the relevance of different UNIDROIT instruments to the various stages of reconstruction and economic recovery, from the immediate restoration of essential infrastructure and productive capacity to the resumption of commercial activity and longer-term investment.	Supplement to existing instrument	High

No.	Recommendation	Category	Suggested priority level
D.2	The sustainable development reach of the Cape Town Convention system could be extended by considering a protocol on renewable energy equipment.	Future work	Medium
D.3	UNIDROIT could encourage the OECD and export credit agencies to consider extending a Cape Town–style premium discount to the Rail and MAC Protocols, and reflecting sustainability considerations within the export-credit framework, so that officially-supported export credits might support both wider ratification and lower-emission equipment.	Implementation	High
D.4	Prepare short briefing materials setting out the sustainable development benefits of the Luxembourg Rail, Space, and MAC Protocols for States considering ratification.	Supplement to existing instrument	High
D.5	UNIDROIT could develop targeted guidance on how sustainability-related conditions may be incorporated into financing practices without affecting the legal certainty of priority and enforcement. More specifically, guidance could clarify how sustainability-linked lending—in which pricing or other terms are tied to the borrower's achievement of measurable sustainability performance targets—can be combined with asset-based structures without disturbing the certainty of priority and enforcement on which those structures rest. This could include guidance mapping how each protocol serves specific SDGs, with accompanying model provisions and awareness work directed at governments and financiers.	Future work	Low
D.6	For receivables financing under the MLF, relevant issues include how financing structures can incorporate criteria linked to environmental or social performance within supply chains. Guidance could address how such criteria operate alongside the legal effectiveness of assignments, including in cross-border contexts, and how they can be implemented without undermining predictability or enforceability.	Supplement to existing instrument	Low

No.	Recommendation	Category	Suggested priority level
D.7	The AgriFin Guide could set out how the security, priority, and enforcement rules established by existing UNIDROIT instruments interact with blended-finance structures. The project's distinctive contribution lies in the private law questions that blended finance raises—in particular the intercreditor priority and first-loss arrangements through which concessional and commercial capital are combined. Guidance clarifying how such arrangements sit alongside security in warehoused commodities or agricultural equipment would allow blended-finance techniques to be applied with legal certainty and across borders.	Content of prospective instrument	Medium
D.8	With respect to investment-based crowdfunding, UNIDROIT could clarify the legal structure of platform-based financing in a manner that supports reliable and inclusive access to finance, particularly for smaller enterprises and early-stage projects.	Content of prospective instrument	High
D.9	Further work should also address the reliability of legal and technical infrastructure supporting access to credit, including registries and digital systems. This includes issues such as data integrity, auditability, and accessibility of systems used for registration, transfer, and enforcement of rights, which are essential for maintaining confidence in financing systems and supporting scalable access to credit.	Future work	Medium
Section II.E – Financial markets and technology			
Bank Liquidation Guide and insurer insolvency project			
E.1	Implementation efforts may benefit from focusing on jurisdictions where financial regulatory frameworks remain underdeveloped. Several initiatives could be undertaken to evaluate implementation. Such assessments should focus primarily on legal and institutional indicators, rather than on the direct measurement of SDG outcomes.	Implementation	Medium

No.	Recommendation	Category	Suggested priority level
E.2	It is recommended that, in supporting the implementation of the Bank Liquidation Guide, UNIDROIT encourage States to include, among the indicators they develop, (i) the observed effects of depositor preference on the cost and availability of unsecured wholesale bank funding and (ii) the adequacy of industry-funded deposit insurance arrangements when assessed against sector-wide stress scenarios, particularly in jurisdictions with less developed funding markets.	Implementation	Medium
E.3	It is recommended that future guidance accompanying the Bank Liquidation Guide and the forthcoming insurance insolvency project address the interaction between climate-related asset deterioration and the triggers for early intervention.	Supplement to existing instrument	High
E.4	With respect to the project on the insolvency of insurers, ensure that the project is developed in coordination with the Bank Liquidation Guide from the outset. The Working Group on the insurer insolvency project could draw on the methodology, legislative framework, and lessons learned in the development of the Bank Liquidation Guide, with a view to producing a coherent suite of instruments governing the orderly exit of non-systemic financial institutions.	Content of prospective instrument	High
E.5	It is recommended that the sustainable development dimension of the insurance insolvency project be embedded from the outset, including through consideration of the distinctive role of insurance in climate adaptation and disaster resilience, as well as the insurance protection gap in developing economies. The composition of the Working Group should accordingly include expertise in climate risk and disaster risk financing.	Content of prospective instrument	High

No.	Recommendation	Category	Suggested priority level
E.6	It is recommended that future dissemination and implementation guidance for the Bank Liquidation Guide, particularly materials intended for developing and emerging economies, give explicit treatment to the home-host coordination issues, including through engagement with the home-country supervisory and resolution authorities of foreign banking groups active in the relevant jurisdictions.	Implementation	Medium
Close-Out Netting Principles and intermediated securities instruments			
E.7	Finally, it is recommended that UNIDROIT's promotion, implementation support and future development of the Netting Principles, the Geneva Securities Convention and the Intermediated Securities Guide explicitly address their distributional effects and interaction with other UNIDROIT instruments.	Coordination across UNIDROIT initiatives	Medium
Principles on Digital Assets and Private Law (DAPL Principles)			
E.8	The implementation of the DAPL Principles may also consider sustainability concerns associated with certain digital-asset technologies, notably those adopting energy-intensive consensus mechanisms. Domestic frameworks governing digital-asset markets may incorporate measures that consider the environmental footprint of digital infrastructures.	Implementation	High
E.9	Coordination between UNIDROIT initiatives may further strengthen the sustainable development dimension of these instruments. In particular, the interaction between the DAPL Principles and UNIDROIT's work on VCCs illustrates how digital asset frameworks may support emerging forms of sustainable finance.	Coordination across UNIDROIT initiatives	High

No.	Recommendation	Category	Suggested priority level
E.10	Coordination should also extend to the Geneva Securities Convention and the Intermediated Securities Guide. As tokenised securities may be held directly or through intermediaries, the interaction between the DAPL Principles' control-based approach and the Convention's account-based rules may generate legal fragmentation and unequal investor protection, particularly in insolvency and loss allocation. Future guidance should address this interface and incorporate the sustainability considerations identified above, including energy consumption, data protection and disclosure.	Coordination across UNIDROIT initiatives	Medium
E.11	When promoting domestic implementation of the DAPL Principles, the Secretariat could develop supplementary guidance addressing: (i) the intersection of digital asset custody and control arrangements with applicable data protection frameworks; (ii) the environmental impact of digital asset technologies employing energy-intensive consensus mechanisms, such as proof-of-work protocols; and (iii) the relationship between the DAPL Principles and central bank digital currencies and fiat-referenced stablecoins, given their growing prominence in cross-border payment and remittance infrastructure and their direct bearing on the financial inclusion and monetary-sovereignty dimensions of sustainable.	Supplement to existing instrument	Medium
E.12	To give this guidance operative effect, the Secretariat could develop, alongside the principles-based guidance described above, a set of model disclosure clauses for use in custody, secured-lending, and platform-operator agreements governed by the DAPL Principles, consistent with UNIDROIT's established practice of pairing principles with model clauses.	Supplement to existing instrument	High

No.	Recommendation	Category	Suggested priority level
Section II.F – Contract law			
F.1	Further work could be undertaken, potentially culminating in a technical instrument providing contractual guidance on the inclusion of sustainability clauses into UPICC contracts and on the way the UPICC's remedy provisions would operate if such a clause is breached. Another area of work could be the interaction of mandatory national sustainability requirements with the UPICC.	Future work	High
F.2	Adding a new sustainability-related model clause to the existing Model Clauses for the Use of the UNIDROIT Principles of International Commercial Contracts.	Supplement to existing instrument	High
F.3	Preparing an express provision (or provisions) on sustainability requirements for future inclusion into the UPICC's black letter rules, or the drafting of a future Official Comment on point, would also be possible.	Future work	Medium
Section II.G – Cultural Property			
G.1	It is recommended the President of UNIDROIT consider convening a second Special Committee to Review the Practical Operation of the 1995 UNIDROIT Convention, pursuant to Article 20 of the Convention. Such a meeting would provide an opportunity to assess the Convention's practical operation since the First Review Meeting in 2012, examine its contemporary relevance and further explore its relationship with sustainability objectives.	Institutional	Medium
G.2	In connection with such a review, consideration could be given to commissioning two studies a study on the impact on Indigenous and tribal communities of the restitution and return of cultural objects.	Future work	Low

No.	Recommendation	Category	Suggested priority level
G.3	In September 2026, the UN General Assembly proclaimed 2027–2036 the International Decade of Culture for Sustainable Development, entrusting UNESCO with its implementation. Among the objectives of the Decade is the use of cultural knowledge for climate change adaptation and environmental protection. As part of the network of international organisations active in this field, UNIDROIT could collaborate with UNESCO and other relevant stakeholders in a series of initiatives aimed at the protection of cultural property. In this context, the studies referred to above could also serve as a contribution by UNIDROIT to the future Action Plan for the implementation of the Decade.	Implementation	High
G.4	Ensure broad and inclusive participation by involving local, tribal and Indigenous Peoples' representatives and other relevant stakeholders and promote a balanced representation of women and men among experts and participants, where appropriate.	Development process for prospective instrument	Medium
Section II.H – Procedural law and dispute resolution			
H.1	Develop a plan to promote and encourage adoption and coordinate with relevant partner organisations to provide capacity building support for all interested States and stakeholders.	Implementation	Medium
H.2	Consider whether to upgrade the priority status of the International Civil Procedure in Latin America project and whether to develop similar regional initiatives with other relevant partner organisations in the Middle East, Africa or Asia.	Future work	High
H.3	Consider developing a Note to accompany each of these three instruments to explain their respective potential contributions towards sustainable development.	Supplement to existing instrument	High

No.	Recommendation	Category	Suggested priority level
H.4	Consider a policy that will require new and future instruments to integrate these three instruments into the relevant sections on procedure and dispute settlement. This is of particular relevance to the forthcoming initiatives on agriculture finance and access to credit.	Coordination across UNIDROIT initiatives	High
H.5	Consider how these three instruments will affect digital transactions and, in turn, how these three instruments may be affected by the shift towards digitalisation of procedures and dispute settlement. This could be explored in conjunction with the DAPL Principles.	Future work	Medium
Section IV – Conclusion and recommendations			
IV.1	UNIDROIT might wish to designate a focal point within the Secretariat for sustainability with primary responsibility for oversight of the implementation of decisions by the Institute's governing bodies that might result from the recommendations herein or otherwise.	Institutional	High
IV.2	UNIDROIT should ensure that its instruments remain current as the environment in which they operate changes. Digitalisation is reshaping how rights are created, recorded, and transferred—through electronic registries, electronic warehouse receipts, and the tokenisation of assets—and the functional, technology-neutral design of UNIDROIT's instruments should be kept under review so that it continues to accommodate these developments rather than being overtaken by them. Periodic review of the instruments and their accompanying guidance would help to preserve their long-term usefulness.	Future work	Medium
IV.3	Consider developing supplements to existing instruments to provide targeted guidance in relation to sustainable development.	Supplement to existing instruments	High

No.	Recommendation	Category	Suggested priority level
IV.4	With respect to instrument development, UNIDROIT should continue to ensure inclusiveness in both process and substance by involving diverse stakeholders through expert-based Working Groups including representatives of various regions, economic systems, and States at different developmental stages, as well as through targeted consultations, regional engagement, and sector-specific pilots. Consistently with the proposed scope and intended reach of each particular instrument, the Institute should facilitate broad State and stakeholder engagement, including the participation of experts in Indigenous and Sharia law, in addition to civil and common law, and representatives of marginalised communities, such as women and Indigenous Peoples.	Development process for prospective instruments	High
IV.5	Stronger links could be built between UNIDROIT's non-legislative activities and UNIDROIT's legislative work. For instance, the work and connections developed through the IPLD could support greater participation of experts from African countries in Working Groups, thereby helping to promote diversity in legislative activities.	Development process for prospective instruments	Medium
IV.6	Where a project has direct implications for specific under-represented communities (such as Indigenous Peoples, civil society organisations, or SME associations), targeted outreach to secure such communities' meaningful participation could be included as a standard element of project development.	Development process for prospective instruments	High
IV.7	An SDG impact assessment that includes indicators could be incorporated at the scoping phase of proposed new projects.	Development process for prospective instruments	High
IV.8	A mentoring programme could be developed to allow experts with experience in UNIDROIT Working Groups to help facilitate the engagement and participation of newer members.	Development process for prospective instruments	Medium

No.	Recommendation	Category	Suggested priority level
IV.9	The links between UNIDROIT's existing instruments and the SDGs could be articulated more explicitly in dissemination and implementation activities.	Implementation	High
IV.10	The Institute could work with relevant partners such as international organisations, regional institutions, and national authorities to provide technical assistance, legal reform programmes, and capacity-building initiatives for States and stakeholders, with particular attention to developing countries.	Implementation	High
IV.11	UNIDROIT should continue to strengthen engagement with development finance institutions and export credit agencies. Cooperation in this area could focus on identifying standard approaches to risk allocation, documentation, and sustainability-linked conditions in transactions structured based on UNIDROIT instruments.	Implementation	Medium
IV.12	Build in continuous learning and adaptation, including through, as applicable, periodic review of any model clauses and an accessible repository of case studies in adoption, remediation and responsible exit.	Implementation	Low
IV.13	Assess each instrument periodically in order to measure its contribution towards sustainability and the need for updating or amendments. It could be advisable for UNIDROIT to develop assessment tools and methods to review the practical contribution of its instruments to sustainable development along with their implementation.	Implementation	Medium
IV.14	Develop a digital repository to collect information on the use of UNIDROIT instruments in achieving the SDGs (or sustainable development more broadly, to avoid submissions becoming dated).	Implementation	Medium
IV.15	Consider whether and how internal coordination between UNIDROIT initiatives may further strengthen the sustainable development dimension of these instruments.	Coordination across UNIDROIT initiatives	Low

No.	Recommendation	Category	Suggested priority level
IV.16	It is suggested that consideration be given to the development of a guidance document on the implementation of UNIDROIT instruments in relation to the SDGs that would assist States in the preparation of their annual Voluntary National Reviews (VNRs).	Institutional	Medium
IV.17	It is suggested that UNIDROIT consider whether it might wish to expand its network of Correspondents to include more academic institutions in addition to individual academics and whether it might wish to invite Correspondents to submit an annual report on developments regarding the implementation of UNIDROIT instruments in their respective country or jurisdiction.	Institutional	Medium
IV.18	Consideration might be given on ways to embed sustainable development into the UNIDROIT ecosystem. For example, sustainable development modules might be included in the IPLD Programme and a sustainability aspect might regularly be included in the moot problem on the UPICC.	Institutional	High
IV.19	UNIDROIT consider strengthening its engagement with, for example, the Organisation for the Harmonisation of Business Law in Africa (OHADA), given the need for greater engagement in this region.	Institutional	High
IV.20	UNIDROIT explore the complementarity of its work with instruments developed by other organisations where relevant.	Institutional	Medium
IV.21	UNIDROIT consider collaborating with participants in the Sustainable Development Workshop, in particular, in furtherance of offers to feature the work of UNIDROIT at various public international law venues (e.g., Climate Law and Governance Day during COP 31 in Antalya or COP 32 in Addis Ababa, and Biodiversity Law and Governance Day during CBD COP 17 in Yerevan).	Institutional	High

No.	Recommendation	Category	Suggested priority level
IV.22	As the SDGs approach their renewal point, UNIDROIT might consider preparing a short statement of the contribution of private law to sustainable development to inform the post-2030 agenda, perhaps as a Centenary declaration. Alternatively, it may wish to consider issuing a joint statement, perhaps in partnership with UNCITRAL and HCCH.	Institutional	High

ANNEXE III

SDG MAPPING TABLES

320. The Committee members have developed the below tables as part of their consideration of UNIDROIT's work through the lens of sustainable development. The tables are not intended to be a comprehensive mapping of all of the relevant SDGs and are indicative only.

I. VCC PRINCIPLES SDG MAPPING

321. The table below assesses carbon projects and the related VCC Principles against each SDG. Consideration was given to the potential co-benefits of carbon projects as well as the potential for a carbon project itself to further an SDG. Many of the SDGs are furthered as an indirect result of project implementation or an intentional co-benefit given that the primary objective of a carbon project is to remove or reduce GHG emissions from the environment which is often accomplished through means including energy transition or the preservation of biodiversity. For example, a project that funds the transition to cleaner energy through the distribution of energy efficient cookstoves has the primary objective of reducing emissions during the cooking process (SDG 13 (Climate Action)), while also generating potential co-benefits relating to SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality) and SDG 7 (Affordable and Clean Energy). Depending on its design and implementation, such a project may also contribute to SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production) and SDG 15 (Life on Land).

322. The table highlights SDG 13 (Climate Action) as the primary objective of carbon projects. It also highlights SDGs 3, (Good Health and Well-being), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities) and 12 (Responsible Consumption and Production) that, while not being the primary objective, may be an intended consequence of some projects. Other SDGs may be furthered as an unintended consequence of the methodology or an intentional co-benefit that is not related to the project methodology (for example in sharing the financial benefits of a waste to energy project the investors may build a school). In looking at SDGs 16 (Peace, Justice and Strong Institutions) and 17 (Partnerships for the Goals) these may be furthered by the VCC Principles themselves as carbon projects are intended to move finance between areas of wealth to those countries where investment is scarcer and the VCC Principles are intended to facilitate the development of legal frameworks to attract such finance. Giving SDGs 16 and 17 further consideration it may be that it is support in implementing the Principles where these may be advanced most by UNIDROIT.

Goal No.	Title	Summary Description	Link to Carbon Markets	Potential Co-Benefits
1	**No Poverty**	End poverty in all its forms everywhere.	Carbon projects can create income streams for local and Indigenous communities through benefit-sharing mechanisms and employment. In addition, all projects must adhere to the principle of Do No Harm (DNH).	Job creation, improved livelihoods, and community development.
2	**Zero Hunger**	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	Agroforestry, soil carbon, and sustainable land-use projects enhance agricultural resilience and productivity.	Increased food security, soil health, and sustainable farming practices.
3	**Good Health and Well-being**	Ensure healthy lives and promote well-being for all at all ages.	Reduced air pollution from renewable energy and clean cookstove projects improves public health.	Lower respiratory illnesses, cleaner indoor air, reduced healthcare burden.
4	**Quality Education**	Ensure inclusive and equitable quality education and promote lifelong learning.	Carbon revenue can fund education programs, training, and awareness in project communities.	Community capacity building and skill development.
5	**Gender Equality**	Achieve gender equality and empower all women and girls.	Many carbon projects (e.g., clean cookstoves, community forestry) prioritise women's participation and leadership.	Women's economic empowerment and reduced time spent on unpaid domestic work.
6	**Clean Water and Sanitation**	Ensure availability and sustainable management of water and sanitation for all.	Water purification and watershed conservation projects improve access to safe water and protect catchments.	Improved water quality, reduced disease incidence, and ecosystem resilience.
7	**Affordable and Clean Energy**	Ensure access to affordable, reliable, sustainable, and modern energy for all.	Renewable energy projects (solar, wind, hydro, biogas) directly generate carbon credits.	Energy access, energy security, and reduced reliance on fossil fuels.
8	**Decent Work and Economic Growth**	Promote inclusive and sustainable economic growth and decent work for all.	Carbon projects generate green jobs in renewable energy, forestry, and conservation sectors.	Employment creation, local enterprise development, and skills enhancement.

Goal No.	Title	Summary Description	Link to Carbon Markets	Potential Co-Benefits
9	**Industry, Innovation and Infrastructure**	Build resilient infrastructure and promote sustainable industrialisation.	Innovative climate-smart infrastructure and low-carbon technologies can be financed through carbon projects.	Technology transfer, innovation, and improved infrastructure.
10	**Reduced Inequalities**	Reduce inequality within and among countries.	Benefit-sharing and community inclusion in carbon markets can redistribute economic benefits.	Social inclusion, empowerment of marginalised groups, and rural equity.
11	**Sustainable Cities and Communities**	Make cities inclusive, safe, resilient, and sustainable.	Urban carbon projects (including waste-to-energy, efficient transport, energy efficient urban lighting) help cities meet net-zero targets.	Cleaner urban environments, improved mobility, and reduced waste.
12	**Responsible Consumption and Production**	Ensure sustainable consumption and production patterns.	Carbon market frameworks encourage sustainable business practices and supply chains and encourage funding of projects along a value chain and beyond.	Circular economy models and resource efficiency and reduction of GHG along value chains.
13	**Climate Action**	Take urgent action to combat climate change and its impacts.	Core objective of carbon markets—reducing or removing GHG emissions through verified projects.	National climate targets met (NDCs), resilience building, and mitigation outcomes.
14	**Life Below Water**	Conserve and sustainably use oceans and marine resources.	Blue carbon projects (mangrove, seagrass restoration) store carbon while protecting marine ecosystems.	Biodiversity protection, coastal resilience, and fisheries enhancement.
15	**Life on Land**	Protect and restore terrestrial ecosystems and forests.	Forestry and land-use projects (REDD+, afforestation) generate carbon credits and conserve biodiversity.	Habitat restoration, biodiversity protection, and ecosystem resilience.
16	**Peace, Justice and Strong Institutions**	Promote peaceful and inclusive societies and build strong institutions.	Transparent and equitable governance of carbon finance strengthens institutional trust.	Good governance, and clarity over the separation of land rights and/or benefits of a project and the rights in the VCCs themselves.
17	**Partnerships for the Goals**	Strengthen the means of implementation and revitalise global partnerships.	Carbon markets depend in part on international cooperation under Article 6 of the Paris Agreement. In addition, they facilitate finance flowing from areas of wealth to areas of need requiring international cooperation between private and public entities.	Capacity building, technology transfer, and global investment in sustainability.

II. CSDD PROJECT SDG MAPPING

Goal No.	Title	Summary Description	Link to Due Diligence in Global Value Chains	Potential Co-Benefits
1	**No Poverty**	End poverty in all its forms everywhere.	CSDD can reduce exploitative practices in value chains and support responsible sourcing from low-income regions, but poverty reduction is not a direct objective of due-diligence methodologies.	Improved income stability, reduced vulnerability of workers and communities at the lower end of value chains.
2	**Zero Hunger**	End hunger, achieve food security and improved nutrition.	In agri-food value chains, due diligence can address labour abuses, land rights, and environmental practices, however food security is not the primary objective of CSDD instruments.	Improved farm practices, resilience of smallholder suppliers, and reduced harmful purchasing practices.
3	**Good Health and Well-being**	Ensure healthy lives and promote well-being for all at all ages.	CSDD frameworks can address occupational health and safety risks and environmental harms that affect workers and communities along value chains.	Safer working conditions, reduced exposure to pollutants, and improved workplace health standards.
4	**Quality Education**	Ensure inclusive and equitable quality education and promote lifelong learning.	Due diligence may encourage supplier training, awareness-raising, and capacity-building to meet contractual sustainability expectations.	Development of skills, improved supplier capabilities, and managerial training.
5	**Gender Equality**	Achieve gender equality and empower all women and girls.	Human-rights due diligence can cover gender-based risks (e.g. discrimination, harassment) prevalent in many value chains, but gender equality is not the core purpose of CSDD.	Women's economic participation, safer workplaces, and enhanced access to grievance mechanisms.
6	**Clean Water and Sanitation**	Ensure availability and sustainable management of water and sanitation for all.	Environmental due diligence may address water pollution and resource misuse in production processes, especially in high-impact sectors.	Improved water quality, reduced contamination, and ecosystem protection.
7	**Affordable and Clean Energy**	Ensure access to affordable, reliable, sustainable energy.	CSDD may encourage better environmental practices and energy efficiency in value chains, but energy	Cleaner production methods and improved energy practices at supplier level.

Goal No.	Title	Summary Description	Link to Due Diligence in Global Value Chains	Potential Co-Benefits
			access is not an objective of due-diligence frameworks.	
8	**Decent Work and Economic Growth**	Promote inclusive and sustainable economic growth and decent work for all.	CSDD directly targets labour rights, working conditions, remediation of abuses, and responsible purchasing practices in global value chains.	Reduced labour exploitation, safer work environments, and more resilient supplier relationships.
9	**Industry, Innovation and Infrastructure**	Build resilient infrastructure and promote sustainable industrialisation.	CSDD can strengthen contractual and institutional infrastructure for responsible trade and encourages more resilient and sustainable business models.	Legal innovation, improved contracting practices, and supply-chain resilience.
10	**Reduced Inequalities**	Reduce inequality within and among countries.	CSDD frameworks can emphasise proportionality, supplier support, and equivalence of standards, addressing power imbalances between buyers and suppliers in developing economies.	Greater inclusion of SMEs, fairer value-chain participation, reduced market exclusion.
11	**Sustainable Cities and Communities**	Make cities inclusive, safe, resilient, and sustainable.	Due diligence may indirectly affect urban communities through improved environmental and labour practices, but cities are not the focus of CSDD tools.	Reduced local pollution, safer employment in urban production hubs.
12	**Responsible Consumption and Production**	Ensure sustainable consumption and production patterns.	CSDD can emphasise sustainability expectations directly into procurement and contracting decisions across value chains.	Improved supply-chain transparency, more responsible sourcing, and reduced negative impacts.
13	**Climate Action**	Take urgent action to combat climate change.	Environmental due diligence may capture climate-related risks and emissions in value chains, but climate mitigation is not the primary objective of CSDD frameworks.	Better environmental management and alignment with climate strategies.
14	**Life Below Water**	Conserve and sustainably use oceans and marine resources.	CSDD may indirectly address marine impacts where value chains affect fisheries or coastal ecosystems, but this is sector-specific and incidental.	Reduced marine pollution and ecosystem harm.

Goal No.	Title	Summary Description	Link to Due Diligence in Global Value Chains	Potential Co-Benefits
15	**Life on Land**	Protect and restore terrestrial ecosystems and forests.	Environmental due diligence can address deforestation, land degradation, and biodiversity loss in land-intensive value chains.	Improved land management and reduced environmental harm.
16	**Peace, Justice and Strong Institutions**	Promote peaceful and inclusive societies and build accountable institutions.	CSDD principles and legal guidance can strengthen private governance, transparency, accountability, and access to remedy in cross-border contracting.	Predictable contracting, grievance mechanisms, and stronger rule-of-law effects.
17	**Partnerships for the Goals**	Strengthen means of implementation and global partnerships.	CSDD frameworks rely on cooperation between governments, businesses, suppliers, and international institutions to function effectively.	Policy coherence, capacity-building, and inclusive global value chains.

III. PRIVATE LAW AND AGRICULTURE SDG MAPPING

323. The below table summarises the contributions to the SDGs of the four UNIDROIT instruments pertaining to private law and agriculture.

SDGs	Relevant Targets	CF Guide	ALIC Guide	CLSAE	AgriFin
1 No Poverty	1.1, 1.2, 1.4, 1.5	Indirect – all 4 instruments contribute indirectly to eradication (1.1) and reduction (1.2) of poverty by ensuring equal rights to economic resources, improving control over land, property and natural resources (1.4) and building resilience to climate-related and other economic, social and environmental shocks and disasters (1.5).			
2 Zero Hunger	2.1, 2.2, 2.3, 2.4	Contributes to end hunger (2.1) and malnutrition (2.2) by improving agricultural productivity and incomes of small-scale food producers through access to resources and inputs, knowledge, financial services, markets and opportunities (2.3). Depending on application, contributes to sustainable food production	Contributes to end hunger (2.1) and malnutrition (2.2) by improving agricultural productivity and incomes of small-scale food producers, in particular indigenous peoples and pastoralists, through secure and equal access to land (2.3). Depending on application, contributes to sustainable food production systems and resilient	Contributes to end hunger (2.1) and malnutrition (2.2) by improving agricultural productivity and incomes of small-scale food producers through access to resources and inputs, knowledge, financial services, markets and opportunities (2.3), particularly by improved	Contributes to end hunger (2.1) and malnutrition (2.2) by improving agricultural productivity and incomes of small-scale food producers through access to financial knowledge and services (2.3).

SDGs	Relevant Targets	CF Guide	ALIC Guide	CLSAE	AgriFin
		systems and resilient agricultural practices that increase productivity and strengthen capacity for adaptation to climate change and other disasters (2.4).	agricultural practices that increase productivity and help maintain ecosystems (2.4).	access to value chains through collaboration.	
3 Good Health & Well-being	3.1, 3.2, 3.9	Indirect – all 4 instruments contribute indirectly to reductions in mortality (3.1, 3.2) by contributing towards greater food security and improved nutrition. To the extent that these instruments encourage a shift towards more sustainable agriculture, they might also contribute towards reductions in deaths and illnesses from hazardous chemicals and air, water and soil pollution (3.9).			
4 Quality Education	4.5, 4.7	Indirect – all 4 instruments contribute indirectly towards the elimination of gender disparities in education and equal access for the vulnerable (4.5) and acquisition of knowledge and skills to promote sustainable development (4.7).			
5 Gender Equality	5.a	Contributes towards giving women equal rights to economic resources, access to control over land and financial services (5.a), particularly through adherence to the RAI Principles and Ruggie Principles which promote gender equality.	Contributes towards giving women equal rights to economic resources and access to control over land (5.a), particularly through adherence to the RAI Principles and VGGT Principles which promote gender equality.	Contributes towards giving women equal rights to economic resources (5.a), particularly through collaboration.	Contributes towards giving women equal rights to economic resources and access to financial services (5.a).
6 Clean Water & Sanitation	6.3, 6.4	Indirect - to the extent that these instruments encourage a shift towards more sustainable agriculture, all 4 instruments could contribute towards improved water quality by reducing pollution (6.3) and towards increased water-use efficiency (6.4).			
7 Affordable & Clean Energy	N/A	N/A	N/A	N/A	N/A
8 Decent Work & Economic Growth	8.2, 8.3, 8.4, 8.5	Contributes towards higher levels of economic productivity through technological upgrading and innovation (8.2) and decent work for all women and men (8.5) by encouraging improved conditions and inclusiveness in contract farming, thereby facilitating transition from	Contributes towards achieving decent work for all women and men (8.5) by encouraging improved conditions and inclusiveness in agricultural land investments.	Contributes towards higher levels of economic productivity through innovation and value-added (8.2) and decent work for all women and men (8.5) by encouraging the creation, formalisation and growth of agri-MSMEs (8.3). Improves resource	Contributes towards achieving decent work for all women and men (8.5) by encouraging equal access to financial resources.

SDGs	Relevant Targets	CF Guide	ALIC Guide	CLSAE	AgriFin
		subsistence to commercial agriculture.		efficiency in production (8.4) through collaborative legal structures and use of digital platforms.	
9 Industry, Innovation & Infrastructure	9.3	N/A	N/A	Contributes towards increasing the access of agri-MSMEs to financial services and their integration into value chains and markets (9.3), specifically through collaboration.	Contributes towards increasing the access of agri-MSMEs to financial services, including affordable credit, and their integration into value chains and markets (9.3).
10 Reduced Inequalities	10.1, 10.2	Indirect – all 4 instruments contribute indirectly towards income growth of the bottom 40% (10.1) and social, economic and political inclusion of all (10.2).			
11 Sustainable Cities & Communities	N/A	N/A	N/A	N/A	N/A
12 Responsible Consumption & Production	12.2, 12.3, 12.4, 12.a	Contributes towards the reduction of food losses along production and supply chains, including post-harvest losses (12.3) and the environmentally sound management of chemicals and all wastes (12.4) through the introduction of good agricultural practices.	N/A	Contributes towards the sustainable management and efficient use of natural resources (12.2) through collaboration, which may also contribute towards the reduction of food losses along production and supply chains, including post-harvest losses (12.3).	Might support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production (12.a).
13 Climate Action	13.1	Indirect – all 4 instruments contribute indirectly towards strengthening resilience and adaptive capacity to climate-related hazards and natural disasters (13.1).			
14 Life Below Water	N/A	N/A	N/A	N/A	N/A
15 Life on Land	15.9	N/A	Depending on application, contributes towards the integration of ecosystem and biodiversity values into national	N/A	N/A

SDGs	Relevant Targets	CF Guide	ALIC Guide	CLSAE	AgriFin
			and local planning and development processes (15.9), particularly through encouragement of impact assessments throughout the agricultural land investment process.		
16 Peace. Justice & Strong Institutions	16.3, 16.8	Direct – all 4 instruments contribute directly towards promoting the rule of law at national and international levels (16.3) and towards strengthening the participation of developing countries in the institutions of global governance (16.8).			
17 Partnership for the Goals	17.14	Direct – all 4 instruments contribute directly towards enhancing policy coherence for sustainable development (17.14).			

IV. FINANCIAL MARKETS AND TECHNOLOGY: INDICATORS TO ASSESS CONTRIBUTION TO SDGS

324. The below table includes illustrative indicators for assessing the contribution of the Bank Liquidation Guide to the SDGs:

SDG	Target	Possible indicators
SDG 8 – Sustained, inclusive, and sustainable economic growth	**8.10**	- Existence of statutory bank-specific liquidation procedures reflecting "sale as a going concern" and transfer-based tools - Continuity of critical banking services (deposits, payments, credit lines) during liquidation of non-systemic banks - Average time between non-viability determination and initiation of liquidation proceedings - Absence or strict limitation of public fiscal support in bank liquidation cases
SDG 9 – Industry, Innovation and Infrastructure	**9.1** **9.3**	- Legal recognition of bank liquidation as part of financial infrastructure policy - Predictability of creditor treatment measured through reduced litigation and *ex post* legal disputes - Use of harmonised institutional models for bank liquidation (administrative or hybrid) - Continuity of SME transaction accounts and lending relationships following bank failure - Use of asset-and-liability transfer mechanisms preserving SME credit access - Reduction in value destruction from piecemeal liquidation affecting local economies

SDG	Target	Possible indicators
	9.a	- Legal recognition of bank-specific liquidation tools in primary legislation, notably in developing countries - Existence of pre-liquidation preparation and contingency planning requirements
SDG 10 – Reduced Inequalities	**10.4**	- Statutory recognition of depositor protection as a core objective of bank liquidation - Adoption of general depositor preference in creditor hierarchies - Share of insured depositors maintaining uninterrupted access to funds during liquidation - Use of industry-funded deposit insurance mechanisms rather than taxpayer funding - Distributional analysis of liquidation outcomes between households, SMEs, and wholesale creditors
SDG 16 – Peace, Justice and Strong Institutions	**16.3** **16.6** **16.a**	- Clarity and accessibility of bank liquidation rules in primary legislation (*lex specialis*) - Availability of procedural safeguards for creditors and depositors - Predictability of outcomes reflected in reduced discretionary interventions - Clear statutory allocation of responsibilities between supervisory, resolution, and liquidation authorities - Oversight, reporting, and accountability requirements applicable to liquidators - Transparency of liquidation strategies and outcomes - Formal cooperation mechanisms between supervisors, resolution authorities and liquidation authorities - Training or technical assistance programmes based on the Guide
SDG 17 – Partnerships for the Goals	**17.9** **17.16**	- Use of the Guide in technical assistance and legal reform programmes - Adoption or adaptation of the Guide in jurisdictions lacking dedicated bank liquidation frameworks - Existence of cross-border cooperation and recognition mechanisms for bank liquidation - Alignment of domestic frameworks with international standards on bank failure management - Participation of national authorities in international coordination arrangements
Cross-cutting (Sustainable Finance Governance)		- Stability of depositor and investor confidence during bank distress episodes - Legal predictability supporting long-term and sustainable investment decisions - Integration of bank liquidation rules within broader sustainable finance governance frameworks

325. The below table includes illustrative indicators for assessing the contribution of the DAPL Principles to the SDGs. These impact-assessment indicators may be applied to specific case studies involving digital asset projects, individual jurisdictions, or regional groups, thereby capturing the diversity of implementation contexts and their sustainable development aspects.

SDG	Relevant targets	Possible indicators (adapted to DAPL)
SDG 9 – Industry, Innovation and Infrastructure	**9.1, 9.3, 9.4, 9.a, 9.b**	– Adoption of private-law frameworks recognising digital assets as objects of proprietary rights – Number of jurisdictions aligning custody, transfer, and control rules with DAPL – Increased investment in compliant digital financial infrastructure in low- and middle-income economies – Legal frameworks enabling sustainable and low-impact digital infrastructures – Alignment of digital-asset market design with clean-technology objectives
SDG 16 – Peace, Justice and Strong Institutions	**16.4, 16.6, 16.7, 16.10**	– Reduction in disputes concerning ownership, custody, and insolvency of digital assets – Insolvency proceedings in which client digital assets are legally segregated from custodians' estates – Judicial or regulatory references to DAPL-consistent principles – National implementations integrating data-protection and privacy safeguards into digital-asset custody and insolvency rules – Reduced misuse or loss of personal and transactional data in digital-asset systems – Enhanced transparency and accountability of digital-asset service providers
SDG 17 – Partnerships for the Goals	**17.3, 17.5, 17.8, 17.13** **17.7, 17.14, 17.16**	– Cross-border consistency in private-law treatment of digital assets – Use of DAPL-aligned frameworks in international technical assistance and capacity-building programmes – Increased cross-border digital capital flows supported by predictable legal rules – Transfer of environmentally sound digital-finance technologies to developing economies – Coherence between private-law digital-asset frameworks and public sustainability policies – International cooperation on sustainable digital-asset governance
SDG 8 – Decent Work and Economic Growth	**8.2, 8.3, 8.10** **8.4**	– Use of digital assets as collateral in secured lending frameworks – Expansion of SME access to finance through tokenised assets and receivables – Growth in regulated digital-asset financial services – Legal incentives favouring resource-efficient digital financial models – Integration of sustainability considerations into digital-asset market design

SDG	Relevant targets	Possible indicators (adapted to DAPL)
SDG 10 – Reduced Inequalities	**10.5, 10.b, 10.c**	– Legal inclusion of digital assets in formal financial systems – Reduced reliance on informal or extra-legal digital finance arrangements – Increased access to digital credit markets for under-served populations – Reduction of transaction costs of migrant remittances through digital assets
SDG 13 – Climate Action	**13.1, 13.a (indirect)**	– Use of DAPL-consistent private-law rules in tokenised carbon-credit and climate-finance mechanisms – Reduction of legal risk in transfer and custody of environmental digital assets – Increased private investment in mitigation and adaptation instruments

V. CULTURAL HERITAGE LAW AND SDG MAPPING

326. The below table summarises the links between the UNIDROIT 1995 Convention and the SDGs:

SDG	Relevant Targets	Summary Description	Link to UNIDROIT Convention	Potential Co-Benefits
SDG 1 - No Poverty	**1.4** – equal rights to economic resources, including ownership and control over land and other forms of property.	End poverty in all its forms everywhere.	Restitution of stolen or illegally exported cultural objects restores economic value and cultural capital to communities of origin.	Promotes cultural and economic empowerment; supports cultural industries.
SDG 3 - Good Health and Wellbeing	**3.4** – promote mental health and well-being.	Ensure healthy life and promote wellbeing.	The display of returned cultural objects in their countries and/or communities of origin can strengthen community members' sense of identity and social cohesion, thereby contributing positively to their wellbeing.	Enhances cultural healing and identity restoration.
SDG 4 - Quality Education	**4.7** – education for sustainable development, including appreciation of cultural diversity and of culture's contribution to sustainable development.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Protection and restitution of cultural heritage strengthen educational resources and identity formation.	Improves heritage education; enhanced cultural literacy.

SDG	Relevant Targets	Summary Description	Link to UNIDROIT Convention	Potential Co-Benefits
SDG 8 - Decent Work and Economic Growth	**8.3** – policies supporting productive activities, entrepreneurship, creativity and innovation; **8.9** – sustainable tourism that creates jobs and promotes local culture and products.	Promote inclusive sustained and sustainable economic growth, full and productive employment and decent work for all.	The restitution of cultural objects to small or medium-sized museums or cultural institutions, located in decentralized or suburban areas, has a positive impact on local economies by attracting visitors and boosting cultural tourism, thereby supporting local businesses and regional development.	Supports the economic growth of small cultural centers; sustainable cultural tourism; and heritage professions or business.
SDG 10 - Reduced Inequalities	**10.2** – social, economic and political inclusion of all; **10.3** – equal opportunity and reduced inequalities of outcome.	Reduce inequality within and among countries.	Seeks to reduce information asymmetries in the art market by encouraging the gathering and exchange of information on cultural objects being sold on the market. Facilitates international restitution and return claims by providing uniform provisions. Enhance access to justice for States of origin and dispossessed owners with little resources.	Encourages transparency, due diligence, and provenance research in the art market. Reduce structural legal inequalities; promotes fairness in international disputes.
SDG 11- Sustainable Cities and Communities	**11.4** – strengthen efforts to protect and safeguard the world's cultural and natural heritage.	Make cities and human settlements inclusive, safe, resilient and sustainable.	Safeguards cultural heritage integral to community identity and sustainability.	Enhances community resilience and cultural sustainability.
SDG 15 - Life on Land	**15.1** – conservation and restoration of terrestrial ecosystems; **15.3** – restore degraded land and soil.	Protect, restore and promote sustainable use of terrestrial ecosystems.	Contributes to preventing damage to archaeological sites and surrounding ecosystems by combatting looting and illicit excavations of cultural objects.	Protection of archaeological landscapes; reduced environmental degradation caused by illicit digging.

SDG	Relevant Targets	Summary Description	Link to UNIDROIT Convention	Potential Co-Benefits
SDG 16 - Peace, Justice and Strong Institutions	**16.3** – rule of law and equal access to justice; **16.4** – strengthen the recovery and return of stolen assets and combat organised crime; **16.a** – strengthen national institutions, including through international cooperation, to combat crime.	Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable institutions.	Establishes uniform private law rules for restitution and return of cultural objects.	Enhances rule of law; strengthens judicial cooperation.
SDG 17 - Partnerships for the Goals	**17.9** – capacity-building in developing countries; **17.14** – policy coherence for sustainable development; **17.17** – public, public-private and civil society partnerships.	Strengthen the means of implementation and revitalise the global partnership for sustainable development.	Encourages international cooperation in restitution and return cases and harmonisation of private international rules.	Improves international cooperation in the cultural heritage sector more generally. Promotes common legal language and shared terminology.

327. The below table summarises the links between the UNESCO-UNIDROIT Model Provisions and the SDGs:

SDG	Relevant Targets	Summary Description	Link to Model Provisions	Potential Co-Benefits
SDG 10 - Reduced Inequalities	**10.2** – social, economic and political inclusion of all; **10.3** – equal opportunity and reduced inequalities of outcome, including by promoting appropriate legislation, policies and action.	Reduce inequality within and among countries.	Provides legal instruments to combat illicit trafficking of cultural objects and facilitates cross-border restitution claims.	Reduces structural legal inequalities; promotes fairness in international disputes.
SDG 15 - Life on Land	**15.1** – conservation and restoration of terrestrial ecosystems; **15.3** – restore degraded land and soil.	Protect, restore and promote sustainable use of terrestrial ecosystems.	Reinforces legal protection of cultural heritage belonging to local, Indigenous, and tribal communities while preventing damage to	Protection of archaeological landscapes; reduced environmental degradation caused by illicit digging.

SDG	Relevant Targets	Summary Description	Link to Model Provisions	Potential Co-Benefits
			archaeological sites and surrounding ecosystem.	
SDG 16 - Peace, Justice and Strong Institutions	**16.3** – rule of law and equal access to justice; **16.4** – strengthen the recovery and return of stolen assets and combat organised crime; **16.6** – effective, accountable and transparent institutions; **16.a** – strengthen national institutions, including through international cooperation, to combat crime.	Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable institutions.	Offers legislative guidance to clarify State title and introducing new offences against cultural objects.	Strengthens institutional capacity and governance. Facilitates restitution and return claims.
SDG 17 - Partnerships for the Goals	**7.9** – capacity-building in developing countries; **17.14** – policy coherence for sustainable development; **17.16** – global partnership for sustainable development, complemented by multi-stakeholder partnerships.	Strengthen the means of implementation and revitalise the global partnership for sustainable development.	Facilitates the implementation of the 1995 UNIDROIT Convention (*e.g.* Article 3(2)), complementing and reinforcing the objectives of the 1970 UNESCO Convention.	Improves international cooperation in the cultural heritage sector more generally. Promotes common legal language and shared terminology.