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Item No. 14 on the Agenda: Special contributions for the UNIDROIT centenary

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Update regarding special contributions for the centenary</i>
<i>Action to be taken</i>	<i>For information</i>
<i>Related documents</i>	UNIDROIT 2024 – F.C. (97) 5 ; UNIDROIT 2024 – C.D. (103) 29; UNIDROIT 2024 – C.D. (103) Misc. 2 (Attached hereto on a confidential basis); UNIDROIT 2024 – F.C. (98) 9

I. INTRODUCTION

1. The year 2026 will mark 100 years since the foundation of UNIDROIT, one of the world's oldest international organisations active in the area of rule of law. This milestone is indeed extraordinary and worthy of adequate celebrations.
2. In preparation for the centenary, the President and the Secretariat have conducted an assessment and reflected upon initiatives regarding the origins and history of the Institute, its achievements, and the evolution of its governance and work programme. This has resulted in the development of several proposals for activities and events to celebrate the centenary, which were presented to the Governing Council at its 103rd session in May 2024 (UNIDROIT 2024 – C.D. (103) 29). The proposals do not limit themselves to celebrating the Institute's past and present achievements but are intended to pave the way for the long term future of the Institute.
3. It is first and foremost the intention of the Secretariat to seize this opportunity to complete a process that has been underway for some years now, and will see its full achievement in the centenary: the complete modernisation of the organisation. Secondly, it is the Secretariat's intention to assess the different phases of the Institute's history and consider its instruments and activities within a sole unitary framework. The exercise would seek to highlight where and how UNIDROIT's work and unique methodology have contributed to enrich international legal governance in the area of private law, with the purpose of establishing a sound and consistent foundation for future developments.
4. The envisaged activities and events for the centenary greatly depend on the Institute being able to procure sufficient funds and both external and internal support. With none of the funding under the ordinary Budget available to be allocated to additional endeavours without seriously undermining the organisation's activity, the Secretariat has identified several sources of possible extra-budgetary funding. The Secretary-General anticipated to the Finance Committee during its 97th session in April 2024 ([UNIDROIT 2024 – F.C. \(97\) 5](#)), that one such form of funding could be special,

voluntary Member State contributions, either made in one lump-sum payment, or as a series of smaller contributions during 2025 and 2026.¹ Member States would be given the possibility to choose specific activities to finance, should that be their preference.

5. This document - which was presented to the Finance Committee at its 98th session in October 2024 ([UNIDROIT 2024 – F.C. \(98\) 9](#)) - sets out the activities that the Secretariat would hope to implement and fund, at least for a substantial part, in the manners hereby proposed.² As explained in detail in the remainder of this document, it is estimated that the execution of the planned activities and events for the centenary would cost around € 1,000,000 in total.

II. ENVISAGED CENTENARY ACTIVITIES AND EVENTS

6. This section is organised in three sub-sections, categorised by types of envisaged activities and events: (i) Section A describes activities in support of the Institute's strategic objectives and their estimated costs; (ii) Section B describes substantive events to celebrate the centenary and their estimated costs; and (iii) Section C sets out the estimated transversal costs, namely costs for the necessary human resources to support the organisation and successful execution of all the activities and events described in this document. Please note that all reported amounts are provided on the basis of initial estimates, which may be subject to changes and reallocation based on the assessments of a special Funding Committee that the Secretariat plans to establish as part of the envisaged institutional framework for the centenary.

A. Activities in support of institutional objectives

7. This sub-section addresses envisaged activities that are aligned with strategic objectives to take the Institute to the next level by 2026 and adequately prepare it for the future. Such objectives include intensifying UNIDROIT's presence –including membership– in geographical areas of priority, enhancing the Institute from a technological point of view, ensuring its continued growth by means of secondments, and promoting UNIDROIT's work in different languages.

1. Intensifying UNIDROIT's presence in targeted geographical areas

8. At the time of writing, UNIDROIT has 65 Member States representing around 74% of the world population and more than 90% of world GDP. The Institute currently has more Members and covers more ground than ever before in its almost centenary history. However, there is still plenty of room for improvement. There are areas in the world where the Institute is underrepresented, including regions where the majority of countries could substantially benefit from the use of its instruments, and which *vice versa* would greatly improve the quality of UNIDROIT instruments as a result of a dialogue with those jurisdictions.

9. The Secretariat has identified three priority areas: (i) Africa, (ii) East and Southeast Asia, and (iii) Central Asia, which are all regions where UNIDROIT has reduced membership (only 4 in Africa)

¹ The Secretariat will do its utmost to obtain funding also from other sources, namely by: (i) applying for funds through competitive public programmes aimed at supporting legal projects (e.g., the Secretariat has already applied for a three-year programme through the Italian Ministry of Culture), and (ii) creating a fund for donations from private stakeholders (e.g., law firms, financial institutions, foundations, industry associations). The UNIDROIT Foundation would also be assisting in raising funds for the centenary.

² For some envisaged centenary activities, the Secretariat has already been successful in obtaining (partial) funding (e.g., several Italian entities have kindly made donations for work to build an archive for UNIDROIT, and the Italian government has generously provided funding for the restoration and renovation of the building in which UNIDROIT resides). Furthermore, some activities may be executed by using UNIDROIT's ordinary budget (e.g., the review and modernisation of the UNIDROIT Regulations). Activities that would not be expected to require substantial funding from UNIDROIT Member States are not mentioned in this document.

or could benefit from an additional substantive presence, and where the Institute's instruments and presence could be particularly relevant.

10. These objectives are to be achieved by adopting a strategy that combines different elements. Importantly, the Secretariat would like to increase membership in the identified areas of priority. The Secretariat believes that increasing membership by five countries by the end of 2026 is an extremely ambitious yet potentially feasible target.

11. To this end, it is crucial not only to identify suitable contacts in each of the relevant jurisdictions, but also to be able to travel to the respective regions. The President and the Secretariat propose to add missions to their schedules focussed on the broader membership agenda, seeking to promote the implementation of UNIDROIT'S instruments in the target areas that would benefit most from UNIDROIT instruments and assistance in many fields of the law. In light of the € 45,000 allocation for official journeys (a very small amount for an international organisation) in the ordinary budget for 2025, it is likely that additional funding will be required for this purpose. Though the Secretariat will try to benefit as much as possible from the generous invitations of States and organisations that might be willing to fund the travel expenses of UNIDROIT representatives and staff members, it is to be emphasised that not all countries are in the position to cover such expenses, especially developing countries in the regional areas of priority.

12. The estimated amount the Secretariat would have to allocate to implement this element of the strategy is of at least/around € 90,000 over 2025 and 2026.

2. Enhancing technological resources, cybersecurity and sustainability.

13. As the work of the organisation progresses and its instruments become more relevant, its technology should also feature enhanced capacity, as well as strengthened cybersecurity. The Institute has a new website, it is building an online archive, its bibliographical resources are increasingly available in paperless format, its operations are ever more often conducted through remote online communication, and, generally, the functioning of the Institute is now much more dependent on adequate technological resources and adequate protection than it ever was. Unfortunately, the current budget allocated to IT is extremely low and, in any case, far from capable of acquiring and maintaining adequate systems of cybersecurity. This is a vulnerability that has been identified by the Secretariat following consultation with experts in the subject matter. The Secretariat aims to achieve a complete upgrade of the system by 2026.

14. It is estimated that, being conservative, a minimum of € 100,000 would be required to bolster cybersecurity and to ensure the seamless, state of the art functioning of the institution's IT systems by 2026.

15. In addition to enhancing the Institute from a technological point of view, the Secretariat aims at enhancing the sustainability of its headquarters, e.g., by installing solar panels if authorised by the Italian authorities. Such sustainability efforts could be (partially) funded by the Italian government (if current environmental subsidy policies remain in place) or the ordinary budget given the expected future savings in costs for heating and electricity. However, Member States are welcome to express interest in contributing to the Institute's enhanced sustainability.

3. Secondments

16. Pursuant to the zero-growth policy of Member States' contributions implemented by the Institute, the growth of the organisation has been achieved through extra-budgetary contributions, including by contributions in kind of certain Member States that have implemented secondment agreements with UNIDROIT.

17. Special gratitude is owed to the enormous support of the People's Republic of China, which has seconded two junior professionals and one senior official from mainland China, and two legal

officers and two lawyers from the private sector from the Hong Kong Special Administrative Region; and to Italy, which has seconded a senior legal officer for a period of three years.

18. The upcoming centenary provides an excellent opportunity for Member States to consider concluding secondment agreements with UNIDROIT given the amount of additional work that is expected to be required in the next two years. At the same time, the Secretariat would encourage Member States to consider a mid-to-long-term outlook, i.e., to also look beyond the year 2026. Secondees from francophone and Spanish-speaking jurisdictions would be especially welcome, given that they could provide much-needed support in allowing the Institute to strengthen ties with francophone African states and countries in Central and South America.

19. The estimated costs for secondments depend on the exact arrangements (including duration of the secondment) and profile of the candidates.

4. Language use

20. UNIDROIT has two working languages (English and French) and five official languages (adding German, Italian and Spanish to the former). Due to the very tight budget, the Institute does not have the possibility to translate documents or even instruments into the official but non-working languages, let alone any other language. This is a disadvantage of the Institute in comparison to other organisations active in the same field of international law, which enjoy larger budgets or which benefit from the translation services of a larger parent organisation.

21. The importance of using a country's own language cannot be overstated. It greatly facilitates the dialogue with government officials and substantially enhances the penetration and consideration of the Institute's work in the academic community as well as in the relevant part of the private sector.

22. The upcoming centenary provides a great opportunity to increase and accelerate the translation of existing UNIDROIT instruments, so that these would be available in a broader range of languages in 2026 – when it is envisaged to organise celebratory promotional events in different regions of the world (see below Point B.2).

23. Member States that are interested in supporting the Institute in expanding its translation efforts could provide support by means of arranging expert collaboration and/or funding for translation services. It is estimated that the translation of our instruments to additional, highly relevant languages would cost around € 100,000 by the end of 2026.

B. Celebration of the centenary

24. Consistent with the importance of the anniversary, it is proposed that the first 100 years of UNIDROIT be celebrated through a series of events with substantive content, to take place over a time span of at least twelve months, both in Rome and in different regions of the world. This sub-section provides a short description of the envisaged events and the estimated costs for each of them.

1. Main celebratory event in Rome

25. It is anticipated that the main event take place in Rome in the final part of the year 2026, although, due to capacity constraints, the event may need to be held in a more spacious building, at least for part of it. This additional venue would need to be hired, incurring additional costs for the Institute. Based on experience, the use for 3-4 days of a venue with capacity for 250 persons would be beyond € 100,000. The event would comprise a joint session of the Governing Council and the General Assembly,³ which would be expected to be attended by the authorities in charge of UNIDROIT

³ It is envisaged that this event would not replace the ordinary meeting of the Governing Council, which would take place earlier in the year. The Governing Council, thus, would be expected to meet twice in 2026, although the ordinary business of the Council would be discussed in the first session.

at the capitals, in addition to, or in substitution of, the country's representatives in Rome. This joint session would be in addition to the ordinary meeting of the Governing Council, so the budget for the Governing Council would need to be doubled, adding approximately € 50,000 for 2026⁴.

26. The content of the main event will be celebratory in nature, but also of substance. It is proposed that it includes the conclusions of the different thematic workshops that are envisaged to take place between the second half of 2025 and the first half of 2026 (see below, Point B. 3). The event would then be crowned with a "joint declaration of the Governing Council and the General Assembly" concerning not only what has been done over 100 years but especially what can be done in the future.

27. The content of the main event would be documented in a series of articles to be published as a special edition of the Uniform Law Review. Furthermore, the main event would also be the moment to present a book on the first 100 years of the organisation that would be used in the future for promotional purposes (see below, Point B.4).

2. Regional celebratory events

28. In the year 2026, with a view to taking the anniversary and its celebrations to the entire UNIDROIT constituency, it is envisaged that regional celebratory events be organised in each of the regions for the Institute: Africa, the Americas (two, North and Central America, on the one side, and South America, on the other), Asia-Pacific, and Europe. In principle, the idea would be for each event to cover the instruments that elicit the most interest in the region. It is the Secretariat's view that these events are bound to be even more important than those conducted in Rome because of their higher dissemination potential.

29. In order to organise and fund such events, the Secretariat will liaise with governments in each of the regions, as well as with international organisations and internationally-oriented institutions that are active or potentially interested in transnational law reform. Furthermore, each of the regional events will be designed and organised in close cooperation with UNIDROIT Correspondents and universities with which we have concluded cooperation agreements. The effective celebration of these events and, ultimately, their design, will be for the most part marked by the existence of funds to finance the celebration.

30. It is estimated that each regional event would require a budget of at least/around € 20,000, amounting to € 100,000 in total for the four events. This would cover the travel and subsistence expenses of the President and Secretariat, as well as those of a small group of experts from outside the host country who have been instrumental in the development of the instruments of interest for the region.

3. Specialised workstreams on different thematic areas of work

31. The Secretariat envisages the establishment of eight workstreams, for different thematic areas of the Institute's work:

- UNIDROIT and Transnational Law, a historical and methodological perspective,
- UNIDROIT's work in contracts and arbitration,
- UNIDROIT and access to credit,
- UNIDROIT and financial markets and emerging technologies,
- UNIDROIT and the private law of agriculture,
- UNIDROIT and cultural property,

⁴ See e.g., the draft Accounts for the financial year 2023, which indicate that € 53,194.91 was spent on the organisation of the Governing Council session in 2023.

- UNIDROIT and procedural law,
- UNIDROIT and sustainability.

32. The objective of each workstream according to subject matter is threefold: (i) to take stock of how UNIDROIT's relevant instrument(s) have performed in the past, (ii) to analyse the strengths and weaknesses of the instrument(s), and (iii) to propose a way forward in each thematic area, with specific recommendations. Each workstream will end with a workshop, and it will be expected to produce a publication.

33. Each workstream will be co-chaired by a Governing Council Member and an external person, together with a small committee that would help the Secretariat with the design of the activities and the workshop. The wider composition of the workstreams should be a combination of experts from academia, practice, and civil service (including judiciary), with preference for experts that have participated in the drafting and dissemination/implementation of UNIDROIT's instruments.

34. It is estimated that at least/around € 10,000 would be required for each thematic workshop, amounting to € 80,000 in total for the eight workshops. This estimate takes into consideration that the organisation of a Working Group session normally costs around € 10,000. It should be emphasised that the experts in each workstream would work on a *pro bono* basis with the Institute, as Working Group members do. The expenditure would therefore be limited to the minimum necessary, namely reimbursing experts' travel expenses according to UNIDROIT's existing travel reimbursement policy.

4. Publication of volumes dedicated to Unidroit

35. UNIDROIT is planning to publish a series of volumes that will cover key moments in the history of UNIDROIT. The volumes will contain documents on the origins of the Institute that have been found in the Archive, documents preserved with the Historical and Diplomatic Archives of the Italian Ministry of Foreign Affairs and International Cooperation, as well as other documents forming part of the Scialoja collection kept by the Sapienza University of Rome.⁵

36. Furthermore, the Secretariat envisages the publication of a book on the first 100 years of the organisation. This book would represent a tangible testimony of the centenary, and, although it should contain information on the history of the building and the organisation, its main protagonists over the years, its instruments and its methodology, the book's main purpose would be to serve as a "business card" for international missions and institutional visitors.

37. Given the Institute's limited budget for the printing of publications – roughly € 10,000 per year – extra-budgetary funding will be required for this purpose. It is estimated that at least/around € 40,000 would allow the Secretariat to publish the envisaged series of volumes.

C. Transversal costs

38. The envisaged activities and events in 2025 and 2026 as described in this document will require a considerably large amount of planning, organisation, and continuous support, which would overburden the staff members of the Secretariat in addition to their regular workload. After all, the Institute's core activities – such as the organisation of Working Group sessions and intersessional meetings for ongoing projects, the participation in events to promote UNIDROIT's work, and the institutional meetings of the Governing Council and Finance Committee – would be expected to continue as per usual.

⁵ The first volume, *At the Origins of the International Institute for the Unification of Private Law* (2024, ed. M.C. Malaguti), has already been published and produced thanks to the contribution of €10,000 provided by the IRTI-Sapienza Foundation of the University of Rome.

39. Therefore, the Secretariat aims to hire three new colleagues (3 FTE) – two secretaries and one legal consultant – who would be fully dedicated to the activities and events of the centenary. It is estimated that at least/around € 275,000 would be required to hire such additional personnel.

III. ACTION TO BE TAKEN

40. The Finance Committee, at its 98th session (October 2024), took note of this update and expressed support for the envisaged activities. Several members of the Finance Committee expressed confidence that their Governments would be willing to contribute funding for the organisation of the Centenary.

41. *The General Assembly is invited to take note of this update regarding the financing needs for envisaged activities and events for UNIDROIT's centenary, and to start the internal procedures to consider supporting the activities of the centenary.*