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**Item No. 4 on the agenda: Organisation's activity in 2024**

(memorandum prepared by the Secretariat)

<i>Summary</i>	<i>Review of the activities carried out by UNIDROIT in 2024 to implement the Work Programme adopted in 2022, including staffing and funding implications</i>
<i>Action to be taken</i>	<i>To take note of the resources allocated to carry out the current Work Programme</i>
<i>Related documents</i>	<a href="#"><u>UNIDROIT 2022 – A.G. (81) 3</u></a>

## Introduction

1. UNIDROIT'S Work Programme for the 2023-2025 triennium covers a number of topics originally recommended by the Governing Council for inclusion in the Work Programme at its 101<sup>st</sup> session (Rome, 8-10 June 2022) and approved by the General Assembly at its 81<sup>st</sup> session (Rome, 15 December 2022) (see document [UNIDROIT 2022 – A.G. \(81\) 9, paras. 47-67](#)).

2. The following criteria are applied to determine the level of priority assigned to the different activities in the Work Programme:

(a) *Priority for allocation of meeting costs:*

- (i) "high priority" – projects that should take precedence over others;
- (ii) "medium priority" – projects eligible for being initiated or advanced in the event that the costs of high priority projects turn out to be lower than anticipated (e.g. because the Secretariat obtains extra-budgetary funding), thus freeing resources under the regular budget; and
- (iii) "low priority" – projects that should only be advanced after completion of other projects or on the basis of full extra-budgetary funding.

(b) *Priority for allocation of human resources:*

- (i) "high priority" – at least 70% of the time of the responsible officers;
- (ii) "medium priority" – no more than 50% of the time of the responsible officers; and
- (iii) "low priority" – no more than 25% of the time of the responsible officers.

(c) *Indispensable functions:* Indispensable functions are those that are either imposed by the Statute (e.g. library, governance) or are otherwise necessary for its operation (e.g. management and administration). These functions are by their very nature "high priority" which is why they are supported by a dedicated pool of human and financial resources.

3. The Work Programme for the 2023-2025 triennium currently includes the following activities where the priorities were assigned by the General Assembly at its 81<sup>st</sup> session (Rome, 15 December 2022):

### A. Legislative activities

#### 1. Access to credit

##### 1.1 Protocols to the Cape Town Convention

- (a) Implementation of Rail and Space Protocols: high priority
- (b) Implementation of Protocol on Matters Specific to Mining, Agricultural and Construction Equipment: high priority
- (c) Preparation of other Protocols to the Cape Town Convention
  - (i) Ships and maritime transport equipment: low priority
  - (ii) Renewable energy equipment: low priority

##### 1.2 Development of a Guide to Enactment on Factoring: high priority

##### 1.3 Development of a Model Law and Guide to Enactment on Warehouse Receipts: high priority

##### 1.4 Development of a Guide to Enactment for the UNIDROIT Model Law on Leasing: low priority

- 2. International Commercial Contracts**
  - (a) UNIDROIT Principles of International Commercial Contracts and Investment Contracts: high priority
  - (b) Formulation of Principles of Reinsurance Contracts: low priority
- 3. Private law and agricultural development**
  - (a) Development of an international guidance document on Collaborative legal structures for agricultural enterprises: high priority
  - (b) Development of an Agricultural Financing Legal Guide: medium priority
- 4. Law and Technology**

Global Value Chains: Governance Issues and Digital Challenges: low priority
- 5. Capital Markets and Financial Law**

Bank Insolvency: high priority
- 6. Transnational civil procedure**
  - (a) Formulation of Best Practices for Effective Enforcement: high priority
  - (b) International Civil Procedure in Latin America: low priority
- 7. Cultural property**

Private Art Collections: medium priority
- 8. Sustainable Development**
  - (a) Legal Nature of Verified Carbon Credits: high priority
  - (b) Development of a guidance document on Corporate Sustainability Due Diligence in Global Value Chains: medium priority
- 9. Exploratory work**
  - (a) Law Applicable to Cross-Border Holdings and Transfers of Digital Assets and Tokens
  - (b) Digital transformation, Data Governance and Artificial Intelligence
  - (c) Private Law and Contemporary Health Research: Intellectual Property issues in the field of Personalised Medicine
  - (d) Standard-Essential Patents
  - (e) Access to Justice in Environmental Matters
- B. Implementation and promotion of UNIDROIT instruments: high priority**
  1. Depositary functions
  2. Promotion of UNIDROIT instruments
- C. Non-legislative activities (UNIDROIT Academy): high priority**
  1. UNIDROIT Library
  2. Scholarship, Internship and Research Programme
  3. Academic Projects
  4. Academic Institutes

5. International Programme for Law and Development
6. Chair Programmes
7. Cooperation with academic institutions (MoUs)
8. Publications (Uniform Law Review and others)
9. Information resources and policy

4. This document provides a summary of the activities undertaken over the course of the year 2024 to implement the legislative and non-legislative activities of the 2023-2025 Work Programme of the Institute. More detailed information will be provided in the Annual Report 2024, which is to be published in 2025.

5. Annex I includes information, in monetary terms, on the allocation of resources to the various projects and activities of the Institute in the financial year 2024, on the basis of the Budget approved by the General Assembly at its 82<sup>nd</sup> session (Rome, 14 December 2023). The high level of efficiency of the Institute is well known, with a staff that delivered a tremendous amount of work with very limited resources. This is being achieved through close collaboration between the members of the Secretariat and experts from around the world who devoted their time and effort towards implementing the Institute's mandate.

6. Annex II, in turn, provides information on extra-budgetary contributions available to the Secretariat and their allocation to various activities in the year 2024.

## **A. LEGISLATIVE ACTIVITIES**

### **1. Access to credit**

#### **1.1 Protocols to the Cape Town Convention**

##### **(a) Implementation of the [Rail](#) and [Space](#) Protocols to the Cape Town Convention \*\*\***

7. At its 81<sup>st</sup> session in December 2022, the General Assembly confirmed the inclusion of the implementation of the Luxembourg Rail Protocol and the Space Protocol to the Cape Town Convention as a high-priority activity in the UNIDROIT Work Programme for the triennial period 2023–2025.

#### **Luxembourg Rail Protocol**

8. The Luxembourg Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock (“Luxembourg (Rail) Protocol”) entered into force on 8 March 2024 at the first and constitutive session of the Supervisory Authority for the Registry, a new international body which is now composed of representatives appointed by Spain (Chair), Sweden (First Vice-Chair), South Africa (Second Vice-Chair), Algeria, France, Luxembourg, Türkiye, the United Kingdom, and the European Union as Regional Economic Integration Organisation. The entry into force of the treaty was made possible by the fulfilment of the two conditions provided for in its Article XXIII (1), namely the reaching of the fourth State Party (which had been already achieved with the ratification of Spain on 20 January 2023) and the deposit by the Secretariat of the Supervisory Authority (OTIF) with the Depositary (UNIDROIT) of a certificate confirming that the International Registry for Railway Rolling Stock was fully operational. The entry into force of the treaty was the result of the intense preparatory work which continued to be carried out in 2024, focusing in particular on the preparation of all required documentation, the monitoring of the technical implementation of the Registry, and culminating in the 12<sup>th</sup> and final session of the Preparatory Commission, held on 7 March 2024, back-to-back with the first Supervisory Authority session, with participation of 21 State delegations as well as institutional observers.

9. The first session of the Supervisory Authority, co-organised by OTIF and UNIDROIT and held at the seat of OTIF in Bern (Switzerland), was tasked, among other items, with the approval of its Statutes and Rules of Procedure, of the agreement between the Secretariat and the Supervisory Authority, and of the Model Rules for the permanent identification of railway rolling stock adopted by the UN Inland Transport Committee. It also set up the Committee of Experts and established the International Registry for Rolling Stock (managed by Regulis SA, a Luxembourg-based entity wholly owned by the Canadian company ISC), which started its operation upon the approval of the assumption, by the Supervisory Authority, of the rights and obligations of the Preparatory Commission under its contracts with the Registrar and related parties, as well as the approval of the fee schedule, yearly budget, Regulations, and Procedures for the Registry.

10. As of 18 November 2024, the Protocol had been signed by seven States (France, Germany, Italy, Mozambique, South Africa, Switzerland, and the United Kingdom), ratified by four States (Gabon, Luxembourg, Spain, and Sweden), and approved by one Regional Economic Integration Organisation (the European Union). The deposit by Paraguay of its instrument of accession to the Protocol is foreseen for 27 November 2024. The Secretariat furthermore received notice of the completion of all institutional steps towards ratification by South Africa and is awaiting the deposit of the respective instrument, while several other States are working towards ratification (among which, the United Kingdom and Türkiye).

11. During 2024, the Secretariat continued to participate in the work carried out by the Revisions Committee of the Model Rules for the Permanent Identification of Railway Rolling Stock, including with a meeting held in Geneva on 2-4 September 2024, which approved a revision of the Model Rules and established an informal working group on the impact of technology on the permanent identification system, with that informal group's first meeting then held on 13 November 2024.

12. Finally, the Secretariat continued to organise or participate in promotional and technical workshops in cooperation with OTIF and the Rail Working Group, including a workshop held in Stockholm, Sweden on 15 May 2014 for industry stakeholders and governmental experts; a conference held on 21 June 2024 in Lyon, France for academic experts and stakeholders; the Cape Town Convention Academic Project Annual Conference held in Cambridge, UK on 11-13 September 2024, which had a special focus on the Rail Protocol; dedicated lectures during the 2024 International Programme for Law and Development (IPLD) and in the Master 2 Mintec in Toulouse, France (22 January 2024). It also continued to cooperate with other organisations in raising awareness on the benefits of the implementation of the Protocol (including the African Union, APEC, EBRD, European Union, UNECA, UNECE), take part in bilateral governmental meetings, and provide information at the request of governments (including China, France, Hungary, Italy, South Korea, Türkiye, United Kingdom). More information will be provided in the Annual Report 2024.

13. In addition, in October 2024 the Institute published the third edition of Professor Sir Roy Goode's *Official Commentary on the Convention on International Interests in Mobile Equipment and Luxembourg Protocol thereto on Matters Specific to Railway Rolling Stock*, the first edition in a decade and notably following the Rail Protocol's entry into force.

### **Space Protocol**

14. At its 81<sup>st</sup> session in December 2022, the General Assembly confirmed the inclusion of the implementation of the Protocol to the Cape Town Convention on International Interests in Mobile Equipment on Matters specific to Space Assets ("Space Protocol") as a high-priority activity in the UNIDROIT Work Programme for the triennial period 2023-2025. UNIDROIT is designated as the Depository of the Protocol under its Article XLVIII (1)). The Protocol will enter into force following the procedure provided for in Article XXXVIII.

15. As of 18 November 2024, the Space Protocol has four Signatory States (Burkina Faso, Germany, Saudi Arabia and Zimbabwe). The deposit by Paraguay of its instrument of accession to the Protocol is foreseen for 27 November 2024, which will make Paraguay the first Contracting State to the Protocol.

16. Since the publication of the Statement of Activities at last year's session of the General Assembly, the Secretariat has continued to promote the Space Protocol and further develop a community of support for the instrument, notably revitalising the informal Working Group for the evaluation of governmental and industry support. The Secretariat undertook, among other initiatives, the following activities: participation in the deliberations of the 61<sup>st</sup> session of the Scientific and Technical Subcommittee of the Committee on the Peaceful Uses of Outer Space (COPUOS) (29 January-9 February 2024); participation in the Working Group's workshop on the Long-term Sustainability of Outer Space Activities (6 February 2024); participation in the SEE Lab General Assembly meeting on 11 March 2024; delivery of a statement updating the COPUOS at its 63<sup>rd</sup> session (15-26 April 2024); delivery of a statement at the CLIODN meeting during the 75<sup>th</sup> International Astronautical Congress of the International Astronautical Federation (IAC-IAF) and participation in several bilateral meetings with delegations at the IAC (15-17 October 2024); and organisation of lectures within the 2024 International Programme for Law and Development (IPLD). More information will be provided in the 2024 Annual Report.

**(b) Implementation of the [Protocol to the Cape Town Convention on Matters Specific to Mining, Agricultural and Construction Equipment](#) \*\*\***

17. The fourth Protocol to the Cape Town Convention on Matters Specific to Mining, Agricultural and Construction Equipment (the “MAC Protocol”) was adopted at a Diplomatic Conference in Pretoria, South Africa on 22 November 2019. As consistent with the implementation of the other Cape Town Convention Protocols and Resolution 1 of the Diplomatic Conference Final Act, a Preparatory Commission of 16 States has been established to act as Provisional Supervisory Authority until the Protocol enters into force. The Preparatory Commission operates under the guidance of UNIDROIT’s Governing Council and General Assembly.

18. Throughout 2024, the Preparatory Commission continued to make progress regarding its three key responsibilities: (i) designation of a Supervisory Authority, (ii) selection of a Registrar to operate the MAC Protocol International Registry, and (iii) preparation of a first edition of the International Registry Regulations.

19. Regarding the designation of a Supervisory Authority, in 2021 the MAC Protocol Preparatory Commission requested that UNIDROIT consider whether it would accept the role of Supervisory Authority. The UNIDROIT Governing Council considered the matter between 2021 and 2023 and eventually recommended to the General Assembly by majority vote that UNIDROIT should be designated as the MAC Protocol Supervisory Authority. The UNIDROIT General Assembly agreed to the Governing Council’s recommendation at its 82nd session in December 2023 and instructed the Secretariat to inform the MAC Protocol Preparatory Commission that it would be willing to accept the role of Supervisory Authority, on the precondition that the costs associated with undertaking the function are fully compensated.<sup>1</sup> At its sixth session in April 2024, the MAC Preparatory Commission formally designated UNIDROIT as the Supervisory Authority under the MAC Protocol, to take effect on entry into force of the Protocol. The Governing Council will next consider how best to structure the Supervisory Authority functions within UNIDROIT’s organs at its 103rd session in May 2025.

20. Regarding the selection of a Registrar, the Preparatory Commission undertook an extensive international procurement process between 2021 and 2023 and in 2023 identified a preferred candidate for Registrar. The Preparatory Commission then established a Contract Negotiation Team to negotiate a draft contract with the preferred candidate. The Contract Negotiation Team undertook negotiations with the preferred bidder over a period of approximately 50 hours across seven sessions, as well as several intersessional internal coordination meetings. In March 2024, the Contract Negotiation Team submitted a draft contract to the MAC Preparatory Commission, with a recommendation that the draft contract was ready for signature. At its sixth session in April 2024, the Preparatory Commission approved the draft contract and authorised its finalisation, subject to a final independent evaluation. The contract negotiation is in its final stages and is expected to be completed before the end of 2024. The Preparatory Commission also decided to establish a Registry Working Group to work with the appointed Registrar to establish the international registry, once the contract negotiations have been completed.

21. Regarding the preparation of the first edition of the International Registry Regulations, a Working Group was established by the Preparatory Commission in 2020 to prepare a first draft of the Regulations. The Working Group prepared a draft of the Regulations over six sessions between 2020 and 2024. At its sixth session in April 2024, the MAC Preparatory Commission approved a revised draft of the Regulations, which will become the Baseline Regulations to be incorporated as a schedule in the Registry Contract.

<sup>1</sup> See the UNIDROIT General Assembly 82<sup>nd</sup> session Report ([UNIDROIT 2023 – A.G. \(82\) 11](#)), paras 58–76.

22. At its fifth session in November 2022, the Preparatory Commission decided to create a MAC Protocol Ratification Task Force (RTF) to support the implementation of the MAC Protocol.<sup>2</sup> The RTF met twice in 2023 and twice in 2024 to progress various initiatives to promote the implementation of the MAC Protocol.

23. Additionally, in 2024 UNIDROIT undertook the following initiatives to promote and implement the MAC Protocol: presentation to the Equipment Financing and Leasing Association (ELFA) on the benefits of the MAC Protocol for the equipment finance industry (Washington DC, January 2024); presentation to the World Bank Group on how the MAC Protocol would complement the legal reforms undertaken by the World Bank Group to facilitate private sector investment and develop financial markets globally (Washington DC, January 2024); presentation to African legal experts of the UNIDROIT International Programme for Law and Development on how the MAC Protocol could provide legal and economic benefits for African States (Rome, July 2024); policy Dialogue during the APEC Economic Committee on how the MAC Protocol could facilitate access to finance for the agricultural sector in the Asia-Pacific region (Lima, August 2024); presentations by academics and the Secretariat on various aspects of the MAC Protocol to 128 legal experts at the 13<sup>th</sup> Annual Cape Town Convention Academic Conference (Cambridge, September 2024); International Conference regarding “Sustainable Economic Development through Credit Expansion – A Focus on the Mining, Agriculture and Construction Protocol and Rail Protocol” to 76 participants from 16 States (Cambridge, September 2024); consultation workshop with 40 Japanese government officials, legal experts and private sector representatives to discuss the legal and economic impacts of the MAC Protocol, and its potential benefits and costs for Japan (Tokyo, September 2024); consultations with Colombian Government Officials (Bogota, October 2024); and consultation roundtable with Hong Kong finance companies to discuss how the MAC Protocol would improve the regional legal framework for equipment finance (Hong Kong, November 2024).

24. As of 18 November 2024, five States (the Republic of Congo, the Republic of Gambia, the Republic of Paraguay, the Federal Republic of Nigeria, and the United States of America) and one Regional Economic Integration Organisation (the European Union) have signed the treaty. The deposit by Paraguay of its instrument of ratification of the Protocol is foreseen for 27 November 2024, which will make Paraguay the first Contracting State.

**(c) Preparation of further Protocols to the Cape Town Convention:**

*(i) Ships and maritime transport equipment \**

25. Consistent with the low priority assigned to the project in the Institute’s Work Programme for the 2023-2025 triennium, the Secretariat has continued to conduct research on the viability of a future Protocol on ships and maritime transport equipment and monitor recent developments in the field of shipping finance.

*(ii) Renewable energy equipment \**

26. Consistent with the low priority assigned to the project in the Institute’s Work Programme for the 2023-2025 triennium, the Secretariat has continued to conduct research on the viability of a future Protocol on renewable energy equipment and monitor recent developments on renewable energy finance.

<sup>2</sup> The RTF is an informal group of interested stakeholders that will meet on a regular basis to coordinate strategy and initiatives to promote and implement the MAC Protocol. The RTF is composed of (i) supportive Member States, (ii) supportive intergovernmental and international non-governmental organisations, (iii) the MAC Working Group (representing private sector stakeholders), (iv) the Registrar for the International Registry for MAC Equipment (once appointed), (v) the Supervisory Authority (once appointed), and (vi) the UNIDROIT Secretariat. Participation in the RTF is on a voluntary basis and there are no financial obligations for members.



## 1.2 Development of a Guide to Enactment on Factoring \*\*\*

27. At its 102<sup>nd</sup> session (Rome, May 2023), the UNIDROIT Governing Council adopted the UNIDROIT Model Law on Factoring and requested that the Secretariat establish a Working Group to begin work on the UNIDROIT Model Law on Factoring Guide to Enactment.<sup>3</sup> The purpose of the GtE is to assist States in understanding, implementing, and interpreting the provisions of the UNIDROIT Model Law on Factoring. The primary audience for the GtE is government officials or legislative bodies in States considering implementing the Model Law on Factoring. The GtE is being prepared in adherence with four guiding concepts: (i) targeted, (ii) accessible, (iii) concise, and (iv) principle based.

28. The Guide to Enactment is being developed by a Working Group composed of the same experts that developed the Model Law on Factoring itself, under the Chairmanship of UNIDROIT Governing Council Member *ad honorem* Professor Henry Gabriel. The Working Group held two initial planning discussions regarding the purpose, content and structure of the GtE on 18 January and 19 February 2024. The first full Working Group session was held as a hybrid meeting on 8 – 10 April 2024 at UNIDROIT’s Headquarters in Rome. The first session was attended by 36 participants (10 Working Group members, 17 observers from intergovernmental organisations, non-governmental organisations, industry representatives and academic experts, and nine members of the Secretariat). During the first session, the Working Group agreed upon the working methodology, structure and general content of the GtE. The Working Group also reviewed and provided feedback on the content outlines for the different sections. The Working Group was able to resolve several important policy issues at its first session

29. The Working Group is preparing a first full draft of the GtE for consideration at its second session in December 2024. The draft will be further refined at the Working Group’s third session in April 2025, with the intention of submitting a full draft of the GtE to the Governing Council for approval at its 104<sup>th</sup> session in May 2025. The GtE would then be finalised, translated and published by the end of 2025.

## 1.3 Development of a [Model Law and Guide to Enactment on Warehouse Receipts](#) \*\*\* (also related to work area n°3)

30. The joint UNCITRAL/UNIDROIT Model Law on Warehouse Receipts (MLWR) project was approved by the General Assembly at its 79<sup>th</sup> session in December 2020 as a high-priority item in the 2020-2022 Work Programme ([UNIDROIT A.G. \(79\) 10](#), paras. 40-47). At its 101<sup>st</sup> session in June 2022, the Governing Council authorised an extension of the project to prepare a Guide to Enactment of the Model Law ([UNIDROIT C.D. \(101\) 21](#), para. 223), which was confirmed by the General Assembly at its 81<sup>st</sup> session in December 2022 (see [UNIDROIT A.G. \(81\) 9](#), paras. 48-67).

31. The purpose of the MLWR and its accompanying Guide is to assist States in developing state-of-the-art warehouse receipt legislation supporting the issuance and transfer of both electronic and paper-based receipts. Adopting a technology-neutral approach, the Model Law facilitates the use of central registries, distributed ledgers, platforms and other technologies for managing the electronic warehouse receipts. The Guide to Enactment contains article-by-article commentary of the MLWR provisions, as well as guidance on complementary legislation necessary to implement the Model Law.

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<sup>3</sup> See Governing Council 102<sup>nd</sup> session Summary Conclusions, [UNIDROIT 2023 - C.D. \(102\) Misc. 2](#), paragraph [6](#).

32. The joint work on this project was structured into two phases: (i) the preparation of a comprehensive draft Model Law and Guide to Enactment by a UNIDROIT Working Group, followed by (ii) State negotiations of the draft texts through an UNCITRAL Working Group.

33. Accordingly, the UNIDROIT Working Group developed a draft Model Law text over the period 2020-2023, which was adopted by the Governing Council at its 102<sup>nd</sup> session in May 2023 for submission to UNCITRAL for State negotiations (see [UNIDROIT C.D. \(102\) 25](#), para. 80). The draft MLWR text was assigned to UNCITRAL Working Group I, which first considered the draft Model Law at its 40<sup>th</sup> session on 25-29 September 2023. Delegates and observers expressed their appreciation for the text prepared by the UNIDROIT Working Group. Subsequently, the UNCITRAL Secretariat started incorporating the outcome of the discussions in the Model Law text.

34. In addition, following the approval of the draft Model Law by the Governing Council, the UNIDROIT Working Group prepared a comprehensive draft of the Guide to Enactment. The complete draft was discussed by the Working Group during one dedicated session that took place on 13-15 November 2023. Subsequently, the draft was sent to the UNCITRAL Secretariat for negotiation and completion by its Working Group I together with the Model Law.

35. On 5-9 February 2024, both the draft Model Law and Guide to Enactment were discussed by UNCITRAL Working Group I at its 41<sup>st</sup> session. At the end of this session, the Working Group agreed to recommend the Model Law with the Guide to Enactment to the UNCITRAL Commission for adoption at its 56<sup>th</sup> session on 24-12 July 2024. It was noted that the Guide would still undergo final linguistic revision.

36. The final version of the MLWR and the draft Guide to Enactment were presented to the Governing Council at its 103<sup>rd</sup> session on 8-10 May 2024 (the Model Law and Guide are available in Annexes I and II to [UNIDROIT C.D. \(103\) 9.2](#), respectively). The Council unanimously adopted the MLWR as presented, as well as the draft Guide to Enactment. On 26 June 2024, the identical MLWR text was adopted by the UNCITRAL Commission at its 57<sup>th</sup> session.

37. The adopted MLWR contains six chapters: Chapter I "Scope and general provisions"; Chapter II "Issuance and contents of a warehouse receipt; alteration and replacement"; Chapter III "Transfers and other dealings in negotiable warehouse receipts"; Chapter IV "Rights and obligations of the warehouse operator"; an optional Chapter V "Pledge bonds"; and Chapter VI "Application of this Law". The final text of the Guide contains four main parts: Part I "Purpose of this Guide"; Part II "Introduction to the Model Law"; Part III "Article-by-article Commentary"; and Part IV "Complementary Legislation" which provides guidance to legislative and executive branches on the implementation of additional primary and secondary legislation.

38. Following the adoption of the MLWR and Guide to Enactment, UNCITRAL is taking charge of the translation of both texts from English into the other five UN languages (Arabic, Chinese, French, Russian and Spanish). The publication of the MLWR and its Guide to Enactment is tentatively envisaged for the first quarter of 2025.

39. The Secretariats of UNIDROIT and UNCITRAL have both started planning joint launch and dissemination activities. They are also liaising with associated experts and organisations that participated in the Working Groups on the Model Law concerning potential promotion activities. Over the course of 2024, UNIDROIT has already undertaken several promotion activities to raise awareness about the MLWR project. The project was presented at various events, including the following: a series of lectures for the students of the Master in International Economic Law at the Université Capitole Toulouse, France, on 22 and 23 January 2024; a lecture to students as part of their master studies in International Business Law at the Sapienza University in Rome on 4 July 2024; and a presentation to African legal experts during the UNIDROIT International Law and Development Programme in Rome on 21 June 2024.

#### **1.4 Development of a Guide to Enactment for the UNIDROIT Model Law on Leasing \***

40. Consistent with the low priority assigned to the project in the Institute's Work Programme for the 2023-2025 triennium and UNIDROIT's other ongoing projects in the field of access to credit, the Secretariat did not begin substantive work on a Guide to Enactment for the UNIDROIT Model Law on Leasing in 2024.

### **1. International Commercial Contracts**

#### **(a) UNIDROIT Principles of International Commercial Contracts and Investment Contracts \*\*\***

41. The project on the UNIDROIT Principles of International Commercial Contracts (UPICC) and Investment Contracts is a high-priority project in the Institute's 2023-2025 Work Programme. The project is undertaken jointly with the International Chamber of Commerce's Institute of World Business Law (ICC Institute) and aims at developing guidance to foster the modernisation and standardisation of international investment contracts (IICs) by examining the suitability of the UPICC for such contracts and considering recent developments in the area of international investment law, such as the increasing focus on certain policy goals (e.g., sustainability) and the possible improvement of treaty-based solutions concerning investment protection (e.g., in the area of Investor-State Dispute Settlement).

42. Following preparatory work conducted by the Secretariat and the ICC Institute in the first months of 2023, at its 102<sup>nd</sup> session (May 2023) the Governing Council authorised the Secretariat to establish a Working Group on International Investment Contracts, as well as a Consultative Committee that would be composed of experts appointed by Member States ([C.D. \(102\) 25](#)). The first session of the Working Group was held in October 2023 at the headquarters of UNIDROIT in Rome.

43. The Working Group has met twice so far in 2024: for its second (13-15 March 2024) and third (3-5 June 2024) sessions. During the second session, which was hosted by the ICC Institute in Paris, the deliberations focused on discussion reports prepared by thematic Subgroups<sup>4</sup> that had been established at the end of the first Working Group session, accompanied by a Revised Issues Paper ([Study L-IIC – W.G. 2 – Doc. 2](#)) and a document on the contents of existing UNIDROIT instruments relevant to the project. Topics of discussion included: (i) the main characteristics of IICs and whether a definition of IIC would be needed (which the Working Group advised against) and the relationship between IICs, on the one hand, and domestic law and investment treaties, on the other (Subgroup 0); (ii) complexities raised by the nature of the parties to an IIC and possible pre-contractual issues (Subgroup 1); (iii) the possible applicability and scope of "stabilisation" clauses, and the relevance of hardship and force majeure to IICs (Subgroup 2); and (iii) a mapping of policy commitments stemming from new-generation investment treaties, international soft law instruments, and domestic law that might be of relevance for IICs (Subgroup 3). The Working Group also had a preliminary discussion on the content of a possible dispute settlement clause, having regard to issues such as avoiding arbitrators' conflicts of interest and transparency, and to the possible resort to alternative means of dispute resolution (Subgroup 4).

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<sup>4</sup> [Subgroup 0](#) on Definitions and conceptualisation of IICs; relationship of IICs with IIAs and domestic law; interactions with the UPICC. [Subgroup 1](#) on Pre-contractual issues, formation and validity; parties, non-signatories and affected stakeholders; remedies, including compensation and damages; transfer of rights and obligations; other UPICC that might need adaptation. [Subgroup 2](#) on change of circumstances (stabilisation/renegotiation/adaptation, hardship, force majeure); other clauses typical of IICs. [Subgroup 3](#) on addressing policy goals in IICs (sustainability, Corporate Social Responsibility); other treaty standards to be functionally addressed at the contractual level. [Subgroup 4](#) on choice of law and dispute settlement clauses.

44. During the third session, the Working Group discussed updated versions of the Subgroup reports, as well as a Revised Issues Paper prepared by the Secretariat ([Study L-IIC – W.G. 3 – Doc. 2](#)) and a document with relevant ICC Model Clauses. On the assumption that the future instrument would take the form of a set of Principles with Commentary and Model Clauses (which has not yet been definitively decided), the Chairs of the Working Group had shared a template with the Subgroups in the intersessional period, which enabled several Subgroups to present their proposals in a form that would be closer to the expected output. The discussions focused on the subtopics that has been allocated to Subgroups 1 to 4. The Working Group also discussed a proposal for a draft structure of the future instrument. The report of the third session is available in [Study L-IIC – W.G. 3 – Doc. 7](#).

45. The fourth Working Group session will be held at UNIDROIT's headquarters between 25-27 November 2024. On that occasion, it is anticipated that a Drafting Committee will be established with the aim of developing a preliminary draft of the future instrument. The fifth Working Group session is scheduled for 2-4 April 2025 and will be hosted by the ICC Institute in Paris.

46. In parallel to the progress made by the Working Group, an informal research task force was established within the Roma Tre-UNIDROIT Centre for Transnational Commercial Law and International Arbitration. This task force conducts research on the contents of publicly available IICs under the supervision of the UNIDROIT Secretariat. During the second Working Group session, the task force presented preliminary findings on (i) change of circumstances clauses, and (ii) clauses concerning policy goals. During the third session, preliminary findings were shared on choice of law clauses and dispute settlement clauses in IICs. On 4 October 2024, a virtual intersessional workshop was organised for the Working Group, dedicated to the research work of the task force combined with a presentation on relevant ICC Model Clauses. On that occasion, the task force presented updated research memoranda on the above-mentioned categories of clauses in IICs. As a next step, it is anticipated that the task force would conduct research on arbitral awards concerning IICs.

47. Finally, in line with the mandate provided by the Governing Council, a Consultative Committee was established end-2023 with the objective of providing the Working Group with advice, comments, and relevant information from a national and/or regional perspective. The Consultative Committee is Chaired by Governing Council Member Mr José Antonio Moreno Rodriguez and composed of experts appointed by 27 Member States. In June 2024, the Secretariat shared a first Request for Input with the Committee members, the results of which will be presented during the fourth Working Group session in November 2024. In the meantime, the Secretariat has also invited a number of non-Member States with significant investment relations to appoint experts as Observers to the Consultative Committee.<sup>5</sup>

**(b) [Formulation of Principles of Reinsurance Contracts](#) \***

48. The project for the development of Principles of Reinsurance Contract Law (PRICL), led by the Universities of Zurich and Frankfurt (and formerly Vienna) and with participation of academics and practitioners from different jurisdictions, is aimed at the formulation of a "restatement" of existing global reinsurance law. UNIDROIT was invited to participate in the project, wholly funded by the participating universities and research institutions, to provide expertise on the UNIDROIT Principles of International Commercial Contracts. The first part of the project, covering a General Part and Chapters on Duties, Remedies, Aggregation, and Allocation, was published online in December 2019, and can be found on the dedicated [website](#). The Unidroit General Assembly, at its 81<sup>st</sup> session in December 2022, upon recommendation of the Governing Council, adopted the

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<sup>5</sup> At the time of writing, Observers to the Consultative Committee were nominated by the governments of Algeria, Burkina Faso, Cameroon, Ivory Coast, Kenya, Malawi, and Togo.

continuation of the project for the Work Programme 2023-2025 with the same conditions as before, to complete the second part of the instrument by the end of 2024 or beginning of 2025.

49. After the 12<sup>th</sup>, and last, PRICL Workshop, the PRICL Working Group is finalising the text of the instrument, with inclusion of principles on the “Period of the reinsurance contract”, the “Back-to-back clause”, and “Rules on retention”. The instrument is expected to be fully completed by the end of 2024 or beginning of 2025, and the UNIDROIT Secretariat is planning to submit the finalised text of the black-letter rules and comments of the PRICL to the Governing Council (as was done for the first part in 2019) to request authorisation to refer to the text of the PRICL on the UNIDROIT website, once finalised for publication. Meanwhile, the Working Group is envisaging the further steps for the implementation and development of the PRICL through an agreement with the University of Zurich and in cooperation with Unidroit, with an international conference on the use of soft law in insurance and reinsurance law being organised for 9-10 January 2025.

## 2. Private Law and Agricultural Development

### (a) Development of a Legal Guide on [Collaborative Legal Structures for Agricultural Enterprises](#) \*\*\* *(also related to work area n°8)*

50. The development of the project on Collaborative Legal Structures for Agricultural Enterprises (CLSAE) began during the 2020-2022 Work Programme, initially with a medium-priority level, which was upgraded to high-priority level in 2021 by the UNIDROIT Governing Council (UNIDROIT 2021 C.D. (100) B.24, para. 80). At its 101<sup>st</sup> session in June 2022, the Governing Council recommended maintaining the high priority level of the project in the 2023-2025 Work Programme ([UNIDROIT C.D. \(101\) 21](#), para. 247), which was confirmed by the General Assembly at its 81<sup>st</sup> session in December 2022 (see [UNIDROIT A.G. \(81\) 9](#), paras. 48-67). The CLSAE project is the third project undertaken in partnership with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agriculture Development (IFAD) in the field of private law and agricultural development.

51. The purpose of this UNIDROIT/FAO/IFAD CLSAE project is to develop guidance on “collaborative legal forms” that support smallholders and smaller enterprises to enhance sustainable agricultural development in agri-food value chains and contribute to the transformation of agri-food systems. The future legal guide will mainly cover four collaborative legal forms: (i) multiparty contracts, (ii) cooperatives, (iii) corporations, and (iv) digital platforms. The analysis is premised on complementarity rather than on the disparate collaborative legal forms being separate alternatives. The CLSAE project presupposes that the needs of smallholders and agri-MSMEs to overcome challenges posed by global value chains can be addressed through collaboration by: (i) improving access to viable markets, market resources and inclusive financial services; (ii) exploring the enormous innovation opportunities while giving due consideration to the risks created by digitalisation, digitisation and digital platforms; (iii) addressing power imbalances and increasing participation in decision-making; and (iv) proposing remedies for unfair commercial practices. The fundamental differences between the collaborative legal structures covered in the CLSAE Project are explained by considering their different purposes; formation and entry requirements; governance and decision-making procedures; scope of liability; remedies and sanctions for breach; as well as the requirements for exit and dissolution. Horizontal and vertical forms of collaboration are considered to clarify the different collaborative legal structures that may be adopted within the value chain.

52. Since the last session of the General Assembly, the Working Group held its fifth (18-20 March 2024) and sixth (20-22 November) sessions. During the fifth session, the Working Group further discussed the list of topics and key concepts to be addressed in each of the chapters dedicated to the different collaborative legal forms analysed in the CLSAE project. In respect of multiparty contracts, the Working Group focused on exit, dissolution, and post-contractual

obligations, particularly to ensure such exits would not disrupt the collaboration. Concerning cooperatives, the discussion focused on integration into value chains, challenges of democratic governance (particularly in the face of membership growth and technological advances) and breach of obligations at various levels by different actors. On companies, discussions concerned key definitions, such as “profit” and “non-profit”, the role of social benefit companies, as well as specific aspects of the company form, including limited liability and asset partitioning. The Working Group acknowledged the need to consider the impact of digitalisation on collaborative legal forms and decided to include a separate chapter on digital platforms. Sustainability and access to credit were also considered, especially in relation to the governance and functioning of collaborative legal structures.

53. In preparation for the sixth session of the Working Group, draft discussion papers were prepared on multiparty contracts, cooperatives, companies and digital platforms, as well as a Secretariat Report (Study LXXXC – W.G. 6 – Doc. 2) on the work conducted during the intersessional period. Issues of governance, management, and decision-making continue to be the focus, especially regarding the protection of weaker parties and equitable attribution of contributions and returns. Discussions also raise broader questions deemed important for the comparative chapter of the CLSAE Guide and issues that could significantly influence the choice of collaborative legal forms. Additional efforts were made to gather empirical evidence on the use of multiparty contracts, cooperatives, companies and digital platforms in the agricultural sector with the assistance of the project partners, all with a view towards providing clear and detailed guidance to smallholders and agri-MSMEs in navigating these complex legal frameworks.

54. The seventh session of the Working Group is scheduled to take place from 9-11 April 2025. Preparation of the CLSAE guidance instrument is expected to require seven (possibly eight) Working Group sessions, followed by a period of consultations before the complete draft is submitted for adoption by UNIDROIT, FAO and IFAD in 2025. All background documentation and information regarding the Working Group sessions and its composition is available at the CLSAE project’s dedicated webpage.

### **(b) Development of an Agricultural Financing Legal Guide \*\***

55. Upon recommendation of the Governing Council, the General Assembly included at its 81st session future work on the topic in the Institute’s Work Programme for the 2023-2025 triennium. Consistent with the medium level of priority assigned to the project, the Secretariat did not begin substantive work on this project.

## **3. Law and Technology**

### **Global Value Chains: Governance issues and Digital Challenges \***

56. Consistent with the low priority assigned to the topic in the Institute’s Work Programme for the 2023-2025 triennium, the Secretariat did not initiate work on this topic. However, at the Governing Councils 103<sup>rd</sup> session in May 2024, the Secretariat presented a further elaborated proposal to undertake common work in the area of technology and global value chains that had been received by the Secretariat from the European Law Institute (ELI) after the 102<sup>nd</sup> session of the Governing Council (see [C.D. \(103\) 12 bis](#)). The document provided a brief analysis of the proposal which outlined the possibility to analyse the impact of technology on the design, structure, and functioning of global value chains, the fundamental role of technology in enabling human rights and environmental due diligence, as well as preventing and mitigating technology’s risk of severe adverse impacts in global value chains. The joint project aims to channel these three points into a multifaceted consideration of the role that contemporary and emerging technologies are playing across global value chains, and their impact on contractual design and enforcement.



The Governing Council took note of and expressed a positive opinion on the proposal presented by the Secretariat to conduct joint exploratory work with the ELI at the Secretariat level ([UNIDROIT C.D. 1\(103\) Misc. 2](#), para. 18). Designated experts from the ELI participated in the exploratory workshop that was held on 27-28 May 2024 for the UNIDROIT project on Corporate Sustainability Due Diligence (CSDD) in Global Value Chains to assess if the analysis of technology in the context of corporate sustainability due diligence would be a matter falling under the scope of the UNIDROIT/ELI project, or rather within the scope of the UNIDROIT CSDD project. The experts recommended the latter solution. The outcomes of the workshop and the Secretariat's recommendations are to be presented to the Governing Council. Both Secretariats have also conducted joint exploratory work on the impact of technology on the design, structure, and functioning of global value chains.

#### **4. Capital Markets and Financial Law**

##### **[Bank Insolvency](#) \*\*\***

57. The project on Bank Insolvency was included in the Institute's 2020-2022 Work Programme in 2019 and was assigned high priority in 2021. In 2022, the General Assembly agreed to continue the project with high priority during the 2023-2025 Work Programme ([A.G. \(81\) 9](#)).

58. The aim of the Bank Insolvency project is to develop international guidance covering the key aspects of liquidation frameworks for non-systemic banks. Given the mix between matters of private law and regulatory law, the project is undertaken by UNIDROIT in cooperation with the Bank for International Settlements' (BIS) Financial Stability Institute (FSI).

59. Between December 2021 and March 2024, the Working Group on Bank Insolvency<sup>6</sup> met six times. In addition, nearly all Working Group participants were involved in intense intersessional work, through three thematic Subgroups that met twelve times and were consulted on preliminary drafts of the instrument. Furthermore, a survey was conducted within the Working Group to gather information on bank liquidation regimes across the world.

60. At its third session, the Working Group decided that the future instrument should take the form of a Legislative Guide and a Drafting Committee was established. A first preliminary draft of the Legislative Guide on Bank Liquidation was discussed during the fourth Working Group session (March 2023) and was updated for the fifth session (October 2023).

61. Following the fifth session, the Drafting Committee met three times and in February 2024, the updated draft Chapters were submitted to the full Working Group for comments. During its sixth session (March 2024), the Working Group discussed the feedback received during the Working Group consultation. At the close of its sixth session, the Working Group decided that the draft Legislative Guide – after revisions in line with the sixth session<sup>7</sup> – was sufficiently developed to undertake a consultation and referred the draft instrument to the Governing Council for consideration. At its 103rd session (May 2024), the Governing Council authorised the Secretariat to commence a consultation on the draft Legislative Guide.

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<sup>6</sup> The Working Group on Bank Insolvency is chaired by Governing Council Member Professor Stefania Bariatti and is composed of ten members and 39 institutional observers, including international and regional bodies or organisations (e.g., the IMF, UNCITRAL, European Central Bank), as well as banking supervisors, deposit insurers, and bank resolution authorities from all over the world. Overall, the Working Group consists of participants from 26 jurisdictions from across five continents. Considering the participation of a large number of financial regulators in the Working Group and the sensitive nature of the topics, the meetings of the Working Group are conducted under Chatham House Rule.

<sup>7</sup> Following revisions in line with the sixth session, the updated draft Legislative Guide was sent to the Working Group for fatal flaw review on 15 April 2024.

62. The Secretariat launched the consultation on 5 June 2024, through a dedicated [consultation webpage](#). The [draft Legislative Guide on Bank Liquidation](#) consists of ten Chapters: (i) Introduction; (ii) Institutional Arrangements; (iii) Procedural and Operational Aspects; (iv) Preparation and Cooperation; (v) Grounds for Opening Bank Liquidation Proceedings; (vi) Liquidation Tools; (vii) Funding; (viii) Creditor Hierarchy; (ix) Group Dimension; (x) Cross-Border Aspects. Each Chapter contains a discussion of key issues and a set of Recommendations for legislators and policymakers. The Recommendations as such do not constitute provisions that could be directly enacted in national law. Rather, they provide guidance on core issues that it would be desirable to address in an effective bank liquidation framework.

63. The consultation ran for 18 weeks, until 11 October 2024. Comments could be submitted by all interested parties, although technical feedback was particularly welcome from (i) national and supranational authorities (e.g., banking supervisors, resolution authorities, deposit insurers, securities regulators, and international organisations); (ii) insolvency practitioners and law firms; (iii) banks and banking associations; (iv) academics and think-tanks. The Secretariat contacted a number of targeted stakeholders bilaterally, inviting them to take part in the consultation. On 19 September 2024, UNIDROIT organised a conference on the draft Legislative Guide in cooperation with the European Banking Institute (one of the proponents of the project), hosted by the Université Paris-Panthéon-Assas in Paris. The Secretariat also presented the draft Legislative Guide at a series of other events during the consultation period.<sup>8</sup>

64. The Secretariat received 20 sets of comments on the draft Legislative Guide as part of the online consultation. In addition, the Secretariat received feedback from two Working Group Observers. In parallel with the consultation, the Secretariat conducted a survey on technical legal aspects of bank liquidation procedures, to which Working Group participants and other targeted stakeholders were invited to participate.

65. The Working Group on Bank Insolvency will consider both the feedback received during the consultation and the responses to the technical survey during its seventh session, which will be held between 18-20 November 2024. In principle, it is envisaged that this will be the final Working Group session. It is anticipated that the Legislative Guide on Bank Liquidation will be finalised and published in 2025.

## 5. Transnational Civil Procedure

### (a) Formulation of [Best Practices for Effective Enforcement](#) \*\*\* (also related to work area n°4)

66. The project on Best Practices for Effective Enforcement was included in the 2020-2022 Work Programme at the 78<sup>th</sup> session of the General Assembly ([A.G. \(78\) 12](#), paras. 41 and 51, and [A.G. \(78\) 3](#)). At the second meeting of its 99<sup>th</sup> session, held in September 2020, the Governing Council approved the proposed scope of the project, confirmed its high-priority status, and authorised the establishment of a Working Group, chaired by Governing Council Member Ms Kathryn Sabo ([C.D. \(99\) B.3](#) and [C.D. \(99\) B.21](#), paras. 57-58). The continuation of the project was approved for the 2023-2025 Work Programme at the 81<sup>st</sup> session of the General Assembly.

67. During 2024, the Working Group, the informal sub-groups, and the Drafting Committee intensified their efforts to discuss all remaining open issues and finalise the first complete draft of the instrument. To this end, three sessions of the full Working Group were organised.

<sup>8</sup> Including events organised by the Single Resolution Board, the International Insolvency Institute, and INSOL Europe.



68. From 15 to 17 April 2024, the Working Group met for its eighth session. It continued its consideration of the advanced revised draft on best practices on enforcement by way of authority (focusing on enforceable instruments, debtor’s information duties, and digital registers), enforcement of security rights (focusing on general provisions, disposition of assets, and enforcement of security rights over immovables), and enforcement on digital assets. The report of the session is available [here](#).

69. On 22 and 23 September 2024, the Working Group held an extraordinary (remote) session, which discussed in particular the parts on modes of enforcement of monetary and non-monetary claims, costs, and enforcement organs, as well as expeditious relief for extra-judicial enforcement. It also addressed the proposed structure of the entire instrument and the timeframe for the way forward. The summary report of the session is available [here](#).

70. The ninth session of the Working Group will be held from 2 to 4 December 2024 and is expected to discuss a finalised draft of the instrument.

71. In addition to the full sessions, the Drafting Committee met several times, both virtually and in person around the Working Group sessions (with formal meetings on 15, 17 and 18 April, 23-24 September, 28 October 2024, and 2 and 5 December 2024, while additional intersessional meetings of the Drafting Committee and *ad-hoc* subgroups were held to discuss open issues).

72. In the intersessional period, the project was presented or discussed on various occasions, including: the annual International Coordination Conference on Secured Transactions Reform in Washington, D.C. on 16-17 January 2024; within the framework of the cooperation with the World Bank Group (Washington, D.C., 18-19 January 2024), especially on the practical challenges of enforcement by way of authority in various jurisdictions where the WBG operates; during the dissemination conference on the ELI-UNIDROIT Model Rules of European Civil Procedure, held in Vienna, Austria on 5-6 February 2024; in a dedicated panel at the Cape Town Convention Academic Project Annual Conference (Cambridge, 11-12 September 2024); lectures during the International Programme for Law and Development; and presentations to visiting delegations. More information will be provided in the 2024 Annual Report.

73. The Secretariat would seek the authorisation of the Governing Council to proceed with consultations on the finalised draft. The outcome of the consultations would then be considered at the last session of the Working Group, to be convened in spring 2025.

#### **(b) International Civil Procedure in Latin America \***

74. Upon recommendation of the Governing Council, the General Assembly confirmed the inclusion in the Work Programme 2023-2025 of possible future work on the topic, with low priority, subject to further consultation with the Organization of American States (OAS), other interested organisations, and availability of resources.

75. Consistent with the low level of priority assigned to the project, the Secretariat has merely continued to monitor developments in this area, also in conjunction with the promotion of the ELI-UNIDROIT European Model Rules for Civil Procedure.

### **6. Cultural Property**

#### [Private Art Collections](#) \*\*

76. Since the General Assembly upgraded the priority to the project focusing on orphan cultural objects, at its 81<sup>st</sup> session in 2022, the Exploratory Expert Group completed its work and a Working Group was set up. The project is supported by the *Fondation Gandur pour l’Art* and the Art-Law

Centre of the University of Geneva, with which UNIDROIT has concluded a Memorandum of Understanding.

77. The Working Group on Orphan Cultural Objects is chaired by Governing Council Member Dr Jorge Sánchez Cordero. Its first session, held in Rome and online on 2 and 3 May 2024, was composed of eight members,<sup>9</sup> as well as institutional observers, such as UNESCO, the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM), the International Council of Museums (ICOM) and the International Confederation of Art and Antique Dealers' Associations (CINOA). The *Fondation Gandur pour l'Art* and the Art-Law Centre of the University of Geneva were also represented in the Working Group.

78. The first session of the Working Group included almost 20 participants who discussed among others (i) the relationship of the Private Art Collections project with existing international initiatives; (ii) the scope and content of the project; (iii) case studies which illustrate the difficulties encountered with orphan objects; and (iv) the development of guidelines and procedures which would enable claims related to orphan objects and enhance confidence and integrity within the art market.

79. The second session of the Working Group will take place from 11 to 13 December 2024 in Rome with an enlarged composition.

## 8. Sustainable Development

### (a) [Legal Nature of Verified Carbon Credits](#) \*\*\* (also related to work area n°4)

80. At its 101<sup>st</sup> session June 2022, the Governing Council recommended the inclusion of a project on the Legal Nature of Voluntary Carbon Credits (the "VCCs Project") in the 2023-2025 Work Programme, with high priority. The Governing Council's recommendation was endorsed by the UNIDROIT General Assembly at its 81<sup>st</sup> session in 2022.

81. A First Consultative Exploratory Workshop was held in collaboration with the World Bank Group (WBG) and the International Swaps and Derivatives Association (ISDA) on 27 March 2023. Based on the outcomes of the workshop the UNIDROIT Governing Council, at its 102<sup>nd</sup> session in May 2023, confirmed the Secretariat's authorisation to establish a Working Group, in collaboration with the World Bank Group, tasked with developing an international law instrument to provide guidance on the legal nature and other private law aspects of VCCs. Accordingly, the Working Group on the Legal Nature of Voluntary Carbon Credits was established and held its first session at the seat of UNIDROIT in Rome on 10-12 October 2023.

82. The second session of the Working Group was held at the seat of UNIDROIT in Rome and online between 22 and 24 April 2024. The session was attended by 50 participants, including representatives from the World Bank and the Hague Conference on Private International Law (HCCH), as well as legal experts and observers from international, regional and intergovernmental organisations, the private sector and academia. The deliberations focused on the Revised Issues Paper prepared by the Secretariat based on the outcomes of the first session and the intersessional work carried out in the interim. The Working Group's discussion centred on the content of the future instrument to be developed. In particular, the Working Group analysed the main steps in the life cycle of Verified Carbon Credits (VCCs) through a property law perspective in order to

<sup>9</sup> The Working Group is composed of the following members (May 2024): Ms Corinne Hershkovitch, Lawyer, France; Mr Keun-Gwan Lee, Professor, Republic of Korea; Mr Amnon Lehavi, Professor, Israel; Mr Till Vere-Hodge, Barrister-at-Law, United Kingdom; Mr Eric Cottier, former magistrate, Switzerland; Ms Joanna van der Lande, Antiquities Dealers' Association, United Kingdom; and Mr Marcilio Toscano Franca Filho, Professor (Federal University of Paraíba), Brazil.

ascertain the proprietary nature of VCCs and the effect of transfers and dispositions in VCCs on a holder's proprietary rights. Among other aspects, the Working Group discussed the definitions of key terms to be included in the instrument and addressed issues pertaining to the registration, transfer, retirement, reversal and cancellation of VCCs. Of particular relevance was the consideration of the role played by independent carbon crediting programmes and registries, including in relation to the issuance and registration of VCCs. To that end, representatives from Verra and Puro Earth, two leading independent carbon crediting programmes, delivered presentations to the Working Group, addressing, inter alia, how VCCs are issued, evidenced, individualised, transferred, encumbered, retired or otherwise cancelled. In addition, with input from the HCCH, the Working Group discussed relevant conflicts of law issues to be addressed in the instrument.

83. At the 103rd session of the Governing Council (Rome, 8-10 May 2024), an update on the VCC project was presented to the members. The Governing Council took note of the significant progress made by the Working Group on the Legal Nature of Voluntary Carbon Credits and expressed a positive view on the publication of the joint "UNCITRAL/UNIDROIT Study on the legal nature of verified carbon credits issued by independent carbon standard setters". The Governing Council also approved changing the project title to the "Legal Nature of Verified Carbon Credits", based on the experts' advice that the legal nature of carbon credits does not depend on the use ultimately given to the said credits.

84. From 4 to 6 September 2024, the third session of the Working Group took place in a hybrid format at UNIDROIT's headquarters in Rome. Held in collaboration with the World Bank, the session included 58 participants, including legal experts and observers from international, regional and intergovernmental organisations, as well as the private sector and academia. During the third session, the Working Group focused on refining the draft UNIDROIT Principles on the Legal Nature of Verified Carbon Credits that had been prepared by the drafting group. Key discussions revolved around clarifying the main stages in the life cycle of VCCs, the definitions of fundamental terms, as well as other crucial aspects such as the creation, transfer, reversal, revocation, and retirement of VCCs. Additionally, the Working Group underscored the critical role of a VCC registry in promoting market transparency and considered the relevant custody rules associated with VCCs.

85. The project was presented and discussed in several international fora. By way of example, it was presented at the CODEWAY EXPO 2024 on 20 May 2024, ABAC-APFF Hybrid Roundtable on Enabling Development of Interoperable Voluntary Carbon Markets on 23 May 2024, the TOSCA Conference - Tokenization of Voluntary Carbon Credits on 7 June 2024, and the Innovate4Climate (I4C) Workshop Panel on Deconstructing the Legal Nature of Voluntary Carbon Credits on 12 September 2024. Additionally, it was presented at the stakeholder meeting hosted by Daiwa Institute of Research in Japan on 24 September; at the invitation of the ICC, CEDEP and the San Ignacio de Loyola University of Paraguay in Asuncion on 11 October; and the 9th Strategic Dialogue of the Carbon Market Platform (CPM) on 17 October 2024.

86. The Secretariat is preparing for the next session of the Working Group, envisaged to take place in January 2025.

#### **(b) Development of a guidance document on Corporate Sustainability Due Diligence in Global Value Chains \*\***

87. Upon recommendation of the Governing Council ([UNIDROIT 2022 C.D. \(101\) 21](#), paras. 115-131), at its 81<sup>st</sup> session in December 2022 the General Assembly included the "Development of a guidance document on Corporate Sustainability Due Diligence in Global Value Chains" as a new project with medium priority in the Institute's 2023-2025 Work Programme (see [UNIDROIT 2022](#)

[A.G. \(81\) 9](#)). Consistent with the medium level of priority, over the period 2022-2024, the Secretariat carried out comprehensive research on the topic.

88. At the 103<sup>rd</sup> session of the Governing Council in May 2024, the Secretariat informed the Council that it was organising a first Exploratory Workshop. The purpose of the Workshop was to gather key experts to assess the existing international instruments as well as the added value of a future UNIDROIT instrument on the topic, and to provide recommendations as to its scope. All Governing Council members received an invitation to the Workshop. The Secretariat anticipated that the Council would be duly informed of the result of the Workshop and, should the Secretariat be convinced that normative work could start, the Council would be invited to upgrade the project's priority to establish a Working Group. In order to maximise efficiency and avoid postponing the work until the next ordinary Governing Council session, the proposal to upgrade the priority level will be submitted to the Council intersessionally by written procedure.

89. The Exploratory Workshop was held at the seat of the Institute on 27 and 28 May 2024. A total of 12 invited experts attended the Workshop, in addition to three Governing Council members and five members of the Secretariat. The participants' deliberations were guided by a Discussion Paper that captured the research undertaken by the Secretariat. The Workshop resulted in the conclusion of the participants that a future UNIDROIT instrument could fill important gaps and constitute an important normative instrument complementing the international framework. The participants recommended that UNIDROIT develop the proposed instrument, providing recommendations as to the project's form, scope and contents.

90. The Secretariat will share the Summary Report of the Exploratory Workshop with the Council and request an upgrade of the priority level as well as authorisation to convene a Working Group.

## **9. Exploratory work**

### **(a) Law Applicable to Cross-Border Holdings and Transfers of Digital Assets and Tokens**

91. At the 102<sup>nd</sup> session of the Governing Council, the UNIDROIT Secretariat and the Permanent Bureau of the HCCH agreed to elaborate a proposal to HCCH's Council of General Affairs and Policy (CGAP) to conduct exploratory work regarding a possible Joint HCCH-UNIDROIT Project on Law Applicable to Cross-Border Holdings and Transfers of Digital Assets and Tokens ([C.D. \(102\) 12](#)). The potential joint project was considered by the two organisations as a possible follow up of the approval of the Principles on Digital Assets and Private Law (DAPL) by the Governing Council in May 2023. There was indeed a common perception that work could have been conducted starting from the basis provided by DAPL Principle 5, which established the framework on the law applicable to "proprietary aspects" of digital assets, but did not provide a full regulation of all aspects, particularly transfers, so that room was available to specify its contents providing adequate consideration of issues which were not covered therein.

92. The HCCH-UNIDROIT joint work consisted of a first meeting that was held in the Hague in June 2023 to discuss a scope paper prepared by the HCCH illustrating the contents of the DAPL and possible areas for work, plus a second meeting held in Rome in October 2023 which hosted a more thorough discussion on the feasibility of the Joint Project, based on a collection of written contributions provided by the experts designated by both organisations. In this context, work themes were identified, particularly in the area of rules of conflicts applicable to specific types of transfer of digital assets and tokens and linked assets.

93. Following consultations, the Permanent Bureau of the HCCH concluded that the Joint Project could not meet consensus and would need to be discontinued. On March 2024 the CGAP

took note of the proposal by the Permanent Bureau and, despite the excellent level of collaboration between the two organisations, declared the exploratory work on the Joint Project concluded.

### **(b) Other exploratory work**

94. Upon recommendation of the Governing Council, the General Assembly included at its 81<sup>st</sup> session exploratory work on further four topics in the Institute's Work Programme for the 2023-2025 triennium, namely on: (i) Digital transformation, Data Governance and Artificial Intelligence; (ii) Private Law and Contemporary Health Research: Intellectual Property issues in the field of Personalised Medicine; (iii) Standard-Essential Patents; and (iv) Access to Justice in Environmental Matters. Consistent with the need to focus resources on UNIDROIT's ongoing projects, the Secretariat did not begin related exploratory work.

## **B. IMPLEMENTATION AND PROMOTION OF UNIDROIT INSTRUMENTS \*\*\***

### **1. Depositary functions**

95. UNIDROIT is the Depositary for the 2001 Cape Town Convention and its Protocols (Aircraft 2001, Rail 2007, Space 2012 and Mining, Agriculture and Construction 2019) and for the 2009 Geneva Securities Convention. Depositary functions include, *inter alia*: providing assistance to States that contemplate becoming Parties to the Conventions and Protocols, as well as informing all Contracting States of each new signature or deposit of an instrument of ratification, acceptance, approval or accession, of each declaration made in accordance with the Convention and Protocols, of the withdrawal or amendment of any such declaration, or of the notification of any denunciation. UNIDROIT also maintains a specific Depositary section on its website for the relevant instruments.

96. As Depositary for the Cape Town Convention and its Protocols, UNIDROIT is tasked with preparing reports as to how the international regime established by this Convention operates in practice. For this purpose, the Depositary considers the reports of the Supervisory Authority concerning the functioning of the international registration system.

97. During the course of 2024, Uganda deposited its instruments of accession to both the Cape Town Convention and the Aircraft Protocol, bringing the number of Contracting Parties to 87 for the Convention, and 84 for the Aircraft Protocol. The deposit by Paraguay of its instruments of accession to the Luxembourg Rail Protocol and the Space Protocol as well as its instrument of ratification of the MAC Protocols to the Cape Town Convention is foreseen for 27 November 2024.

98. The Luxembourg Rail Protocol entered into force on 8 March 2024 following the 2023 ratification by Spain and the confirmation by the Intergovernmental Organisation for International Carriage by Rail (OTIF), as Secretariat of the Supervisory Authority, to the Depositary that the International Registry for railway rolling stock was fully operational (pursuant to Article XII(8) of the Luxembourg Rail Protocol). Information on the status of these instruments can be found on [UNIDROIT's website](#).

99. The Depositary functions should be regarded as indispensable and, as such, high-priority activities for the purpose of allocation of human and financial resources.

## 2. Promotion of [UNIDROIT Instruments](#)

100. While promotion activities of the legislative projects addressed under Section A are outlined in the corresponding subsections above,<sup>10</sup> this section aims to further report on promotion activities for UNIDROIT instruments.

### (a) Cape Town Convention and its Protocols

101. The 13<sup>th</sup> Annual Cape Town Convention Academic Project Conference took place at Jesus College, University of Cambridge, and online on 11-12 September 2024. The Conference was organised by the Cape Town Convention Academic Project, which is a partnership between UNIDROIT and the University of Cambridge Faculty of Law, under the auspices of the Centre for Corporate and Commercial Law (3CL). The Aviation Working Group (AWG) is the founding sponsor of the project.

102. The Conference featured presentations on the “Comparison of registration requirements in the Aircraft Protocol, the Rail Protocol and the MAC Protocol”, “Financing models in relation to aircraft, rail and MAC equipment”, and “Recent issues arising in insolvency cases: GOL, Go First and SAS”, followed by comments and discussions.

103. Over the course of 2024, the Secretariat continued to cooperate in the promotion of the Cape Town Convention and its Aircraft Protocol, taking part in governmental meetings, conferences, and workshops in various countries. Among other events, the Aircraft Protocol was presented in the context of a Masters course at the University of Toulouse (MINTEC, “Private international law in a global context”) on 23 January, as well as within an international conference organised at LUISS University on 27-28 January 2024, with participation of the Italian Aviation Authority. The successes of the Aircraft Protocol were also featured during a consultation workshop organised in Tokyo on 29 September 2024.

### (b) UNIDROIT Principles of International Commercial Contracts (UPICC)

104. The year 2024 marks the 30<sup>th</sup> anniversary of the UNIDROIT Principles and accordingly a series of events took place to celebrate and acknowledge the Principles’ worldwide success. On 6 and 7 May 2024, the Secretariat organised a celebratory conference at the seat of the Institute on “30 Years of UPICC – Past, Present and Future Relevance”. The conference was attended by UNIDROIT Governing Council Members, academic experts, and practitioners from all over the world, who discussed the various ways in which the UPICC had been used over the past 30 years, as well as their possible role in shaping new frontiers of contract law.

105. Furthermore, the Secretariat participated in several other events celebrating the UPICC’s significant anniversary this year. The following shall be highlighted by way of example:

- An international celebratory conference entitled “Unifying the Commercial World – 30<sup>th</sup> Birthday of the UNIDROIT Principles of International Commercial Contracts” held in Hamburg at the Bucerius Law School on 6-7 June 2024;
- A conference held in Bogotá on 8 October 2024, organised by the Externado University of Colombia and the University of Sabana, in cooperation with the Chamber of Commerce of Colombia, which hosted the event, entitled “30 años de los Principios de UNIDROIT sobre los Contratos Comerciales Internacionales”;

<sup>10</sup> See above for the Rail Protocol (para. 12); Space Protocol (para. 16); MAC Protocol (para. 22); UNCITRAL/UNIDROIT Model Law on Warehouse Receipts (para. 39); Best Practices for Effective Enforcement (para. 72); and Verified Carbon Credits (para. 85).

- A celebration held in Asunción on 14-15 October 2024, organised by the *Centro de Estudios de Derecho, Economía y Política* (CEDEP) and hosted by the Central Bank of Paraguay, entitled “30 Años de los Principios UNIDROIT”;
- A panel celebrating the 30 years of UPICC organised on 29 October 2024 in the framework of the 14<sup>th</sup> Jurist Conference in Seoul, by the Korean Society of Law, the Constitutional Court, the Ministry of Justice, the Korean Bar Association, and the Korean Law Professors Association, and hosted by University of Korea, with the participation of several South Korean academics and judges, including Governing Council Member Prof. Inho Kim;
- An international conference entirely dedicated to “The 30<sup>th</sup> Anniversary of the Release of the UPICC and the General Principles of the Chinese Civil Code Contract Law”, co-organised by UNIDROIT and the Shanghai Arbitration Center (SHIAC), the Zhongnan University of Economics and Law (ZUEL), and the Civil Law Society of China, held in Shanghai (People’s Republic of China) on 11 November 2024, with more than twenty presentations on the influence of the UPICC on the Chinese Civil Code and judicial practice, as well as their impact in arbitration.

106. Additionally, the UPICC were featured as a topic in other events with participation of the Secretariat, including a conference held at the seat of UNIDROIT in Rome in memory of the late President Professor Alberto Mazzoni, entitled “An Italian jurist shaping transnational law” (with a dedicated panel on international contracts and arbitration), as well as a conference organised at the University of Pavia (Italy), which launched the Italian translation of the “Tripartite” Legal Guide on Uniform Law Instruments on Contract Law (with a Focus on Sales). The UPICC were also addressed in the Annual Lecture on Arbitration which was co-organised with the University of Roma Tre and held this year by Prof. Mohamed Abdel Wahab of Cairo University (Egypt).

107. The UPICC were further the object of several lectures and seminars with participation of the UNIDROIT Secretariat, including:

- A series of lectures for the students of the Master in International Economic Law at the Université Capitole Toulouse, France, on 22 and 23 January 2024;
- A remote presentation to students at Qatar University on 4 March 2024;
- A lecture on the UNIDROIT Principles at the Transversal Skills Laboratory on “Management & Practice of International Contracts in the Foreign Direct Investments Sector” at Bari University on 16 April 2024;
- A lecture at the Master of Business Law of the University of LUISS (Rome, Italy) on 9 May 2024;
- A lecture on “Harmonisation du droit, UNIDROIT et les Principes d’UNIDROIT relatifs aux contrats du commerce international” to students of the Master in International Business Law at the University of Lausanne on 14 May 2024;
- A lecture on “UNIDROIT & the UNIDROIT Principles of International Commercial Contracts” to postgraduate students of the International Training Centre of the International Labour Organization (ITC-ILO) in Turin on 22 May 2024, in the context of UNIDROIT’s cooperation with the ITC-ILO;
- The International Law and Development Programme (specifically, on 18 June 2024 with an interactive lecture and a special seminar on the application of the UPICC in the Middle East and North Africa (MENA) region), and a workshop on the application of the UPICC in the practice of in-house counsels and arbitrators;
- A lecture to students as part of their master studies in International Business Law at the Sapienza University in Rome on 18 and 19 July 2024; and
- A lecture for the students of the Master in International Economic Law at the Université Capitole Toulouse, France, on 13 to 15 November 2024.



108. In 2024, the Secretariat published the Ukrainian translation of the black-letter rules of the UPICC 2016 and the Georgian translation of the black-letter rules of the UPICC 2010. In addition, the Secretariat entered into a contract with qualified translators for the Georgian translation of the UPICC 2016. The Portuguese translation of the integral version of the UPICC 2016 was also completed and is pending publication. Moreover, the Secretariat received important updates on the progress of the translations of the UPICC 2016 into Arabic and Farsi.

109. More information on promotional activities in relation to the UPICC is provided in the Annual Report 2024.

**(c) UNIDROIT/FAO/IFAD Legal Guide on Contract Farming**

110. UNIDROIT has continued to promote the [Legal Guide on Contract Farming](#), in collaboration with FAO and IFAD. In 2024, the Legal Guide was presented at a number of events, including:

- A panel on innovation in agri-business and sustainable development at the CODEWAY Expo in Rome, Italy on 17 May 2024;
- A workshop at the University of Edinburgh on “Sustainability in the Food Supply Chain: Challenges and the Role of Law & Policy” on 30-31 May 2024;
- A presentation during the UNIDROIT International Programme for Law and Development on 20 June 2023; and
- A lecture for students during their Master in International Business Law at Sapienza University in Rome on 4 July 2024.

111. More information on promotional activities regarding the Legal Guide will be available in the 2024 Annual Report.

**(d) UNIDROIT/IFAD Legal Guide on Agricultural Land Investment Contracts**

112. The [Legal Guide on Agricultural Land Investment Contracts](#) was presented at various events over the course of 2024, including:

- A panel on innovation in agri-business and sustainable development at the CODEWAY Expo in Rome, Italy on 17 May 2024;
- A workshop at the University of Edinburgh on “Sustainability in the Food Supply Chain: Challenges and the Role of Law & Policy” on 30-31 May 2024;
- A lecture for students during their Master in International Business Law at the Sapienza University in Rome on 4 July 2024;
- A presentation during the UNIDROIT International Programme for Law and Development on 20 June 2023; and
- The Italian Water Dialogue 2024 at the seat of UNIDROIT on 22 October 2024.

**(e) ELI-UNIDROIT Model Rules of European Civil Procedure**

113. The ELI-UNIDROIT Model Rules of European Civil Procedure, adopted by the two organisations in 2020, were presented and discussed during a dissemination conference jointly sponsored by ELI and UNIDROIT and organised by ELI at the Austrian Academy of Sciences in Vienna on 5 and 6 February 2024. The conference, opened by Manuela Baccarini (Vice Rector of the University of Vienna), Pascal Pichonnaz (ELI President) and Ignacio Tirado (UNIDROIT Secretary-General), aimed at reigniting discussion on the importance and impact that the Model Rules have had and continue to have since their publication, and it saw the participation of many experts who



had been involved in the development of the instrument, as well as commentators with academic and judicial expertise and several other interested participants that animated the debate.

**(f) Principles on Digital Assets and Private Law**

114. The [UNIDROIT Principles on Digital Assets and Private Law](#) (the “DAPL Principles”) were adopted by the UNIDROIT Governing Council at its 102<sup>nd</sup> session (10-12 May 2023) ([C.D. \(102\) 25](#)). Following approval, the Council mandated the Secretariat to work towards the publication of the instrument, to commence the process of translating the text into French, and to promote the instrument in different jurisdictions to facilitate its implementation.

115. On 4 October 2023, the UNIDROIT Secretariat launched the publication of the DAPL Principles at its seat in Rome, Italy. The event was widely attended and supported by public and private stakeholders, including, e.g., by representatives of the International Monetary Fund and the Association of Global Custodians, to name highly relevant representatives of both the public and the private sector.

116. Following the publication of the DAPL Principles, the Secretariat designed an implementation and promotion strategy for the instrument. The PDAPL Implementation and Promotion Strategy was presented to the Governing Council at its 103<sup>rd</sup> session. The Strategy comprises of four parts: (i) position the DAPL Principles as the leading international standard on the proprietary aspects of digital assets; (ii) identify priority jurisdictions and engage with relevant stakeholders to support domestic awareness of the DAPL Principles; (iii) raise awareness of the DAPL Principles at relevant industry, academic and institutional fora in priority jurisdictions; and (iv) ensure that the DAPL Principles be broadly accessible, including by engaging with partner stakeholders to facilitate informal translations of the instrument into languages other than English and French.

117. In relation to positioning the DAPL Principles as the leading international standard on the proprietary aspects of digital assets, the DAPL Principles were recognised and endorsed at Argentina's leading academic conference on private law, which formally recommended the implementation of the legal instrument.<sup>11</sup> The DAPL Principles were also recognised in the Cross-border Settlement Infrastructure Forum Brief No. 4 titled “Key Aspects of UNIDROIT Principles on Digital Assets and Private Law”, published by the Asian Development Bank in August 2024. The Brief analyses the DAPL Principles and notes their importance in providing effective guidance on the definition and treatment of business transactions involving digital assets.

118. In identifying key jurisdictions and engaging with relevant stakeholders to support domestic awareness of the DAPL Principles, the Secretariat has engaged with domestic public institutions and stakeholders in relevant jurisdictions. In addition, several countries have initiated or are expected to initiate legislative reforms regarding the proprietary aspects of digital assets. For instance, in March 2024 the Dubai International Financial Centre (DIFC) announced the enactment of a new Digital Assets Law that addresses the legal characteristics of digital assets, including the proprietary nature of digital assets, as well as how digital assets may be controlled and transferred.<sup>12</sup>

119. In 2024, as part of efforts to raise awareness about the DAPL Principles, the Secretariat presented and discussed the DAPL Principles at various government, academic, industry and

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<sup>11</sup> Comisión N°9 de Derecho Internacional Privado de las Jornadas Nacionales de Derecho Civil de Argentina.

<sup>12</sup> [DIFC Announces Enactment of New Digital Assets Law, New Law of Security and Related Amendments to Select Legislation](#)

institutional fora across Europe, Asia, Latin America and North America. These engagements include:

- a webinar hosted by the Asian Business Law Institute (ABLI), in cooperation with UNIDROIT on 3 September 2024;
- the Third Forum on Rule of Law in Global Digital Trade, held in Hangzhou, People's Republic of China, on 26 and 27 September 2024;
- a workshop on the "Tokenization of Physical Assets," organised by the University of Turin, University of Milano-Bicocca, and the University of Florence on 25 March 2024;
- conferences, such as the *XVII Jornadas de la ASADIP* on private international law held at the Austral University in Buenos Aires on 25 September 2024, and the conference on Digital Assets and Private International Law hosted by the European Banking Institute, the University of Vienna, and the Interdisciplinary Association of Comparative and Private International Law on 11 and 12 April 2024;
- lectures delivered to students at institutions, such as Université Capitole Toulouse on 23 January 2024, Loyola University Chicago School of Law on 27 March 2024, and the British Institute of International and Comparative Law (BIICL).

120. In relation to accessibility, UNIDROIT has been working on the translation of the DAPL Principles into French and has been engaging with partner stakeholders to facilitate informal translations of the instrument into Chinese and Spanish. These translations are nearing completion and are expected to be published in early 2025.

### **(g) Implementation of the UNIDROIT Model Law on Factoring**

121. The UNIDROIT Model Law on Factoring (MLF) was adopted by the UNIDROIT Governing Council at its 102<sup>nd</sup> session (Rome, 10-12 May 2023). The MLF provides a complete, self-standing legal regime that facilitates factoring transactions. The instrument comprises a set of black-letter rules that is primarily aimed at States that have not yet fully implemented a modern, comprehensive secured transactions legal framework. The official English and French versions of the Model Law on Factoring were published in September 2023.<sup>13</sup> A revised version of the MLF was published in August 2024, after the Governing Council decided at its 103<sup>rd</sup> session (Rome, 7-9 May 2024) to amend Articles 11 and 52 to rectify an error in the transition rules.<sup>14</sup>

122. On adopting the MLF at its 102<sup>nd</sup> session, the Governing Council also mandated that the Secretariat design and execute an implementation strategy for the MLF.<sup>15</sup> The MLF Implementation Strategy comprises of four parts (i) position the MLF as a core instrument that facilitates trade finance, access to credit and economic development, (ii) raise awareness of the MLF at relevant large, multilateral fora, (iii) support domestic implementation of the MLF, and (iv) ensure that the MLF is broadly accessible.

123. In relation to positioning the MLF as a core instrument that facilitates trade finance, the MLF was recognised in the International Finance Corporation's (IFC) Knowledge Guide on Factoring Regulation and Supervision, published in January 2024. The Knowledge Guide emphasises the

<sup>13</sup> The official versions of the Model Law on Factoring are available on a dedicate webpage on the UNIDROIT website: <https://www.unidroit.org/instruments/factoring/model-law-on-factoring/>.

<sup>14</sup> See document [C.D. \(103\) 9.1 bis](#).

<sup>15</sup> See Governing Council 102<sup>nd</sup> session document C.D. (102) 5 "Adoption of Draft UNIDROIT Instruments – Model Law on Factoring", available <https://www.unidroit.org/wp-content/uploads/2023/04/C.D.-102-5-Model-Law-on-Factoring.pdf>, paragraphs 27 – 28.

importance of countries implementing a factoring law including both regulatory elements and private law rules based on the MLF.

124. In relation to presenting the MLF at large multilateral fora, the MLF was presented at the 6<sup>th</sup> Secured Transactions Coordination Conference on how the MLF could be implemented alongside other international instruments (Washington DC, January 2024) and at the 7<sup>th</sup> Secured Transactions Conference on how the MLF could support regional access to credit reforms in the Middle East (Istanbul, November 2024).

125. In relation to domestic implementation of the MLF, UNIDROIT has been working with partner organisations (the EBRD, IFC, ADB, UNCITRAL and ILI) to support domestic law reform projects in Jordan, Malaysia, Palestine and the United Arab Emirates. UNIDROIT's partner organisations have also advised that the MLF will be used for possible future reforms in Georgia, Tajikistan, Ukraine and Uzbekistan. UNIDROIT has been directly involved in presenting the MLF to stakeholders in Jordan (April 2024) and Turkey (November 2024).

126. In relation to accessibility, UNIDROIT has been working on the translation of the MLF into Arabic, Japanese, Turkish and Spanish. The Turkish and Spanish translations are nearing completion and are expected to be published in early 2025.

**(h) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and UNESCO-UNIDROIT Model Provisions on State Ownership of Undiscovered Cultural Objects**

127. The UNIDROIT Secretariat continued to offer technical assistance in connection with the 1995 Convention and in respect of the 2011 UNESCO-UNIDROIT Model Provisions on State Ownership of Undiscovered Cultural Objects, owing, among other things, to the upsurge in trafficking in cultural objects and the adoption of several declarations or recommendations calling States to become a Party to the 1995 Convention. In 2024, the G7 Minister's Meeting on Culture in Naples (Italy) adopted a declaration inviting States to fight against illicit traffic in cultural property and become Party to the relevant international conventions, among which the 1995 UNIDROIT Convention. In addition, the G7 Ministers' Meeting on Culture adopted a Declaration for the sustainable development of Africa and the World more generally which is supporting the work UNIDROIT has been doing in recent years on the continent.

128. In 2024, the Republic of Yemen deposited its instrument of accession to the 1995 UNIDROIT Convention with the Italian Ministry of Foreign Affairs and International Cooperation which will enter into force for Yemen on 1<sup>st</sup> February 2025.

129. UNIDROIT is regularly involved in national and regional capacity-building activities concerning the fight against illicit traffic in cultural property (e.g., regional and national seminars organised by or at the specific request of countries in order to improve their understanding of the 1995 UNIDROIT Convention, and its synergies with other international instruments, in view of accession). In 2024, UNIDROIT participated in such seminars in Albania, Bosnia-Herzegovina, Montenegro, North Macedonia, Poland, Qatar, Saudi Arabia, Serbia and Ukraine, as well as in Central Asia and Western African countries.

130. At the institutional level, UNIDROIT is also pursuing its close collaboration with several organisations in this field, among which UNESCO, INTERPOL, the World Customs Organisation (WCO), the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM), NATO, the European Union, the Council of Europe, the International Council of Museums (ICOM), and the Antiquities Coalition.

131. UNIDROIT also continued its close cooperation with the African Union and ECOWAS to assist African States in strengthening their legal framework to protect their heritage. As a result of this cooperation, several African States have become in the recent years Parties to the 1995 UNIDROIT Convention.

## **C. NON-LEGISLATIVE ACTIVITIES (UNIDROIT ACADEMY) \*\*\***

### **1. UNIDROIT Library**

132. In 2024, the UNIDROIT Library continued to strengthen its cooperation with other libraries. A cooperation agreement was entered into with the Library of the University of Regensburg (Germany) in December 2023, and the first steps were taken to create a future stable collaboration between the UNIDROIT Library, the Law Library of the University of Oslo (UJUR) and the Faculty of Law Library of the University Library in Bergen (Ubbjur).

133. The expansion of the Library's holdings has been hampered by steady increases in the price of publications and a chronic lack of resources. Nevertheless, the Institute managed to increase the Library's holdings by 1671 titles.

134. In 2024, as in previous years, the Library received donations in kind from several institutions and individuals. In particular, the Institute would like to offer its gratitude to the following donors: the Max-Planck-Institute of Foreign Private and Private International Law in Hamburg; Professor Giuditta Cordero-Moss; Professor Meiling Huang; and various publishing houses from the Nordic countries.

135. Work progressed on the digitisation project of the Library. Special attention was given to the digitisation of the collection on comparative law and unification of laws, and to the Scialoja as well as the Cordero collection, in order to preserve some of the Library's most valuable historical collections. Thanks to the very fruitful training project with the "Cooperazione HELP" (Rome), Mr Carlo and Mr Riccardo della Fazia collaborated on the digitisation of the library's electronic collection which was increased by a total of 891 newly digitised titles.

136. Thanks to the generous donation of the Dutch Foundation "Largesse" to the UNIDROIT Foundation, it has been possible to create functional new workspaces for Library guests. Furthermore, in 2024, about 300 monographs regarding UNIDROIT's work programme and studies were acquired to upgrade the Library's collection, and various publications have been switched to the relevant e-format. Some of the Library's loose-leaf collections, in particular legal encyclopaedias, which are less user friendly, have been substituted by their respective electronic versions, and now offer easy access to legal materials for the Library's guests from all over the world. Work has continued on the upgrade of the Library's list of law reviews, and scanned articles have been added to the Library's online collection. Over 200 journals are now available in the Library's Public Access Catalogue. In addition, a large number of references to articles available in external databases (to which the UNIDROIT Library is subscribed) have been added to the Library's online catalogue.

### **2. Scholarship, Internship and Research Programme**

137. UNIDROIT's Scholarship, Internship and Research Programme (USIRP) is one of the Institute's most important tools for promoting UNIDROIT's work and related research in the fields of international private law, international commercial law and comparative law. Each year, the programme brings a large number of academics, researchers, and law students to the UNIDROIT Headquarters in Rome to undertake scholarship, internship and research opportunities related to UNIDROIT instruments and projects. Participants in the programme are selected through a robust and competitive selection process. Successful scholarship candidates are invited to undertake two-

month research stays at the UNIDROIT Headquarters, and successful internship candidates are invited to undertake three month internships with the UNIDROIT Secretariat. Participants are provided with modest stipends (1000 euro per month for scholars, 600 euro per month for interns) during their time in Rome. Additionally, each year the Institute selects one outstanding scholar to undertake the prestigious 6-9 month “Sir Roy Goode Scholarship”.

138. Since 2014, this Programme has been entirely funded by voluntary contributions, relying on the benevolence and generosity of its sponsors, which include, among others, the Ministry of Commerce of the People’s Republic of China (MOFCOM), the UNIDROIT Asian Transnational Law Centre (ATLC), the UNIDROIT Foundation, Members of the Governing Council, the UNIDROIT Alumni Association, the Madruga law firm (Brazil) and the International Law Institute United Rule of Law Appeal (UROLA). The long-term goal of the Programme is to provide funding to all accepted applicants; however, due to limited resources, currently only a limited percentage of applicants receive research scholarships or internship stipends.

139. For the 2024 Programme, UNIDROIT received a total of 244 internship applications and 165 scholarship applications. During 2024, the Institute has welcomed 151 participants in the Scholarship, Internship and Research Programme. Specifically, UNIDROIT welcomed 54 interns and 38 scholars from 28 countries. Of the 54 interns, 8 were granted modest stipends for the duration of their internships. Of the 38 scholars, 15 were granted stipends for the period of their research. Additionally, 59 researchers from 22 countries undertook research stays in the UNIDROIT Library. In addition, Ms Başak BAŞOĞLU KAPANCI was selected from a field of 30 candidates as the 2024 Sir Roy Goode Scholar.

140. For the 2025 Programme, UNIDROIT received a record total of 295 internship applications, 162 scholarship applications and 30 Sir Roy Goode Scholarship applications.

### **3. Academic Projects**

#### **Cape Town Convention Academic Project**

141. Established in 2019, the Cape Town Convention Academic Project (CTCAP) is a joint undertaking between UNIDROIT and the University of Cambridge Faculty of Law, under the auspices of the Centre for Corporate and Commercial Law (3CL), and with the Aviation Working Group as its founding sponsor. Professor Ignacio Tirado (UNIDROIT), Professor Louise Gullifer (University of Cambridge), and Professor Jeffrey Wool (Aviation Working Group) serve as the Directors of CTCAP.

142. The primary objective of CTCAP is to facilitate and further the academic study and assessment of the Cape Town Convention and its Protocols. The CTCAP undertakes a number of activities to achieve its objective:

- Maintenance of a comprehensive, digitised and searchable repository (<https://ctcap.org/>) of relevant documents and publications.
- CTCAP issues annotations to the Official Commentary on the Convention and the Aircraft Protocol in order to provide further guidance on specific issues relevant to practitioners and researchers of the Cape Town Convention.
- Publication of the Cape Town Convention Academic Journal.
- Organisation of the annual Cape Town Convention Academic Project Conference (currently at the University of Cambridge, having previously taken place at the University of Oxford and at UNIDROIT).
- Organisation of the international Cape Town Convention Moot Court Competition.

- Delivery of projects that complement the Cape Town Convention and transnational law in general. The CTCAP currently has three projects: (i) the Economic Evaluation of International Commercial Law Reform (EE ICLR) Project; (ii) Best Practices in the Field of Electronic Registry Design and Operation (BPER) Project; and (iii) the Implementation of and Compliance with International Commercial Law Treaties Project (Treaty Project).

143. The 13<sup>th</sup> Annual Cape Town Convention Academic Project Conference took place at Jesus College, University of Cambridge on 11-12 September 2024. The Conference had 128 registered participants, 88 of whom attended in person and the rest joined online. The focus of the conference was “Cape Town Convention in action: from aircraft to rail to MAC”.

144. In relation to the CTCAP projects, the seventh workshop on the BPER Project was held at UNIDROIT’s Headquarters on 13-14 February 2024 in a hybrid format with 48 participants and the eighth workshop was also hosted by UNIDROIT on 16 September 2024, with 32 participants. An intersessional online meeting and ninth workshop will be held in 2025 to complete the Guide on Best Practices for Electronic Business Registries.

145. The ninth (restricted) workshop for the EE Project was held on 14-15 February 2024 at the seat of UNIDROIT in hybrid format with 12 experts, and the tenth (restricted) workshop was hosted by UNIDROIT on 17 September 2024. The eleventh workshop will take place on 23 January 2025. On 14 March 2024, the EE project was presented and discussed at a workshop on “Legal unification: how to provide an economic evaluation”, organised by the European Law Institute (EUI) in Florence, Italy.

146. A planning session on the Treaty Project was organised by CTCAP in hybrid format on 15 February 2024 in Rome with 12 participants, while the first workshop will take place on 21 and 22 January 2025. It is expected that both the BPER and EE projects will be completed in 2025.

#### **Academic Project on the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects**

147. The Academic Project on the 1995 Convention (UCAP) is attracting institutional and individual partners to raise awareness about UNIDROIT’s instruments in this field (e.g., among universities, the judiciary, practising lawyers). Conferences and lectures were organised on UNIDROIT’s instruments on the international protection of cultural objects together with several universities around the world in 2024.

#### **4. Academic Institutes**

##### **QMUL/UNIDROIT Institute for Transnational Commercial Law**

148. The QMUL/UNIDROIT Institute for Transnational Commercial Law, originally founded in 2016 at the initiative of Professor Sir Roy Goode and former UNIDROIT President Professor Alberto Mazzoni, was relaunched in 2023 with renewed governance, with Professor Rosa Lastra (Sir John Lubbock Chair in Banking Law at QMUL/CCLS) and Professor Anna Veneziano (UNIDROIT Deputy Secretary-General) as Co-Directors, Dr Franziska Arnold-Dwyer as Deputy Director, Professor Sir Roy Goode as Founding Director and Honorary Chair of the Institute, and UNIDROIT Secretary-General Professor Ignacio Tirado as member of the Executive Board. In autumn 2024, Dr Kamala Dawar succeeded Dr Arnold-Dwyer as Deputy Director of the Institute. The Executive Board nominated a new Advisory Board of the Institute with participation of eminent international academics and practitioners, with four new appointments in 2024. The Advisory Board met on 7 February 2024, on the occasion of a seminar on the UNIDROIT Principles on Digital Assets and Private Law (DAPL Principles) sponsored by the Institute and held in London, with participation of Secretary-General Ignacio Tirado, and again on 16 October 2024, to plan the activity of the

Institute (including a seminar on supply chain side event at the ICC UK in London, focusing on warehousing and factoring, for the first half of 2025).

### **Nordic Law Centre**

149. Established in 2023 under the auspices of the UNIDROIT Academy, the UNIDROIT Nordic Law Centre (Centre for Nordic Studies and Transnational Private Law – NLC) aims to strengthen cooperation between UNIDROIT and the Nordic region, encompassing legal systems and institutions of Norway, Sweden, Finland, Denmark, and Iceland. In line with UNIDROIT's harmonisation activity, the Centre seeks to promote research in comparative private law, focusing on areas connected to UNIDROIT's work on transnational law. Through various dissemination activities such as seminars, workshops, and conferences, the Centre aims to raise international awareness of Nordic law and foster interest in UNIDROIT instruments within the Nordic region.

150. The Centre's first workshop, "Contra Proferentem in Nordic Contract Law," was held on 15 December 2023 at the seat of UNIDROIT and online, featuring presentations from academics across the Nordic region. On 11 October 2024, a second workshop, titled "The Nordic Approach to the Contract/Tort Divide," took place in a hybrid format in Rome and online, with the participation of legal scholars from Denmark, Sweden, Norway and Finland.

### **UNIDROIT Asian Transnational Law Centre**

151. Established in 2024, the UNIDROIT Asian Transnational Law Centre (ATLC) is a new initiative under the UNIDROIT Academy. The objectives of the ATLC are to (i) establish a premier legal hub for Asian transnational law at the UNIDROIT Headquarters in Rome; (ii) promote the work of UNIDROIT, UNIDROIT instruments and UNIDROIT projects in Asia; and (iii) strengthen connections between UNIDROIT and relevant academic institutes, legal institutes, regional institutes, law firms and private sector stakeholders in Asia.

152. The operation of the ATLC and its activities are fully funded by extra-budgetary contributions from interested stakeholders through donations to the UNIDROIT Foundation, and support from partner organisations. In May 2024 the UNIDROIT Foundation secured a founding sponsorship agreement with Yingke Law firm, which will provide the ATLC with funding for three years (2024 – 2026).

153. The Secretary-General has appointed two Co-Directors to lead the ATLC in undertaking activities to achieve its objectives, Professor Meiling Huang (Zhongnan University of Economics and Law, currently seconded to UNIDROIT) and Senior Legal Officer William Brydie-Watson. Additionally, an Advisory Committee composed of UNIDROIT Governing Council representatives, distinguished Asian academics, legal experts, and other relevant stakeholders has been established to provide advice to the ATLC in achieving its objectives.

154. In 2024, the ATLC has undertaken the following activities to achieve its objectives:

- Publications and translations: (a) Translation of UNIDROIT instruments into Asian languages (Chinese, Japanese and Korean translations of the UNIDROIT Principles on Digital Assets and Private Law and the Turkish translation of the Model Law on Factoring); (b) establishment of a dedicated Asian Transnational Law Library within the UNIDROIT Library; and (c) provision of 150 additional Asian law publications to the UNIDROIT Library.
- Secondments, scholarships, and internships: Sponsorship of five scholars from Asia and five interns from Asia.

- Project participation, consultations and events: (a) delivery of first forum event with sponsors at UNIDROIT Headquarters in Rome (September 2024); (b) delivery of first ATLC international conference in Shanghai, China (November 2024); and (c) Launch of the first International Commercial Arbitration Moot to foster the study and practice of UPICC, with the inaugural event scheduled for 2025 (d) financial support for legal experts and the UNIDROIT Secretariat to participate in several events:
  - (i) APEC: Facilitation of Asian expert (Japan) and UNIDROIT Secretariat participation in an expert policy dialogue on the MAC Protocol at the APEC Economic Committee meeting (Peru, August 2024).
  - (ii) Japan: Facilitation of UNIDROIT Secretariat participation in three events in Japan: (i) Digital Assets international legal conference, (ii) Secured Transactions international legal conference, and (iii) Japanese national consultation event on the MAC Protocol (Tokyo, September 2024).
  - (iii) China: Facilitation of UNIDROIT Secretariat participation in the Hong Kong Legal Week, presentation at the Asia-Pacific International Private Law Summit and other Legal Week events; UNIDROIT Secretariat participation in China Scholarship Council (CSC) China young talents events; (Hong Kong, Beijing, Nanjing and Shanghai, November 2024).
  - (iv) Turkey: Facilitation of consultation event for the Turkish translation of the Model Law on Factoring and lectures at partner Turkish universities (Istanbul, November 2024).

## 5. UNIDROIT International Programme for Law and Development

155. The first edition of the Programme originally known as the UNIDROIT International Summer School was presented at the 100<sup>th</sup> session of the Governing Council and was sponsored by the Italian Ministry of Foreign Affairs and International Cooperation, in 2022 (C.D. (100) B.22). That edition was held from 20 June to 22 July 2022, and thanks to its success, the Italian Government has since granted funding for the organisation of a second and third edition (5 June to 7 July 2023 and 6 June to 5 July 2024) under a new name to rebrand the concept of the broader scope Programme the “UNIDROIT International Programme for Law and Development” (IPLD).

156. The third edition of the initiative was held under the new management of IPLD Director Ms Mari Teresa Iaquina, who was appointed to replace former director Marco Nicoli who chose to retire after the second edition.

157. The Programme involved 18 participants, including judges, public prosecutors and legislative drafters, coming from 15 African countries (Burundi, Kenya, Ethiopia, Cameroon, Ghana, Burkina Faso, Egypt, South Africa, Algeria, Uganda, Mauritius, Morocco, Zimbabwe and Somalia), in a process of sharing knowledge and learning about international private and commercial law practices.

158. As with the previous editions, the main objective was to promote cultural exchange to strengthen peaceful relations between states and communities. The program was financed by the General Directorate for Development Cooperation of the Ministry of Foreign Affairs and International Cooperation (DGCS-MAECI), as part of the initiatives with Africa. The two editions have included lectures, presentations and discussions of case studies from world-renowned experts in each field, who had often participated in the elaboration of the instruments presented. In particular, the role of transnational law and UNIDROIT’s instruments in different fields were addressed, with an emphasis on instruments with the potential to foster economic development in Africa. Moreover, the Secretariat was honoured by the contribution to the 2023 edition of the



Embassy of South Africa, which hosted a reception for IPLD participants at the Residence of its Ambassador in Rome.

159. The Programme ended with a solemn ceremony at the historic headquarters of Villa Aldobrandini in Rome, including the participation of Vice Minister for International Affairs and Cooperation of Italy, the On. Edmondo Cirielli, the Ambassador of South Africa Her Excellency Ms Nosipho Nausca-Jean Jezile, as well as other illustrious guests and representatives of the diplomatic missions of the countries involved.

## **6. Chair Programmes**

160. The UNIDROIT Joint Chair Programmes aim at bolstering technical knowledge and expertise in certain areas of the Institute's work. Thanks to the collaboration and support of third-party institutions, the Joint Chair Programmes allow the Secretariat to appoint experts for one year or more (depending on the specific Terms of Reference of the Chair), to provide highly specialised advice for specific projects on its Work Programme. This adds capacity and stability to the Secretariat's workforce. Two Chair Programmes have been implemented so far, as described below.

161. The UNIDROIT-Bank of Italy Chair Programme aims to facilitate joint research and knowledge sharing on matters of common interest, with a particular focus on UNIDROIT's project on Bank Insolvency. This Programme had a successful first edition in 2021-2022, when the Secretariat hosted an Assistant Professor from the University of Amsterdam. Based on the positive outcome, the Bank of Italy agreed to renew the programme for a second period. This allowed the Secretariat to benefit from the assistance of Mr Iacopo Donati, Professor of Corporate and Insolvency Law at the University of Siena, from November 2023 to November 2024. Mr Donati has attended two sessions of the Working Group on Bank Insolvency and contributed to the development of the Chapter on Creditor Hierarchy of the draft Legislative Guide on Bank Liquidation. In addition, he has contributed analysis on the treatment of contingent liabilities in bank liquidation proceedings.

162. The UNIDROIT-Italian Ministry of Foreign Affairs Chair Programme is funded by the Directorate General for Development Cooperation (Direzione Generale per la Cooperazione allo Sviluppo – DGCS) of the Italian Ministry of Foreign Affairs and International Cooperation (Ministero degli Affari Esteri e della Cooperazione Internazionale - MAECI). The purpose of this programme is to involve a senior or mid-career professor or researcher with expertise in private law and agricultural development to assist in the development of the legal guides produced in partnership with FAO and IFAD. Over the course of 2024, the Secretariat continued to work with Dr Keni Muguongo Kariuki, a Kenyan lawyer and political economist with a PhD from the School of Oriental and African Studies of the University of London. Ms Jeannette Tramhel, a Canadian lawyer and agricultural economist with an LLM from Georgetown University, also assisted the Secretariat as Senior Legal Consultant under the UNIDROIT-MAECI Chair Programme.

## **7. Cooperation with academic institutions under Memoranda of Understanding**

163. Over the course of 2024, the Secretariat has concluded several new Memoranda of Understanding (MoU) with academic institutions to strengthen cooperation. The overall aim of these cooperation agreements is to promote research in the areas of private law, commercial law, and the unification of law, as well as UNIDROIT's instruments and its Scholarship, Internship and Research Programme. Accordingly, the MoU's envisage joint activities such as the co-organisation of events, research projects, and study programmes. Many of the promotion activities for UNIDROIT's instruments described in this document were undertaken within the framework of an MoU, in particular the Secretariat's lectures and presentation at various universities around the globe. Details of the activities undertaken within the framework of the agreements can be found in the Annual Report 2024.

164. Since the beginning of the year 2024, cooperation agreements were signed with the following institutions:

- Asian-African Legal Consultative Organization (AALCO) on 16 February 2024;
- Shanghai International Arbitration Centre (SHIAC) on 28 February 2024;
- School of Law, National University of Mongolia on 12 March 2024;
- Faculty of Law of the University Externado de Colombia on 7 October 2024; and
- Faculty of Law of Austral University (Argentina) on 15 October 2024.

## **8. Publications (Uniform Law Review)**

165. In 2024, UNIDROIT published a variety of volumes, including two new editions in the series of Professor Sir Roy Goode's Official Commentaries on the Cape Town Convention and its Protocol. March saw the publication of the revised fifth edition of Sir Roy Goode's Official Commentary on the Convention on International Interests in Mobile Equipment and Protocol Thereto on Matters Specific to Aircraft Objects ("Aircraft Commentary"), which not only incorporates various amendments to the text but also features a substantially revised index. In October, the third edition of Sir Roy's Official Commentary on the Convention on International Interests in Mobile Equipment and Protocol Thereto on Matters Specific to Railway Rolling Stock arrived off the presses – the first edition of the "Rail Commentary" since the entry into force of the Luxembourg Rail Protocol in March 2024 and a full decade after the second edition. In the last quarter of 2024, the Secretariat was continuing to work with Sir Roy in the preparation of a second edition of the Official Commentary for the MAC Protocol.

166. Furthermore, a number of translations of UNIDROIT instruments were finalised and published for online reference in 2024: the Portuguese and Italian translations black-letter rules of the ELI-UNIDROIT Model European Rules of Civil Procedure, and the Chinese translation of the UNIDROIT Principles on the Operation of Close-Out Netting Provisions. Additionally, the Italian translation of the Tripartite (UNCITRAL/HCCH/UNIDROIT) Legal Guide to Uniform Instruments in the Area of International Commercial Contracts was finalised, to be published by Giuffrè in open access format.

167. As for the UNIDROIT Principles of International Commercial Contracts (UPICC), 2024 saw the completion of the Ukrainian translation of the black-letter rules of the UPICC 2016 as well as the signing of an agreement for their translation into Georgian. In addition, as of October 2024, the Secretariat had also received word from the respective translation teams that both the Arabic and Farsi translations of the UPICC 2016 would soon be delivered.

168. As regards the Uniform Law Review, the new online method for submission, review and treatment of articles (the "ScholarOne" submission system) introduced in 2023 is now fully operative. This electronic development in publishing is being taken even further by the publisher, Oxford University Press (OUP). Negotiations for the renewal of the triennial contract concluded in 2022 evidenced the plans of OUP to transform all their journals into online-only publications, thereby eliminating the paper copies. During the negotiations, to meet the need of the Institute to have the Review in paper format for the centenary in 2026, OUP agreed to postpone the transfer of the Uniform Law Review onto the online-only platform to 2027. Thereafter it will be possible to have special issues, containing for example the acts of a particularly important conference, printed in paper format, but these will have to be printed separately, at the expense of the Institute.

169. This development will also have consequences for the Library, in that all exchange agreements will be discontinued, the free copies which UNIDROIT was entitled to under the previous

agreements being transformed into free subscriptions to the online copy. The number of free subscriptions will be reduced from the number of free subscriptions the Institute was entitled to under the previous agreements. The number of free subscriptions will therefore cover the Depository Libraries, the Editorial Board and the Advisory Editorial Board, but will not be sufficient to cover the exchanges. Any of the periodicals that the Library wishes to continue to have in its collections will henceforth have to be bought. Hopefully these will not be too many, as over the years the number of exchanges has gradually decreased, also as a result of the fact that several of the reviews received in exchange have become free online publications.

170. The importance of the Uniform Law Review as a source of information on both the Institute and its instruments, as well as on the instruments of other organisations, and the reception of the international private law instruments in the nations that adopt them, cannot be exaggerated. Its importance can also be seen in the increased number of articles submitted freely by the authors, several of which come from authors from Africa.

## **9. Information resources and policy**

### **Social media**

171. The purpose of UNIDROIT's social media presence is to:

- (i) Raise UNIDROIT's public profile and online awareness of its current projects;
- (ii) Promote upcoming events and encourage participation from relevant stakeholders;
- (iii) Allow researchers, visiting professionals, interns, and other stakeholders to connect with each other and maintain a connection with UNIDROIT;
- (iv) Serve as a dynamic channel to communicate with the global community interested in UNIDROIT's work; and
- (v) Allow UNIDROIT to widely advertise vacancies, internship and scholarship opportunities.

172. UNIDROIT currently maintains accounts on [LinkedIn](#) (2016), [Facebook](#) (2016), [X \(former Twitter\)](#) (2018) and [YouTube](#) (relaunched in 2019). UNIDROIT's presence on YouTube was relaunched in 2019 to promote videos of expert presentations made at the Institute by international legal experts and visiting scholars, as well as to share promotional videos about UNIDROIT instruments and events.

173. Pursuant to a regularly updated internal social media strategy, the Secretariat shares the following types of content through its various social media channels:

- (i) Updates relating to projects;
- (ii) Notable anniversaries of signatures, ratifications, accessions and entry into force of UNIDROIT instruments in States (under the #UNIDROITanniversaries hashtag);
- (iii) UNIDROIT events (past and upcoming);
- (iv) External events relevant to Unidroit work (e.g. International moots utilising Unidroit instruments);
- (v) UNIDROIT attendance at other international meetings;
- (vi) Profiles of scholars and interns;
- (vii) Internship and scholarship opportunities;
- (viii) Library news;
- (ix) Webinars;
- (x) History of the Institute;

- (xi) Announcements of partnerships with other organisations;
- (xii) Sharing relevant content from the social media accounts of partner organisations;
- (xiii) Monthly themes to promote certain projects.

174. Additionally, the Secretariat actively works with universities, affiliated international organisations, and individuals involved in UNIDROIT's work in order to cross-mention each other in social media posts, further promote these activities and increase the Institute's digital engagement and "reach". All content posted generally includes images/videos either taken at UNIDROIT or copyright-free images. Additionally, all content posted channels the audience back onto the UNIDROIT website, thereby increasing the number of visitors on the website and allowing for more visibility of UNIDROIT's work.

175. Over the years, the Secretariat has benefitted from attending the "Social Media Roundtable" organised every six months by the United States Mission to the UN Agencies in Rome. These meetings bring together social media managers from international organisations based in Rome (FAO, IFAD, WFP, IDLO, UNIDROIT, ICCROM etc.) to share best practices and effective strategies in social media management, and to improve social media coordination. This forum has allowed the Institute to benefit from the professional social media expertise of larger organisations to improve its own social media practices. In 2024, UNIDROIT participated in two meetings held on 6 February and 11 September 2024.

### **Performance indicators**

176. As of 18 October 2024, UNIDROIT had 36,807 (up from 29,333 in 2023) followers on LinkedIn, 6,100 (up from 5,800 in 2023) followers on Facebook, 2,479 (up from 2,247 in 2023) followers on X (former Twitter), and 557 (up from 557 in 2023) subscribers on YouTube. The UNIDROIT social media channels continue to be the largest source of referrals to the UNIDROIT website, after direct clicks and search engines. Particularly on LinkedIn, an increase of 18% has been observed in terms of engagement and comments by the followers. In 2024, posts made by UNIDROIT on all its channels collectively were delivered to people's feeds over 1 million times.

## ANNEX I

**Expenditure in Implementation of Work Programme  
(estimate by 31 December 2024)**

	<b>Priority level</b>	<i>Regular budget</i>
<b>Legislative Activities</b>		
<b>Access to credit</b>		
<b>Protocols to the Cape Town Convention</b>		
<b>(a) Implementation of Rail and Space Protocols to the Cape Town Convention</b>		
Staffing costs	***	
Professional staff (Ch. 2.1, 3.1)		35.625,56
General services (Ch. 2.1, 3.1)		28.666,72
Missions (Ch. 1.5)		4.357,76
<b>Total</b>		<b>68.650,04</b>
<b>(b) Implementation of MAC Protocol</b>		
Staffing costs	***	
Professional staff (Ch. 2.1, 3.1)		65.047,82
General services (Ch. 2.1, 3.1)		9.040,80
Missions (Ch. 1.5)		1.637,57
Experts (Ch. 1.4)		3.365,00
<b>Total</b>		<b>79.091,19</b>
<b>(c) Preparation of other Protocols to the Cape Town Convention</b>		
Staffing costs	*	
Professional staff (Ch. 2.1, 3.1)		0,00
General services (Ch. 2.1, 3.1)		0,00
Experts (Ch. 1.4)		0,00
<b>Total</b>		<b>0,00</b>
<b>Development of Model Law and guide to Enactment on Factoring</b>		
Staffing costs	***	
Professional staff (Ch. 2.1, 3.1)		24.230,08
General services (Ch. 2.1, 3.1)		3.013,60
Missions (Ch. 1.5)		2.685,68
Experts (Ch. 1.4)		26.634,58
<b>Total</b>		<b>56.563,94</b>
<b>Development of a Model Law and Guide to Enactment on Warehouse Receipts</b>		
Staffing costs	***	
Professional staff (Ch. 2.1, 3.1)		72.077,13
General services (Ch. 2.1, 3.1)		9.040,80
Missions (Ch. 1.5)		4.425,76
<b>Total</b>		<b>85.543,69</b>
<b>Development of a Model Law on Leasing</b>		
Staffing costs	*	
Professional staff (Ch. 2.1, 3.1)		0,00
General services (Ch. 2.1, 3.1)		0,00
Missions (Ch. 1.5)		0,00
Experts (Ch. 1.4)		0,00
<b>Total</b>		<b>0,00</b>
<b>International Commercial Contracts</b>		
<b>(a) UNIDROIT Principles of International Commercial Contracts and Investment Contracts</b>		
Staffing costs	***	
Professional staff (Ch. 2.1, 3.1)		44.735,16
General services (Ch. 2.1, 3.1)		26.983,66
Missions (Ch. 1.5)		1.104,73

	Experts (Ch. 1.4)		26.559,19
<b>Total</b>			<b>99.382,74</b>
<b>(b) Formulation of Principles of Reinsurance Contracts</b>			*
Staffing costs	Professional staff (Ch. 2.1, 3.1)		8.333,80
	General services (Ch. 2.1, 3.1)		3.767,75
	Experts (Ch. 1.4)		0,00
	Missions (Ch. 1.5)		0,00
<b>Total</b>			<b>12.101,55</b>
<b>Private Law and Agricultural Development</b>			
<b>(a) Legal Structures for Agricultural Enterprises</b>			***
Staffing costs	Professional staff (Ch. 2.1, 3.1)		83.120,23
	General services (Ch. 2.1, 3.1)		17.490,93
	Experts (Ch. 1.4)		12.983,36
<b>Total</b>			<b>113.594,52</b>
<b>(b) Development of an Agricultural Financing Legal Guide</b>			**
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
	Experts (Ch. 1.4)		0,00
<b>Total</b>			<b>0,00</b>
<b>Law and Technology</b>			
<b>(a) Digital Assets and Private Law</b>			***
Staffing costs	Professional staff (Ch. 2.1, 3.1)		
	General services (Ch. 2.1, 3.1)		
	Experts (Ch. 1.4)		
<b>Total</b>			<b>0,00</b>
<b>(b) Global Value Chains: Governance Issues and Digital Challenges</b>			*
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
	Staff missions (Ch. 1.5)		0,00
<b>Total</b>			<b>0,00</b>
<b>Capital Markets and Financial Law</b>			
<b>Bank Insolvency</b>			***
Staffing costs	Professional staff (Ch. 2.1, 3.1)		72.489,43
	General services (Ch. 2.1, 3.1)		21.258,68
	Staff missions (Ch. 1.5)		1.005,50
	Experts (Ch. 1.4)		20.055,08
<b>Total</b>			<b>114.808,69</b>
<b>Transnational Civil Procedure</b>			
<b>Formulation of Best Practices for Effective Enforcement</b>			***
Staffing costs	Professional staff (Ch. 2.1, 3.1)		52.293,16
	General services (Ch. 2.1, 3.1)		28.666,72
	Experts (Ch. 1.4)		24.833,85
<b>Total</b>			<b>105.793,73</b>

<b>International Civil Procedure in Latin America</b>		*	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
	Experts (Ch. 1.4)		0,00
<b>Total</b>			<b>0,00</b>
<b>Cultural Property</b>		*	
<b>Private Art Collections</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		86.071,66
	General services (Ch. 2.1, 3.1)		4.372,73
	Official journeys (Ch. 1.5)		4.476,84
<b>Total</b>			<b>94.921,23</b>
<b>Sustainable Development</b>		***	
<b>Legal Nature of Voluntary Carbon Credits</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		82.688,70
	General services (Ch. 2.1, 3.1)		16.427,13
	Missions (Ch. 1.5) & Experts (1.4)		20,386,44
<b>Total</b>			<b>99.115,83</b>
<b>Development of a guidance document on Corporate Sustainability Due Diligence in GVCs **</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		36.871,78
	General services (Ch. 2.1, 3.1)		11.759,73
	Experts (Ch. 1.4)		3.729,47
<b>Total</b>			<b>52.360,98</b>
<b>Exploratory Work</b>			
<b>Law applicable to Cross- Border Holdings and Transfers of Digital Assets and Tokens</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		5.120,00
	General services (Ch. 2.1, 3.1)		5.438,28
	Experts (Ch. 1.5)		0,00
<b>Total</b>			<b>10.558,28</b>
<b>Digital Transformation, Data Governance and Artificial Intelligence</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
	Staff missions (Ch. 1.5)		0,00
<b>Total</b>			<b>0,00</b>
<b>Private Law and Contemporary Health Research: IP Issues in the field of Personalised Medicine</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
<b>Total</b>			<b>0,00</b>
<b>Standard- Essential Patents</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
	Staff missions (Ch. 1.5)		0,00
<b>Total</b>			<b>0,00</b>

<b>Access to Justice in Environmental matters</b>		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		0,00
	General services (Ch. 2.1, 3.1)		0,00
	Staff missions (Ch. 1.5)		
<b>Total</b>			<b>0,00</b>
<b>Implementation and promotion ***</b>			
<b>(1) Depository Functions</b>		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		44.779,46
	General services (Ch. 2.1, 3.1)		4.372,73
<b>Total</b>			<b>49.152,19</b>
<b>(2) Promotion of UNIDROIT Instruments</b>		***	
Staffing costs	Professional staff (Ch. 2.1, 3.1)		107.128,60
	General services (Ch. 2.1, 3.1)		28.574,26
Consultation/promotion	Missions (Ch. 1.5)		25.760,15
Conference costs	Experts (Ch. 1.4)		398,54
	Sponsorship (Ch. 1.5)		2.751,93
Postage (Ch.4.3)	Postage (Ch.4.3)		0,00
<b>Total</b>			<b>164.613,48</b>
<b>UNIDROIT Academy (Non legislative activities) ***</b>			
Staffing costs	Professional staff (Ch. 2.1, 3.1)		132.560,72
	General services (Ch. 2.1, 3.1)		282.800,42
Purchasing	Purchase of books, legal journals, binding, software (Ch.6)		70.000,00
<b>Total</b>			<b>485.361,14</b>
<b>Membership, institutional cooperation and governance</b>			
Staffing costs	Professional staff (Ch. 2. 1, 3.1)		105.059,99
	General services (Ch. 2.1, 3.1)		47.715,31
Conference costs	Interpretation/technical services (Ch. 1.5)		25.000,00
	GC and PC (Ch. 1.1)		51.000,00
Consultation / promotion	Missions (Ch. 1.5)		4.257,56
	Experts (Ch. 1.5)		
	Representation (Ch. 1.7)		8.000,00
<b>Total</b>			<b>241.032,86</b>
<b>Administration, support services and building management</b>			
Staffing costs	Secretary-General and Professional staff (Ch. 2. 1, 3.1)		40.206,28
	General services (Ch. 2.1, 2.2, 3.1)		304.897,42
	Auditor(Ch1.4)		5.200,00
	Porter Lodge (Ch. 2.2)		10.000,00
	Utilities Maintenance costs, Labour costs (Ch 5)		156.000,00
	Compensation for retired members of staff (Ch. 3.3)		1.870,00
	Accident insurance (Ch. 3.2)		8.800,00
	Administration costs (Ch. 4.1, 4.2, 4.3,4.4.,4,5)		48.500,00
<b>Total</b>			<b>575.473,71</b>
<b>TOTAL</b>			<b>2.508.119,77</b>



<b>UNIDROIT Information on Extrabudgetary Contributions in 2024</b>	
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		<b>Initial Balance</b>	<b>Receipts*</b>	<b>Expenditure **</b>	<b>Balance ***</b>
<b>Principles on Netting of Financial Instruments</b>	€				
<b>Receipts</b>					
Donor Association of German Banks		281,39			281,39
<b>Expenditure</b>					
<b>Total</b>	€	<b>281,39</b>	<b>0,00</b>	<b>0,00</b>	<b>281,39</b>

		<b>Initial Balance</b>	<b>Receipts*</b>	<b>Expenditure **</b>	<b>Balance ***</b>
<b>UROLA - Prize</b>	€				
<b>Receipts</b>					
Donor United Rule of Law Appeal - Prize		8.799,56			8.799,56
<b>Total</b>	€	<b>8.799,56</b>	<b>0,00</b>	<b>0,00</b>	<b>8.799,56</b>

		<b>Initial Balance</b>	<b>Receipts*</b>	<b>Expenditure **</b>	<b>Balance ***</b>
<b>ORPHAN OBJECTS PROJECT</b>	€				
<b>Receipts</b>					
Donor Gandur fund		24.131,40			24.131,40
<b>Expenditure</b>					
<b>Total</b>	€				<b>24.131,40</b>

		<b>Initial Balance</b>	<b>Receipts*</b>	<b>Expenditure **</b>	<b>Balance ***</b>
<b>Cape Town Convention Academic Project</b>	€				
<b>Receipts</b>					
Donor CTCAP		48.706,09	78.120,65	59.517,53	67.309,21
<b>Total</b>	€	<b>48.706,09</b>	<b>78.120,65</b>	<b>59.517,53</b>	<b>67.309,21</b>

<b>Research Scholarship Programme</b>	€	<b>Initial Balance</b>	<b>Receipts*</b>	<b>Expenditure **</b>	<b>Balance ***</b>
<b>Receipts</b>					
Donor	Scholarship General Fund	7.190,41	15.640,80	22.540,89	290,32
	Sir Roy Goode Scholarship	10.085,70	28.918,64	7.143,45	31.860,89
	People's Republic of China	55.338,32	22.900,00	20.521,85	57.716,47
<b>Expenditure</b>					
<b>Total</b>	€	<b>72.614,43</b>	<b>67.459,44</b>	<b>50.206,19</b>	<b>89.867,68</b>

<b>UNIDROIT Library</b>	€	<b>Initial Balance</b>	<b>Receipts*</b>	<b>Expenditure **</b>	<b>Balance ***</b>
<b>Receipts</b>					
Donor	Various Italian Law Firms	10.113,99			10.113,99
<b>Expenditure</b>					
	Purchase of books and journals				
<b>Total</b>		<b>10.113,99</b>	<b>0,00</b>	<b>0,00</b>	<b>10.113,99</b>
<b>MAECI</b>					
IPLD		<b>14.810,58</b>	<b>110.000,00</b>	<b>88.418,24</b>	<b>36.392,34</b>
EC FUND	Private Law and Agriculture	<b>47.914,17</b>		<b>28.187,61</b>	<b>19.726,56</b>
PALAZZO	ALDOBRANDINI WORK	<b>735.600,00</b>		<b>29.703,14</b>	<b>705.896,86</b>
<b>BANCA D'ITALIA</b>		<b>25.000,00</b>		<b>25.000,00</b>	<b>0,00</b>
<b>ATLC</b>			<b>97.001,00</b>	<b>11.609,93</b>	<b>85.391,07</b>
<b>UNIFORM LAW FOUNDATION</b>		<b>65.828,36</b>	<b>18.000,00</b>	<b>83.828,36</b>	<b>0,00</b>
<b>GRAND TOTAL</b>	€	<b>1.053.799,97</b>	<b>370.581,09</b>	<b>376.471,00</b>	<b>1.047.910,06</b>

\* Estimated total receipts as at 30 September 2024 including any amounts carried over from 2023

\*\* Estimated expenditure as of 30 September 2024

\*\*\* Estimated balance as of 30 September 2024