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Item No. 4 on the Agenda : Arrears in contributions of member States

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Description of the status of arrears and of the efforts being deployed by the Secretariat to reduce the same</i>
<i>Action to be taken</i>	<i>None</i>
<i>Related documents</i>	<i>None</i>

1. The status of arrears as of September 2007, as recorded in the Appendix to this paper, shows that the situation has in part improved in the last year (€ 207,227.55 compared to 267,521.28 in 2006).

2. In fact, with the exception of a small amount owed by Tunisia, the States with arrears are five instead of seven, two of which owe only the contribution for the year 2006, and only three present a more alarming situation. In comparison with last year's situation, Israel, Nigeria and Venezuela have paid all their arrears, whereas Brazil has paid all the sums unsettled in the previous years and now owes only its 2006; Iran too is late with its 2006 contribution. The Secretariat is liaising, with the Embassies in Rome as well as with the Administrations of the countries concerned, in order to be sure that this issue is brought to the attention of their respective Governments.

3. The Secretariat could be obliged to ask to the General Assembly to impose on the defaulting States the sanctions agreed by the General Assembly at its 58th session, held in Rome on 26 November 2004. It will be recalled that the sanctions in question do not take effect until a member State has accumulated arrears in excess of the aggregate of its assessed contribution for the three, four or five immediately preceding years (cf. Resolution (58) 1 passed by the General Assembly at its 58th session).

4. Bolivia, as of September 2007, has already accumulated five years' arrears, that is for the 2002, 2003, 2004, 2005 and 20056 financial years. It will be recalled that, as a result of a decision taken by the General Assembly, the Government of Bolivia, although a member of the

Institute since 1940, only became liable for an annual contribution as from 2000. The contacts of the Secretariat have not yet resulted in the recovery of the sums, due to the difficult financial situation of this member State.

5. The Government of Argentina has paid the 2006 contribution, which did not require any special procedure, whereas the Embassy has informed the Secretariat that for the previous financial years (2003, 2004 and 2005) the authorisation process required by the budgetary rules in force in the country is under way.

6. Regarding Uruguay, the Secretariat, with the support of the Uruguayan member of the Governing Council, proceeds in its measures aimed to the recover of the owed contributions, relating to 2003, 2004, 2005 and 2006.

7. The Secretariat wishes to assure the Finance Committee that the recovering of the arrears is one of its main concerns, which has caused it to deploy all the necessary efforts.

APPENDIX

**OUTSTANDING CONTRIBUTIONS IN RESPECT OF THE 2006 AND PREVIOUS FINANCIAL YEARS
IN EURO AS OF 3 SEPTEMBER 2007**

	2002	2003	2004	2005	2006	TOTAL
Argentina		11,961.42	24,629.00	25,036.00		61,626.42
Bolivia	10,850.00	11,000.00	11,195.00	11,380.00	11,525.00	55,950.00
Brazil					29,965.00	29,965.00
Iran					11,525.00	11,525.00
Tunisia				3,061.13		3,061.13
Uruguay		11,000.00	11,195.00	11,380.00	11,525.00	45,100.00
Total	10,850.00	33,961.42	47,019.00	50,857.13	64,540.00	207,227.55