The International Institute for the Unification of Private Law: Shipyard for World-Wide Unification of Private Law

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A. The International Institute for the Unification of Private Law: Creation, Mission, and Special Relations with Switzerland

The International Institute for the Unification of Private Law (UNIDROIT) in Rome, just like the International Labour Organization (ILO), was created as a by-product of the first attempt at a global political peace organization, the League of Nations. It was the Italian Government, at the initiative of Vittorio Scialoja, the well-known romanist and translator of Savigny's *System des heutigen römischen Rechts* into Italian, who proposed to the League of Nations in 1924 the founding of the Institute. This happened in 1926. The official opening at Villa Aldobrandini, to this day the seat of UNIDROIT, took place on 30 May 1928, in the presence of King Vittorio Emmanuele III and his fascist government, as well as representatives of the League of Nations and its Member States.

It was not the notorious terrace of Palazzo Venezia and the voice was not cracking, rather it was a stone's throw away uphill a little bit above the Traianei markets and the tilted towers of Torre delle Milizie, in Via Panisperna 28, where, with a solemn and cultivated voice suited for the distinguished ambience of *Sala del Mappamondo* at Villa Aldobrandini, the then Chief of Government and Foreign Minister said the following:

> The government had been keen to make an effective contribution to the intellectual collaboration which has made such promising progress under the auspices of the League of Nations. Therefore, the government has identified one of the many areas of collaboration where there was an especially urgent need for progress on behalf of scientists and businessmen alike. This need is for

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> a centre for study and co-ordination of private law. Indeed the private interests of the citizens of all countries are more and more intertwined and interrelated while the law is far from being the same or even just similar in all legal systems. Thus, what is at stake is the harmonization and co-ordination, yes, the unification of our national laws.[1]

Speeches such as this can be heard today at many an assembly of the United Nations (UN), the European Union (EU), the Council of Europe, meetings of the Lando Group, or one of the other organizations involved in the harmonization of laws. The speaker in 1928, however, was none other than a certain Mr Mussolini.

After Italy had terminated its membership in the League of Nations in 1937 and had given its notice of termination for the UNIDROIT Convention, the Institute had to become independent from its umbrella organization in Geneva. Thus it became a fully independent international organization on the basis of a new statute, signed on 15 March 1940, which entered into force on 21 April 1940, little more than a month later.[2] No longer under the auspices of the League of Nations, the Institute was still under the auspices of a fascist government. However, the latter left as few traces at the Villa Aldobrandini, as it did in the Italian Codice Civile of 1942.

According to Article 1, paragraph 1 of the organic statute, the purposes of the Institute are 'to examine ways of harmonizing and co-ordinating the private law of States and of groups of States, and to prepare gradually for the adoption by various States of uniform rules of private law'. To pursue this purpose the Institute, according to Article 2 of the statute, is an autonomous 'international body responsible to the participating Governments'.

To this day, the Institute has been able to maintain its autonomy, particularly regarding the UN as successor to the League of Nations. Needless to say, its autonomy has not prevented the Institute developing numerous contacts with institutions and organizations who are active in related fields, including:

(a) its older sister in the area of global unification of law, the Hague Conference on Private International Law;
(b) the UN and its various specialized agencies, namely the Commisson for International Trade Law (UNCITRAL/CNUDCI), which brought about the breakthrough for the most important project on the international sale of goods in the form of the Vienna Convention on Contracts for the International Sale of Goods, a project originally dealt with by UNIDROIT;
(c) the UNESCO and the United Nations Economic Commission for Europe (UN/ECE);
(d) a number of regional organizations such as the EU, the Council of Europe, the Commonwealth Council, the Organization of American States (OAS) and the Afro-Asian Consultative Committee on Legal Questions.

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1 (1928) II *Rabels Zeitschrift*, at pp. 477 et seq. (author's translation).
2 SR (Systematic Digest of Swiss federal statutes) 0.202.

Switzerland, beginning with certain Swiss lawyers, but then followed by the Confederation as such, has been interested in and supportive of the idea and work of UNIDROIT from the start. There is ample proof for this in the UNIDROIT archives of 6 September 1963 and in the message by which the Federal Council recommended to the Federal Assembly the ratification of the revised 1961 Statute of UNIDROIT.[3]

> The ratification was necessary at the time because the revised Statute was foreseeing compulsory financial contributions for the participating States and therefore presented itself as an international agreement in the sense of Art. 85 lit. 5 of the Swiss Federal Constitution (BV). Under the old Statute the federal council had been able to handle Swiss membership under its own authority and had at first been paying a voluntary annual contribution of 2,500 Swiss Francs to the operating costs of the Institute. The bulk of this operating costs has always been carried by Italy. For budgetary reasons the Swiss contribution has even been reduced to 2,000 Francs in the early 1950s but was later raised to 5,000 Francs per year. The message of 1963 proposed an annual contribution of 6,000 Francs, two-thirds of the annual and maximum contribution of 10,000 Swiss Francs paid by large Member States such as France and Germany. At present Switzerland is a 4th category Member State, together with Brasil and Spain, and is thus paying an annual contribution of 45,000 Francs (50,5 Mio Lire, respectively 13 units of 3,89 Mio Lire[4]). This can be compared to Switzerland's annual contribution of 62,000 Francs to The Hague Conference and a voluntary payment of 50,000 Francs to UNCITRAL. The entire budget of the Institute in 1997 has been about 3 Mio Swiss Francs of which some 40 per cent are spent on personnel. A mere 70,000 Francs per year is spent for the work of the legal experts.

The 1963 message of the Federal Council also describes the relations of Switzerland to the Institute in Rome up to that time and notes that Alfred Farner, a lawyer from Zurich, had been interim Secretary-General of the Institute from the 1930s up until the years of World War II. An earlier mention of the Rome Institute can be found in the lecture *Zur Frage der internationalen Vereinheitlichung des Privatrechts*, delivered at the Basel Lawyer's Club by Werner Scherrer, then lecturer and later Professor of

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3 (1963) II *BBl.* (Bundesblatt = Official Gazette), at pp. 369 et seq.

4 For comparison: states in the first category such as Russia, the US, the UK, France, Germany, and Japan, are paying 50 units (LIT 195 Mio or CHF156.000); those in the lowest category, namely African, Asian and Latin American countries, are paying 5 units or some CHF15.600.

5 Published as No. 2 of the series edited by the Institute of International Law and International Relations, Basel 1939. *See* Kramer, 'Europäische Privatrechtsvereinheitlichung Institutionen, Methoden, Perspektiven' in (1988) *Vorträge; Reden und Berichte aus dem Europa-Institut der Universität des Saarlandes*, No. 139, at p. 14.

law.[5] Between 1945 and 1951, Carlo Snider, a Swiss from the Tessin, has been Deputy Secretary-General of the Institute. In the 1970s and 1980s, Dr N. Zachmann, a lawyer from Basel, has worked as a freelance collaborator at the Institute and two of the present secretaries are of Swiss origin. The former Swiss Federal Judge and Professor Plinio Bolla was a member of the Governing Council in the 1950s. He was succeeded by Professor Max Gutzwiller from Fribourg, Switzerland in 1962, whose successor in 1969 was Professor Alfred von Overbeck, my predecessor as Director of the Swiss Institute for Comparative Law in Lausanne.

Swiss jurists also left their mark on a number of important projects of UNIDROIT. In the 1970s, Hans Merz, a private law teacher from Berne who died in 1995, was most enthusiastically involved in the drafting of a uniform law on the good faith acquisition of mobile property. More recently, Pierre Lalive, a specialist of private international law and art law from Geneva, presided over the Inter-Governmental Conference for the preparation of the 1995 Rome Convention on Stolen or Illegally Exported Cultural Objects and also presided over Committee I at the Diplomatic Conference, which was in charge of the material deliberations of the draft.

Switzerland, as a state, organized a diplomatic conference for UNIDROIT in 1983 and presided over the main committee. This Conference took place in Geneva and led to the adoption of the 1983 Convention on Agency in the International Sale of Goods. Originally, this Convention had been intended as an annex to the Vienna Convention on Contracts for the International Sale of Goods. However, it has not yet entered into force due to the excessive number of ten ratifications prescribed as a condition following a proposal of the Soviet Union.

The devotion of Switzerland and Swiss jurists to the goals of UNIDROIT from the very beginning demonstrates idealism as well as vision and understanding regarding international co-operation, a field in which it is frequently the small states who can contribute and move a lot. Notably, Switzerland can offer and has offered its experience with its own harmonization of private law, which has led to a widely considered and highly esteemed Civil Code. While this experience is regional rather than global, compared to the aspirations of the Rome Institute (the use of the word regional rather than national here is deliberate) the task was no less formidable. In those days, however, it was still possible for a single and exceptionally qualified jurist to act as personification of the legislator. Those Swiss jurists who collaborated in the bodies and committees of UNIDROIT were shaped by this experience but were at the same time open for harmonization of rules at a higher level. As acknowledged teachers and practitioners they had the necessary weight to lead the way in the search for internationally acceptable solutions.

Whenever the position of Switzerland in the international community of states and the relative isolation due to its non-integration in the EU and the UN is discussed, the Swiss like to point out those numerous organizations in which Switzerland is a full member and does its share of the work and decision making. The Council of Europe and the OSCE are most frequently mentioned in this context. Institutions like the Hague Conference or UNIDROIT, on the other hand, are rarely

known outside of a small circle of experts, and yet in a less spectacular way they sometimes achieve more for the individual than all the noisy political wrestling in New York and Brussels. The fact that it has never been much politicized is a major achievement of UNIDROIT.[6] This is not to say that there never were any clashes of interests and even 'national' interests in the expert committees which necessitated difficult searches for compromise. However, if the fine line of objective argument was transgressed occasionally, it was due to the temperament of individual delegates rather than divergences in legal or technical questions.

B. The Projects of UNIDROIT

The history of UNIDROIT is primarily a history of its projects. Two of these projects stand out in many ways and form the very historic pillars. They are also materially closely connected. The first project and flagship for which UNIDROIT was to be the wharf, was the harmonization of the law on the sale of goods. This project was initiated in 1926 by Ernst Rabel, at the time Director of the Kaiser-Wilhelm-Institute for Foreign and International Private Law in Berlin. He convinced the Governing Council of the Rome Institute, of which he was a member, to pursue the topic, and acted as *rapporteur général* for the *Comité d'étude* appointed in 1930.[7] As it is widely known, the resulting study or *étude*, as the projects are called in UNIDROIT jargon, led to the two Hague Conventions on the International Sale of Goods of 1964 and, thanks to the adoption and revision of the project by UNCITRAL, to the 1980 Vienna Convention on Contracts for the International Sale of Goods, the CISG. Thus, it is fair to say that the work on this project of global harmonization of law was begun by UNIDROIT and lasted for more than half a century. The most recent work of comparable magnitude and acclaim launched directly by UNIDROIT is yet another merchant ship, to stick to the analogy, the Principles of International Commercial Contracts.

Even though both texts have very different methodological approaches, there is a close relationship. In the 1930s the Committee presided over by Rabel already met with considerable scepticism on behalf of those who wanted to leave it up to the merchants to regulate their own affairs and expected nothing but petrification from a uniform law, however optional it would be.[8] This is the never ending story of codification versus natural law development. On an international level, it is the present-day version of the struggle of Savigny versus Thibault.

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[6] Some exceptions have occurred, for example when the participation of delegations from internationally problematic states such as South Africa or Israel at the diplomatic conferences was discussed.

[7] *See* (1935) 9 *Rabels Zeitschrift*, at pp. 1 et seq. and 339 et seq.

[8] *See Rabels Zeitschrift*, ibid., at p. 1.

The UNIDROIT Principles take this critique into account when they make it clear that they are merely a kind of 'restatement'. Nevertheless, they must not be reduced to mere soft law. This is most evident where they are complementary to the Vienna Convention, for example in respect of other types of agreements than contracts for the sale of goods, and in those respects left open by the Vienna Convention, for example the formation and the validity of the contracts.[9] As can be seen, there is a relatively complex dialectical relationship between the two instruments which needs to be further elaborated in other discussions.

The following pages will provide a short overview of the other topics taken up by the Rome Institute in its almost 70 years of existence. However, of the more than 70 studies produced, only the most important shall be mentioned.

I. Transport Law

Transport law has traditionally been a focus of the work of the Institute. This should not be surprising since transport law not only plays a complementary role to the law regulating international trade and commerce but also lends itself by its very nature to harmonization and unification. Mobility of goods and factors of production is a prerequisite for and a consequence of international trade relations and this mobility is evidently enhanced where differences in the legal framework for trade and commerce between different countries are few and small.

Particularly noteworthy in this context is the 1956 CMR[10] Convention on the Contract for the International Carriage of Goods by Road which was adopted by the Committee on Internal Transport of the UN Economic Commission for Europe,[11] as well as the CVR[12] Convention on the Contract for International Carriage of Travellers and their Luggage by Road.

While parallel conventions for transport by ship (CLN[13] and CVN[14]), for which UNIDROIT had provided decisive studies, have never entered into force, the Additional Protocols 1 and 2 to the 1965 Convention on the Registration of Inland

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[9] *See* J. Bonell, 'Das UNIDROIT-Projekt für die Ausarbeitung von Regeln für internationale Handelsverträge' in (1992) 56 *Rabels Zeitschrift*, at pp. 274 et seq.; J. Bonell, *An International Restatement of Contract Law* (New York 1994), in particular ch. 4, 1(b), at pp. 44 et. seq.; and J. Bonell, 'The Unidroit Principles of International Commercial Contracts and CISG Alternatives or Complementary Instruments?' in (1996) 1 *Uniform Law Review*, at pp. 26 et. seq.

[10] Convention relative au contrat de transport international de Marchandise par Route.

[11] SR 0.741.611.

[12] Convention relative au contrat de transport international de Voyageurs et de bagages par Route.

[13] Convention relative à la Limitation de la responsabilité des propriétaires de bateaux en Navigation intérieure.

[14] Convention relative au contrat de transport international de Voyageurs et de bagages en Navigation intérieure.

Navigation Wessels,[15] to which Switzerland has acceded, were also constructed in UNIDROIT's shipyard.

Further mention should be made of the works relating to the insurance of motor vehicles which served as foundation for the BeNeLux Treaty on Compulsory Insurance against Civil Liability in Respect of Motor Vehicles. On the other hand, a draft convention on strict liability for motor vehicles has never entered into force even though it was adopted by the Council of Europe. One reason for the failure of this Convention is that Germany discovered, after it had signed but before it had ratified the Convention, an apparent incompatibility between the notion of *force majeure* and the notion of circumstances beyond control (*Unabwendbarer Ereignis*), and ever since seems unable or unwilling to overcome the problem by giving one of the notions a different interpretation.[16]

The next and last of the projects on international shipping and transport focused yet again on liability. This was the Convention on Civil Liability for Damages Caused during the Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessel (CRTD).[17] It was adopted under the auspices of the UN Economic Commission for Europe and signed in 1989 at Geneva. The topic had been taken up after a disastrous road accident in Spain, where a truck loaded with a highly explosive liquid had swerved off a road into a campground at Los Alfaquez, killing dozens of people. However, with the memory of the accident fading, the Convention never received enough ratifications for its entry into force.

Another agreement, which could be counted amongst those on the law of international transport and shipping, is the Convention on the Liability or rather limitations to the liability of Operators of Transport Terminals in International Trade. This Convention has been adopted by UNCITRAL but generally met with little interest so far.

Other projects in this context are a number of conventions dealing with the law relating to travelling. The first to be mentioned is the 1970 International Convention on the Travel Contract,[18] which, however, has never been ratified by most European states,[19] including Switzerland, and today is obsolete due to stricter rules contained in EU Directives and their respective national implementing laws. Switzerland not being a Member State of the EU has followed suit in its policy of autonomous parallelism.[20] Another convention drafted by UNIDROIT is the 1962 European

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15 SR 0.747.201.

16 Cf. Sechster Bericht des Bundesrates über die Schweiz und die Konventionen des Europarates, (1996) I *BBl.*, at p. 433 et seq., lit. 4.6.9.

17 Convention sur la Responsabilité civile pour les dommages causés au cours du Transport de marchandises Dangereuses par route, rail et bateaux de navigation intérieure. For more details *see* P. Widmer, 'Reformüberlegungen zum Haftpflichtrecht', in *Symposium Stark, Neuere Entwicklungen im Haftpflichtrecht* (Zurich 1991), at pp. 49 et seq.

18 Convention relative au Contrat de Voyage (Brussels 1970).

19 Belgium, besides Italy the only contracting state in Europe, has given notice in 1994.

20 Cf. SR 944.3.

Convention on the Liability of Hotel-Keepers concerning the Property of their Guests. In a way, this Convention is a modern re-uniformization of the ancient roman law of liability, which can be found in many national legal systems to this day (for example in Art. 487 et seq. of the Swiss Code on Obligations). However, due to a certain consumer friendly bias, this Convention was fiercly opposed by the lobby of Swiss hotels and hotel owners and was never ratified or even signed by Switzerland. Another project aiming at the introduction of uniform law for the contract of accommodation in general, and in particular for reservations, cancellations and the problem of 'no shows', fell through completely in the 1980s due to the determined resistance of the lobby, in particular the Swiss interest groupings.[21] It may be that more readiness for co-operation in these matters would have done Swiss hotels and hotel owners and their image a lot of good at a time when this image is not exactly glowing.

II. Other Instruments

Four more instruments for uniform law shall briefly be mentioned, all of which have been launched by UNIDROIT or in some other way credit their existence to the Rome Institute. The first is the 1973 Washington Convention providing a Uniform Law on the Form of an International Will, which, however, has hardly been noticed in Switzerland. There is also the above-mentioned 1983 Geneva Convention on Agency in the International Sale of Goods, which unfortunately has not yet entered into force. Thirdly, there are two Ottawa Conventions of 1988 on International Financial Leasing and International Factoring. Once more, these have long been awaiting their ratification in Switzerland. Last but not least, there is the project which has clearly drawn more attention in Switzerland to the work of UNIDROIT than any other, although unfortunately not in the positive sense: the Rome Convention of 24 June 1995 on Stolen or Illegally Exported Cultural Objects. The Federal Council signed this Convention in 1996 together with 21 other states[22] against fierce resistance from the arts and antiques trade. Before this Convention will be ratified by Switzerland, more heated debate can be expected. Personally, I feel that it would be most unfortunate if Switzerland, in particular given the recent disputes on its role during World War II would now also be perceived as dragging its feet in the international combat against trade in stolen art treasures.

Finally, it may be worth mentioning that the Council of Europe Convention on Product Liability, which in itself was never ratified by more than four states but served as model and quarry for the respective EU Directive and for the parallel product liability legislation in Switzerland, has its very roots in a series of comparative studies undertaken by the Rome Institute.

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[21] Cf. the above-mentioned (note 16) Report of the Federal Council on Switzerland and the Conventions of the Council of Europe, Berne 1996, p. 450, lit. 4.6.2.

[22] Most notable among these are France, Hungary, Finland, the Netherlands, and Italy. Lithuania has already ratified the Convention in the meantime, and China has signed it.

III. Projects Currently Pending in Rome

The most important of pending projects is a Draft Convention on International Interests in Mobile Equipment, which will be ready for public debate shortly. Similarly, a draft for a Legal Guide to Master Franchise Agreements should be ready for publication before the end of 1998. Another project is temporarily on hold, namely a Draft Convention on Civil Liability for Hazardous Activities in General. The idea for this project came up during the work on the Convention on Civil Liability for Damage caused during Carriage of Dangerous Goods and was developed notably as a response to the catastrophe of Bophal. However, at the moment the Institute simply does not have the necessary resources for such an ambitious project. As far as Europe is concerned, the underlying goal has theoretically already been achieved in the form of the 1993 Lugano Convention on Civil Liability for Damage Resulting from Activities Dangerous to the Environment.[23] However, the latter still awaits its practical implementation. There is also the project of expanding and revising the Principles, which was taken up in March 1998.

In general, however, UNIDROIT is planning to focus on making its uniform law better known and on supporting its practical application, rather than on trying to come up with ever new conventions on ever more topics over the coming years. This will be done by systematic evaluation of published court decisions and the construction of a corresponding database in collaboration with other interested organizations and should be seen as a wise shift in policy towards more modest ambitions. This project will be central to UNIDROIT's activities over the next couple of years. Its realization shall be supported by a newly created foundation.

Not least because I am sharing some of the responsibility for it, I shall not forget to mention another project. In the framework of a new *Programme de co-opération juridique* the Rome Institute has been offering legal development aid to countries primarily in Africa, Asia and Latin America, as well as in Central and Eastern Europe. At the same time, this projects aims at winning these countries for a collaboration in the harmonization of private law. A close co-operation with the Swiss Institute of Comparative Law in Lausanne has developed in the same context.

C. Organization and Working Method

As mentioned above in the historical introduction, UNIDROIT is an international organization, financed and governed by the governments of its Member States. Italy, the state of domicile, has traditionally provided special contributions and the President for the Institute. At the moment this is Professor Luigi Ferrari Bravo,

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[23] *See* the above-mentioned (note 16) Report by the Federal Council on Switzerland and the Conventions of the Council of Europe, Berne 1996, pp. 455 et seq. lit., 4.6.13.

sucessor to Professor Riccardo Monaco. Besides their academic work, both of them are and were advisers to the Italian Government in questions of international law and delegates to numerous other international organizations.

At the time of writing, 57 states from all over the world are participating states of the Institute. All of them send delegates to the annual General Assembly which approves the annual accounts of income and expenditure and the draft budget for the coming year. Any changes to the scale of the participating states' contributions and the classification of the participating states into that scale also needs to be approved by the General Assembly. Most participating states are sending representatives of their embassies in Rome to this assembly. The Swiss delegate currently is Minister Ingrid Apelbaum.

Every three years it is the task of the General Assembly to ratify the work programme proposed to it by the Governing Council. The latter is appointed by the General Assembly for a term of office of five years and consists of 25 members nominated by the participating states *ad personam*.[24] The main task of the Governing Council is the formulation of the Institute's policy and the scientific supervision of its work. Administrative and personnel questions are dealt with by a sub-grouping of the council, the so-called Permanent Committee.

As the highest scientific organ, the Governing Council is involved in all projects of the Institute. Thus, very nearly every single expert committee has been composed of, *inter alia*, one or more members of the Governing Council. In particular when the Principles were drafted, there was a lot of interest from the Council and lively debate of certain questions in the annual General Assembly. As the project co-ordinator will recall, however, not all contributions were based on sound knowledge of the underlying issues and sometimes it took considerable diplomatic skill to call them 'very precious suggestions' without sounding in the least ironic.

It was the same Governing Council that decided in May 1994 to 'release the Principles for their publication' even though this procedure was not foreseen in the statute nor ever before applied. Subsequently, and this article renders further proof, the Principles as a kind of restatement, met with considerable interest and overall positive comments in spite of their rather unorthodox procedure of adoption.

So far the analysis has focused only on the principal decision-making organs, to which a special Administrative Tribunal for staff cases must also be counted. However, the bulk of the work, and this is true for the scientific as well as the administrative work, is borne by the Institute's Secretariat. This Secretariat consists of a Secretary-General and his Deputy, who in turn are supported by a team of currently no more than four lawyers, as well as a translator and redactor and a part-time scientific adviser. The latter is at the same time professor at Rome's La Sapienza University and Director of the *Centro di studi e ricerche di diritto comparato e*

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[24] The publication of the statute in SR is not up to date in this respect (Art. 6, para. 1). The number of councillors has been increased from 21 to 25 in 1993.

straniero (Centre for Comparative and Foreign Law Studies, www.cnr.it/crdcs/centre.htm). The Centre is housed at the same address as the Institute and, besides many other activities, operates a very useful database on the CISG. The Institute library employs a director and four other persons. Thus, including secretaries, accountants, and facility management, a mere 18.5 persons are operating this international organization.

The position of Secretary-General has been vacant until recently. Malcom Evans from Wales was the last person to hold this post. He died early in 1997 at the age of only 55. With his tireless energy he provided new direction for the Institute while never considering any task too lowly for himself. Until a successor was nominated, Walter Rodinò, who had been Director of the Library and Deputy Secretary-General for many years, was Acting Head of the Institute. The new Secretary-General, Professor Herbert Kronke, was appointed by the annual General Assembly in February 1998.

As far as the working method is concerned, the Principles, with their relatively long and intense genesis and special nature, are not exactly typical of the Institute. In their case, a study group spent all of approximately 15 years working on them. Normally, the study group is the second phase of a procedure that begins with initial comparative studies and reports by the Secretariat, or an outside expert invited by the Secretariat, on the needs of practitioners. On the basis of these preliminary results the Governing Council then decides whether a project is to be pursued and if so turns the task of producing a draft convention over to a study group consisting of a small number of experts. Usually, lawyers in academia or high ranking civil servants are appointed to the study groups. While they do not receive any instructions from their home countries or any other source, they are free to invite interest groupings or other national and international organizations for hearings or collaboration.

The results of the work of the study group are circulated among participating state governments to find out whether the draft meets with sufficient interest. If the response is positive, there are two alternative avenues towards fruition and adoption. The first involves the creation of a governmental committee of experts charged with the revision of the draft under economic, social and general political aspects for subsequent debate and adoption by a diplomatic conference. The diplomatic conference in turn is then organized by the Secretariat of UNIDROIT, usually in co-operation with a host country. The second alternative, which was employed in the case of the various conventions on the law of transport and shipping, is the adoption of a draft text by another international organization which then takes care of the final procedural steps within its own administrative framework and organizational means.

D. Laudatio

Finally, a few personal remarks under this rather bombastic heading, and also an offering of praise to UNIDROIT as one of the few international organizations where the benefits far outweigh the costs in spite of or maybe because of its working in the background or even in the shadow of much larger and more boastful institutions. It is important to see in this context that the benefits do not only consist of those conventions that were actually ratified by enough states and have entered into force. Amongst the benefits we must also count the systematic laying of a foundation for international harmonization of law. Decades of patient and professional analysis and synthesis have provided innumerable pathways for more harmonized and more uniform law via projects of other organizations and, of course, via those persons who were involved in UNIDROIT projects and subsequently left their mark on national legislation and scientific debate.

The Principles are a paradigmatic example of this very special and somehow intimate style of working. What is unusual about them, when compared to other UNIDROIT projects, is the widespread and immediate interest they have created, making them look almost like a bestseller or box-office success. Maybe this success should not seem surprising, however, in the age of globalization. In any case, it is to be hoped that UNIDROIT, as an organization, can somehow benefit from this success. It will take the conviction and support of ever more participating states and other parties to keep the *feu sacré* alive at Villa Aldobrandini, and to allow this fire to burn hot enough for the continued forging of the finest achievements of national and regional legal culture into universal rules. Rules which, like the Principles, will be observed in the absence of any formal enforceability because of their quality and power of persuasion.