

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 524 final

Brussels, 25 September 1984

## RECOMMENDATION FOR COUNCIL DECISION

concluding the International Agreement on Tropical Timber 1983

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## RECOMMENDATION FOR COUNCIL DECISION

giving notification of the provisional application of the International Agreement on Tropical Timber 1983

(submitted to the Council by the Commission)

COM(84) 524 final

## EXPLANATORY MEMORANDUM

The International Agreement on Tropical Timber, 1983 was signed by the European Economic Community and its Member States on 29 June 1984 in New York, where it has been deposited with the Secretary-General of the United Nations.

Article 37 of the Agreement provides for its definitive entry into force on 1 October 1984, provided that it has been concluded by 12 governments of producer countries, holding at least 550 of the 1 000 votes allocated to this group of countries, and by 16 governments of consumer countries holding at least 700 of the 1 000 votes allocated to this group. It should be noted that the Community and its Member States account for almost 40% of the 70% of consumer countries' votes required for the Agreement to enter into force and that Japan, with 47% of the required 70%, has already lodged the instrument binding it to the Agreement.

The conclusion of the Agreement by the Community and its Member States is therefore clearly important both economically and politically. However, there are fears that the procedures for concluding the Agreement may be held up in some of the Member States. Hence it is desirable for the Community and its Member States to give notice of their willingness to apply the Agreement provisionally, in accordance with Article 36 thereof, immediately it comes into force, thus demonstrating in a practical fashion their wish to see that the conditions for entry into force on the due date are met.

The Commission therefore calls upon the Council to adopt the two draft decisions set out below.

RECOMMENDATION FOR COUNCIL DECISION

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concluding the International Agreement on Tropical Timber, 1983

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Articles 113 and 116 thereof,

Having regard to the Recommendation from the Commission,

Whereas the International Agreement on Tropical Timber, 1983  
was signed by the Community and its Member States on 29 June 1984;

Whereas the application of the said Agreement presupposes both  
measures by the Community and joint measures by its Member States;

Whereas the Community and its Member States should therefore  
conclude the International Agreement on Tropical Timber, 1983,  
which has been deposited with the Secretary-General of the  
United Nations in New York,

HAS DECIDED AS FOLLOWS:

Article 1

The European Economic Community hereby approves the International  
Agreement on Tropical Timber, 1983.

The Member States shall ratify this Agreement in accordance with  
their respective national laws.

The text of the Agreement is annexed to the Council Decision  
of ..... giving notification of the provisional  
application of the said Agreement.<sup>1</sup>

Article 2

The President of the Council is hereby authorized to designate the person empowered to deposit the instrument of approval on behalf of the Community.

Article 3

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council

The President

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<sup>1</sup>OJ No L

RECOMMENDATION FOR COUNCIL DECISION

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giving notification of the provisional application of  
the International Agreement on Tropical Timber, 1983

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Articles 113 and 116 thereof,

Having regard to the Recommendation from the Commission,

Whereas the International Agreement on Tropical Timber, 1983  
was signed by the Community and its Member States on 29 June 1984;

Whereas the application of the said Agreement presupposes both  
measures by the Community and joint measures by its Member States;

Whereas the Community and its Member States should therefore  
notify the Secretary-General of the United Nations, with whom  
the International Agreement on Tropical Timber, 1983 is deposited,  
of their intention to apply this Agreement provisionally,

HAS DECIDED AS FOLLOWS:

Article 1

The Community and its Member States hereby notify the Secretary-General  
of the United Nations that they intend to apply the International  
Agreement on Tropical Timber, 1983 provisionally, in accordance  
with Article 36 thereof, when the said Agreement comes into force  
pursuant to Article 37 thereof.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to deposit this notification of provisional application on behalf of the Community.

The text of the notification is annexed to this Decision.

Article 3

This Decision shall be published in the Official Journal of the European Communities.

Done at

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For the Council

The President

NOTIFICATION OF PROVISIONAL APPLICATION OF THE  
INTERNATIONAL AGREEMENT ON TROPICAL TIMBER, 1983

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In accordance with the provisions of Article 36 of the International Agreement on Tropical Timber, 1983, the Council of the European Communities hereby informs the Secretary-General of the United Nations, with whom the Agreement is deposited, that it intends to set in motion the institutional procedure for approving the said Agreement and that the Community will also apply the Agreement provisionally, when it enters into force in accordance with Article 37 thereof.

**INTERNATIONAL TROPICAL  
TIMBER AGREEMENT,  
1983**



**UNITED NATIONS**  
New York, 1984



**NOTE**

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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## INTRODUCTION

1. The United Nations Conference on Trade and Development, in its resolution 93 (IV) of 30 May 1976 on the Integrated Programme for Commodities, requested the Secretary-General of UNCTAD to convene preparatory meetings for international negotiations on individual products and, as and when required, commodity negotiating conferences as soon as possible after the completion of such preparatory meetings. Pursuant to that resolution, six preparatory meetings on tropical timber were held between May 1977 and June 1982. During that period, two intergovernmental groups of experts were convened to examine research and development and market intelligence issues. The Sixth Preparatory Meeting, held from 1 to 11 June 1982, recommended that a Meeting on Tropical Timber be convened to further consider remaining institutional issues and requested the Secretary-General of UNCTAD to make provision with a view to convening a negotiating conference early in 1983.

2. Accordingly, pursuant to that request, a Meeting on Tropical Timber was held from 29 November to 3 December 1982 and the Secretary-General of UNCTAD convened the United Nations Conference on Tropical Timber, 1983, on 14 March 1983. The Conference, which was opened by Mr. Alister McIntyre, Deputy Secretary-General of UNCTAD, was held at the Palais des Nations, Geneva, in two parts: the first from 14 to 31 March 1983 and the second from 7 to 18 November 1983. Mr. Tatsuro Kunugi (Japan) was elected Chairman of the Conference, and Mr. Sunaryo H. Darsono (Indonesia) and Mr. Alfonso López Araujo (Ecuador) were elected Vice-Chairmen.

3. The Conference had before it draft texts submitted by Japan,<sup>1</sup> the Governments of tropical timber producing countries,<sup>2</sup> the Nordic countries, Finland, Norway and Sweden,<sup>3</sup> and the United States of America.<sup>4</sup> The UNCTAD secretariat prepared a working document containing these texts presented in tabular form.<sup>5</sup>

### Participation and credentials

4. Representatives of 69 States participated in the Conference. The first part of the Conference was attended by the representatives of 65 States, 64 attending as participants and one as an observer, and the second part by the representatives of 64 States attending as participants. Representatives of the European Economic Community participated in both parts of the Conference.

5. In servicing the Conference, the UNCTAD secretariat was assisted by the secretariat of the Food and Agriculture Organization of the United Nations. A number of other United Nations bodies and specialized and related agencies of the United Nations, and two national liberation movements invited to participate pursuant to General Assembly resolutions 3280 (XXIX) and 31/152, sent observers to the Conference. Two intergovernmental organizations were admitted as observers by decision of the Conference.<sup>6</sup>

6. At each part of the Conference, the credentials of the representatives of States participating in the Conference were approved on the recommendation of the Credentials Committee.

### Structure of the Conference

7. At its 1st plenary meeting, on 14 March 1983, the Conference adopted its agenda<sup>7</sup> and its rules of procedure<sup>8</sup> and established an Executive Committee of the Whole to deal with agenda items 7 and 8 in closed session. It subsequently appointed a Credentials Committee to examine the credentials of the representatives of States participating in the Conference.<sup>9</sup>

### EXECUTIVE COMMITTEE

8. The Executive Committee, whose officers were the same as those of the Conference, held 26 meetings. At its 5th meeting, on 17 March 1983, it established a Legal Drafting Committee.<sup>10</sup> The Chairman convened, as and when necessary, an informal contact group to deal with a number of key issues pending in the Executive Committee. This Contact Group of the Chairman held 12 meetings. At its 26th meeting, on 18 November 1983, the Executive Committee, having examined a draft text of the International Tropical Timber Agreement, 1983, and the texts of two draft resolutions, decided to recommend them for adoption by the Conference.

### LEGAL DRAFTING COMMITTEE

9. The Legal Drafting Committee, the membership of which comprised Egypt, France, Gabon, Indonesia, Ivory Coast, Japan, Mexico, Philippines, Spain, Trinidad and Tobago, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America,

<sup>6</sup> For the list of States and organizations represented at the Conference, see page 4 below.

<sup>7</sup> TD/TIMBER/5, reproduced on page 5 below.

<sup>8</sup> TD/TIMBER/2 and TD/TIMBER/6.

<sup>9</sup> For the composition of the Credentials Committee, see paragraph 11 below.

<sup>10</sup> For the composition of the Legal Drafting Committee, see paragraph 9 below.

<sup>1</sup> TD/B/IPC/TIMBER/38 and Corr.1.

<sup>2</sup> TD/TIMBER/R.2.

<sup>3</sup> TD/TIMBER/R.3.

<sup>4</sup> TD/TIMBER/R.4.

<sup>5</sup> TD/TIMBER/R.1.

was established to examine the texts of articles referred to it for the purpose of ensuring consistency from the legal and linguistic standpoints, and to correct all linguistic, grammatical and typographical errors in the Arabic, English, French, Russian and Spanish texts of the Agreement.

10. The Legal Drafting Committee, which was chaired by Mr. Roger Taylor (United Kingdom), held nine meetings.

#### CREDENTIALS COMMITTEE

11. The Credentials Committee was appointed by the Conference at its 3rd plenary meeting, on 15 March 1983, with the following membership: Ghana, Thailand, Union of Soviet Socialist Republics, United States of America, and Venezuela. The Committee, which was chaired by Ms. Morella Ferrero (Venezuela), held two meetings and prepared two reports,<sup>11</sup> both of which were approved by the Conference.

#### Closure of the Conference

12. At its 7th (closing) plenary meeting, on 18 November 1983, the Conference established the text of the International Tropical Timber Agreement, 1983.<sup>12</sup> The United States of America reserved its position on article 10 and article 2 (8) of the Agreement. The Conference also noted the intention of the producing countries of Asia present at the Conference to pursue in the International Tropical Timber Council the question of a wider definition of tropical timber products resulting from further processing.

13. At the same meeting, the Conference, having noted a statement of financial implications,<sup>13</sup> adopted a resolution on the establishment of a Preparatory Committee for the International Tropical Timber Council and a final resolution.<sup>14</sup>

#### Main features of the Agreement

14. The main objective of the Agreement is to provide an effective framework for co-operation and consultation between tropical timber producing and consuming countries with regard to all relevant aspects of the tropical timber economy. The Agreement seeks to promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market; to promote research and development with a view to improving forest management and wood utilization; to improve market intelligence; to encourage increased and further processing of tropical timber in producing member countries; to encourage reforestation and forest management activities; to improve marketing and distribution of tropical timber exports of producing members; and to encourage the development of national policies aimed at sustainable utilization and conservation of tropical forests and their genetic resources and at

maintaining the ecological balance in the regions concerned.

15. In order to provide an international framework for the achievement of these objectives, the Agreement establishes an International Tropical Timber Organization, which will function through the International Tropical Timber Council and the following three permanent committees:

(a) Committee on Economic Information and Market Intelligence;

(b) Committee on Reforestation and Forest Management; and

(c) Committee on Forest Industry.

The location of the headquarters of the Organization will be decided on by the Council at its first session. At the first part of the Conference, Belgium, France, Greece, Japan, the Netherlands and the United Kingdom of Great Britain and Northern Ireland offered Brussels, Paris, Athens, the Tokyo Metropolitan Area, Amsterdam and London, respectively, as possible sites for the headquarters of the Organization. At the second part of the Conference, Indonesia offered Jakarta as a possible site for the headquarters.

16. The operational activities of the Council and the permanent committees fall into two basic categories. The first consists of arranging for the formulation and implementation of projects in the fields of research and development, market intelligence, further and increased processing, and reforestation and forest management. The second consists, *inter alia*, of continuously monitoring trade and ongoing activities in the tropical timber economy; reviewing regularly future needs of trade and the support and assistance being provided at various levels for the production of tropical timber; identifying and considering problems and possible solutions to them; conducting relevant studies; and encouraging increased transfer of know-how and technical assistance.

17. Under the criteria specified in the Agreement, projects should be related to the production and utilization of industrial tropical timber and yield benefits to the tropical timber economy as a whole. They should also be related to the maintenance and expansion of the international tropical timber trade and offer reasonable prospects for positive economic returns in relation to costs.

18. The International Tropical Timber Organization will seek finance for projects approved by the Council. Such projects may be taken up by another financing and executing agency, or they may be financed from funds in the Special Account, established under the Agreement, and carried out by an executing agency. Possible sources of finance for the Special Account are the Second Account of the Common Fund when it is established, regional and international financing institutions, and voluntary contributions from Governments or other sources.

19. The Agreement provides that the International Tropical Timber Organization shall, to the maximum extent possible, utilize the facilities, services and expertise of existing intergovernmental, governmental or non-governmental organizations, in order to avoid

<sup>11</sup> TD/TIMBER/7 and TD/TIMBER/9.

<sup>12</sup> Reproduced on page 7 below.

<sup>13</sup> TD/TIMBER/1.6/Add.1

<sup>14</sup> TD/TIMBER/10 and Corr.1, reproduced on page 6 below.

duplication of efforts in achieving the objectives of the Agreement and to enhance the complementarity and the efficiency of their activities.

#### **Entry into force and duration**

20. The Agreement is open for signature at United Nations Headquarters from 2 January 1984 until one month after the date of its entry into force by Governments invited to the United Nations Conference on Tropical Timber, 1983. For the Agreement to enter into force definitively, 12 Governments of producing countries holding at least 55 per cent of the total votes as set out in annex A to the Agreement, and 16 Governments of consuming countries holding at least 70 per cent of the total votes as set out in annex B to the Agreement, must either sign the Agreement definitively or deposit instruments of ratification, acceptance, approval or accession. If the requirements for definitive entry into force are not met by 1 October 1984, the Agreement will enter into force provisionally on that date or on any date within six months thereafter, if 10 Governments of producing countries holding at least 50 per cent of the total votes, as set out in annex A to the Agreement, and

14 Governments of consuming countries holding at least 65 per cent of the total votes, as set out in annex B to the Agreement, have either signed the Agreement definitively or have deposited instruments of ratification, acceptance or approval, or have notified the depositary that they will apply the Agreement provisionally.

21. If the requirements for definitive or provisional entry into force have not been met by 1 April 1985, the Secretary-General of the United Nations is requested to invite those Governments which have either signed the Agreement definitively, or have deposited instruments of ratification, acceptance or approval, or have notified the depositary that they will apply the Agreement provisionally, to meet at the earliest time practicable to decide whether to put the Agreement into force provisionally or definitively among themselves in whole or in part.

22. The Agreement will remain in force for a period of five years from the date of its entry into force, unless the Council decides to extend, renegotiate or terminate it. The Agreement provides that the Council may decide to extend the Agreement for not more than two periods of two years each.

## LIST OF STATES AND ORGANIZATIONS REPRESENTED AT THE UNITED NATIONS CONFERENCE ON TROPICAL TIMBER, 1983\*

### I. Participants

Argentina	Liberia (first part)
Australia	Luxembourg**
Austria	Madagascar
Belgium**	Malaysia
Bolivia	Malta
Brazil	Mexico
Bulgaria	Netherlands
Burma (second part)	New Zealand
Canada	Nigeria (first part)
Central African Republic	Norway
Chile	Panama (first part)
Colombia	Peru
Congo	Philippines
Costa Rica	Republic of Korea
Denmark	Romania
Dominican Republic (second part)	Spain
Ecuador	Sudan
Egypt	Suriname (first part)
El Salvador	Sweden
Finland	Switzerland
France	Thailand
Gabon	Trinidad and Tobago
Germany, Federal Republic of	Turkey
Ghana	Union of Soviet Socialist Republics
Greece	United Kingdom of Great Britain and Northern Ireland
Guatemala	United Republic of Cameroon
Haiti (first part)	United Republic of Tanzania
Honduras	United States of America
India	Venezuela
Indonesia	Viet Nam (second part)
Iraq (second part)	Yugoslavia
Ireland	Zaire
Israel	
Italy	*
Ivory Coast	* * *
Japan	European Economic Commu- nity
Jordan (second part)	

\* The full list of participants was distributed in documents TD/TIMBER/INF.1 and TD/TIMBER/INF.2 and Corr 1.

\*\* Belgium represented Luxembourg at the first and second parts.

### II. Observers

<i>State</i>
Burma (first part)
<i>United Nations</i>
Economic Commission for Europe
United Nations Industrial Development Organization
United Nations Environment Programme
International Trade Centre UNCTAD/GATT
<i>Specialized and related agencies</i>
Food and Agriculture Organization of the United Nations
International Labour Organisation
International Monetary Fund
* * *
General Agreement on Tariffs and Trade
<i>Intergovernmental organizations</i>
African Timber Organization <sup>a</sup>
Permanent Secretariat of the General Treaty on Central American Economic Integration <sup>b</sup>
<i>National liberation movements</i>
Pan Africanist Congress of Azania <sup>c</sup>
South West Africa People's Organization (first part) <sup>d</sup>

<sup>a</sup> Participated by decision of the Conference at its 2nd plenary meeting, on 14 March 1983.

<sup>b</sup> Participated by decision of the Conference at its 1st plenary meeting, on 14 March 1983.

<sup>c</sup> Invited to participate pursuant to General Assembly resolution 3280 (XXIX).

<sup>d</sup> Invited to participate pursuant to General Assembly resolution 31/152.

**AGENDA OF THE UNITED NATIONS CONFERENCE  
ON TROPICAL TIMBER, 1983**

1. Opening of the Conference.
2. Adoption of the agenda.
3. Adoption of the rules of procedure.
4. Election of officers.
5. Credentials of representatives:
  - (a) Appointment of a Credentials Committee;
  - (b) Report of the Credentials Committee.
6. Establishment of an Executive Committee and of other committees as required.
7. Preparation of an International Tropical Timber Agreement.
8. Consideration and adoption of final resolutions.
9. Other business.

**RESOLUTIONS ADOPTED BY THE UNITED NATIONS CONFERENCE  
ON TROPICAL TIMBER, 1983**

**RESOLUTION I**

**Establishment of a Preparatory Committee for the  
International Tropical Timber Council<sup>a</sup>**

*The United Nations Conference on Tropical Timber,  
1983,*

*Desiring to facilitate the establishment of the proposed International Tropical Timber Organization,*

1. *Establishes* a Preparatory Committee for the International Tropical Timber Council to undertake the necessary preparatory work for the first session of the Council;

2. *Decides* that the membership of the Preparatory Committee shall be open to participants in the United Nations Conference on Tropical Timber, 1983;

3. *Requests* the Secretary-General of UNCTAD to convene a first one-week meeting of the Preparatory Committee after sufficient substantive preparatory work has been carried out and the relevant documentation distributed sufficiently in advance by the UNCTAD secretariat and up to one other one-week meeting if necessary;

4. *Requests* the Secretary-General of the United Nations, pursuant to article 37, paragraph 5, of the International Tropical Timber Agreement, 1983, to convene the first session of the International Tropical Timber Council as soon as possible after the entry into force of the Agreement;

5. *Further requests* the Secretary-General of the United Nations to recommend to the General Assembly that it provide the advances required for the meetings of the Preparatory Committee and for the first session of the International Tropical Timber Council, refundable

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<sup>a</sup> The Conference adopted this resolution, having noted a statement of financial implications contained in TD/TIMBER/L.6/Add.1.

as soon as possible to the United Nations by the International Tropical Timber Organization.

*7th plenary meeting  
18 November 1983*

**RESOLUTION II**

**Final resolution**

*The United Nations Conference on Tropical Timber,  
1983*

*Having met* in Geneva from 14 to 31 March 1983 and from 7 to 18 November 1983,

*Expressing its gratitude* for the facilities and services provided by the Secretary-General of UNCTAD,

*Recording its appreciation* of the contribution made by the Chairman of the Conference and by its other officers, as well as by the secretariat,

*Having established* the text of the International Tropical Timber Agreement, 1983, in Arabic, English, French, Russian and Spanish,

1. *Requests* the Secretary-General of the United Nations to forward copies of the text of the Agreement to all Governments and intergovernmental organizations invited to the Conference for their consideration;

2. *Requests* the Secretary-General of the United Nations to arrange for the Agreement to be open for signature at United Nations Headquarters in New York during the period laid down in article 34 of the Agreement;

3. *Draws attention* to the procedures available to States and to intergovernmental organizations referred to in article 5 of the Agreement to become parties to the International Tropical Timber Agreement, 1983, and invites them to deposit the appropriate instruments to this end.

*7th plenary meeting  
18 November 1983*



# INTERNATIONAL TROPICAL TIMBER AGREEMENT, 1983

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PREAMBLE

*The Parties to this Agreement,*

*Recalling* the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly,<sup>1</sup>

*Recalling* resolutions 93 (IV) and 124 (V) on the Integrated Programme for Commodities adopted by the United Nations Conference on Trade and Development at its fourth and fifth sessions,

*Recognizing* the importance of, and the need for, proper and effective conservation and development of tropical timber forests with a view to ensuring their optimum utilization while maintaining the ecological balance of the regions concerned and of the biosphere,

*Recognizing* the importance of tropical timber to the economies of members, particularly to the exports of producing members and the supply requirements of consuming members,

*Desiring* to establish a framework of international co-operation between producing and consuming members in finding solutions to the problems facing the tropical timber economy,

*Have agreed* as follows:

CHAPTER I. OBJECTIVES

*Article 1*  
OBJECTIVES

With a view to achieving the relevant objectives adopted by the United Nations Conference on Trade and Development in its resolutions 93 (IV) and 124 (V) on the Integrated Programme for Commodities, for the

benefit of both producing and consuming members and bearing in mind the sovereignty of producing members over their natural resources, the objectives of the International Tropical Timber Agreement, 1983 (hereinafter referred to as "this Agreement") are:

(a) To provide an effective framework for co-operation and consultation between tropical timber producing and consuming members with regard to all relevant aspects of the tropical timber economy;

(b) To promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market, by taking into account, on the one hand, a long-term increase in consumption and continuity of supplies, and, on the other, prices which are remunerative to producers and equitable for consumers, and the improvement of market access;

(c) To promote and support research and development with a view to improving forest management and wood utilization;

(d) To improve market intelligence with a view to ensuring greater transparency in the international tropical timber market;

(e) To encourage increased and further processing of tropical timber in producing member countries with a view to promoting their industrialization and thereby increasing their export earnings;

(f) To encourage members to support and develop industrial tropical timber reforestation and forest management activities;

(g) To improve marketing and distribution of tropical timber exports of producing members;

(h) To encourage the development of national policies aimed at sustainable utilization and conservation of tropical forests and their genetic resources, and at maintaining the ecological balance in the regions concerned.

<sup>1</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

## CHAPTER II. DEFINITIONS

### Article 2

#### DEFINITIONS

For the purposes of this Agreement:

(1) "Tropical timber" means non-coniferous tropical wood for industrial uses, which grows or is produced in the countries situated between the Tropic of Cancer and the Tropic of Capricorn. The term covers logs, sawnwood, veneer sheets and plywood. Plywood which includes in some measure conifers of tropical origin shall also be covered by this definition;

(2) "Further processing" means the transformation of logs into primary wood products, semi-finished and finished products made wholly or almost wholly of tropical timber;

(3) "Member" means a Government or an intergovernmental organization referred to in article 5 which has consented to be bound by this Agreement whether it is in force provisionally or definitively;

(4) "Producing member" means any country with tropical forest resources and/or a net exporter of tropical timber in volume terms which is listed in annex A and which becomes a party to this Agreement, or any country with tropical forest resources and/or a net exporter of tropical timber in volume terms which is not so listed and which becomes a party to this Agreement and which the Council, with the consent of that country, declares to be a producing member;

(5) "Consuming member" means any country listed in annex B which becomes a party to this Agreement, or any country not so listed which becomes a party to this Agreement and which the Council, with the consent of that country, declares to be a consuming member;

(6) "Organization" means the International Tropical Timber Organization established in accordance with article 3;

(7) "Council" means the International Tropical Timber Council established in accordance with article 6;

(8) "Special vote" means a vote requiring at least two thirds of the votes cast by producing members present and voting and at least 60 per cent of the votes cast by consuming members present and voting, counted separately, on condition that these votes are cast by at least half of the producing members present and voting and at least half of the consuming members present and voting;

(9) "Simple distributed majority vote" means a vote requiring more than half of the votes cast by producing members present and voting and more than half of the votes cast by consuming members present and voting, counted separately;

(10) "Financial year" means the period from 1 January to 31 December inclusive;

(11) "Freely usable currencies" means the deutsche mark, the French franc, the Japanese yen, the pound sterling, the United States dollar and any other currency which has been designated from time to time by a competent international monetary organization as being in fact widely used to make payments for international transactions and widely traded in the principal exchange markets.

## CHAPTER III. ORGANIZATION AND ADMINISTRATION

### Article 3

#### ESTABLISHMENT, HEADQUARTERS AND STRUCTURE OF THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION

1. The International Tropical Timber Organization is hereby established to administer the provisions and supervise the operation of this Agreement.

2. The Organization shall function through the International Tropical Timber Council established under article 6, the committees and other subsidiary bodies referred to in article 24, and the Executive Director and staff.

3. The Council shall, at its first session, decide on the location of the headquarters of the Organization.

4. The headquarters of the Organization shall at all times be located in the territory of a member.

### Article 4

#### MEMBERSHIP IN THE ORGANIZATION

There shall be two categories of membership in the Organization, namely:

- (a) Producing; and
- (b) Consuming.

### Article 5

#### MEMBERSHIP BY INTERGOVERNMENTAL ORGANIZATIONS

1. Any reference in this Agreement to "Governments" shall be construed as including the European Economic Community and any other intergovernmental organization having responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements. Accordingly, any reference in this Agreement to signature, ratification, acceptance or approval, or to notification of provisional application, or to accession shall, in the case of such intergovernmental organizations, be construed as including a reference to signature, ratification, acceptance or approval, or to notification of provisional application, or to accession, by such intergovernmental organizations.

2. In the case of voting on matters within their competence, such intergovernmental organizations shall vote with a number of votes equal to the total number of votes attributable to their member States in accordance with article 10. In such cases, the member States of such intergovernmental organizations shall not be entitled to exercise their individual voting rights.

## CHAPTER IV. INTERNATIONAL TROPICAL TIMBER COUNCIL

### Article 6

#### COMPOSITION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

1. The highest authority of the Organization shall be the International Tropical Timber Council, which shall consist of all the members of the Organization.

2. Each member shall be represented in the Council by one representative and may designate alternates and advisers to attend sessions of the Council.

3. An alternate representative shall be empowered to act and vote on behalf of the representative during the latter's absence or in special circumstances.

### Article 7

#### POWERS AND FUNCTIONS OF THE COUNCIL

1. The Council shall exercise all such powers and perform or arrange for the performance of all such functions as are necessary to carry out the provisions of this Agreement.

2. The Council shall, by special vote, adopt such rules and regulations as are necessary to carry out the provisions of this Agreement, including its own rules of procedure and the financial and staff regulations of the Organization. Such financial regulations shall, *inter alia*, govern the receipt and expenditure of funds under the Administrative and Special Accounts. The Council may, in its rules of procedure, provide for a procedure whereby it may, without meeting, decide specific questions.

3. The Council shall keep such records as are required for the performance of its functions under this Agreement.

### Article 8

#### CHAIRMAN AND VICE-CHAIRMAN OF THE COUNCIL

1. The Council shall elect for each calendar year a Chairman and a Vice-Chairman, whose salaries shall not be paid by the Organization.

2. The Chairman and the Vice-Chairman shall be elected, one from among the representatives of producing members and the other from among the representatives of consuming members. These offices shall alternate each year between the two categories of members, provided, however, that this shall not prohibit the re-election of either or both, under exceptional circumstances, by special vote of the Council.

3. In the temporary absence of the Chairman, the Vice-Chairman shall act in his place. In the temporary absence of both the Chairman and the Vice-Chairman, or in the absence of one or both of them for the rest of the term for which they were elected, the Council may elect new officers from among the representatives of the producing members and/or from among the representatives of the consuming members, as the case may be, on a temporary basis or for the rest of the term for which the predecessor or predecessors were elected.

### Article 9

#### SESSIONS OF THE COUNCIL

1. As a general rule, the Council shall hold at least one regular session a year.

2. The Council shall meet in special session whenever it so decides or at the request of:

(a) The Executive Director, in agreement with the Chairman of the Council; or

(b) A majority of producing members or a majority of consuming members; or

(c) Members holding at least 500 votes.

3. Sessions of the Council shall be held at the headquarters of the Organization unless the Council, by special vote, decides otherwise. If on the invitation of any member the Council meets elsewhere than at the headquarters of the Organization, that member shall pay the additional cost of holding the meeting away from headquarters.

4. Notice of any sessions and the agenda for such sessions shall be communicated to members by the Executive Director at least six weeks in advance, except in cases of emergency, when notice shall be communicated at least seven days in advance.

### Article 10

#### DISTRIBUTION OF VOTES

1. The producing members shall together hold 1,000 votes and the consuming members shall together hold 1,000 votes.

2. The votes of the producing members shall be distributed as follows:

(a) Four hundred votes shall be distributed equally among the three producing regions of Africa, Asia-Pacific and Latin America. The votes thus allocated to each of these regions shall then be distributed equally among the producing members of that region;

(b) Three hundred votes shall be distributed among the producing members in accordance with their respective shares of the total tropical forest resources of all producing members; and

(c) Three hundred votes shall be distributed among the producing members in proportion to the average of the values of their respective net exports of tropical timber during the most recent three-year period for which definitive figures are available.

3. Notwithstanding the provisions of paragraph 2 of this article, the total votes allocated to the producing members from the African region, calculated in accordance with paragraph 2 of this article, shall be distributed equally among all producing members from the African region. If there are any remaining votes, each of these votes shall be allocated to a producing member from the African region: the first to the producing member which is allocated the highest number of votes calculated in accordance with paragraph 2 of this article, the second to the producing member which is allocated the second highest number of votes, and so on until all the remaining votes have been distributed.

4. For purposes of the calculation of the distribution of votes under paragraph 2 (b) of this article, "tropical forest resources" means productive closed broadleaved forests as defined by the Food and Agriculture Organization of the United Nations (FAO).

5. The votes of the consuming members shall be distributed as follows: each consuming member shall have 10 initial votes; the remaining votes shall be distributed among the consuming members in proportion to the average volume of their respective net imports of tropical timber during the three-year period

commencing four calendar years prior to the distribution of votes.

6. The Council shall distribute the votes for each financial year at the beginning of its first session of that year in accordance with the provisions of this article. Such distribution shall remain in effect for the rest of that year, except as provided for in paragraph 7 of this article.

7. Whenever the membership of the Organization changes or when any member has its voting rights suspended or restored under any provision of this Agreement, the Council shall redistribute the votes within the affected category or categories of members in accordance with the provisions of this article. The Council shall, in that event, decide when such redistribution shall become effective.

8. There shall be no fractional votes.

#### *Article 11*

##### VOTING PROCEDURE OF THE COUNCIL

1. Each member shall be entitled to cast the number of votes it holds and no member shall be entitled to divide its votes. A member may, however, cast differently from such votes any votes which it is authorized to cast under paragraph 2 of this article.

2. By written notification to the Chairman of the Council, any producing member may authorize, under its own responsibility, any other producing member, and any consuming member may authorize, under its own responsibility, any other consuming member, to represent its interests and to cast its votes at any meeting of the Council.

3. When abstaining, a member shall be deemed not to have cast its votes.

#### *Article 12*

##### DECISIONS AND RECOMMENDATIONS OF THE COUNCIL

1. The Council shall endeavour to take all decisions and to make all recommendations by consensus. If consensus cannot be reached, the Council shall take all decisions and make all recommendations by a simple distributed majority vote, unless this Agreement provides for a special vote.

2. Where a member avails itself of the provisions of article 11, paragraph 2, and its votes are cast at a meeting of the Council, such member shall, for the purposes of paragraph 1 of this article, be considered as present and voting.

#### *Article 13*

##### QUORUM FOR THE COUNCIL

1. The quorum for any meeting of the Council shall be the presence of a majority of producing members and a majority of consuming members, provided that such members hold at least two thirds of the total votes in their respective categories.

2. If there is no quorum in accordance with paragraph 1 of this article on the day fixed for the meeting and on the following day, the quorum on the subsequent days of the session shall be the presence of a

majority of producing members and a majority of consuming members, provided that such members hold a majority of the total votes in their respective categories.

3. Representation in accordance with article 11, paragraph 2, shall be considered as presence.

#### *Article 14*

##### CO-OPERATION AND CO-ORDINATION WITH OTHER ORGANIZATIONS

1. The Council shall make whatever arrangements are appropriate for consultation or co-operation with the United Nations and its organs, such as the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP) and the International Trade Centre UNCTAD/GATT (ITC), and with the Food and Agriculture Organization of the United Nations (FAO) and such other specialized agencies of the United Nations and intergovernmental, governmental and non-governmental organizations as may be appropriate.

2. The Organization shall, to the maximum extent possible, utilize the facilities, services and expertise of existing intergovernmental, governmental or non-governmental organizations, in order to avoid duplication of efforts in achieving the objectives of this Agreement and to enhance the complementarity and the efficiency of their activities.

#### *Article 15*

##### ADMISSION OF OBSERVERS

The Council may invite any non-member Government or any of the organizations referred to in articles 14, 20 and 27 concerned with tropical timber to attend as observers any of the meetings of the Council.

#### *Article 16*

##### EXECUTIVE DIRECTOR AND STAFF

1. The Council shall, by special vote, appoint the Executive Director.

2. The terms and conditions of appointment of the Executive Director shall be determined by the Council.

3. The Executive Director shall be the chief administrative officer of the Organization and shall be responsible to the Council for the administration and operation of this Agreement in accordance with decisions of the Council.

4. The Executive Director shall appoint the staff in accordance with regulations to be established by the Council. At its first session, the Council shall, by special vote, decide the number of executive and professional staff the Executive Director may appoint. Any changes in the number of executive and professional staff shall be decided by the Council by special vote. The staff shall be responsible to the Executive Director.

5. Neither the Executive Director nor any member of the staff shall have any financial interest in the

tropical timber industry or trade, or associated commercial activities.

6. In the performance of their duties, the Executive Director and staff shall not seek or receive instructions from any member or from any authority external to the Organization. They shall refrain from any action which might reflect on their positions as international officials ultimately responsible to the Council. Each member shall respect the exclusively international character of the responsibilities of the Executive Director and staff and shall not seek to influence them in the discharge of their responsibilities.

## CHAPTER V. PRIVILEGES AND IMMUNITIES

### *Article 17*

#### PRIVILEGES AND IMMUNITIES

1. The Organization shall have legal personality. It shall in particular have the capacity to contract, to acquire and dispose of movable and immovable property, and to institute legal proceedings.

2. The Organization shall, as soon as possible after the entry into force of this Agreement, seek to conclude with the Government of the country in which the headquarters of the Organization is to be located (hereinafter referred to as the "host Government") an agreement (hereinafter referred to as the "Headquarters Agreement") relating to such status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and of representatives of members, as are necessary for the purpose of discharging their functions.

3. Pending the conclusion of the Headquarters Agreement referred to in paragraph 2 of this article, the Organization shall request the host Government to grant, within the limits of its national legislation, exemption from taxation on remuneration paid by the Organization to its employees, and on the assets, income and other property of the Organization.

4. The Organization may also conclude, with one or more countries, agreements to be approved by the Council relating to such capacity, privileges and immunities as may be necessary for the proper functioning of this Agreement.

5. If the headquarters of the Organization is moved to another country, the member in question shall, as soon as possible, conclude with the Organization a headquarters agreement to be approved by the Council.

6. The Headquarters Agreement shall be independent of this Agreement. It shall, however, terminate:

(a) By agreement between the host Government and the Organization;

(b) In the event of the headquarters of the Organization being moved from the country of the host Government; or

(c) In the event of the Organization ceasing to exist.

## CHAPTER VI. FINANCE

### *Article 18*

#### FINANCIAL ACCOUNTS

1. There shall be established two accounts:

- (a) The Administrative Account; and
- (b) The Special Account.

2. The Executive Director shall be responsible for the administration of these accounts and the Council shall make provision in its rules of procedure therefor.

### *Article 19*

#### ADMINISTRATIVE ACCOUNT

1. The expenses necessary for the administration of this Agreement shall be brought into the Administrative Account and shall be met by annual contributions paid by members in accordance with their respective constitutional or institutional procedures and assessed in accordance with paragraphs 3, 4 and 5 of this article.

2. The expenses of delegations to the Council, the committees and any other subsidiary bodies of the Council referred to in article 24 shall be met by the members concerned. In cases where a member requests special services from the Organization, the Council shall require that member to pay the costs of such services.

3. Before the end of each financial year, the Council shall approve the administrative budget of the Organization for the following financial year and shall assess the contribution of each member to that budget.

4. The contribution of each member to the administrative budget for each financial year shall be in the proportion which the number of its votes at the time the administrative budget for that financial year is approved bears to the total votes of all the members. In assessing contributions, the votes of each member shall be calculated without regard to the suspension of any member's voting rights or any redistribution of votes resulting therefrom.

5. The initial contribution of any member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by that member and the period remaining in the current financial year, but the assessment made upon other members from the current financial year shall not thereby be altered.

6. Contributions to the first administrative budget shall become due on a date to be decided by the Council at its first session. Contributions to subsequent administrative budgets shall become due on the first day of each financial year. Contributions of members in respect of the financial year in which they join the Organization shall be due on the date on which they become members.

7. If a member has not paid its full contribution to the administrative budget within four months after such contribution becomes due in accordance with paragraph 6 of this article, the Executive Director shall request that member to make payment as quickly as possible. If that member has still not paid its contribution within two months after such request, that member

shall be requested to state the reasons for its inability to make payment. If at the expiry of seven months from the due date of contribution, that member has still not paid its contribution, its voting rights shall be suspended and an interest charge shall be levied on its late contribution at the central bank rate of the host country until such time as it has paid in full its contribution, unless the Council, by special vote, decides otherwise.

8. A member whose rights have been suspended under paragraph 7 of this article shall remain liable to pay its contribution.

#### Article 20

##### SPECIAL ACCOUNT

1. There shall be established two sub-accounts under the Special Account:

- (a) The Pre-Project Sub-Account; and
- (b) The Project Sub-Account.

2. The possible sources of finance for the Special Account shall be:

- (a) The Second Account of the Common Fund for Commodities, when it becomes operational;
- (b) Regional and international financial institutions; and
- (c) Voluntary contributions.

3. The resources of the Special Account shall be used only for approved projects or for pre-project activities.

4. All expenditures under the Pre-Project Sub-Account shall be reimbursed from the Project Sub-Account if projects are subsequently approved and funded. If within six months of the entry into force of this Agreement the Council does not receive any funds for the Pre-Project Sub-Account, it shall review the situation and take appropriate action.

5. All receipts pertaining to specific identifiable projects shall be brought into the Special Account. All expenditures incurred on such projects, including remuneration and travel expenses of consultants and experts, shall be charged to the Special Account.

6. The Council shall, by special vote, establish terms and conditions on which it would, when and where appropriate, sponsor projects for loan financing, where a member or members have voluntarily assumed full obligations and responsibilities for such loans. The Organization shall have no obligations for such loans.

7. The Council may nominate and sponsor any entity with the consent of that entity, including a member or members, to receive loans for the financing of approved projects and to undertake all the obligations involved, except that the Organization shall reserve to itself the right to monitor the use of resources and to follow up on the implementation of projects so financed. However, the Organization shall not be responsible for guarantees voluntarily provided by individual members or other entities.

8. No member shall be responsible by reason of its membership in the Organization for any liability arising from borrowing or lending by any other member or entity in connection with projects.

9. In the event that voluntary unearmarked funds are offered to the Organization, the Council may accept such funds. Such funds may be utilized for pre-project activities as well as for approved projects.

10. The Executive Director shall endeavour to seek, on such terms and conditions as the Council may decide, adequate and assured finance for projects approved by the Council.

11. Contributions for specified approved projects shall be used only for the projects for which they were originally intended, unless otherwise decided by the Council in agreement with the contributor. After the completion of a project, the Organization shall return to each contributor for specific projects the balance of any funds remaining *pro rata* to each contributor's share in the total of the contributions originally made available for financing that project, unless otherwise agreed to by the contributor.

#### Article 21

##### FORMS OF PAYMENT

1. Contributions to the Administrative Account shall be payable in freely usable currencies and shall be exempt from foreign-exchange restrictions.

2. Financial contributions to the Special Account shall be payable in freely usable currencies and shall be exempt from foreign-exchange restrictions.

3. The Council may also decide to accept other forms of contributions to the Special Account, including scientific and technical equipment or personnel, to meet the requirements of approved projects.

#### Article 22

##### AUDIT AND PUBLICATION OF ACCOUNTS

1. The Council shall appoint independent auditors for the purpose of auditing the accounts of the Organization.

2. Independently audited statements of the Administrative Account and of the Special Account shall be made available to members as soon as possible after the close of each financial year, but not later than six months after that date, and be considered for approval by the Council at its next session, as appropriate. A summary of the audited accounts and balance sheet shall thereafter be published.

### CHAPTER VII. OPERATIONAL ACTIVITIES

#### Article 23

##### PROJECTS

1. All project proposals shall be submitted to the Organization by members and shall be examined by the relevant committee.

2. In order to achieve the objectives set out in article 1, the Council shall examine all project proposals in the fields of research and development, market intelligence, further and increased processing in developing producing member countries, and reforestation and forest management, together with the recommendation

submitted by the relevant committee; such project proposals based on tropical timber as defined in article 2, paragraph 1, may encompass tropical timber products other than those listed in article 2, paragraph 1. This provision shall also apply, where relevant, to the functions of the committees as set forth in article 25.

3. On the basis of the criteria set out in paragraph 6 or paragraph 7 of this article, the Council shall, by special vote, approve projects for financing or sponsorship in accordance with article 20.

4. The Council shall, on a continuing basis, arrange for the implementation of, and with a view to ensuring their effectiveness follow up, approved projects.

5. Research and development projects should relate to at least one of the following five areas:

- (a) Wood utilization, including the utilization of lesser-known and lesser-used species;
- (b) Natural forest development;
- (c) Reforestation development;
- (d) Harvesting, logging infrastructure, training of technical personnel;
- (e) Institutional framework, national planning.

6. Projects on research and development approved by the Council shall be consistent with each of the following criteria:

- (a) They should be related to the production and utilization of industrial tropical timber;
- (b) They should yield benefits to the tropical timber economy as a whole and be relevant to producing as well as consuming members;
- (c) They should be related to the maintenance and expansion of the international tropical timber trade;
- (d) They should offer reasonable prospects for positive economic returns in relation to costs; and
- (e) They shall make maximum use of existing research institutions and, to the greatest extent possible, avoid duplication of efforts.

7. Projects in the fields of market intelligence, further and increased processing, and reforestation and forest management, should be consistent with criterion (b) and, as far as possible, consistent with criteria (a), (c), (d) and (e) as contained in paragraph 6 of this article.

8. The Council shall decide on the relative priorities of projects, taking into account the interests and characteristics of each of the producing regions. Initially, the Council shall give priority to research and development project profiles as endorsed by the Sixth Preparatory Meeting on Tropical Timber under the Integrated Programme for Commodities and to such other projects as the Council may approve.

9. The Council may, by special vote, terminate its sponsorship of any project.

#### *Article 24*

##### ESTABLISHMENT OF COMMITTEES

1. The following committees are hereby established as permanent committees of the Organization:

- (a) Committee on Economic Information and Market Intelligence;

- (b) Committee on Reforestation and Forest Management; and

- (c) Committee on Forest Industry.

2. The Council may, by special vote, establish such other committees and subsidiary bodies as it deems appropriate and necessary.

3. The committees and subsidiary bodies referred to in paragraphs 1 and 2 of this article shall be responsible to, and work under the general direction of, the Council. Meetings of the committees and subsidiary bodies shall be convened by the Council.

4. Participation in each of the committees shall be open to all members. The rules of procedure of the committees shall be decided by the Council.

#### *Article 25*

##### FUNCTIONS OF THE COMMITTEES

1. The Committee on Economic Information and Market Intelligence shall:

- (a) Keep under review the availability and quality of statistics and other information required by the Organization;

- (b) Analyse the statistical data and specific indicators as identified in annex C for the monitoring of international tropical timber trade;

- (c) Keep under continuous review the international tropical timber market, its current situation and short-term prospects on the basis of the data mentioned in subparagraph (b) above and other relevant information;

- (d) Make recommendations to the Council on the need for, and nature of, appropriate studies on tropical timber, including long-term prospects of the international tropical timber market, and monitor and review any studies commissioned by the Council;

- (e) Carry out any other tasks related to the economic, technical and statistical aspects of tropical timber assigned to it by the Council;

- (f) Assist in the provision of technical co-operation to producing members to improve their relevant statistical services.

2. The Committee on Reforestation and Forest Management shall:

- (a) Keep under regular review the support and assistance being provided at a national and international level for reforestation and forest management for the production of industrial tropical timber;

- (b) Encourage the increase of technical assistance to national programmes for reforestation and forest management;

- (c) Assess the requirements and identify all possible sources of financing for reforestation and forest management;

- (d) Review regularly future needs of international trade in industrial tropical timber and, on this basis, identify and consider appropriate possible schemes and measures in the field of reforestation and forest management;

- (e) Facilitate transfer of knowledge in the field of reforestation and forest management with the assistance of competent organizations;



(f) Co-ordinate and harmonize these activities for co-operation in the field of reforestation and forest management with the relevant activities pursued elsewhere, such as those under FAO, UNEP, the World Bank, regional banks and other competent organizations.

3. The Committee on Forest Industry shall:

(a) Promote co-operation between producing and consuming members as partners in the development of processing activities in producing member countries, *inter alia*, in the following areas:

- (i) Transfer of technology;
- (ii) Training;
- (iii) Standardization of nomenclature of tropical timber;
- (iv) Harmonization of specifications of processed products;
- (v) Encouragement of investment and joint ventures; and
- (vi) Marketing;

(b) Promote exchange of information in order to facilitate structural changes involved in increased and further processing in the interests of both producing and consuming members;

(c) Monitor ongoing activities in this field, and identify and consider problems and possible solutions to them in co-operation with the competent organizations;

(d) Encourage the increase of technical assistance to national programmes for the processing of tropical timber.

4. Research and development shall be a common function of the committees established under article 24, paragraph 1.

5. In view of the close relationship between research and development, reforestation and forest management, increased and further processing, and market intelligence, each of the permanent committees, in addition to carrying out the functions assigned to it above, shall, with regard to project proposals referred to it, including those on research and development in its area of competence:

(a) Consider and technically appraise and evaluate project proposals;

(b) In accordance with general guidelines established by the Council, decide on and implement pre-project activities necessary for making recommendations on project proposals to the Council;

(c) Identify possible sources of finance for projects referred to in article 20, paragraph 2;

(d) Follow up the implementation of projects and provide for the collection and dissemination of the results of projects as widely as possible for the benefit of all members;

(e) Make recommendations to the Council relating to projects;

(f) Carry out any other tasks related to projects assigned to it by the Council.

6. In carrying out these common functions, each committee shall take into account the need to strengthen the training of personnel in producing member countries; to consider and propose modalities for organizing

or strengthening the research and development activities and capacities of members, particularly producing members; and to promote the transfer of research know-how and techniques among members, particularly among producing members.

## CHAPTER VIII. RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES

### Article 26

#### RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES

When the Common Fund becomes operational, the Organization shall take full advantage of the facilities of the Second Account of the Common Fund according to the principles set out in the Agreement Establishing the Common Fund for Commodities.

## CHAPTER IX. STATISTICS, STUDIES AND INFORMATION

### Article 27

#### STATISTICS, STUDIES AND INFORMATION

1. The Council shall establish close relationships with appropriate intergovernmental, governmental and non-governmental organizations, in order to help ensure the availability of recent and reliable data and information on all factors concerning tropical timber. The Organization, in co-operation with such organizations, shall compile, collate and, as necessary, publish such statistical information on production, supply, trade, stocks, consumption and market prices of tropical timber, and on related areas, as is necessary for the operation of this Agreement.

2. Members shall, to the fullest extent possible not inconsistent with their national legislation, furnish, within a reasonable time, statistics and information on tropical timber requested by the Council.

3. The Council shall arrange to have any necessary studies undertaken of the trends and of short- and long-term problems of the world tropical timber market.

4. The Council shall ensure that information furnished by members shall not be used in such a manner as to prejudice the confidentiality of the operations of persons or companies producing, processing or marketing tropical timber.

### Article 28

#### ANNUAL REPORT AND REVIEW

1. The Council shall, within six months after the close of each calendar year, publish an annual report on its activities and such other information as it considers appropriate.

2. The Council shall annually review and assess the world tropical timber situation and exchange views on the outlook for, and other issues closely related to, the world tropical timber economy, including ecological and environmental aspects.

3. The review shall be carried out in the light of:

(a) Information supplied by members in relation to national production, trade, supply, stocks, consumption and prices of tropical timber;

(b) Statistical data and specific indicators provided by members on the areas listed in annex C; and

(c) Such other relevant information as may be available to the Council either directly or through the appropriate organizations in the United Nations system and appropriate intergovernmental, governmental or non-governmental organizations.

4. The results of the review shall be included in the reports of the Council's deliberations.

## CHAPTER X. MISCELLANEOUS

### *Article 29*

#### COMPLAINTS AND DISPUTES

Any complaint that a member has failed to fulfil its obligations under this Agreement and any dispute concerning the interpretation or application of this Agreement shall be referred to the Council for decision. Decisions of the Council on these matters shall be final and binding.

### *Article 30*

#### GENERAL OBLIGATIONS OF MEMBERS

1. Members shall for the duration of this Agreement use their best endeavours and co-operate to promote the attainment of its objectives and to avoid any action contrary thereto.

2. Members undertake to accept as binding decisions of the Council under the provisions of this Agreement and shall seek to refrain from implementing measures which would have the effect of limiting or running counter to them.

### *Article 31*

#### RELIEF FROM OBLIGATIONS

1. Where it is necessary on account of exceptional circumstances or emergency or *force majeure* not expressly provided for in this Agreement, the Council may, by special vote, relieve a member of an obligation under this Agreement if it is satisfied by an explanation from that member regarding the reasons why the obligation cannot be met.

2. The Council, in granting relief to a member under paragraph 1 of this article, shall state explicitly the terms and conditions on which, and the period for which, the member is relieved of such obligation, and the reasons for which the relief is granted.

### *Article 32*

#### DIFFERENTIAL AND REMEDIAL MEASURES AND SPECIAL MEASURES

1. Developing importing members whose interests are adversely affected by measures taken under this Agreement may apply to the Council for appropriate differential and remedial measures. The Council shall

consider taking appropriate measures in accordance with section III, paragraphs 3 and 4, of resolution 93 (IV) of the United Nations Conference on Trade and Development.

2. Members in the category of least developed countries as defined by the United Nations may apply to the Council for special measures in accordance with section III, paragraph 4, of resolution 93 (IV) and with paragraph 82 of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

## CHAPTER XI. FINAL PROVISIONS

### *Article 33*

#### DEPOSITARY

The Secretary-General of the United Nations is hereby designated as the depositary of this Agreement.

### *Article 34*

#### SIGNATURE, RATIFICATION, ACCEPTANCE AND APPROVAL

1. This Agreement shall be open for signature at United Nations Headquarters from 2 January 1984 until one month after the date of its entry into force by Governments invited to the United Nations Conference on Tropical Timber, 1983.

2. Any Government referred to in paragraph 1 of this article may:

(a) At the time of signing this Agreement, declare that by such signature it expresses its consent to be bound by this Agreement (definitive signature); or

(b) After signing this Agreement, ratify, accept or approve it by the deposit of an instrument to that effect with the depositary.

### *Article 35*

#### ACCESSION

1. This Agreement shall be open for accession by the Governments of all States upon conditions established by the Council, which shall include a time-limit for the deposit of instruments of accession. The Council may, however, grant extensions of time to Governments which are unable to accede by the time-limit set in the conditions of accession.

2. Accession shall be effected by the deposit of an instrument of accession with the depositary.

### *Article 36*

#### NOTIFICATION OF PROVISIONAL APPLICATION

A signatory Government which intends to ratify, accept or approve this Agreement, or a Government for which the Council has established conditions for accession but which has not yet been able to deposit its instrument, may, at any time, notify the depositary that it will apply this Agreement provisionally either when it enters into force in accordance with article 37, or, if it is already in force, at a specified date.

### Article 37

#### ENTRY INTO FORCE

1. This Agreement shall enter into force definitively on 1 October 1984 or on any date thereafter, if 12 Governments of producing countries holding at least 55 per cent of the total votes as set out in annex A to this Agreement, and 16 Governments of consuming countries holding at least 70 per cent of the total votes as set out in annex B to this Agreement have signed this Agreement definitively or have ratified, accepted or approved it or acceded thereto pursuant to article 34, paragraph 2, or article 35.

2. If this Agreement has not entered into force definitively on 1 October 1984, it shall enter into force provisionally on that date or on any date within six months thereafter, if 10 Governments of producing countries holding at least 50 per cent of the total votes as set out in annex A to this Agreement, and 14 Governments of consuming countries holding at least 65 per cent of the total votes as set out in annex B to this Agreement, have signed this Agreement definitively or have ratified, accepted or approved it pursuant to article 34, paragraph 2, or have notified the depositary under article 36 that they will apply this Agreement provisionally.

3. If the requirements for entry into force under paragraph 1 or paragraph 2 of this article have not been met on 1 April 1985, the Secretary-General of the United Nations shall invite those Governments which have signed this Agreement definitively or have ratified, accepted or approved it pursuant to article 34, paragraph 2, or have notified the depositary that they will apply this Agreement provisionally, to meet at the earliest time practicable to decide whether to put this Agreement into force provisionally or definitively among themselves in whole or in part. Governments which decide to put this Agreement into force provisionally among themselves may meet from time to time to review the situation and decide whether this Agreement shall enter into force definitively among themselves.

4. For any Government which has not notified the depositary under article 36 that it will apply this Agreement provisionally and which deposits its instrument of ratification, acceptance, approval or accession after the entry into force of this Agreement, this Agreement shall enter into force on the date of such deposit.

5. The Secretary-General of the United Nations shall convene the first session of the Council as soon as possible after the entry into force of this Agreement.

### Article 38

#### AMENDMENTS

1. The Council may, by special vote, recommend an amendment of this Agreement to the members.

2. The Council shall fix a date by which members shall notify the depositary of their acceptance of the amendment.

3. An amendment shall enter into force 90 days after the depositary has received notifications of acceptance from members constituting at least two thirds of

the producing members and accounting for at least 85 per cent of the votes of the producing members, and from members constituting at least two thirds of the consuming members and accounting for at least 85 per cent of the votes of the consuming members.

4. After the depositary informs the Council that the requirements for entry into force of the amendment have been met, and notwithstanding the provisions of paragraph 2 of this article relating to the date fixed by the Council, a member may still notify the depositary of its acceptance of the amendment, provided that such notification is made before the entry into force of the amendment.

5. Any member which has not notified its acceptance of an amendment by the date on which such amendment enters into force shall cease to be a party to this Agreement as from that date, unless such member has satisfied the Council that its acceptance could not be obtained in time owing to difficulties in completing its constitutional or institutional procedures, and the Council decides to extend for that member the period for acceptance of the amendment. Such member shall not be bound by the amendment before it has notified its acceptance thereof.

6. If the requirements for the entry into force of the amendment have not been met by the date fixed by the Council in accordance with paragraph 2 of this article, the amendment shall be considered withdrawn.

### Article 39

#### WITHDRAWAL

1. A member may withdraw from this Agreement at any time after the entry into force of this Agreement by giving written notice of withdrawal to the depositary. That member shall simultaneously inform the Council of the action it has taken.

2. Withdrawal shall become effective 90 days after the notice is received by the depositary.

### Article 40

#### EXCLUSION

If the Council decides that any member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may, by special vote, exclude that member from this Agreement. The Council shall immediately so notify the depositary. Six months after the date of the Council's decision, that member shall cease to be a party to this Agreement.

### Article 41

#### SETTLEMENT OF ACCOUNTS WITH WITHDRAWING OR EXCLUDED MEMBERS OR MEMBERS UNABLE TO ACCEPT AN AMENDMENT

1. The Council shall determine any settlement of accounts with a member which ceases to be a party to this Agreement owing to:

(a) Non-acceptance of an amendment to this Agreement under article 38;

(b) Withdrawal from this Agreement under article 39; or

(c) Exclusion from this Agreement under article 40.

2. The Council shall retain any contribution paid to the Administrative Account by a member which ceases to be a party to this Agreement.

3. A member which has ceased to be a party to this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization. Nor shall such member be liable for payment of any part of the deficit, if any, of the Organization upon termination of this Agreement.

#### *Article 42*

##### DURATION, EXTENSION AND TERMINATION

1. This Agreement shall remain in force for a period of five years after its entry into force unless the Council, by special vote, decides to extend, renegotiate or terminate it in accordance with the provisions of this article.

2. The Council may, by special vote, decide to extend this Agreement for not more than two periods of two years each.

3. If, before the expiry of the five-year period referred to in paragraph 1 of this article, or before the expiry of an extension period referred to in paragraph 2 of this article, as the case may be, a new agreement to replace this Agreement has been negotiated but has not yet entered into force either definitively or provisionally, the Council may, by special vote, extend this Agreement until the provisional or definitive entry into force of the new agreement.

4. If a new agreement is negotiated and enters into force during any period of extension of this Agreement

under paragraph 2 or paragraph 3 of this article, this Agreement, as extended, shall terminate upon the entry into force of the new agreement.

5. The Council may at any time, by special vote, decide to terminate this Agreement with effect from such date as it may determine.

6. Notwithstanding the termination of this Agreement, the Council shall continue in being for a period not exceeding 18 months to carry out the liquidation of the Organization, including the settlement of accounts, and, subject to relevant decisions to be taken by special vote, shall have during that period such powers and functions as may be necessary for these purposes.

7. The Council shall notify the depositary of any decision taken under this article.

#### *Article 43*

##### RESERVATIONS

Reservations may not be made with respect to any of the provisions of this Agreement.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have affixed their signatures under this Agreement on the dates indicated.

DONE at Geneva on the eighteenth day of November, one thousand nine hundred and eighty-three, the text of this Agreement in the Arabic, English, French, Russian and Spanish languages being equally authentic. The authentic Chinese text of this Agreement shall be established by the depositary and submitted for adoption to all signatories and States and intergovernmental organizations which have acceded to this Agreement.

## ANNEXES

### ANNEX A

**List of producing countries with tropical forest resources and/or net exporters of tropical timber in volume terms, and allocation of votes for the purposes of article 37**

Bolivia .....	21
Brazil .....	130
Burma .....	31
Central African Republic .....	20
Colombia .....	23
Congo .....	20
Costa Rica .....	9
Dominican Republic .....	9
Ecuador .....	14
El Salvador .....	8
Gabon .....	21
Ghana .....	20
Guatemala .....	10
Haiti .....	8
Honduras .....	9
India .....	32
Indonesia .....	139
Ivory Coast .....	21
Liberia .....	20
Madagascar .....	20
Malaysia .....	126
Mexico .....	13
Nigeria .....	20
Panama .....	9
Papua New Guinea .....	24
Peru .....	25
Philippines .....	43
Sudan .....	20
Suriname .....	14
Thailand .....	19
Trinidad and Tobago .....	8
United Republic of Cameroon .....	20
United Republic of Tanzania .....	20
Venezuela .....	15
Viet Nam .....	18
Zaire .....	21
<b>TOTAL</b>	<b>1,000</b>

### ANNEX B

**List of consuming countries and allocation of votes for the purposes of article 37**

Argentina .....	14
Australia .....	20
Austria .....	12
Bulgaria .....	10
Canada .....	16
Chile .....	10
Egypt .....	11
European Economic Community .....	(277)
Belgium/Luxembourg .....	21
Denmark .....	13
France .....	56
Germany, Federal Republic of .....	44
Greece .....	14
Ireland .....	12
Italy .....	41
Netherlands .....	35
United Kingdom of Great Britain and Northern Ireland .....	41
Finland .....	10
Iraq .....	10
Israel .....	12
Japan .....	330
Jordan .....	10
Malta .....	10
New Zealand .....	10
Norway .....	11
Republic of Korea .....	56
Romania .....	10
Spain .....	24
Sweden .....	11
Switzerland .....	11
Turkey .....	10
Union of Soviet Socialist Republics .....	14
United States of America .....	79
Yugoslavia .....	12
<b>TOTAL</b>	<b>1,000</b>

## ANNEX C

## Statistical data and specific indicators needed as identified for the monitoring of international tropical timber trade\*

	<i>From producing members</i>	<i>From consuming members</i>
A. <i>Basic monthly data</i> for regular monitoring of major tropical timber trade flows	Export volumes (values): by products, species, destination and other available relevant details Average f.o.b. prices: for specific products and species representative of major trade flows	Import volumes (values): by products, species, origin and other available relevant details Average c.i.f. prices: for specific products and species representative of major trade flows
B. <i>Specific supplementary data and indicators</i> from which short-term supply-demand for tropical wood can be derived	Periodic evaluation of stocks at point of embarkation and, if possible, at intermediate stages Forest industry production (capacity) and industrial wood input/output Removals of industrial timber from forests Freight rates Export quotas—trade incentives Climatic obstacles—natural catastrophes	Periodic evaluation of stocks at point of debarkation and, if possible, at intermediate stages Share of tropical timber in total timber trade Exports and re-exports of wood products Building activity, housing starts, mortgage rates Furniture production
C. <i>Other relevant specific information</i>	Changes in tariffs and non-tariff obstacles	End-use surveys in major sectors using tropical timber Changes in veneer surface fashion Changes in tariffs and non-tariff obstacles Trends in substitution among wood and with other products
D. <i>General economic indicators and information</i> directly or indirectly affecting the international (tropical) timber trade	Publicly available and relevant national and international economic and financial indicators, e.g. gross national product, exchange rates, interest rates, inflation rates, terms of trade. National and international policies and measures affecting international tropical timber trade.	

\* Annexed pursuant to the consensus reached in the Executive Committee of the Conference on 29 March 1983.