

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 102 final  
Brussels, 10 March 1983

Recommendation for a  
COUNCIL DECISION

on the signature and notification of provisional application of the International Agreement on Jute and Jute Products, 1982

---

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. Negotiation of the International Agreement on Jute and Jute Products, 1982, was completed on 1 October 1982; this international commodity agreement was negotiated under the auspices of the UNCTAD Integrated Programme for Commodities. The main element in the new Agreement is the establishment of an International Jute Organisation, governed by an International Jute Council, which will propose, approve and seek finance for projects in the fields of research, development, market promotion and cost reduction, designed to improve the competitiveness of jute and jute products. The question of stabilisation will also continue to be considered.
2. The Agreement was negotiated by the Community and its Member States in accordance with a common position (1) agreed in the Council. The objectives and content of the Agreement have been agreed by the Community and its Member States satisfactorily to meet this common position, in the context of the actual evolution of the negotiations which led to the Agreement.
3. The Agreement is open for signature between 3 January and 30 June 1983. The Commission proposes that the Community, as well as its Member States, sign the Agreement at an early date.
4. Given the likely time-lags in certain Member States conclusion procedures, the Commission also proposes that the Community and its Member States notify their readiness to apply the Agreement provisionally on its entry into force. It should be noted that the Community and its Member States hold over 16 per cent of the 65 per cent, or one quarter of, the trade on the importing side required to bring the Agreement into effect. The political importance for the Community of notifying its provisional application before 30 June 1983 is therefore significant.

./..

---

(1) See Council Document 12098, Proba 76, of 8.12.1980.

5. When the Agreement has been concluded by the ten Member States, the Commission will propose that the Community also concludes it. In these conditions, the Commission recommends to the Council the Decision annexed below.

/

RECOMMENDATION FOR A  
COUNCIL DECISION

on the signature and notification of provisional application of the  
International Agreement on Jute and Jute Products, 1982

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the recommendation from the Commission,

Whereas the International Agreement on Jute and Jute Products, 1982 is open  
for signature until 30 June 1983; whereas the said Agreement constitutes an  
instrument for the implementation of research, development, market promotion  
and cost reduction projects concerning jute and jute products, for information  
collection, and for the consideration of important issues such as stabilisation  
and the competition of jute and synthetics and other substitutes, with the aim  
of improving structural conditions in the international jute market, enhancing  
the competitiveness of jute and jute products, and developing their production  
and trade; whereas the application of the said Agreement by the Community  
will contribute to the implementation of the common commercial policy;

Whereas the Community should therefore sign this Agreement and give notification  
to the Secretary-General of the United Nations Organization that it intends  
to apply the Agreement provisionally, subject to its subsequent approval,

HAS DECIDED AS FOLLOWS:

./..

Article 1

By 30 June 1983 the Community will sign the International Agreement on Jute and Jute Products, 1982, in accordance with Article 37 thereof, and will give notification to the Secretary-General of the United Nations Organization, in accordance with Article 39 of the Agreement, that it will apply the Agreement provisionally, as an importing member, when it enters into force in accordance with Article 40.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement, and to deposit the notification of provisional application of the Agreement.

The texts of the notification of application and of the Agreement are annexed to this Decision.

Done at Brussels,

For the Council  
The President

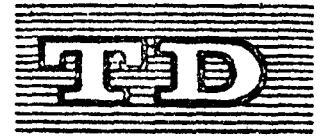
ANNEX

Notification of provisional application of the International Agreement  
on Jute and Jute Products, 1982

---

In accordance with Article 39 of the International Agreement on Jute and Jute Products, 1982, the Council of the European Communities hereby notifies the Secretary-General of the United Nations Organization, the depositary of the Agreement, that it intends to set in motion the institutional procedure necessary for the Agreement to be approved and that the Community will apply the Agreement provisionally, as an importing member, when it comes into force in accordance with Article 40.

---



Distr.  
RESTRICTED

TD/JUTE/EX/R.4  
28 September 1982

Original: ENGLISH

United Nations Conference on Trade and Development

---

Integrated Programme for Commodities  
UNITED NATIONS CONFERENCE ON JUTE AND JUTE PRODUCTS, 1981  
Third part  
Geneva, 20 September 1982  
Executive Committee  
Agenda item 7

~~TD/JUTE/EX/R.4~~ INTERNATIONAL AGREEMENT ON JUTE  
AND JUTE PRODUCTS, 1982

GE.82-52892

## CONTENTS

	<u>Page</u>
Preamble .....	iv
CHAPTER I: OBJECTIVES .....	1
Article 1 Objectives .....	1
CHAPTER II: DEFINITIONS .....	2
Article 2 Definitions .....	2
CHAPTER III: ORGANIZATION AND ADMINISTRATION .....	4
Article 3 Establishment, headquarters and structure of the International Jute Organization .....	4
Article 4 Membership in the Organization .....	4
Article 5 Membership by intergovernmental organizations .....	4
CHAPTER IV: INTERNATIONAL JUTE COUNCIL .....	5
Article 6 Composition of the International Jute Council .....	5
Article 7 Powers and functions of the Council .....	5
Article 8 Chairman and Vice-Chairman of the Council .....	5
Article 9 Sessions of the Council .....	6
Article 10 Distribution of votes .....	6
Article 11 Voting procedure of the Council .....	7
Article 12 Decisions and recommendations of the Council .....	7
Article 13 Quorum for the Council .....	8
Article 14 Co-operation with other organizations .....	8
Article 15 Admission of observers .....	8
Article 16 Executive Director and staff .....	9
CHAPTER V: PRIVILEGES AND IMMUNITIES .....	10
Article 17 Privileges and immunities .....	10
CHAPTER VI: FINANCE .....	11
Article 18 Financial accounts .....	11
Article 19 Forms of payment .....	11
Article 20 Audit and publication of accounts .....	11
Article 21 Administrative Account .....	11
Article 22 Special Account .....	13
CHAPTER VII: OPERATIONAL ACTIVITIES .....	15
Article 23 Projects .....	15
Article 24 Research and development .....	16
Article 25 Market promotion .....	16
Article 26 Cost reduction .....	16
Article 27 Criteria for approval of projects .....	16
Article 28 Committee on Projects .....	17



CONTENTS (continued)

	<u>Page</u>
CHAPTER VIII: RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES .....	18
Article 29 Relationship with the Common Fund for Commodities .....	18
CHAPTER IX: CONSIDERATION OF IMPORTANT ISSUES CONCERNING JUTE AND JUTE PRODUCTS .....	19
Article 30 Consideration of stabilization, competition with synthetics and other issues .....	19
CHAPTER X: STATISTICS, STUDIES AND INFORMATION .....	20
Article 31 Statistics and studies and information .....	20
Article 32 Annual report and report on assessment and review .....	20
CHAPTER XI: MISCELLANEOUS .....	21
Article 33 Complaints and disputes .....	21
Article 34 General obligations of members .....	21
Article 35 Relief from obligations .....	21
Article 36 Differential and remedial measures .....	21
CHAPTER XII: FINAL PROVISIONS .....	22
Article 37 Signature, ratification, acceptance and approval .....	22
Article 38 Depositary .....	22
Article 39 Notification of provisional application .....	22
Article 40 Entry into force .....	22
Article 41 Accession .....	23
Article 42 Amendments .....	24
Article 43 Withdrawal .....	24
Article 44 Exclusion .....	25
Article 45 Settlement of accounts with withdrawing or excluded members or members unable to accept an amendment .....	25
Article 46 Duration, extension and termination .....	25
Article 47 Reservations .....	26
<b>ANNEXES</b>	
Annex A Shares of individual exporting countries in total net exports of jute and jute products of countries participating in the United Nations Conference on Jute and Jute Products, 1981, as established for the purposes of article 40.	
Annex B Shares of individual importing countries and groups of countries in total net imports of jute and jute products of countries participating in the United Nations Conference on Jute and Jute Products, 1981, as established for the purposes of article 40.	

PREAMBLE

The Parties to this Agreement,

Recalling the Declaration and Programme of Action on the Establishment of a New International Economic Order,

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,

Recalling further the Substantial New Programme of Action for the 1980s for the Least Developed Countries, and in particular paragraph 82 thereof,

Recognizing the importance of jute and jute products to the economies of many developing exporting countries,

Considering that close international co-operation in finding solutions to the problems facing this commodity will further the economic development of the exporting countries and strengthen economic co-operation between exporting and importing countries,

Have agreed as follows:

CHAPTER I - OBJECTIVES

Article 1

Objectives

1. For the benefit of both exporting and importing members, and 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 and taking account of its resolution 98 (IV), the objectives of the International Agreement on Jute and Jute Products, 1982 (hereinafter referred to as "this Agreement") shall be:

- (a) To improve structural conditions in the jute market;
- (b) To enhance the competitiveness of jute and jute products;
- (c) To maintain and enlarge existing markets as well as to develop new markets for jute and jute products;
- (d) To develop production of jute and jute products with a view to improving, inter alia, their quality for the benefit of importing and exporting members;
- (e) To develop production, exports and imports of jute and jute products as regards quantity so as to meet the requirements of world demand and supply.

2. The objectives referred to in paragraph 1 of this article should be met in particular by means of:

- (a) Projects of research and development, market promotion and cost reduction;
- (b) Collation and dissemination of information relating to jute and jute products;
- (c) Consideration of important issues concerning jute and jute products, such as the questions of stabilization of prices and supplies and of competition with synthetics and substitutes.

CHAPTER II - DEFINITIONS

Article 2

Definitions

For the purposes of this Agreement:

- (1) "Jute" means raw jute, kenaf and other allied fibres, including Urena Lobata, Abutilon Avicennae and Cephalonema Polyandrum;
- (2) "Jute products" means products made wholly or almost wholly of jute, or products whose largest component by weight is jute;
- (3) "Member" means a Government or an intergovernmental organization as provided for in article 5 which has consented to be bound by this Agreement provisionally or definitively;
- (4) "Exporting member" means a member whose exports of jute and jute products exceed its imports of jute and jute products and which has declared itself to be an exporting member;
- (5) "Importing member" means a member whose imports of jute and jute products exceed its exports of jute and jute products and which has declared itself to be an importing member;
- (6) "Organization" means the International Jute Organization established in accordance with article 3;
- (7) "Council" means the International Jute Council established in accordance with article 6;
- (8) "Special vote" means a vote requiring at least two thirds of the votes cast by exporting members present and voting and at least two thirds of the votes cast by importing members present and voting, counted separately, on condition that these votes are cast by a majority of exporting members and by at least four importing members present and voting;
- (9) "Simple distributed majority vote" means a vote requiring more than half of the total votes of exporting members present and voting and more than half of the total votes of the importing members present and voting counted separately. The votes required for exporting members must be cast by a majority of exporting members present and voting;
- (10) "Financial year" means the period from 1 July to 30 June inclusive;
- (11) "Jute year" means the period from 1 July to 30 June inclusive;

(12) "Exports of jute" or "exports of jute products" means any jute or jute products which leave the customs territory of any member; and "imports of jute" or "imports of jute products" means any jute or jute products which enter the customs territory of any member, provided that, for the purposes of these definitions, customs territory shall, in the case of a member which comprises more than one customs territory, be deemed to refer to the combined customs territories of that member; and

(13) "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 Jute Organization

1. The International Jute Organization is hereby established to administer the provisions and supervise the operation of this Agreement.
2. The Organization shall function through the International Jute Council and the Committee on Projects as permanent bodies, and the Executive Director and the staff. The Council may, by special vote, establish for specific purposes committees and working groups with specified terms of reference.
3. The headquarters of the Organization shall be in Dacca, Bangladesh.
4. The headquarters of the Organization shall at all times be located in the territory of a member.

#### Article 4

#### Membership in the Organization

1. There shall be two categories of membership in the Organization, namely:
  - (a) exporting; and
  - (b) importing.
2. A member may change its category of membership on such conditions as the Council shall establish.

#### 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 JUTE COUNCIL

Article 6

Composition of the International Jute Council

1. The highest authority of the Organization shall be the International Jute Council, which shall consist of all the members of the Organization.
2. Each member shall be represented in the Council by one delegate, and may designate alternates and advisers to attend sessions of the Council.
3. An alternate delegate shall be empowered to act and vote on behalf of the delegate 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 and are consistent therewith, including its own rules of procedure and the financial and staff regulations of the Organization. Such financial rules and regulations shall govern, inter alia, 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 jute year a Chairman and a Vice-Chairman, who shall not be paid by the Organization.
2. The Chairman and the Vice-Chairman shall be elected, one from among the representatives of exporting members and the other from among the representatives of importing 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 the permanent absence of one or both of them, the Council may elect new officers from among the representatives of the exporting members and/or from among the representatives of the importing members, as the case may be, on a temporary or permanent basis.

Article 9

Sessions of the Council

1. As a general rule, the Council shall hold one regular session in each half of the jute 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 exporting members or a majority of importing 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 session and the agenda for the session shall be communicated to members by the Executive Director at least 30 days 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 exporting members shall together hold 1,000 votes and the importing members shall together hold 1,000 votes.
2. The votes of the exporting members shall be distributed as follows: 150 votes shall be divided equally among all exporting members to the nearest whole vote for each member; the remaining votes shall be distributed in proportion to the average volume of their net exports of jute and jute products during the preceding three jute years, provided that the maximum number of votes of any exporting member shall not exceed 450. The surplus votes in excess of the maximum shall be distributed to all exporting members having less than 250 votes individually, in proportion to their trade shares.
3. The votes of importing members shall be distributed as follows: each importing member shall have up to five initial votes provided that the total of initial votes shall not exceed 125. The remaining votes shall be distributed in proportion to the annual average of the volume of their respective net imports of jute and jute products during the three-year period commencing four calendar years prior to the distribution of votes.
4. The Council shall distribute the votes for each financial year at the beginning of the 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 5 of this article.



5. 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 decide the date on which the redistribution of votes shall become effective.
6. There shall be no fractional votes.
7. In rounding to the nearest whole vote, any fraction less than 0.5 shall be rounded downward and any fraction greater than or equal to 0.5 shall be rounded upward.

#### 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 exporting member may authorize any other exporting member, and any importing member may authorize any other importing member, to represent its interests and to cast its votes at any meeting or session of the Council.
3. A member authorized by another member to cast the votes held by the authorizing member under article 10 shall cast such votes in accordance with the instructions of the authorizing member.
4. 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 make all recommendations, by consensus. If a consensus is not arrived at, all decisions of the Council shall be taken, and all recommendations shall be made, 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 purpose of paragraph 1 of this article, be considered as present and voting.
3. All decisions and recommendations of the Council shall be consistent with the provisions of this Agreement.

Article 13

Quorum for the Council

1. The quorum for any meeting of the Council shall be the presence of a majority of exporting members and a majority of importing 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 third day and thereafter shall be the presence of a majority of exporting members and a majority of importing 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 with other organizations

1. The Organization shall, to the maximum extent possible, rely upon and fully utilize the facilities, services and expertise of organizations such as the Food and Agriculture Organization of the United Nations (FAO), the International Trade Centre UNCTAD/GATT (ITC), the United Nations Industrial Development Organization and the United Nations Conference on Trade and Development (UNCTAD). In the event that their facilities, services and expertise are considered by the Council to be deficient or inadequate for the effective functioning of the Organization, the Council shall decide, where circumstances so warrant, to take the necessary action to have the work carried out effectively, if necessary by the Organization on its own.
2. The Council shall make whatever arrangements are appropriate for consultation or co-operation with the United Nations and its organs, in particular UNCTAD, and with FAO and such other specialized agencies of the United Nations and intergovernmental and non-governmental organizations as may be appropriate.
3. The Council, bearing in mind the particular role of UNCTAD in the field of international commodity trade, shall, as appropriate, keep that organization informed of its activities and programmes of work.

Article 15

Admission of observers

The Council may invite any non-member country or any of the organizations referred to in article 14 and article 31 concerned with international trade in jute and jute products or with the jute industry 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 the decisions of the Council.
4. The Executive Director shall appoint the staff in accordance with the regulations established by the Council. The Council shall at its first session decide on the number of executive and professional staff the Executive Director may appoint for the initial five-year period. Such staff shall be recruited in stages. 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 jute industry or trade, or associated commercial activities.
6. In the performance of their duties, the Executive Director and other staff shall not seek or receive instruction from any member or from any other 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 other 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, 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 situated (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 delegates of members, as are reasonably 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 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 which is a member of the Organization, that member 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

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 manpower, to meet the requirements of approved projects.

Article 20

Audit and publication of accounts

1. The Council shall appoint auditors for the purpose of auditing its books of account.
2. An independently audited statement of the Administrative Account and of the Special Account shall be made available to members as soon as possible after the close of each jute 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.

Article 21

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 from members in accordance with their respective constitutional or institutional procedures assessed in accordance with paragraphs 3, 4 and 5 of this article.
2. The expenses of delegations to the Council, the Committee on Projects and to the committees and working groups referred to in article 3, paragraph 2, 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. During the second half 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 it and the period remaining in the current financial year, but the assessment made upon other members for 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 two 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 the member has still not paid its contribution within two months after such request, it shall be requested to state the reasons for its inability to make payment. If at the expiry of six months from the due date of contribution that member has still not paid its contribution, its voting rights shall be suspended unless the Council, by special vote, decides otherwise. If that member still fails to pay its contribution at the expiry of a period of one month from the date of suspension of its voting rights, all rights of that member under this Agreement shall be suspended by the Council 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 in particular remain liable to pay its contribution.

Article 22

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. All expenditures for 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.
3. 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.
4. The possible sources of finance for the Special Account shall be:
  - (a) The Second Account of the Common Fund for Commodities, when established;
  - (b) Regional and international financial institutions namely, the United Nations Development Programme, the World Bank, the Asian Development Bank, the Inter-American Development Bank and the African Development Bank, etc.; and
  - (c) Voluntary contributions.
5. 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.
6. 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 given by individual members or other entities.
7. 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.
8. 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.

9. 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.
10. The resources of the Special Account shall be used only for approved projects or for pre-project activities.
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.
12. The Council may, when appropriate, review the financing of the Special Account.



CHAPTER VII - OPERATIONAL ACTIVITIES

Article 23

Projects

1. In order to achieve the objectives set out in article 1, the Council shall, on a continuing basis and in accordance with the provisions of article 14, paragraph 1, identify, arrange for the preparation and implementation of, and, with a view to ensuring their effectiveness, follow up projects in the fields of research and development, market promotion and cost reduction and other relevant projects approved by the Council.
2. The Executive Director shall submit proposals on projects referred to in paragraph 1 of this article to the Committee on Projects. Such proposals shall be circulated to all members at least two months before the session of the Committee at which they are to be considered. On the basis of these proposals, the Committee shall decide which pre-project activities shall be undertaken. Such pre-project activities shall be arranged by the Executive Director in accordance with rules and regulations to be adopted by the Council.
3. The results of the pre-project activities including detailed costings, possible benefits, duration, location and possible executing agencies, shall be submitted by the Executive Director to the Committee after circulation to all members at least two months before the session of the Committee at which they are to be considered.
4. The Committee shall consider the results of such pre-project activities and make recommendations on the projects to the Council.
5. The Council shall consider the recommendations and shall, by special vote, decide on the proposed projects for financing in accordance with article 22 and article 27.
6. The Council shall decide on the relative priorities of projects.
7. Initially, the Council shall give priority to projects prepared by FAO and ITC for the Preparatory Meetings on Jute and Jute Products under the Integrated Programme for Commodities and to such other viable projects as the Council may approve.
8. The Council shall obtain the approval of a member before approving a project in the territory of that member.
9. The Council may, by special vote, terminate its sponsorship of any project.

Article 24

Research and development

Projects relating to research and development should inter alia be aimed at:

- (a) Improving agricultural productivity and fibre quality;
- (b) Improving manufacturing processes for existing and new products;
- (c) Finding new end-uses and improving existing products.

Article 25

Market promotion

Projects relating to market promotion should inter alia be aimed at the maintenance and expansion of markets for existing products and finding markets for new products.

Article 26

Cost reduction

The projects relating to cost reduction should, inter alia, be aimed at, in so far as appropriate, improving processes and techniques relating to agricultural productivity and fibre quality, as well as improvement of processes and techniques relating to labour, material and capital costs in the jute manufacturing industry and developing and maintaining, for the use of members, information on the most efficient processes and techniques currently available to the jute economy.

Article 27

Criteria for approval of projects

Approval of projects by the Council shall be based on the following criteria:

- (a) They shall have the potential of benefiting, at present or in the future, more than one exporting member and be of benefit to the jute economy as a whole;
- (b) They shall be related to the maintenance or expansion of international trade in jute and jute products;
- (c) They shall offer prospects for favourable economic results in relation to costs in the short term or in the long term;
- (d) They shall be designed to be consistent with the size of the international trade in jute and jute products;
- (e) They shall have the potential for improving the general competitiveness or market prospects of jute and jute products.

Article 28

Committee on Projects

1. A Committee on Projects (hereinafter referred to as "the Committee") is hereby established. It shall be responsible to, and work under the general direction of, the Council.
2. Participation in the Committee shall be open to all members. The rules of procedure as well as the distribution of votes and voting procedure of the Committee shall be those of the Council mutatis mutandis. The Committee shall, unless it decides otherwise, meet four times a year or at the request of the Council.
3. The functions of the Committee shall be:
  - (a) To consider and technically appraise and evaluate project proposals referred to in article 23;
  - (b) To decide on pre-project activities; and
  - (c) To make recommendations to the Council relating to projects.

CHAPTER VIII - RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES

Article 29

Relationship with the Common Fund for Commodities

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

CHAPTER IX - CONSIDERATION OF IMPORTANT ISSUES  
CONCERNING JUTE AND JUTE PRODUCTS

Article 30

Consideration of stabilization, competition  
with synthetics and other issues

1. The Council shall continue consideration of the questions of stabilization of prices and supplies of jute and jute products for export with a view to finding solutions therefor. Following such consideration, any solution agreed upon that entails measures not already explicitly provided for in this Agreement may only be implemented by an amendment of this Agreement pursuant to article 42.
2. The Council shall consider issues relating to competition between jute and jute products on the one hand, and synthetics and substitutes on the other.
3. The Council shall make arrangements for the continuing consideration of other important issues relevant to jute and jute products.

CHAPTER X - STATISTICS, STUDIES AND INFORMATION

Article 31

Statistics and studies and information

1. The Council shall establish close relationships with appropriate international organizations, in particular FAO, in order to help ensure the availability of recent and reliable data and information on all factors affecting jute and jute products. The Organization shall collect, collate and as necessary publish such statistical information on production, trade, supply, stocks, consumption and prices of jute, jute products, synthetics and substitutes as is necessary for the operation of this Agreement.
2. Members shall furnish statistics and information within a reasonable time to the fullest extent possible not inconsistent with their national legislation.
3. The Council shall arrange to have studies undertaken of the trends and of the short- and long-term problems of the world jute economy.
4. The Council shall ensure that no information published shall prejudice the confidentiality of the operations of persons or companies producing, processing or marketing jute, jute products, synthetics and substitutes.

Article 32

Annual report and report on assessment and review

1. The Council shall, within six months of the close of each jute year, publish an annual report on its activities and such other information as it considers appropriate.
2. The Council shall annually assess and review the world jute situation and outlook, including the state of competition with synthetics and substitutes, and shall inform members of the results of the review.
3. The review shall be carried out in the light of information supplied by members in relation to national production, stocks, exports and imports, consumption and prices, of jute and jute products and synthetics and substitutes and such other information as may be available to the Council either directly or through the appropriate organizations in the United Nations system, including UNCTAD and FAO, and appropriate intergovernmental and non-governmental organizations.

CHAPTER XI - MISCELLANEOUS

Article 33

Complaints and disputes

Any complaint that a member has failed to fulfil its obligation 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 34

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 action in contradiction to them.
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 35

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 36

Differential and remedial 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 paragraphs 3 and 4 of section III of resolution 93 (IV) of the United Nations Conference on Trade and Development.
2. Without prejudice to the interests of other exporting members, the Council shall, in all its activities, give special consideration to the needs of a particular least developed exporting member.

CHAPTER XII - FINAL PROVISIONS

Article 37

Signature, ratification, acceptance and approval

1. This Agreement shall be open for signature at United Nations Headquarters from 3 January to 30 June 1983 inclusive by Governments invited to the United Nations Conference on Jute and Jute Products, 1981.
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;
  - (b) After signing this Agreement, ratify, accept or approve it by the deposit of an instrument to this effect with the depositary.

Article 38

Depositary

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

Article 39

Notification of provisional application

1. 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 40 or, if it is already in force, at a specified date. At the time of its notification of provisional application, each Government shall declare itself to be an exporting member or an importing member.
2. A Government which has notified under paragraph 1 of this article that it will apply this Agreement either when this Agreement enters into force or, if this Agreement is already in force, at a specified date shall, from that time, be a provisional member of the Organization, until it deposits its instrument of ratification, approval, acceptance or accession and thus becomes a member.

Article 40

Entry into force *definitively*

1. This Agreement shall enter into force ~~on~~ 1 July 1983 or on any date thereafter, if by that date three Governments accounting for at least 85 per cent of net exports as set out in annex A to this Agreement, and 20 Governments accounting for at least 65 per cent of net imports as set out in annex B to this Agreement have signed this Agreement pursuant to article 37, paragraph 2(a), or have deposited their instruments of ratification, acceptance, approval or accession.



2. This Agreement shall enter into force provisionally on 1 July 1983 or on any date thereafter, if by that date three Governments accounting for at least 85 per cent of net exports as set out in annex A to this Agreement, and 20 Governments accounting for at least 65 per cent of net imports as set out in annex B to this Agreement, have signed this Agreement pursuant to article 37, paragraph 2(a), or have deposited their instruments of ratification, acceptance or approval, or have notified the depositary under article 39 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 January 1984, the Secretary-General of the United Nations shall invite those Governments which have signed this Agreement pursuant to article 37, paragraph 2(a), or have deposited instruments of ratification, acceptance or approval, or have notified the depositary that they will apply this Agreement provisionally, to meet at the earliest time practicable and to decide to put this Agreement into force provisionally or definitively among themselves in whole or in part. While this Agreement is in force provisionally under this paragraph, those Governments which have decided to put this Agreement into force provisionally among themselves in whole or in part shall be provisional members. Such Governments may meet to review the situation and decide whether this Agreement shall enter into force definitively among themselves, or continue in force provisionally, or terminate.

4. For any Government that deposits its instrument of ratification, acceptance, approval or accession after the entry into force of this Agreement, it shall enter into force for that Government 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 41

##### 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 deposit their instruments of accession 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 42

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 exporting members and accounting for at least 85 per cent of the votes of the exporting members, and from members constituting at least two thirds of the importing members and accounting for at least 85 per cent of the votes of the importing 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 the period for acceptance of the amendment for that member. 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 43

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 44

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. One year after the date of the Council's decision, that member shall cease to be a party to this Agreement.

Article 45

Settlement of accounts with withdrawing or excluded members  
or members unable to accept an amendment

1. In accordance with this article, 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 42;
  - (b) Withdrawal from this Agreement under article 43; or
  - (c) Exclusion from this Agreement under article 44.
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 received an appropriate refund under this article shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization. Nor shall such a member be liable for any deficit incurred by the Organization after such refund has been made.

Article 46

Duration, extension and termination

1. This Agreement shall remain in force for a period of five years from the date of its entry into force unless the Council decides, by special vote, to extend or renegotiate this Agreement or to terminate it.
2. Before the expiry of the five-year period referred to in paragraph 1 of this article, the Council may, by special vote, decide to extend this Agreement for a period not exceeding two years and/or to renegotiate it.
3. If, before the expiry of the five-year period referred to in paragraph 1 of this article, negotiations for a new agreement to replace this Agreement have not yet been concluded, the Council may, by special vote, extend this Agreement for a period to be decided by the Council.
4. If, before the expiry of the five-year period referred to in paragraph 1 of this article, 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.

5. If a new international jute agreement is negotiated and enters into force during any period of extension of this Agreement pursuant to paragraphs 2, 3 or 4 of this article, this Agreement, as extended, shall terminate upon the entry into force of the new agreement.
6. The Council may at any time, by special vote, decide to terminate this Agreement with effect from such date as it may determine.
7. 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.
8. The Council shall notify the depositary of any decision taken under this article.

Article 47

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 first day of October, one thousand nine hundred and eighty-two, the texts of this Agreement in the Arabic, English, French, Russian and Spanish languages being equally authentic.

ANNEX A

SHARES OF INDIVIDUAL EXPORTING COUNTRIES IN TOTAL NET EXPORTS  
OF JUTE AND JUTE PRODUCTS OF COUNTRIES PARTICIPATING IN THE  
UNITED NATIONS CONFERENCE ON JUTE AND JUTE PRODUCTS, 1981, AS  
ESTABLISHED FOR THE PURPOSES OF ARTICLE 40

	<u>Percentage</u>
Bangladesh	56.668
Brazil	0.911
India	31.457
Nepal	3.452
Peru	0.097
Thailand	7.405
Total	<u>100.000</u>

ANNEX B

SHARES OF INDIVIDUAL IMPORTING COUNTRIES AND GROUPS OF COUNTRIES  
IN TOTAL NET IMPORTS OF JUTE AND JUTE PRODUCTS OF COUNTRIES  
PARTICIPATING IN THE UNITED NATIONS CONFERENCE ON JUTE AND JUTE  
PRODUCTS, 1981, AS ESTABLISHED FOR THE PURPOSES OF ARTICLE 40

	<u>Percentage</u>
Algeria	0.916
Australia	7.067
Austria	0.252
Bulgaria	1.572
Canada	1.702
Colombia	0.000
Costa Rica	0.000
Cuba	5.258
Czechoslovakia	1.236
Ecuador	0.000
Egypt	2.747
El Salvador	0.542
European Economic Community	16.316
Belgium-Luxembourg	2.892
Denmark	0.313
France	2.778
Germany, Federal Republic of	2.831
Greece	0.420
Ireland	0.366
Italy	1.244
Netherlands	1.740
United Kingdom of Great Britain and Northern Ireland	3.732
Finland	0.191
Ghana	0.336
Hungary	0.420
Indonesia	2.366
Iraq	1.915
Japan	5.952
Madagascar	0.350

	<u>Percentage</u>
Malaysia	0.160
Malta	0.000
Mauritania	0.008
Mexico	0.359
Nicaragua	0.122
Nigeria	0.626
Norway	0.168
Pakistan	7.547
Philippines	0.259
Poland	1.221
Korea, Republic of	0.443
Romania	0.885
Saudi Arabia	0.313
Senegal	0.023
Spain	0.664
Sudan	3.846
Sweden	0.046
Switzerland	0.267
Syrian Arab Republic	1.740
Tunisia	0.328
Turkey	1.160
Union of Soviet Socialist Republics	11.729
United Republic of Tanzania	0.702
United States of America	16.644
Venezuela	0.053
Yugoslavia	1.526
Zaire	0.023
	<hr/>
TOTAL	100.000
	<hr/> <hr/>

