II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 18 December 1990

on the signing of the International Agreement on Jute and Jute Products, 1989

(91/51/EEC)

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 proposal from the Commission,

Whereas the International Agreement on Jute and Jute Products, 1989, is open for signature from 1 January to 31 December 1990;

Whereas all Member States have indicated their intention to sign the Agreement;

Whereas the Community and its Member States should proceed simultaneously to sign the Agreement,

HAS DECIDED AS FOLLOWS:

Article 1

Not later than 31 December 1990 the Community and its Member States shall, acting simultaneously, sign the International Agreement on Jute and Jute Products, 1989, in accordance with Article 37 (1) thereof.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement on behalf of the Community.

The text of the Agreement is attached to this Decision.

Done at Brussels, 18 December 1990.

For the Council

The Président

G. DE MICHELIS

INTERNATIONAL AGREEMENT ON JUTE AND JUTE PRODUCTS, 1989

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INTERNATIONAL AGREEMENT ON JUTE AND JUTE PRODUCTS, 1989

PREAMBLE

THE PARTIES TO THIS AGREEMENT,

RECALLING the declaration and the programme of action on the establishment of a new international economic order [1],

RECALLING resolutions 93 (VI), 124 (V) and 155 (VI) on the integrated programme for commodities adopted by the United Nations Conference on Trade and Development at its fourth, fifth and sixth sessions, and Chapter II, Section B of the Final Act of UNCTAD VII,

RECALLING FURTHER the substantial new programme of action for the 1980s for the least-developed countries, and in particular paragraph 82 thereof [2],

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

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

CONSIDERING the significant contribution made by the International Agreement on Jute and Jute Products, 1982, towards such cooperation 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), 124 (V) and 155 (VI) on the Integrated Programme for Commodities and taking account of its resolution 98 (IV) and Chapter II, Section B of the Final Act of UNCTAD VII, the objectives of the International Agreement on Jute and Jute Products, 1989 (hereinafter referred to as 'this Agreement') shall be:

(a) to provide an effective framework for cooperation and consultation between exporting and importing members with regard to the development of the jute economy;

(b) to promote the expansion and diversification of international trade in jute and jute products;

(c) to improve the structural conditions in the jute market;

(d) to give environmental aspects due consideration in activities of the Organization, particularly by creating awareness of the beneficial effects of the use of jute as a natural product;

(e) to enhance the competitiveness of jute and jute products;

(f) to maintain and enlarge existing markets as well as to develop new markets for jute and jute products;

(g) to improve market intelligence with a view to ensuring greater transparency in the international jute market;

(h) to develop new end-uses of jute including new jute products with a view to enlarging the demand for jute;

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(1) General assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

(2) See *Report of the United Nations Conference on the Least-Developed Countries* (United Nations publications, Sales No E.82.I.8), part one, Section A.

(i) to encourage increased and further processing of jute and jute products in both importing and exporting countries;

(j) to develop production of jute with a view to improving, *inter alia*, its unit yield and its quality for the benefit of importing and exporting countries;

(k) to develop production of jute products with a view to improving, *inter alia*, their quality and reducing their cost of production;

(l) to develop production, export and import of jute and jute products as regards quantity so as to meet the requirements of world demand and supply.

2. The objectieves 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, including human resources development;

(b) collation and dissemination of information, including market 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;

(d) undertaking studies of trends in the short- and long-term problems of the world jute economy.

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 goverment 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 referred to in 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 1 July to 30 June inclusive;

11. *'jute year'* means the period 1 July to 30 June inclusive;

12. *'host government'* means the government of the country in which the headquarters of the Organization is located;

13. *'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

14. *'freely usable currencies'* means the deutsch 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

Headquarters, structure and continuation of the International Jute Organization

1. The International Jute Organization, established under the International Agreement on Jute and Jute Products, 1982, shall continue in being for the purpose of administering the provisions and supervising the operation of this Agreement.

2. The Organization shall function through the International Jute Council and the Commitee 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 Dhaka, 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 adminsitrative 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 and shall grant privileges and immunities comparable to those provided for similar international conferences.

4. Notice of any session and the agenda, together with documentation mentioned therein, for the session shall be communicated to members by the Ececutive 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 exeed 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 150. The remaining votes shall be respective net imports of jute and jute products during 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 (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.

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

3. Representation in accordance with Article 11 (2), shall be considered as presence.

Article 14

Cooperation with other organizations

1. The Council shall make whatever arrangements are appropriate for consultation or cooperation with the United Nations, its specialized agencies such as the Food and Agriculture Organization of the United Nations and the United Nations Industrial Development Organization, and its subsidiary bodies such as the United Nations Conference on Trade and Development, the United Nations Development Programme, the International Trade Centre, UNCTAD/GATT and the United Nations Environment Programme, and with other intergovernmental and non-governmental organizations as may be appropriate.

2. The Organization shall, to the maximum extent possible, utilize the factilities, services and expertise of the bodies mentioned under paragraph 1 of this Article in order to avoid duplication of efforts in achieving the objectives of this Agreement and to enhance the complementarity and the efficiency of its activities.

3. The Council, bearing in mind particular role of UNCTAD in the field of international commodity trade, shall as appropriate, keep that organization informed of its activities and programme 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 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 under the rules of procedure of 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, by special vote, decide on the number of executive, professional and general service staff the Executive Director may appoint. Any changes in the number of posts 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 executively international character of the responsibilies 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, to acquire and dispose of movable and immovable property and to institute legal proceedings.

2. The Organization shall continue to operate under the Headquarters Agreement with the host government (which is the Government of Bangladesh, where the headquarters of the Organization is currently located). The Headquarters Agreement with the host government relates to such items as status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and delegations of members, as are reasonably necessary for the purpose of discharging their functions.

3. If the headquarters of the Organization os 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.

4. Pending the conclusion of the headquarters agreement referred to in paragraph 3 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.

5. The Organization may 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.

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 (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 administrative budget 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 in particular remain liable to pay its contribution.

9. The unspent balance of the administrative budget of any year shall be credited to member governments as a reduction in the following year's contributions in the same proportion as originally assessed.

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-acccount.

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;

(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

RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES

Article 23

Relationship with the Common Fund for Commodities

The Organization shall take full advantage of the facilities of the Common Fund for Commodities, including, if applicable, entering into a mutually acceptable agreement with the Common Fund in accordance with the principles set out in the Agreement establishing the Common Fund for Commodities.

CHAPTER VIII

OPERATIONAL ACTIVITIES

Article 24

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 (1), identify, arrange for the preparation and implementation of, and, with a view to ensuring their effectiveness, follow up, monitor and evaluate projects in the fields of research an development, market promotion and cost reduction, which may include human resources development, 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 Articles 22 and 28.

6. The Council shall decide on the relative priorities of projects.

7. The Council shall obtain the approval of a member before approving a project in the territory of that member.

8. The Council may, by special vote, terminate the sponsorship of any project.

Article 25

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;

(d) encouraging increased and further processing of jute and jute products.

Article 26

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 27

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 28

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 member, of which at least one is an 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 29

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 normally meet twice a year. It may, however, meet more frequently 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 24;

(b) to decide on pre-project activities; and

(c) to make recommendations to the Council relating to projects.

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, studies and information

1. The Council shall make whatever arrangements are appropriate with the bodies mentioned under Article 14 (1), 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.

5. The Council shall take such measures as are considered necessary to give publicity to and information about jute and jute products.

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 the activities of the Organization 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 obligations under this Agreement and any dispule

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 cooperate 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.

3. The liability of members arising from the operation of this Agreement, whether to the Organization or to third parties, shall be limited to the extent of their obligations regarding contributions in accordance with Chapter VI.

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 Section III, paragraphs 3 and 4, 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 1 January to 31 December 1990 inclusive by governments invited to the United Nations Conference on Jute and Jute Products, 1989.

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, acceptance, approval or accession and thus becomes a member.

Article 40

Entry into force

1. This Agreement shall enter into force definitively on 1 January 1991 or on any date thereafter, if by that date three governments accounting for at least 85 % of net exports as set out in Annex A to this Agreement, and 20 governments accounting for at least 65 % of net imports as set out in Annex B to this Agreement, have signed this Agreement pursuant to Article 37 (a), or have deposited their instruments of ratification, acceptance, approval or accession.

2. This Agreement shall enter into force provisionally on 1 January 1991 or on any date thereafter, if by that date three governments accounting for at least 85 % of net exports as set out in Annex A to this Agreement, and 20 governments accounting for at least 65 % of net imports as set out in Annex B to this Agreement, have signed this Agreement pursuant to Article 37 (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 1991, the Secretary-General of the United Nations shall invite those governments which have signed this Agreement pursuant to Article 37 (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 among themselves in whole or in part shall be provisional members. Such under this paragraph, those goverments which have decided to put this Agreement into force provisionally 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 Executive Director 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 %, 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 % 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 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 an may be necessary for these purpose.

7. 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, this third day of November, one thousand nine hundred and eighty-nine, the texts of this Agreement in the Arabic, Chinese, 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, 1989, as established for the purposes of Article 40

		(Percentage)
Bangladesh		61,578
China		8,681
India		18,869
Nepal		1,703
Thailand		9,169
	Total	100,00

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, 1989, as established for the purposes of Article 40

		(Percentage)
Algeria		1,443
Argentina		0,363
Australia		6,905
Austria		0,143
Canada		1,311
European Economic Community		24,008
Belgium/Luxembourg	6,200	
Denmark	0,242	
France	1,949	
Germany	3,128	
Greece	0,330	
Ireland	0,363	
Italy	1,399	
Netherlands	2,434	
Portugal	0,275	
Spain	1,421	
United Kingdom	6,267	
Egypt (1)		2,390
Finland		0,077
Indonesia		2,269
Japan		6,542
Morocco		0,815
Norway		0,055
Pakistan		12,974
Philippines		0,066
Poland (1)		1,795
Sweden		0,044
Switzerland		0,198
Syrian Arab Republic		3,943
Turkey		1,718
United States of America		14,097
Union of Soviet Socialist Republics		17,610
Yugoslavia (1)		1,234
	Total	100,00

(1) Not participating in the Conference but included because it is an importing member of the Intenational Jute Organization.