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**PREPARATION OF A SUCCESSOR AGREEMENT
TO THE INTERNATIONAL TROPICAL TIMBER AGREEMENT, 1994**

**ARTICLES APPROVED INFORMALLY
Articles 1, 2, 9, 19 and 41 and Annex B**

CHAPTER I. OBJECTIVES

ARTICLE 1 OBJECTIVES

The objectives of the International Tropical Timber Agreement, 2006 (hereinafter referred to as "this Agreement") are to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber producing forests by:

- (a) Providing an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy;
- (b) Providing a forum for consultation to promote non-discriminatory timber trade practices;
- (c) Contributing to sustainable development and to poverty alleviation;
- (d) Enhancing the capacity of members to implement strategies for achieving exports of tropical timber and timber products from sustainably managed sources;
- (e) Promoting improved understanding of the structural conditions in international markets, including long-term trends in consumption and production, factors affecting market access, consumer preferences and prices, and conditions leading to prices which reflect the costs of sustainable forest management;
- (f) Promoting and supporting research and development with a view to improving forest management and efficiency of wood utilization and the competitiveness of wood products relative to other materials, as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests;
- (g) Developing and contributing towards mechanisms for the provision of new and additional financial resources with a view to promoting the adequacy and predictability of funding and expertise needed to enhance the capacity of producer members to attain the objectives of this Agreement;
- (h) Improving market intelligence and encouraging information sharing on the international timber market with a view to ensuring greater transparency and better information on markets and market trends, including the gathering, compilation and dissemination of trade related data, including data related to species being traded;
- (i) Promoting increased and further processing of tropical timber from sustainable sources in producer member countries, with a view to promoting their industrialization and thereby increasing their employment opportunities and export earnings;
- (j) Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources;

- (k) Improving marketing and distribution of tropical timber and timber product exports from sustainably managed and legally harvested sources and which are legally traded, including promoting consumer awareness;
- (l) Strengthening the capacity of members for the collection, processing and dissemination of statistics on their trade in timber and information on the sustainable management of their tropical forests;
- (m) Encouraging members to develop national policies aimed at sustainable utilization and conservation of timber producing forests and their genetic resources and maintaining ecological balance, in the context of the tropical timber trade;
- (n) Strengthening the capacity of members to improve forest law enforcement and governance and address illegal logging and related trade in tropical timber;
- (o) Encouraging information sharing for a better understanding of voluntary mechanisms such as, *inter alia*, certification, to promote sustainable management of tropical forests, and assisting members with their efforts in this area.
- (p) Promoting access to, and transfer of, technologies and technical cooperation to implement the objectives of this Agreement, including on concessional and preferential terms and conditions, as mutually agreed;
- (q) Promoting better understanding of the contribution of non-timber forest products and environmental services to the sustainable management of tropical forests with the aim of enhancing the capacity of members to develop strategies to strengthen such contributions in the context of sustainable forest management, and cooperating with relevant institutions and processes to this end;
- (r) Encouraging members to recognize the role of forest-dependent indigenous and local communities in achieving sustainable forest management and develop strategies to enhance the capacity of these communities to sustainably manage tropical timber producing forests; and
- (s) Identifying and addressing relevant new and emerging issues.

CHAPTER II. DEFINITIONS

ARTICLE 2 DEFINITIONS

For the purposes of this Agreement:

1. "Tropical timber" means tropical wood for industrial uses, which grows or is produced in the countries situated between the Tropic of Cancer and the Tropic of Capricorn. The term covers logs, sawnwood, veneer sheets and plywood;
2. "Sustainable forest management" will be understood according to the Organization's relevant policy documents and technical guidelines;

3. "Member" means a Government, the European Community or any intergovernmental organization referred to in article 5 which has consented to be bound by this Agreement whether it is in force provisionally or definitively;
4. "Producer member" means any member situated between the Tropic of Cancer and the Tropic of Capricorn with tropical forest resources and/or an exporter of tropical timber in volume terms which is listed in annex A and which becomes a party to this Agreement, or any member with tropical forest resources and/or an exporter of tropical timber in volume terms which is not so listed and which becomes a party to this Agreement and which the Council, with the consent of that member, declares to be a producer member;
5. "Consumer member" means any member which is an importer of tropical timber listed in annex B which becomes a party to this Agreement, or any member which is an importer of tropical timber not so listed which becomes a party to this Agreement and which the Council, with the consent of that member, declares to be a consumer member;
6. "Organization" means the International Tropical Timber Organization established in accordance with article 3;
7. "Council" means the International Tropical Timber Council established in accordance with article 6;
8. "Special vote" means a vote requiring at least two thirds of the votes cast by producer members present and voting and at least [60] per cent of the votes cast by consumer members present and voting, counted separately, on condition that these votes are cast by at least half of the producer members present and voting and at least half of the consumer members present and voting.
9. "Simple distributed majority vote" means a vote requiring more than half of the votes cast by producer members present and voting and more than half of the votes cast by consumer members present and voting, counted separately;
10. "Financial biennium" means the period from 1 January of one year to 31 December of the following year.
11. "Freely convertible currencies" means the euro, the Japanese yen, the pound sterling, the Swiss franc, 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.
12. For purposes of the calculation of the distribution of votes under paragraph 2 (b) of Article 10, "tropical forest resources" means natural closed forests and forest plantations located between the Tropic of Cancer and the Tropic of Capricorn.

CHAPTER IV. INTERNATIONAL TROPICAL TIMBER COUNCIL

ARTICLE 9 SESSIONS OF THE COUNCIL

1. As a general rule, the Council shall hold at least one regular session a year.
2. The Council shall meet in special session whenever it so decides or at the request of any member or the Executive Director, in agreement with the Chairman and Vice-Chairman of the Council and:
 - (a) A majority of producer members or a majority of consumer members; or
 - (b) A majority of members
3. Sessions of the Council shall be held at the headquarters of the Organization unless the Council, by special vote in accordance with Article 12, decides otherwise. In this regard, the Council shall seek to convene alternate sessions of the Council outside headquarters, preferably in a producer country.
4. In considering the frequency and location of its sessions, the Council shall seek to ensure the availability of sufficient funds.
5. Notice of any sessions and the agenda for such sessions shall be communicated to members by the Executive Director at least six weeks in advance, except in cases of emergency, when notice shall be communicated at least seven days in advance.

CHAPTER VI. FINANCE

ARTICLE 19 ADMINISTRATIVE ACCOUNT

1. The expenses necessary for the administration of this Agreement shall be brought into the Administrative Account and shall be met by annual contributions paid by members in accordance with their respective constitutional or institutional procedures and assessed in accordance with paragraphs 4, 5 and 6 of this article.
2. The Administrative Account shall include:
 - (a) Basic administrative costs such as salaries and benefits, installation costs, and official travel; and
 - (b) Core operational costs such as those related to communication and outreach, expert meetings convened by the Council and preparation and publication of studies and assessments pursuant to articles 24, 29 and 30 of this Agreement.
3. The expenses of delegations to the Council, the committees and any other subsidiary bodies of the Council referred to in article 26 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.

4. Before the end of each financial biennium, the Council shall approve the budget for the Administrative Account of the Organization for the following biennium and shall assess the contribution of each member to that budget.

5. Contributions to the Administrative Account for each financial biennium shall be assessed as follows:

- (a) The costs referred to in paragraph 2 (a) of this article shall be shared equally among producer and consumer members and assessed in the proportion the number of each member's votes bears to the total votes of the member's group;
- (b) The costs referred to in paragraph 2 (b) of this article shall be shared among members in the proportions of 20 per cent for producers and 80 per cent for consumers and assessed in the proportion the number of each member's votes bears to the total votes of the member's group;
- (c) The Council may review how the Administrative Account and the voluntary accounts contribute to the efficient and effective operation of the Organization in the context of the evaluation referred to in article 35; and
- (d) 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.

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

7. Contributions to the Administrative Account shall become due on the first day of each financial year. Contributions of members in respect of the financial biennium in which they join the Organization shall be due on the date on which they become members.

8. If a member has not paid its full contribution to the Administrative Account within four months after such contribution becomes due in accordance with paragraph 7 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 until such time as it has paid in full its contribution, unless the Council, by special vote, decides otherwise. If a member has not paid its contribution in full for two consecutive years, taking into account the provisions contained in article 32, that member shall become ineligible to submit project or pre-project proposals for funding consideration under paragraph 1 of article 25.

9. If a member has paid its full contribution to the Administrative Account within four months after such contribution becomes due in accordance with paragraph 7 of this article, that member's contribution shall receive a discount as may be established by the Council in the financial rules of the Organization.

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

CHAPTER XI. FINAL PROVISIONS

ARTICLE 41 ENTRY INTO FORCE

1. This Agreement shall enter into force definitively on 1 February 2008 or on any date thereafter, if 12 Governments of producers holding at least sixty per cent of the total votes as set out in Annex A to this Agreement and 10 Governments of consumers as listed in annex B and accounting for sixty per cent of the global import volume of tropical timber in the reference year 2005 have signed this Agreement definitively or have ratified, accepted or approved it thereto pursuant to article 38, paragraph 2, or article 39.

2. If this Agreement has not entered into force definitively on 1 February 2008, it shall enter into force provisionally on that date or on any date within six months thereafter if 10 Governments of producers holding at least fifty per cent of the total votes as set out in Annex A to this Agreement and seven Governments of consumers as listed in annex B and accounting for fifty per cent of the global import volume of tropical timber in the reference year 2005 have signed this Agreement definitively or have ratified, accepted or approved it pursuant to article 38, paragraph 2, or have notified the depositary under article 38 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 September 2008, the Secretary-General of the United Nations shall invite those Governments which have signed this Agreement definitively or have ratified, accepted or approved it pursuant to article 38, paragraph 2, or have notified the depositary that they will apply this Agreement provisionally, to meet at the earliest time practicable to decide whether to put this Agreement into force provisionally or definitively among themselves in whole or in part. Governments which decide to put this Agreement into force provisionally among themselves may meet from time to time to review the situation and decide whether this Agreement shall enter into force definitively among themselves.

4. For any Government which has not notified the depositary under article 40 that it will apply this Agreement provisionally and which deposits its instrument of ratification, acceptance, approval or accession after the entry into force of this Agreement, this Agreement shall enter into force on the date of such deposit.

5. The Executive Director of the Organization shall convene the Council as soon as possible after the entry into force of this Agreement.

ANNEX B

List of potential consumer members as defined in article 2

Albania
Algeria
Australia*
Canada*
China*
Egypt*
European Community*
 Austria*
 Belgium*
 Czech Republic
 Estonia
 Finland*
 France*
 Germany*
 Greece*
 Ireland*
 Italy*
 Lithuania
 Luxembourg*
 Netherlands*
 Poland
 Portugal*
 Slovakia
 Spain*
 Sweden*
 United Kingdom of Great Britain and
 Northern Ireland*
Iran (Islamic Republic of)
Iraq
Japan*
Lesotho
Libyan Arab Jamahiriya
Morocco
Nepal*
New Zealand*
Norway*
Republic of Korea*
Switzerland*
United States of America*

* Member of the International Tropical Timber Agreement, 1994