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Executive Committee

RENEGOTIATION OF THE INTERNATIONAL NATURAL RUBBER AGREEMENT, 1987

Articles 41, 42, 43, 44, 46, 48, 49, 50, 51, 52, and 53 referred
by the Executive Committee to the Legal Drafting Committee

CHAPTER IX. RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES

Article 41

Relationship with the Common Fund for Commodities

1. The Organization shall take full advantage of the facilities of the Common Fund for Commodities.
2. In respect of the implementation of any project funded under the Second Account of the Common Fund for Commodities, the Organization, as a designated International Commodity Body, shall not incur any financial obligation including for guarantees given by individual members or other entities. Neither the Organization, nor any member by reason of its membership in the Organization shall be responsible for any liability arising from borrowing or lending by any other member or entity in connection with such projects.

CHAPTER X. SUPPLY AND MARKET ACCESS AND OTHER MEASURES

Article 42

Supply and market access

1. Exporting members to the fullest extent possible undertake to pursue policies and programmes which maintain continuous availability to consumers of natural rubber supplies.

2. Importing members to the fullest extent possible undertake to pursue policies which will maintain access to their markets for natural rubber.

Article 43

Other measures

1. With a view to achieving the objectives of this Agreement, the Council shall identify and propose appropriate measures and techniques directed towards promoting:

(a) The development of the natural rubber economy by producing members, through expanded and improved production, productivity and marketing, thereby increasing the export earnings of producing members while at the same time improving the reliability of supply. For this purpose, the Committee on Other Measures shall undertake economic and technical analyses in order to identify:

- (i) Natural rubber research and development programmes and projects of benefit to exporting and importing members, including scientific research in specific areas;
- (ii) Programmes and projects to improve the productivity of the natural rubber industry;
- (iii) Ways and means to upgrade natural rubber supplies and achieve uniformity in quality specification and presentation of natural rubber; and
- (iv) Methods of improving the processing, marketing and distribution of raw natural rubber;

(b) The development of end-uses of natural rubber. For this purpose, the Committee on Other Measures shall undertake appropriate economic and technical analyses in order to identify programmes and projects leading to increased and new uses of natural rubber.

2. The Council shall consider the financial implications of such measures and techniques and seek to promote and facilitate the provision of adequate financial resources, as appropriate, from such sources as international financial institutions and the Second Account of the Common Fund for Commodities.

3. The Council may accept any voluntary contribution in support of approved projects to implement this article. The management of financial contributions shall be subject to rules to be established by special vote of the Council.

4. The Council may make recommendations, as appropriate, to members, international institutions and other organizations to promote the implementation of specific measures under this article.

5. The Committee on Other Measures shall periodically review the progress of those measures which the Council decides to promote and recommend, and shall report thereon to the Council.

CHAPTER XI. CONSULTATION ON DOMESTIC POLICIES

Article 44

Consultation

The Council shall consult, at the request of any member, on government natural rubber policies directly affecting supply or demand. The Council may submit its recommendations to members for their consideration.

CHAPTER XII. STATISTICS, STUDIES AND INFORMATION

Article 46

Annual assessment, estimates and studies

1. The Council shall prepare an annual assessment on the world natural rubber situation and related areas in the light of the information supplied by members and from all relevant intergovernmental and international organizations.

2. At least once in every half year, the Council shall also estimate production, consumption, exports and imports of natural rubber by specific types and grades, if possible, for the following six months. It shall inform the members of these estimates.

3. The Council shall undertake, or make appropriate arrangements to undertake, studies of trends in natural rubber production, consumption, trade, marketing and prices, as well as of the short-term and long-term problems of the world natural rubber economy.

CHAPTER XIII. MISCELLANEOUS

Article 48

General obligations and liabilities of members

1. Members shall for the duration of this Agreement use their best endeavours and cooperate to promote the attainment of the objectives of this Agreement and shall not take any action in contradiction to those objectives.
2. Members shall in particular seek to improve the conditions of the natural rubber economy and to encourage the production and use of natural rubber in order to promote the growth and the modernization of the natural rubber economy for the mutual benefit of producers and consumers.
3. Members shall accept as binding all decisions of the Council under this Agreement and will not implement measures which would have the effect of limiting or running counter to those decisions.
4. 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 to the administrative budget and to financing of the Buffer Stock under and in accordance with chapters VII and VIII of this Agreement and any obligations that may be assumed by the Council under article 41.

Article 49

Obstacles to trade

1. The Council shall, in accordance with the annual assessment of the world natural rubber situation referred to in article 46, identify any obstacles to the expansion of trade in natural rubber in its raw, semi-processed or modified forms.
2. The Council may, in order to further the purposes of this article, make recommendations to members to seek in appropriate international forums mutually acceptable practical measures designed to remove progressively and, where possible, to eliminate such obstacles. The Council shall periodically examine the results of such recommendations.

Article 50

Transportation and market structure of natural rubber

The Council should encourage and facilitate the promotion of reasonable and equitable freight rates and improvements in the transport system, so as to provide regular supplies to markets and to effect savings in the cost of the products marketed.

Article 51

Differential and remedial measures

Developing importing members, and least developed countries which are 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 such 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.

Article 52

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 53

Fair labour standards

Members declare that they will endeavour to maintain labour standards designed to improve the levels of living of workers in their respective natural rubber sectors.