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COMMITTEE ON NARCOTIC DRUGS

Ad hoc Committee of the Principal Opium-producing Countries

Item 4(d) of the Agenda

JOINT PROPOSAL SUBMITTED BY THE
REPRESENTATIVES OF INDIA AND IRAN

" Article on the Co-ordinating Authority
and the International Purchasing and
Selling Agency

The Agreement shall specify that:

1. The co-ordinating Authority shall be required to take decisions on behalf of the Parties to the Agreement, as the need therefor may arise,
 - (a) on matters relating to the apportionment of the percentage shares of the amount of opium to be sold annually to the international purchasing and selling Agency by the opium monopolies of Governments Parties to the Agreement;
 - (b) on matters relating to the price of opium, and the currency to be used in opium transactions, both to be fixed in agreement with the Governments concerned;
 - (c) on the level at which the opium stocks of the international purchasing and selling Agency shall be maintained;
 - (d) in the event of any contravention of the provisions of the Agreement by any Party thereto, on all measures necessary to ensure the future application of the Agreement. In the case of the Government of a producing country, such measures could include the reduction or complete elimination of the proportion of the world production of opium which would otherwise be allocated to that Government under paragraph 4, sub-paragraphs (a) and (b), of Article ... of the Agreement (Article on the international purchasing and selling Agency and its relations with the co-ordinating Authority);
 - (e) on any other issue of policy relating to the functioning of the international purchasing and selling Agency.

^x This document supersedes documents E/CN.7/AC.1/L.6/Rev.1, E/CN.7/AC.1/L.9 and E/CN.7/AC.1/L.9/Corr.1

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1. An international purchasing and selling Agency shall be established under the Agreement, and within the framework of the United Nations and of the existing Conventions on Narcotic Drugs, as the sole legal personality to whom the Government opium monopoly of a producing country shall be entitled to sell its opium, and from whom the Government of an importing country Party to the Agreement shall be entitled to purchase opium.
2. The Agency shall purchase opium only from the opium monopolies of the Governments Parties to the Agreement.
3. The Agency shall, in accordance with the directives of the co-ordinating Authority provided for in Article ... of the Agreement (Article on the co-ordinating Authority), maintain adequate stocks of raw opium for the purpose of satisfying world requirements in years of poor harvest, and for emergency use.
4. In addition to the tasks with which it is charged under Article ... of the Agreement (Article on Estimates), the co-ordinating Authority shall, not later than 1 May each year, inform the Government of each producing country Party to the Agreement of the proportion of the world production of raw opium allocated to it for that year.

This proportion shall be calculated from:

- (a) the amount of opium which the country is entitled to sell to the Agency on the basis of its percentage share as laid down in the Annex to the Agreement;
- (b) the country's allotment, calculated on the same percentage basis, of any amount of raw opium required to adjust the stocks of the purchasing and selling Agency to the desired level (i.e. an addition to, or deduction from, the stock); and
- (c) the amount of raw opium required for the maintenance of Government stocks and for use within the country in accordance with the provisions of this Agreement and the existing Conventions on Narcotic Drugs.

6. The Agency shall be obliged to purchase from the Government opium monopoly of a producing country the total annual production of opium, over and above the amount required for use within that country, as provided in paragraph 4 of this Article, subject to the conditions as to quality laid down in Article ... of the Agreement (Article on Quality Control). However, should this production exceed the amount which that country is entitled to sell to the Agency in accordance with the provisions of paragraph 4 of this Article, the Agency shall, at its discretion, so inform the co-ordinating Authority. The co-ordinating Authority may request the Government concerned to furnish a statement of the reasons for such excess production for communication, through the intermediary of the Secretary-General of the United Nations, to the other Parties to the Agreement, and shall take such measures as may be necessary with a view to reducing such excess production in future years.
7. The Agency, when constituted, may purchase under conditions to be determined by the co-ordinating Authority stocks of opium existing in producing countries, the Governments of which are Parties to the Agreement. The acquisition of such stocks shall in no way affect the percentage shares referred to in the Annex to the Agreement.
8. The international purchasing and selling Agency shall be established as a non-profit-making, self-supporting corporation having commercial functions and responsible, through the intermediary of the Secretary-General of the United Nations, to the Parties to the Agreement. Its powers and responsibilities shall be such as to enable it to discharge effectively and promptly the duties attributed to it under the Agreement.
9. The personnel of the Agency shall be recruited on an international basis and be appointed by the Secretary-General of the United Nations. They shall be granted by the Parties to the Agreement the privileges and immunities necessary for the unhindered exercise of their functions."