

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
Geneva

**INTERNATIONAL INSTRUMENT OF
COOPERATION ON JUTE AND JUTE PRODUCTS,
2000**



UNITED NATIONS
New York and Geneva, 2000

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UNITED NATIONS

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Part one**FINAL RESOLUTION ADOPTED BY THE UNITED NATIONS CONFERENCE
ON JUTE AND JUTE PRODUCTS, 2000**

The United Nations Conference on Jute and Jute Products, 2000,

Having met in Geneva, Switzerland, from 27 to 31 March 2000 and in Dhaka, Bangladesh, from 6 to 8 April 2000,

Expressing its gratitude for the facilities and services provided by the Government of Bangladesh and the Secretary-General of UNCTAD,

Recording its appreciation of the contribution made by the President of the Conference and by its other officers, as well as by the secretariats of the International Jute Organization and UNCTAD,

Having established the text of the International Instrument of Cooperation on Jute and Jute Products, 2000, in English,

1. *Requests* the Secretary-General of the United Nations to establish the text of the International Instrument of Cooperation on Jute and Jute Products, 2000 in Arabic, Chinese, French, Russian and Spanish;

2. *Requests also* the Secretary-General of the United Nations, in his capacity as depositary of the Instrument, to forward certified copies of the text of the Instrument to all Governments and intergovernmental organizations invited to the Conference for their consideration, and to arrange for the Instrument to be open for signature at United Nations Headquarters in New York from 1 July 2000 to 30 June 2001 in accordance with article 34 thereof;

3. *Draws attention* to the procedures available to Governments and to the intergovernmental organizations referred to in article 4 of the Instrument to become parties to the International Instrument of Cooperation on Jute and Jute Products, 2000, and invites them to deposit the appropriate instruments to this end.

6th plenary meeting
8 April 2000

**INTERNATIONAL INSTRUMENT OF COOPERATION ON JUTE
AND JUTE PRODUCTS, 2000**

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ANNEXES

- Annex A** Shares of individual exporting countries in the total net exports of jute and jute products, as established for the purposes of article 37
- Annex B** Shares of individual importing countries in the total net imports of jute and jute products, as established for the purposes of article 37

PREAMBLE

The Parties to this Instrument of Cooperation,

Recognizing the importance of jute and jute products to the economies of many 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 Agreements on Jute and Jute Products of 1982 and 1989 towards such cooperation between exporting and importing countries,

Have agreed as follows:

CHAPTER I - OBJECTIVES

Article 1 ***Objectives***

1. For the benefit of members, the objectives of the International Instrument of Cooperation on Jute and Jute Products, 2000 (hereinafter referred to as “this Instrument”) shall be:
 - (a) To provide an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world jute economy;
 - (b) To promote the expansion and diversification of international trade in jute and jute products;
 - (c) To encourage the private sector’s involvement in the jute sector;
 - (d) To facilitate the improvement of structural conditions in the jute market;
 - (e) To create and increase awareness of the beneficial effects of the use of jute as an environmentally-friendly, renewable, biodegradable and natural fibre;
 - (f) To encourage the enhancement of the competitiveness and quality of jute and jute products;

- (g) To maintain and enlarge existing markets as well as to develop new markets for jute and jute products;
- (h) To improve market intelligence with a view to ensuring greater transparency in the international jute market;
- (i) To develop new end-uses for jute, including new jute products, with a view to enlarging the demand for jute;
- (j) To encourage increased processing and value addition of jute and jute products in both exporting and importing countries;
- (k) To modernize the production of jute with a view to reducing cost of production, improving, *inter alia*, its unit yield and its quality with a view to increasing net farm incomes and for the benefit of importing and exporting countries;
- (l) To develop new technologies for the production of jute products with a view to improving, *inter alia*, their quality and reducing their costs of production;
- (m) To develop production and consumption policies so as to provide for the balanced expansion of world demand and supply;
- (n) To promote and undertake projects and activities designed to increase the jute-derived earnings in developing jute-producing countries, thereby contributing to the alleviation of poverty in these countries;
- (o) To take up special development projects for human resources development, particularly for women in the jute sector, with a view to increasing their employment opportunities and incomes; and
- (p) To introduce the application of information technology in the jute sector.

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

- (a) Research and development, product diversification, transfer of technology, 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 issues of price instability, supplies and competition with synthetics and other substitutes;

- (d) Undertaking studies on the dynamics of the international jute economy, on the economics of jute production and marketing and on the short- and long-term trends of the world jute economy and related issues;
- (e) Encouraging private-sector participation by creating a forum for investors, buyers and sellers; and
- (f) Promoting increased use of jute and jute products to meet environmental concerns.

CHAPTER II - DEFINITIONS

Article 2 *Definitions*

For the purposes of this Instrument:

- (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 of a sovereign State or an intergovernmental organization as provided for in article 4 which has consented to be bound by this Instrument 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) “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;

- (7) “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;
- (8) “Financial year” means the period from 1 July to 30 June inclusive;
- (9) “Jute year” means the period from 1 July to 30 June inclusive;
- (10) “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
- (11) “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

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, and maintained in existence under the International Agreement on Jute and Jute Products, 1989, shall continue in being for the purpose of administering the provisions and supervising the operation of this Instrument.
2. The Organization shall function through the International Jute Council, the Finance and Audit Committee 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, additional committees and working groups with specified terms of reference.
3. The headquarters of the Organization shall be in Dhaka, Bangladesh.

Article 4
Membership of the Organization

1. Membership of the Organization shall be open to all States which are interested in the production or consumption of, or international trade in, jute and jute products, and to any intergovernmental organization having responsibilities in respect of the negotiation, conclusion and application of international instruments for cooperation with regard to commodities.
2. There shall be two categories of membership in the Organization, namely:
 - (a) Exporting; and
 - (b) Importing.
3. A member may change its category of membership on such conditions as the Council shall establish.

Article 5
Associate members

The Council may by special vote decide in favour of establishing a category of associate members. The Council shall in that event make rules concerning the eligibility, the rights and obligations of such associate members.

CHAPTER IV - INTERNATIONAL JUTE COUNCIL

Article 6
Composition of the International Jute Council

The highest authority of the Organization shall be the International Jute Council, which shall consist of all the members of the Organization.

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 Instrument.
2. The Council shall, by special vote, adopt such rules and regulations as are necessary to carry out the provisions of this Instrument and as are consistent therewith, including its own rules of procedure and the financial and staff regulations of the Organization.

Article 8
Chairperson and Vice-Chairperson of the Council

The Council shall elect for each jute year a Chairperson and a Vice-Chairperson, who shall not be paid by the Organization.

Article 9
Sessions of the Council

1. The Council shall hold at least one regular session in each 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 Chairperson of the Council; or
 - (b) A majority of exporting members or a majority of importing members; or
 - (c) Members holding at least 500 votes.

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:

Each exporting member shall have 30 basic votes; the remaining votes shall be distributed in proportion to the average volume of their net exports of jute and jute products over the most recent three-year period for which relevant statistics are available, subject to the provisions of paragraphs 4 and 5 below.
3. The votes of the importing members shall be distributed as follows:

Each importing member shall have 5 basic votes; the remaining votes shall be distributed in proportion to the average volume of their net imports of jute and jute products over the most recent three-year period for which relevant statistics are available, subject to the provisions of paragraphs 4 and 5 below.
4. If, for any reason, difficulties should arise in the determination of votes through the use of the prescribed methodology provided for in paragraphs 2 and 3 of this article, the Council may, by special vote, decide on a different methodology for the calculation of votes.

5. No member shall have more than 475 votes. Any votes over this figure arising from the calculations in paragraphs 2, 3 and 4 of this article shall be redistributed among other members of the relevant membership category on the same basis of computation as provided for under those paragraphs.

6. The Council shall distribute the votes for each financial year at the beginning of the last session of the preceding year in accordance with the provisions of this article. Such distribution shall remain in effect for the full jute year, except as provided for in paragraph 7 of this article.

7. Whenever the membership of the Organization changes or when any member has its voting rights suspended or restored under any provision of this Instrument, 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.

8. There shall be no fractional votes.

Article 11

Voting procedure of the Council

Each member shall be entitled to cast the number of votes it holds and no member shall be entitled to divide 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 Instrument provides for a special vote.

2. All decisions and recommendations of the Council shall be consistent with the provisions of this Instrument.

Article 13

Cooperation with other organizations and admission of observers

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 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/WTO and the United Nations Environment Programme, and with other intergovernmental organizations and non-governmental organizations, as may be appropriate.

2. The Organization shall, to the maximum extent possible, utilize the facilities, 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 Instrument and to enhance the complementarity and efficiency of its activities.

3. The Council may invite any non-member country or any of the organizations referred to in this article or those organizations and entities 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 or of its Committees. The Council may, under its rules of procedure, establish more detailed guidelines for the admission of observers.

Article 14

Executive Director and staff

1. The Council shall, by special vote, appoint the Executive Director. The terms and conditions of appointment of the Executive Director shall be determined under the rules of procedure of the Council.

2. 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 Instrument in accordance with the decision of the Council.

3. 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.

CHAPTER V - PRIVILEGES AND IMMUNITIES

Article 15

Privileges and immunities

1. The Organization shall have international legal personality. The Organization shall in particular have the capacity to contract, to acquire and to dispose of movable and immovable property and to institute legal proceedings.

2. The Organization shall operate under a Headquarters agreement with the host Government. 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 of delegations of members, as are reasonably necessary for the purpose of discharging their functions.

CHAPTER VI - FINANCE

Article 16

Financial accounts

1. There shall be established two accounts:
 - (a) The Administrative Account;
 - (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.
3. The Finance and Audit Committee shall scrutinize and review the budget proposals, expenditure, accounts and audit report of the Organization and make its recommendation to the Council.

Article 17

Forms of payment

1. Contributions to the Administrative Account shall be paid in freely usable currencies.
2. Financial contributions to the Special Account shall be paid in freely usable currencies and may 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 18

Audit and publication of accounts

The Council shall appoint auditors for the purpose of auditing its accounts.

Article 19

Administrative Account

1. The expenses necessary for the administration of this Instrument 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 this article.

2. 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.

3. The contribution of each member to the administrative budget for each financial year shall be in the proportion which the number of its votes for that financial year 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.

4. The unspent balance of the administrative budget of any year shall, unless the Council decides otherwise by special vote, be transferred to the working reserve under the administrative account.

Article 20

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 Instrument 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 include:

- (a) The Common Fund for Commodities;
- (b) Regional and international financial institutions, including the United Nations Development Programme, the World Bank, the Asian Development Bank, the International Fund for Agricultural Development, the Inter-American Development Bank and the African Development Bank; and
- (c) Voluntary contributions.

5. The Council shall, by special vote, establish terms and conditions on the basis of 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 incur 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 for 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 21

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 22

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 13, paragraph 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 and 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 the rules and regulations to be adopted by the Council.
3. The results of the pre-project activities, including detailed costs, 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 20 and 26.
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 its sponsorship of any project.
9. The Council may, under certain terms and conditions, delegate to the Committee on Projects its powers relating to the approval of projects and pre-project activities.

Article 23
Research and development

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

- (a) Improving agricultural productivity and fibre quality;
- (b) Improving technologies and 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 24
Market promotion

Projects relating to market promotion should, *inter alia*, be aimed at the consolidation and expansion of markets for existing products and developing markets for new products.

Article 25
Cost reduction

The projects relating to cost reduction should, *inter alia*, be aimed at, insofar as is 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 26
Criteria for approval of projects

Approval of projects shall be based on criteria that are seen to be clearly consistent with the attainment of one or more of the objectives of this Instrument, as listed in article 1. The Council shall establish rules for the purposes of this article.

Article 27
Committee on Projects

1. A Committee on Projects (hereafter referred to as "the Committee" in this article) 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, associate members and observers. 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 22;
 - (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 28
Consideration of price instability, competition with synthetics and other issues

1. The Council shall consider issues relating to price instability, and supplies of jute and jute products for export with a view to finding solutions therefor.
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 29

Statistics, studies and information

1. The Organization shall collect, collate, analyse and, as necessary, publish such statistical information on production, trade, supply, stocks, consumption and prices of jute, jute products, synthetics and other substitutes, and all other relevant information, as is necessary for the operation of this Instrument.
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 on the subjects enumerated in article 1 of this Instrument.
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 or substitutes.
5. The Council shall take such measures as are considered necessary to give publicity to and information about jute and jute products.

Article 30

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 the United Nations Conference on Trade and Development and the Food and Agriculture Organization, and appropriate intergovernmental and non-governmental organizations.

CHAPTER XI - MISCELLANEOUS

Article 31

General obligations of members

1. Members shall for the duration of this Instrument use their best endeavours and cooperate to promote the attainment of its objectives and to avoid action in contradiction to them.
2. Members shall undertake to accept as binding, in accordance with the laws of each member, decisions of the Council under the provisions of this Instrument, 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 Instrument, 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 32

Relief from obligations

1. Where it is necessary, on account of exceptional circumstances or an emergency or *force majeure* not expressly provided for in this Instrument, the Council may, by special vote, relieve a member of an obligation under this Instrument 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 33

Differential and remedial measures

1. Developing importing members whose interests are adversely affected by measures taken under this Instrument may apply to the Council for appropriate differential and remedial measures.
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 34

Signature, ratification, acceptance and approval

1. This Instrument shall be open for signature at United Nations Headquarters from 1 July 2000 to 30 June 2001 by Governments invited to the United Nations Conference on Jute and Jute Products, 2000.
2. Any Government referred to in paragraph 1 of this article may:
 - (a) At the time of signing this Instrument, declare that by such signature it expresses its consent to be bound definitively by this Instrument;
 - (b) After signing this Instrument, ratify, accept or approve it by the deposit of an instrument to this effect with the depositary.

Article 35

Depositary

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

Article 36

Notification of provisional application

1. A signatory Government which intends to ratify, accept or approve this Instrument, 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 Instrument provisionally either when it enters into force in accordance with article 37 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 Instrument either when this Instrument enters into force or, if this Instrument 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 37
Entry into force

1. This Instrument shall enter into force definitively on 1 July 2000 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 Instrument, and 20 Governments accounting for at least 65 per cent of net imports as set out in Annex B to this Instrument, have signed this Instrument pursuant to article 34, paragraph 2 (a), or have deposited their instruments of ratification, acceptance, approval or accession.

2. This Instrument shall enter into force provisionally on 1 July 2000 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 Instrument, and 20 Governments accounting for at least 65 per cent of net imports as set out in annex B to this Instrument, have signed this Instrument pursuant to article 34, paragraph 2 (a), or have deposited their instruments of ratification, acceptance or approval, or have notified the depositary under article 36 that they will apply this Instrument provisionally.

3. If the requirements for entry into force under paragraph 1 or paragraph 2 of this article have not been met on 1 July 2001, the Secretary-General of the United Nations shall invite those Governments which have signed this Instrument pursuant to article 34, paragraph 2 (a), or have deposited instruments of ratification, acceptance or approval, or have notified the depositary that they will apply this Instrument provisionally, to meet at the earliest time practicable and to decide to bring this Instrument into force provisionally or definitively among themselves in whole or in part. While this Instrument is in force provisionally under this paragraph, those Governments which have decided to bring this Instrument 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 Instrument 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 Instrument, it shall enter into force for that Government on the date of such deposit.

Article 38
Accession

This Instrument shall be open for accession by the Governments of all States. Accession shall be effected by the deposit of an instrument of accession with the depositary.

Article 39

Amendments

1. Before this Instrument enters into force, amendments to it may be recommended, by special vote, by the Council, acting under the International Agreement on Jute and Jute Products, 1989, as extended, in accordance with the provisions of the Agreement.
2. After this Instrument enters into force, amendments to it may be recommended, by special vote, by the Council, acting under the International Instrument of Cooperation on Jute and Jute Products, 2000, in accordance with the provisions of the Instrument.
3. Any State invited to the United Nations Conference on Jute and Jute Products, 2000 may become a party to the International Instrument of Cooperation on Jute and Jute Products, 2000, as amended, in accordance with the provisions of the Instrument.
4. An amendment shall enter into force 30 days after the depositary has received notifications of acceptance from members constituting a majority of the exporting members and accounting for at least 66 per cent of the votes of the exporting members, and from members constituting a majority of the importing members and accounting for at least 66 per cent of the votes of the importing members.

Article 40

Withdrawal

1. A member may withdraw from this Instrument at any time after the entry into force of this Instrument 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 41

Settlement of accounts

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 Instrument.
2. The Council shall retain any contribution paid to the Administrative Account by a member which ceases to be a party to this Instrument.
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 42

Duration, extension and termination

1. This Instrument 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 Instrument.
3. If a new instrument is negotiated and enters into force during any period of extension of this Instrument, this Instrument, as extended, shall terminate upon the entry into force of the new Instrument.
4. The Council may at any time, by special vote, decide to terminate this Instrument with effect from such date as it may determine.
5. Notwithstanding the termination of this Instrument, 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.
6. The Council shall notify the depositary of any decision taken under this article.

Article 43

Reservation

Reservation may not be made with respect to any of the provisions of this Instrument.

DONE at Dhaka, this eighth day of April of the year two thousand, the texts of this Instrument in the Arabic, Chinese, English, French, Russian and Spanish languages being equally authentic.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have affixed their signatures under this Instrument on the dates indicated.

Annex A

Shares of individual exporting countries in the total net exports of jute and jute products, as established for the purposes of Article 37

<u>Country</u> <i>a/</i>	<u>Average Volume of Net Exports 1996/97 to 1998/99 (000 tonnes)</u>	<u>Percentage Share</u>
Bangladesh	791.57	80.65
India	165.50	16.86
Nepal	11.03	1.12
Thailand	11.10	1.13
Viet Nam	2.30	0.24
Total:	981.50	100.00

Note:

a/ List restricted to jute-exporting countries which are current or past members of the International Jute Organisation and to those other jute-exporting countries participating in the United Nations Conference on Jute and Jute Products, 2000.

Annex B**Shares of individual importing countries in the total net imports of jute and jute products, as established for the purposes of Article 37**

<u>Country a/</u>	<u>Average Volume of Net Imports 1996 to 1998</u> <u>(000 tonnes)</u>	<u>Percentage Share</u>
Australia	43.10	6.10
Canada	7.90	1.12
China	85.60	12.11
Côte d'Ivoire	18.60	2.63
Czech Republic	1.60	0.23
Egypt	24.20	3.42
European Union		
Austria	0.77	0.11
Belgium/Luxembourg	86.27	12.21
Denmark	1.17	0.17
Finland	0.20	0.03
France	19.27	2.73
Germany	17.50	2.48
Greece	2.93	0.41
Ireland	1.43	0.20
Italy	10.27	1.45
Netherlands	22.03	3.12
Portugal	1.47	0.21
Spain	9.97	1.41
Sweden	0.23	0.03
U.K.	43.53	6.16
Indonesia	12.73	1.80
Japan	37.07	5.24
Malaysia	2.30	0.32
Norway	0.20	0.03
Pakistan	92.20	13.05
Philippines	0.50	0.07
Poland	3.60	0.51
Romania	5.70	0.81
Russian Federation	27.20	3.85
Switzerland	0.33	0.05
Turkey	61.80	8.74
USA	62.80	8.89
Yugoslavia	2.20	0.31
Total:	706.67	100.00
	=====	=====

Note: a/ List restricted to jute-importing countries which are current or past members of the International Jute Organisation and to those other jute-importing countries participating in the United Nations Conference on Jute and Jute Products, 2000.

Part two**PROCEEDINGS OF THE CONFERENCE****A. Opening statements**

1. The **Deputy Secretary General of UNCTAD** expressed the hope that the Conference would make an important contribution to maintaining and further strengthening international cooperation on jute and jute-related matters. The first International Agreement on Jute and Jute Products had been concluded in 1982. It had subsequently been replaced by the 1989 Agreement, currently in force but due to expire on 11 April 2000. Jute (including kenaf and other allied fibres) was grown by around 11 million small and marginal farmers in several countries of Asia and provided employment to hundreds of thousands of other people in its processing, manufacturing, trading and transportation. Jute had traditionally been an important material for packaging, storing and transporting a variety of agricultural and industrial commodities worldwide. Although, with the advent of synthetics and other substitutes, jute had suffered a decline in developed countries as a packaging material, it still continued to be the most traded fibre crop after cotton and had also proved itself a very versatile and environmentally friendly crop whose full potential had yet to be realized.

2. The present Conference represented the culmination of a series of meetings and consultations held within the framework of the International Jute Organization (IJO) in Dhaka, and those exchanges had led to broad recognition that there was a continued need for international cooperation on jute. Despite the problems and uncertainties experienced by the world jute economy, it was accepted that these problems could be overcome, given time, resources and an appropriate institutional framework.

3. The major task of the Conference was to discuss the draft text of a successor instrument to the current 1989 Agreement and to bring about a reconciliation of views on the main outstanding issues.

4. The **Executive Director of the International Jute Organization** emphasized that the Conference was of particular significance in several respects. It was the first commodity conference of the new millennium, as well as the first commodity-related event being held after UNCTAD X. More importantly, it was being held at a crucial time when the world as well as the jute economy was at a crossroads, with issues relating to globalization, liberalization and institutional restructuring influencing thinking on the relevance of international commodity agreements worldwide.

5. The International Agreements on Jute and the International Jute Organization (IJO) were unique in several ways, the major one being that the IJO was the first international commodity body established primarily to focus on research and development rather than on price stabilization.

6. Jute, as a commodity produced primarily by developing countries, was particularly important for them, as it provided employment to millions of people and was also a major source of foreign exchange earnings. However, over the past few decades, jute production had been suffering from the competition with its synthetic substitutes and had also been adversely affected by price instability.

7. The text of a new successor agreement should build upon the past 15 years' practical experience with the Jute Agreements. Research and development activities undertaken by the IJO were now ripe for commercial exploitation. Over the past years, the response obtained from potential investors had been encouraging – in 1999 13 project proposals for the commercialization of jute-based products and technologies had been short-listed for a total investment value of US\$ 20 million. Other potential projects were in the pipeline, including a number financed by private investors and the Common Fund for Commodities.

8. The IJO was currently facing a serious timetable constraint, given the need to conclude some form of agreement before the scheduled expiry of the current Agreement on 11 April 2000. The previous work on the text of a new agreement, conducted by the IJO at Council sessions and preparatory committee meetings, had been enormous, but a number of issues nevertheless remained to be discussed.

9. A number of developed countries were engaged in a comprehensive review exercise relating to international commodity bodies, but it was important to stress that the IJO was different from other such bodies insofar as it focused on research and development. The IJO's aim was to deal adequately in its work with the social, human and environmental dimensions of development. Moreover, in relative terms, the IJO, with its secretariat based in an LDC, had been an inexpensive organization. The IJO's achievements, if assessed in relation to the resources made available and against the background that it had been established following decades of neglect of the jute sector, were quite positive and deserved to be continued within the framework of a new agreement.

10. Finally, the Conference should be used as an opportunity for intensive consultations among those countries represented, despite the fact that most consuming countries were not attending.

B. Preparation of a successor agreement to the International Agreement on Jute and Jute Products, 1989

(Agenda item 7)

Deliberations at the first session of the Conference (27-31 March 2000)

11. For its consideration of this item at its first session, the Conference had before it the following documentation:

“Draft provisions of the International Agreement on Jute and Jute Products, 2000”
(TD/JUTE.3/R.1);

“Summary of the principal issues to be considered in the negotiation of a successor agreement” (TD/JUTE.3/R.2);

“Compendium of background information” (TD/JUTE.3/R.3).

12. The representative of **India** said his country was keen that the International Jute Council should continue to play a meaningful role in the jute economy. It was hoped that it would be possible to produce a successor agreement that would meet the concerns of all countries, including in terms of promoting private investment, implementing projects with a focus on poverty alleviation, and developing new markets, products and technologies. The Conference should proceed with its consideration on agenda item 7.

13. The representative of **Bangladesh** supported the statement by India and said that the Conference should take up consideration of the draft agreement under agenda item 7, taking into account the factors discussed in document TD/JUTE.3/R.2.

14. The representative of **China** supported the statement by India and Bangladesh and said that his country would support the work of the International Jute Organization (IJO) and would cooperate with all delegations in order to ensure the success of the Conference. A number of important members of IJO were not participating in the Conference, but every effort should be made to attain the objectives of the Conference.

15. The representative of **Switzerland** said that his country was prepared to take up consideration of agenda item 7 but was not quite sure about the legal status of the discussions and the outcome of the discussions. The Conference might want to consider other forms of cooperation on jute and jute products that would encourage the participation of more countries than were attending the Conference.

16. The **Senior Legal Adviser of UNCTAD** said that, under the rules of the Conference, the quorum for entering into discussions and taking decisions was attained when one-third of the participating countries were present. Participating countries were those countries that had presented credentials. The quorum had therefore been attained.

Closed meetings

17. The Conference pursued its deliberations in closed meetings.

Action

18. At its fourth plenary meeting, on 31 March 2000, the Conference adopted a resolution in which it, *inter alia*, noted that additional time would be required to complete its work and requested the Secretary-General of UNCTAD to convene a new session of the Conference in Dhaka, Bangladesh, from 6 to 7 April 2000, with a possibility of extension to 8 April 2000, if needed. (For the text of the resolution, see annex I.)

19. The Conference also took note of the draft provisions of the International Agreement/Instrument/Arrangement on Jute and Jute Products 2000 (TD/JUTE.3/L.3), representing the outcome of its work at its first session, and decided to forward the text to the new session in Dhaka.

Deliberations at the second session of the Conference (6-8 April 2000)

Closed meetings

20. The Conference pursued its consideration of agenda item 7 in closed meetings on the basis of document TD/JUTE.3/L.3.

Action

21. At its 6th (closing) plenary meeting, on 8 April 2000, the Conference adopted the International Instrument of Cooperation on Jute and Jute Products, 2000 (see part one above).

22. At the same meeting, the Conference adopted a resolution (see part I above).

C. Closing statements

23. The representative of **Japan** expressed concern over the contents of article 15, paragraph 1, and article 39, paragraph 1, of the Instrument, which would make it difficult for Japan to join the Instrument. He hoped that the Instrument would enjoy wide representation, including that of the major jute-importing countries.

24. The representative of **Switzerland** said that his delegation had joined the consensus in adopting the Instrument in a spirit of cooperation and in the hope that the Instrument would help secure the future of the International Jute Organization. He hoped that it would provide a sound basis for future cooperation between all the producing and consuming countries.

25. The representative of **Egypt** said he also hoped that the adoption of the Instrument would encourage cooperation among members of the Organization.

26. The representative of **India** welcomed the consensus on the Instrument, which met the expressed concerns of all interested parties. He, too, hoped that it would have a wide representation. Given the Instrument's flexible provisions on amendments, he hoped that the International Jute Council would take expeditious action to ensure that it entered into force as soon as possible. He appealed to everyone with an interest in jute to work towards the early ratification and legal operationalization of the Instrument, so that the International Jute Organization could become even more effective in the future.

27. The **Senior Legal Adviser of UNCTAD**, speaking on behalf of the Secretary-General of UNCTAD, welcomed the adoption of the Instrument, which he hoped would provide for broad-based international cooperation between producers and consumers.

28. The **President** said he hoped that the Instrument would facilitate future cooperation and that more countries, both exporting and importing, would become involved in such cooperation. Although a relatively small number of delegations had participated in the negotiations on the Instrument, he hoped that that would not prevent others from joining it, especially in the light of its explicit provisions for amendments.

29. The **Executive Director of the International Jute Organization** thanked the President and delegates for providing the Organization with a basis on which to build in the future.

D. Organizational matters

1. Opening of the Conference (Agenda item 1)

30. The Conference was opened on 27 March 2000 at the Palais des Nations, Geneva, by the Deputy Secretary-General of UNCTAD.

31. The first session of the Conference was held in Geneva, Switzerland, from 27 to 31 March 2000, and the second session was held in Dhaka, Bangladesh, from 6 to 8 April 2000.

2. Adoption of the agenda (Agenda item 2)

32. At its 1st plenary meeting on 27 March 2000, the Conference adopted its agenda TD/JUTE.3/1). (For the agenda, see annex II).

3. Adoption of the rules of procedure (Agenda item 3)

33. At the same meeting the Conference adopted its rules of procedure, as contained in document TD/JUTE.3/2 and Corr.1.

4. Election of officers (Agenda item 4)

34. At its 3rd plenary meeting, on 28 March 2000, the Conference elected Mr. L. Enheng (China) as President and Mr. Mahfuzul Islam (Bangladesh) as Vice-President. The Conference decided that the officers of the Conference should also serve as the officers of the Executive Committee.

5. Credentials of representatives (Agenda item 5)

(a) Appointment of a Credentials Committee

35. At its 2nd plenary meeting on 28 March 2000, the Conference appointed a Credentials Committee with the following membership: China; Indonesia; Japan.

(b) Report of the Credentials Committee

36. At its 5th plenary meeting, on 6 April 2000, the Conference, acting on the basis of the report of the Credentials Committee (TD/JUTE.3/3), approved the credentials of the representatives of States participating in the Conference.

6. Establishment of an executive committee and of other committees as required (Agenda item 6)

37. At its 2nd plenary meeting, on 28 March 2000, the Conference decided to establish an Executive Committee of the Whole to deal with agenda item 7 and 8 in closed meetings.

7. Other business (Agenda item 9)

38. At its 4th plenary meeting, on 31 March 2000, the Conference adopted the draft report on its first session (TD/JUTE.3/L.1). At its 6th plenary meeting, on 8 April 2000, it adopted the draft report on its second session (paper dated 8 April 2000), and decided that the report would be finalized under the authority of the President of the Conference.

Annex I**RESOLUTION ADOPTED AT THE FIRST SESSION**

The United Nations Conference on Jute and Jute Products, 2000,

Convened from 27 to 31 March 2000 in Geneva to prepare a successor agreement to the International Agreement on Jute and Jute Products, 1989,

Noting that progress has been achieved in this regard, but that additional time will be required to complete its work,

Aware that the International Agreement on Jute and Jute Products, 1989, will expire on 11 April 2000,

Noting also that the International Jute Council is scheduled to meet from 8 to 10 April 2000 in Dhaka, Bangladesh,

1. Stresses the importance of adopting a successor instrument to the International Agreement on Jute and Jute Products, 1989, before 12 April 2000;

2. Invites proposals from all members of UNCTAD on a successor instrument for the consideration of the Conference;

3. Requests the Secretary-General of UNCTAD to convene a new session of the Conference in Dhaka, Bangladesh, from 6 to 7 April 2000, with a possibility of extension to 8 April 2000, if needed, at no additional cost to the United Nations, in order to complete its work on a successor instrument;

4. Requests the Executive Director of the International Jute Organization to make arrangements for conference facilities as may be required in Dhaka, Bangladesh;

5. Calls on all members of UNCTAD having an interest in the production, consumption or trade of jute and jute products to participate actively in the Conference in order to ensure its success.

Annex II

AGENDA

1. Opening of the Conference
2. Adoption of the agenda
3. Adoption of the rules of procedure
4. Election of officers
5. Credentials of representatives:
 - (a) Appointment of a Credentials Committee
 - (b) Report of the Credentials Committee
6. Establishment of an Executive Committee and of other committees as required
7. Preparation of a successor agreement to the International Agreement on Jute and Jute Products, 1989
8. Consideration and adoption of final resolutions
9. Other business.

Annex III**ATTENDANCE ¹**

1. The following States members of UNCTAD were represented at the Conference:

Bangladesh
Belarus
China
Côte d'Ivoire
Czech Republic
Egypt
India
Indonesia
Japan
Jordan
Malaysia
Nepal
Norway
Philippines
Russian Federation
Switzerland
Viet Nam

2. The following specialized agencies were represented at the Conference:

Food and Agriculture Organization
United Nations Industrial Development Organization

3. The International Trade Centre UNCTAD/WTO was represented at the Conference.

¹ For the list of participants see TD/JUTE.3/INF.1 and 2.