

No. 17582

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**MULTILATERAL**

**Agreement establishing the International Tea Promotion Association (with annex). Concluded at Geneva on 31 March 1977**

*Authentic texts: English, French and Spanish.*

*Registered ex officio on 23 February 1979.*

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**MULTILATÉRAL**

**Accord établissant l'Association internationale de promotion du thé (avec annexe). Conclu à Genève le 31 mars 1977**

*Textes authentiques : anglais, français et espagnol.*

*Enregistré d'office le 23 février 1979.*

# AGREEMENT<sup>1</sup> ESTABLISHING THE INTERNATIONAL TEA PROMOTION ASSOCIATION

## PREAMBLE

The Governments of tea-producing and net tea-exporting countries party to this Agreement,

Conscious of the importance of tea to the economies of their countries, their foreign exchange earnings and their rural employment,

Noting with concern the decline of tea prices in real terms during the last two decades,

Considering that the promotion of tea consumption is a significant element in sustaining and improving the real price of tea,

Acknowledging their common interest in promoting the expansion of world demand for tea and the advantages of mutual co-operation to this end,

Recognizing the need for the establishment of a central body of tea-producing and net tea-exporting countries for the co-ordination of generic promotion and for the formulation, the implementation and the evaluation of a promotional strategy at the global level,

Hereby establish the International Tea Promotion Association (hereinafter referred to as the Association) as an association of governments which shall operate in accordance with the following provisions:

## CHAPTER I. OBJECTIVES

### Article 1. OBJECTIVES

The objectives for which the Association is established are:

1. To foster the development and intensification of the co-ordination of policy and action by the Members in order to maintain and increase the demand for, and consumption of, tea;

<sup>1</sup> Came into force on 23 February 1979, i.e., six months after the date on which the Governments of at least seven countries had deposited their instruments of ratification, acceptance or approval with the Secretary-General of the United Nations, provided that their total volume of exports of tea account for at least two thirds of the total volume of exports of all countries qualified to participate under article 2, in accordance with article 19 (1):

<i>State</i>	<i>Date of deposit of the instrument of ratification</i>
India .....	1 November 1977
Sri Lanka .....	1 November 1977
Mauritius .....	25 November 1977
Malawi .....	22 February 1978
Kenya .....	17 May 1978
United Republic of Tanzania .....	28 July 1978
Uganda .....	23 August 1978

Subsequently, the Agreement came into force for the following State six months after the date of deposit with the Secretary-General of its instrument of ratification, in accordance with article 19(1):

<i>State</i>	<i>Date of deposit of the instrument of ratification</i>
Indonesia .....	31 August 1978

(With effect from 28 February 1979.)

2. To define ways and means of increasing the consumption of tea in present and potential markets, and to formulate programmes to achieve this objective;
3. To make arrangements for the organization, the implementation and the evaluation of generic promotional programmes and the collection and disbursement of resources for this purpose, including assistance resources both national and international;
4. To consult and, where necessary, work with governments in tea-consuming countries to remove tariff, non-tariff, and technical barriers to trade in tea so as to increase tea consumption;
5. To establish relations and work in conjunction with representatives of tea trading and related interests in consuming countries and, where appropriate, import promotion bodies in such countries for the purpose of promoting tea consumption;
6. To collect, analyse and disseminate market information relevant to its objectives;
7. To take such other action as it may consider appropriate to carry out the above objectives.

## CHAPTER II. PARTICIPATION

### *Article 2.* PARTICIPATION

This Agreement shall be open to the Government of any country that produces and is a net exporter of tea and that is a Member State of the United Nations or a member of any of its specialized agencies or of the International Atomic Energy Agency.

## CHAPTER III. DEFINITIONS

### *Article 3.* DEFINITIONS

For the purposes of this Agreement:

1. "Tea" means any product manufactured from the leaf of any variety of *camellia sinensis*, or any derivative thereof, and which is recognized and traded in the international tea markets as such, or any derivative thereof.
2. "The Association" means the organization established by this Agreement.
3. "Member" means a country which has become a Contracting Party to this Agreement.
4. "Financial Year" means, in relation to the administrative budget, the period from the first of January of a particular Gregorian calendar year to the thirty-first of December of the same year or any other period as determined by the Governing Board and, in relation to any promotional programme, any period of twelve calendar months as shall be deemed appropriate by the Board.
5. "Exports" and "Imports" mean the quantities of exports and imports of tea as calculated on the basis of statistics provided by the Food and Agriculture Organization of the United Nations, the International Tea Committee and such other sources as the Governing Board may wish to make use of.

## CHAPTER IV. ORGANIZATION AND MANAGEMENT

### *Article 4. ORGANS*

The Association shall function through its Governing Board, its Executive Director and its staff.

### *Article 5. LOCATION*

The headquarters of the Association shall be located in a place to be determined by the Governing Board. The Association may also establish such regional or local offices at other places as the Board may determine.

### *Article 6. THE GOVERNING BOARD*

1. The highest authority of the Association shall be the Governing Board which shall consist of all Members.

2. Each Member shall be represented by a representative and, if it so desires, by one or more alternates. A Member may also appoint one or more advisers to its representative or alternates.

3. The first session of the Governing Board shall be convened under paragraph 3 of Article 19.

4. Thereafter, the Governing Board shall meet as determined by the Board, but the Board shall hold at least one session in each year. The sessions of the Board shall be convened by the Executive Director of the Association. The Executive Director shall convene a special session at the request of any members of the Board which, taken together, constitute at least one-third of the membership of the Board, and such session shall be convened within 90 days after the receipt by the Executive Director of such request.

5. The Chairman and two Vice-Chairmen of the Governing Board shall be elected by the members of the Board at least six weeks prior to the commencement of each financial year. The Chairman and Vice-Chairmen will function as such throughout the financial year unless they resign or cease to represent a Member.

6. A quorum for a meeting of the Governing Board shall consist of a simple majority of the members of the Board.

### *Article 7. POWERS AND FUNCTIONS OF THE GOVERNING BOARD*

1. The Governing Board shall exercise such powers and perform or arrange for the performance of such functions as are necessary to carry out the objectives of the Association.

2. The Governing Board may establish such subsidiary organs and adopt such rules and regulations as are necessary to carry out the objectives of the Association.

### *Article 8. VOTING RIGHTS OF THE MEMBERS OF THE GOVERNING BOARD*

Each member of the Governing Board shall have one vote.

*Article 9.* DECISIONS BY THE GOVERNING BOARD

1. In its decision making, the Governing Board shall strive for consensus. In the event that a consensus cannot be reached, the matter under consideration shall be decided by a simple majority vote. Should any member of the Board or a group of members of the Board which represents at least one-tenth of the total volume of exports of all the Members consider that the decision so arrived at is of major importance affecting its interests, it shall have the right, during the same meeting of the Board, to request that a new decision be taken by a two-thirds majority vote and the vote shall be taken accordingly. For the purposes of this paragraph, the required two-thirds majority shall also account for at least two-thirds of the total volume of exports of all the Members.

2. For the purpose of calculating the proportions referred to in paragraph 1 of this Article, the percentage share of each Member in the total volume of exports of all Members, based on the average volume of exports over a period of three consecutive calendar years, shall be determined by the Governing Board at least six weeks prior to the commencement of the financial year and shall remain applicable throughout such year. The percentage share of each Member shall be recalculated in the event of changes in the membership, as appropriate.

*Article 10.* CO-OPERATION WITH OTHER ORGANIZATIONS

1. The Governing Board shall make such arrangements as are appropriate for consultation, co-operation and interchange of information with the United Nations, its organs and its specialized agencies, and with other appropriate governmental or inter-governmental organizations.

2. The Governing Board may invite any of the organizations or agencies referred to in paragraph 1 of this Article to attend any of its sessions as an observer.

*Article 11.* THE EXECUTIVE DIRECTOR AND THE STAFF

1. The Governing Board shall appoint an Executive Director who shall be the chief executive officer of the Association on such terms and conditions as the Board shall determine.

2. The Executive Director shall appoint all staff in accordance with regulations established by the Governing Board.

3. Neither the Executive Director nor any member of the staff shall have any financial or commercial interest in the tea industry, tea trade, tea transport, tea publicity, or any financial or commercial interest in any other activities related to tea.

4. In the performance of their duties, neither the Executive Director nor any member of the staff shall seek or receive any instructions regarding their duties from any source or authority other than the Governing Board.

5. Pending the appointment of the staff of the Association, the Governing Board may request the International Trade Centre UNCTAD/GATT to provide secretarial assistance for a short interim period to service the Association.

## CHAPTER V. FINANCE

*Article 12.* ADMINISTRATIVE BUDGET AND ASSESSMENT OF CONTRIBUTIONS

1. The Executive Director of the Association shall, three months before the commencement of each financial year, submit to the Governing Board a budget in respect of the administrative expenses of the Association. On the basis of the annual administrative budget approved by the Board, the Members shall be assessed in accordance with the provisions of paragraph 2 of this Article.

2. All Members shall be liable for a *pro rata* contribution to the administrative budget calculated on the ratio their individual average total exports of tea over a period of three consecutive years, as determined by the Governing Board, bears to the total exports of all Members during the same period provided, however, that no Member shall contribute less than 1 per cent of the annual administrative budget.

3. Contributions to the administrative budget, as determined by the Governing Board, shall be payable in a freely convertible currency and the contributions in respect of any financial year shall become due on the first day of the month preceding the commencement of the financial year.

4. The Executive Director, on a date determined by the Governing Board, shall submit to the Board for its approval an independently audited statement of receipts and expenditures relating to the administrative budget during the preceding financial year.

*Article 13.* PROMOTIONAL BUDGETS

1. The Executive Director shall, three months before the commencement of any financial year relating to a particular promotional programme, submit budget proposals in respect of such programme for the approval of the Governing Board.

2. The contribution of a Member to the budget of that particular promotional programme shall be proportional to its share of the total volume of imports from all Members into the country or countries concerned; this share shall be calculated on the basis of the moving average of the volume of imports over a period of three consecutive calendar years as determined by the Board.

3. Such contributions shall be payable in a freely convertible currency and the Governing Board shall adopt such rules and regulations as are necessary to conduct promotional programmes and determine the form and manner in which contributions shall be paid.

4. In respect of any promotional programme, the Executive Director shall, on a date determined by the Governing Board, submit to the Board for its approval an independently audited statement of receipts and expenditures relating to such programme in respect of the appropriate financial year.

*Article 14.* EXPENSES OF DELEGATES

The expenses of delegations of Members to the sessions of the Governing Board and such subsidiary organs as may be established shall be met by the Members concerned.

## CHAPTER VI. PRIVILEGES AND IMMUNITIES

### *Article 15. PRIVILEGES AND IMMUNITIES*

1. The Association 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 or engage in legal proceedings and to do any act required for the achievement of its objectives.

2. The Association shall, as soon as possible after the entry into force of this Agreement, take steps to conclude with the Government of the country in which the headquarters of the Association is situated (hereinafter referred to as the host Government) an agreement to be approved by the Governing Board relating to the status, privileges and immunities of the Association, of its Executive Director, its staff and experts and of representatives of Members whilst in the territory of the host Government for the purpose of exercising their functions.

## CHAPTER VII. INTERPRETATION AND SETTLEMENT OF DISPUTES

### *Article 16. INTERPRETATION*

In the event of any question of interpretation of any clause of this Agreement arising, the matter shall be referred to the Governing Board of the Association whose decision shall be final and binding on all parties.

### *Article 17. SETTLEMENT OF DISPUTES*

Whenever a dispute arises between the Association and a Member, the dispute shall be submitted to arbitration by a tribunal of three arbitrators, one appointed by the Governing Board of the Association, one by the Member involved and a third by the two arbitrators so appointed. If the two arbitrators cannot agree on the third arbitrator, he shall be appointed on such a basis as may be mutually agreed by the parties concerned in the dispute. The third arbitrator shall have the full power to settle all questions of procedure on which the parties are in disagreement. The decision of the Tribunal shall be final and binding on the Association and the Member concerned.

## CHAPTER VIII. FINAL PROVISIONS

### *Article 18. SIGNATURE, RATIFICATION, ACCEPTANCE AND APPROVAL*

1. This Agreement shall be open for signature at United Nations Headquarters from 15 April 1977 to 15 October 1977 by the Government of any country qualified to participate under Article 2.

2. This Agreement shall be subject to ratification, acceptance or approval by the signatory Governments in accordance with their respective constitutional requirements.

3. Instruments of ratification, acceptance or approval shall be deposited with the Secretary-General of the United Nations (hereinafter referred to as the depositary).

*Article 19.* ENTRY INTO FORCE

1. This Agreement shall enter into force six months after the date on which the Governments of at least seven countries have deposited their instruments of ratification, acceptance or approval with the depositary, provided that their total volume of exports of tea accounts for at least two-thirds of the total volume of exports of all countries qualified to participate under Article 2.

2. For the purpose of the present Article, the volume of tea exports shall be determined by the Director of International Trade Centre UNCTAD/GATT on the basis of statistical data relating to three latest consecutive calendar years for which statistics are available on the opening date of the signature period referred to in paragraph 1 of Article 18 and this information shall be communicated by him to the depositary.

3. As soon as this Agreement enters into force the Secretary-General of the United Nations shall request the Director of the International Trade Centre UNCTAD/GATT, in consultation with the Director-General of the Food and Agriculture Organization of the United Nations and the Secretary-General of the Commonwealth Secretariat, to convene the first session of the Governing Board.

*Article 20.* ACCESSION

1. The Government of any country qualified to participate under Article 2 may, after the entry into force of this Agreement, accede to it under the conditions established by this Agreement and upon any other conditions which shall be established by the Governing Board.

2. Instruments of accession shall be deposited with the depositary. Accession shall take effect upon deposit of the instrument.

*Article 21.* RESERVATIONS

Reservations may not be made with respect to any of the provisions of this Agreement.

*Article 22.* AMENDMENTS

Any Member may propose amendments to this Agreement. The Executive Director shall circulate the text of such proposed amendments to the Members. The Governing Board shall fix the time within which each Member shall notify the depositary and the Executive Director, whether or not it accepts the amendment. The amendment shall become effective 60 days after the depositary has received notification of acceptance from at least two-thirds of the Members, provided their total volume of exports of tea accounts for at least two-thirds of the total volume of exports of all Members. For the purpose of this Article, the Executive Director shall advise the depositary whether the notifications of acceptance received are sufficient to make the amendment effective.

*Article 23.* VOLUNTARY WITHDRAWAL

At any time after the entry into force of this Agreement, any Member may withdraw from this Agreement by giving written notice of withdrawal simultaneously to the depositary and to the Executive Director. Withdrawal shall become effective 90 days after the notice is received by the depositary.



*Article 24.* EXCLUSION

If the Governing Board finds that any Member is in breach of its obligations under any Article of this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may by a two-thirds vote of all those voting other than the Member concerned accounting for at least two-thirds of the total volume of exports of all Members other than the Member concerned, resolve that such Member shall cease to be a Member of the Association and the Executive Director shall notify the depositary accordingly. The exclusion shall become effective 30 days after receipt by the depositary of the notification.

*Article 25.* SETTLEMENT OF ACCOUNTS WITH WITHDRAWING  
OR EXCLUDED MEMBERS

1. The Governing Board shall determine any settlement of accounts with a withdrawing or excluded Member. The Association shall retain any amounts already paid by a withdrawing or excluded Member, and such Member shall remain bound to pay any amounts due from it to the Association at the time the withdrawal or the exclusion became effective; provided, however, that in the case of a Member which is unable to accept an amendment under Article 22 and, for this reason has withdrawn from this Agreement, the Board may determine any settlement of accounts which it finds equitable.

2. A Member which has withdrawn or been excluded from this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Association; nor shall it be burdened with any part of the liabilities, if any, of the Association in the event of its ceasing to exist.

*Article 26.* TERMINATION

This Agreement shall remain in force unless it is terminated by a decision of at least two-thirds of the Members whose total volume of exports of tea accounts for at least two-thirds of the total volume of exports of all Members. Such termination shall take effect on such date as the Governing Board may decide, and the Executive Director shall notify the depositary of such termination and the date thereof. Notwithstanding the termination of this Agreement, the Association shall remain in being for as long as may be necessary to carry out the liquidation, the settlement of its accounts and the distribution of its assets. During this period, the Association shall retain only such of the powers and functions as are conferred on it by this Agreement for these purposes.

*Article 27.* AUTHENTIC TEXTS OF THIS AGREEMENT

The texts of this Agreement in the English, French and Spanish languages shall all be equally authentic. The originals shall be deposited in the archives of the United Nations.

IN WITNESS WHEREOF the undersigned, duly authorized to this effect by their respective Governments, have signed this Agreement on the date appearing opposite their signatures.

## ANNEX

## TEA EXPORTS: ORIGIN AND VOLUME

LIST OF COUNTRIES (NET EXPORTERS OF TEA) QUALIFIED TO PARTICIPATE ACCORDING TO THE TERMS OF ARTICLE 2 AND STATISTICAL DATA RELATING TO 1973-1975 FOR THE PURPOSES OF ARTICLE 19

(in thousands of tonnes)

Country	1973	1974	1975	Average	Percentage
Argentina .....	18.0	24.1	17.4	19.8	2.8
Brazil .....	5.7	4.8	4.4	4.9	0.7
Ecuador .....	0.8	0.9	0.7	0.8	0.1
Bangladesh .....	20.3	21.2	24.8	22.1	3.1
India .....	188.2	210.6	218.1	205.6	29.1
Indonesia .....	44.7	47.8	46.0	46.2	6.5
Sri Lanka .....	205.5	185.1	212.7	201.1	28.5
Turkey .....	18.8	11.5	—	10.1	1.4
Papua New Guinea .....	2.4	3.7	4.1	3.4	0.5
Burundi .....	0.6	1.0	0.8	0.8	0.1
Cameroon .....	0.1	0.1	0.1	0.1	—
Kenya .....	52.4	49.3	52.4	51.4	7.3
Malawi .....	23.3	23.1	26.0	24.1	3.4
Mauritius .....	3.7	3.1	2.0	2.9	0.4
Mozambique .....	17.5	18.6	12.2	16.1	2.3
Rwanda .....	2.7	3.1	3.8	3.2	0.5
Tanzania .....	9.5	9.7	10.4	9.9	1.4
Uganda .....	19.1	16.7	17.0	17.6	2.5
Zaire .....	6.7	5.9	4.7	5.8	0.8
China <sup>(a)</sup> .....	51.1	58.5	64.1	57.9	8.2
Viet-Nam, Socialist Republic of <sup>(a)</sup> .....	2.3	3.5	3.3	3.0	0.4
TOTAL	693.4	702.3	725.0	706.9	100.0

SOURCES. FAO (Document CCP: 77/10) and information supplied by the International Tea Committee.

<sup>(a)</sup> Estimates only.

For Argentina:  
Pour l'Argentine :  
Por la Argentina:

For Bangladesh:  
Pour le Bangladesh :  
Por Bangladesh:

For Brazil:  
Pour le Brésil :  
Por el Brasil:

For Burundi:  
Pour le Burundi :  
Por Burundi:

For China:  
Pour la Chine :  
Por China:

For Ecuador:  
Pour l'Equateur :  
Por el Ecuador:

For India:  
Pour l'Inde :  
Por la India:

SHRI RIKHI JAIPAL  
20th July 1977

For Indonesia:  
Pour l'Indonésie :  
Por Indonesia:

CHAIDIR ANWAR SANI  
7 July 1977

For Kenya:  
Pour le Kenya :  
Por Kenia:

FRANCIS M. KASINA  
August 2, 1977

For Malawi:  
Pour le Malawi :  
Por Malawi:

MWAMBA  
August 17, 1977

For Mauritius:  
Pour Maurice :  
Por Mauricio:

R. RAMPHUL  
August 2, 1977

For Mozambique:  
Pour le Mozambique :  
Por Mozambique:

For Papua New Guinea:  
Pour la Papouasie-Nouvelle-Guinée :  
Por Papua Nueva Guinea:

For Rwanda:  
Pour le Rwanda :  
Por Rwanda:

For the Socialist Republic of Viet Nam:  
Pour la République socialiste du Viet Nam :  
Por la República Socialista de Viet Nam:

For Sri Lanka:  
Pour Sri Lanka :  
Por Sri Lanka:

H. S. AMERASINGHE  
September 22, 1977

For Turkey:  
Pour la Turquie :  
Por Turquía:

For Uganda:  
Pour l'Ouganda :  
Por Uganda:

KHALID YUNUS KINENE  
14 October 1977

For the United Republic of Cameroon:  
Pour la République-Unie du Cameroun :  
Por la República Unida del Camerún:

For the United Republic of Tanzania:  
Pour la République-Unie de Tanzanie :  
Por la República Unida de Tanzania:

SALIM AHMED SALIM  
July 27, 1977

For Zaire:  
Pour le Zaïre :  
Por el Zaire:

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