



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/OLIVE OIL.10/L.2
28 April 2005

ORIGINAL: ENGLISH
ARABIC, ENGLISH, FRENCH
AND SPANISH ONLY

**United Nations Conference for the Negotiation of a Successor Agreement to the
International Agreement on Olive Oil and Table Olives, 1986, as Amended and
Extended, 1993**

Geneva, 25 – 29 April 2005
Agenda item 7

**DRAFT INTERNATIONAL AGREEMENT
ON OLIVE OIL AND TABLE OLIVES, 2005**

PREAMBLE

The Parties to this Agreement,

Emphasizing that olive cultivation governs the existence and standard of living of millions of families which are dependent on the measures taken to maintain and expand the consumption of olive products and to enhance the world economy for such products,

Bearing in mind that the olive tree is a plant that is indispensable for the continuous maintenance and conservation of soils, due to its perennial nature, and that it is also instrumental in developing land that will not bear other crops and which, even under non-intensive farming conditions, responds favourably to any improvement in cultivation,

Mindful that olive oil and table olives are essential basic commodities in the regions where olive growing is established and that they are basic constituents of the Mediterranean diet and recently also of other diets,

Bearing in mind that olive production is irregular, which gives rise to special difficulties that may seriously harm the interests of producers and consumers and jeopardize general policies of economic expansion in countries of the regions where olive growing is established,

Emphasizing in this connection the major importance of olive production to the economies of many countries,

Mindful that the measures to be taken in the light of the particular characteristics of olive growing and of the market for its products transcend the national sphere, and international action is essential,

Being of the view that it is essential to continue and develop the work undertaken within the framework of the previous agreements concluded since the 1956 Agreement until the 1986 Agreement, as amended in 1993, and that it is necessary to negotiate a new updated agreement in the light of the changes in the industry,

Taking into account the provisions of the São Paulo Consensus of the eleventh session of the United Nations Conference on Trade and Development,

Have agreed as follows:

CHAPTER I – GENERAL OBJECTIVES

Article 1

General objectives

The general objectives of this Agreement are indicated hereafter:

1. With respect to international technical cooperation:

- To foster international cooperation for the integrated, sustainable development of world olive growing;
- To foster the coordination of production, industrialization, storage and marketing policies for olive oils, olive-pomace oils and table olives;
- To encourage research and development and to foster the transfer of technology and training activities in the olive products sector with the aim, *inter alia*, of modernising olive growing and the olive products industry and of improving the quality of production;
- To lay the foundations of international cooperation in international trade in olive oils, olive-pomace oils and table olives to create, in this context, close cooperative ties with the representatives of the various stakeholders of the olive products sector, in compliance with the corresponding international agreements and accords;
- To further the efforts made and steps taken to improve and draw notice to product quality;
- To further the efforts made and steps taken to improve the interaction between olive growing and the environment, particularly with a view to protecting and conserving the environment;
- To examine and foster the integral utilization of the products derived from the olive tree;
- To conduct activities for the preservation of the gene sources of olive trees;

2. With respect to the standardization of international trade in olive products:

- To carry on conducting collaborative activities in the area of physico–chemical and sensory testing in order to add to the knowledge of the composition and quality characteristics of olive products, with a view to establishing international standards enabling:

- . product quality control;
- . fair international trading;
- . protection of consumer rights;
- . prevention of fraudulent practices.

- To facilitate the study and application of measures for harmonizing national and international laws relating, in particular, to the marketing of olive oil and table olives;

- To encourage harmonization of the criteria for the definition of geographical indications granted by the Members with a view to their international protection;

- To lay the foundations of international cooperation to prevent and, where appropriate, to combat any fraudulent practices in international trade in any edible olive products by establishing close cooperative ties in this context with the representatives of the various stakeholders of the olive products sector.

3. With respect to the expansion of international trade and the promotion of olive products:

- To promote any activities conducive to the harmonious, sustainable expansion of the world olive products economy by every means in the power of the International Olive Council in the fields of production, consumption and international trade, having regard to the ways in which they are interrelated;

- To facilitate the study and application of measures for balancing production and consumption and the establishment of procedures for information and consultation in order to enhance the transparency of the market;

- To implement measures designed to expand international trade in olive products and to adopt whatever measures are appropriate to enhance the consumption of olive oil and table olives;

- To undertake activities fostering a better understanding of the nutritional, therapeutic and other properties of olive oil and table olives;

- To maintain and amplify the role of the International Olive Council as a meeting point for all the operators in the sector and as a world documentation and information centre on the olive tree and its products.

CHAPTER II – DEFINITIONS

Article 2

Definitions

For the purposes of this Agreement:

1. “International Olive Council” means the international Organization referred to in article 3, paragraph 1, established for the purpose of applying the provisions of this Agreement;
2. “Council of Members” means the decision-making organ of the International Olive Council;
3. “Member” means a Contracting Party to this Agreement;
4. “Olive oils” means the oils obtained solely from the fruit of the olive tree, to the exclusion of oils obtained by solvent or re-esterification processes and of any mixture with oils of other kinds;
5. “Table olives” means the product prepared from the sound fruits of varieties of the cultivated olive tree which are chosen for their production of olives particularly suited to curing, and which are suitably treated or processed and offered for trade and for final consumption;
6. “Olive products” means all edible olive products, in particular, olive oils, olive-pomace oils and table olives;
7. “Olive by-products” means, in particular, the products derived from olive pruning and the olive products industry and the products resulting from alternative uses of the products of the sector;

8. "Olive crop year" means the period from 1 October of each year to 30 September of the following year.

PART ONE. INSTITUTIONAL PROVISIONS

CHAPTER III – INTERNATIONAL OLIVE COUNCIL

SECTION I - ESTABLISHMENT, ORGANS, FUNCTIONS, PRIVILEGES AND IMMUNITIES

Article 3

Establishment, headquarters and structure of the International Olive Council

1. The International Olive Council shall act through:
 - its Chairperson;
 - its Council of Members and, as the case may be, its committees and subcommittees;
 - its Executive Secretariat;

in accordance with the provisions laid down in sections II to V.

2. The headquarters of the International Olive Council shall be in Madrid (Spain) unless the Council of Members decides otherwise.

Article 4

Representation of the Members in the International Olive Council

1. Each Member shall designate its representative in the International Olive Council.
2. Any reference in this Agreement to a "Government" or "Governments" shall be construed as including the European Community and any intergovernmental organization having responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements. Accordingly, any reference in this Agreement to signature, ratification, acceptance or approval, to notification of provisional application or to accession shall, in the case of the European Community or such intergovernmental organizations, be construed as including a reference to signature, ratification, acceptance or approval, to

notification of provisional application or to accession by the European Community or such intergovernmental organizations.

Article 5

Privileges and immunities

1. The International Olive Council shall have international legal personality. It shall, in particular, have the capacity to contract, to acquire and dispose of movable and immovable property and to institute legal proceedings. It shall not have the power to borrow money.
2. In the territory of each Member, and in so far as that Member's legislation allows, the International Olive Council shall have the legal capacity necessary for the performance of the functions conferred upon it by this Agreement.
3. For the purpose of its proper functioning, the status, privileges and immunities of the International Olive Council, of its Executive Director, senior officials and other staff of its Executive Secretariat, of experts and of the delegations of the Members in the territory of Spain shall be governed by a Headquarters Agreement.
4. The Government of the State in which the headquarters of the International Olive Council is situated shall, in so far as the legislation of that State allows, exempt the remuneration paid by the International Olive Council to its employees and the assets, income and other property of the International Olive Council from taxation.
5. The International Olive Council may conclude with one or more Members agreements relating to such privileges and immunities as may be necessary for the proper application of this Agreement.

SECTION II - COUNCIL OF MEMBERS

Article 6

Composition and functions

1. The Council of Members shall be composed of one delegate per Member. Furthermore, each Member may appoint one or more alternates and one or more advisers to its delegate.

2. The Council of Members shall be the principal decision-making organ of the International Olive Council. It shall exercise all such powers and perform or arrange for the performance of all such functions as are necessary to achieve the objectives of this Agreement. The Council of Members shall take any decisions, adopt any recommendations or make any suggestions provided for, or envisaged in, this Agreement, unless powers or functions are explicitly vested in the Executive Secretariat or the Executive Director.

Any decisions, recommendations or suggestions adopted in accordance with the International Agreement which preceded this Agreement^{1/} and which are still in force at the time of the entry into force of this Agreement shall continue to apply unless they are contrary to this Agreement or they are repealed by the Council of Members.

3. The Council of Members shall, in accordance with the provisions of this Agreement, adopt:

- (a) Rules of Procedure;
- (b) Staff Regulations having regard to those applying to officials of similar intergovernmental organizations;
- (c) an organization chart.

4. The Council of Members shall undertake or arrange for the undertaking of studies or other work, including the collection of detailed information on the various kinds of aid for activities relating to olive growing and olive products, so as to enable it to formulate any recommendations and suggestions it may consider appropriate for achieving the general objectives set forth in article 1. Any such studies and work shall, in particular, cover as many countries or groups of countries as possible and take into account the general, social and economic conditions of the countries concerned.

The Members shall inform the Council of Members, in accordance with a procedure defined by the aforesaid Council, of the conclusions they reach after considering the recommendations and suggestions arising from the application of this Agreement.

^{1/} International Agreement on Olive Oil and Table Olives, 1986, as amended and extended, 1993, and last prolonged, 2003

5. The Council of Members shall publish an annual report on its activities and on the operation of this Agreement.

6. The Council of Members shall draw up, prepare and publish in the official languages of the International Olive Council such reports, studies and other documents as it deems useful and necessary, and shall keep up to date such records as it requires to perform its functions under this Agreement.

Article 7

Sessions of the Council of Members

1. The Council of Members shall meet at the headquarters of the International Olive Council unless it decides otherwise. If, on the invitation of any Member, the Council of Members decides to meet elsewhere, that Member shall bear the extra expenditure this entails for the budget of the International Olive Council over and above that incurred in holding a session at the headquarters.

2. The Council of Members shall hold a regular session at least once a year, in the autumn.

Any Member may authorize the delegate of another Member to represent its interests and to exercise its right to participate in decisions of the Council of Members at one or more of its sessions. Evidence of such authorization acceptable to the Council of Members shall be submitted thereto.

The delegate of a Member may not represent the interests or exercise the right to participate in decisions of the Council of Members of more than one other Member.

3. The Council of Members may be convened at any time at the discretion of its Chairperson. The Chairperson may also convene the Council of Members if so requested by various Members or by one single Member supported by at least two other Members.

4. The expenses of delegations to the Council of Members shall be met by the Members concerned.

5. Notice of any sessions provided for in paragraph 2 of this article shall be given at least 60 days before the date of the first meeting of each such session. Notice of the sessions provided for in paragraph 3 of this article shall be given at least 21 days before the date of the first meeting of each such session.

6. The quorum required for every session of the Council of Members shall be the presence of the delegates of the majority of the Members holding at least 90 per cent of the total participation shares allotted to the Members.

If this quorum does not exist, the session shall be postponed for 24 hours and the quorum required shall be the presence of the delegates of the Members holding at least 85 per cent of the total participation shares allotted to the Members.

7. The following may, with the prior consent of the Council of Members, attend as an observer all or part of any of the sessions of the Council of Members:

(a) The international organizations and institutions referred to in article 14 of this Agreement.

(b) The Government of any member or observer State of the United Nations or of one of the organizations referred to in article 14 of this Agreement which envisages becoming a Party to this Agreement, following written consultation between the date on which the notice of the session is sent and the date on which the session is held.

Observers shall not be entitled to address the sessions of the Council of Members unless so authorized by the Chairperson.

Article 8

Participation shares

1. The Members shall together hold 1,000 participation shares.

The participation shares shall be divided among the Members in proportion to the source data of each Member, calculated according to the following formula:

$$q = p1 + e1 + p2 + e2$$

The parameters in this formula are averages expressed in thousands of metric tonnes, any fraction of 1,000 tonnes above a whole number being disregarded. There may be no fractions of participation shares.

- q: source data used for proportionately calculating the participation shares
- p1 average olive oil production of the last six olive crop years
- e1: average (customs) olive oil exports of the last six calendar years corresponding to the end years of the olive crop years considered for calculating p1
- p2: average table olive production of the last six olive crop years converted into its olive oil equivalent by the application of a conversion coefficient of 16 per cent
- e2: average (customs) table olive exports of the last six calendar years corresponding to the end years of the olive crop years considered for calculating p2, and converted into their olive oil equivalent by the application of a conversion coefficient of 16 per cent
2. However, no Member shall hold less than five participation shares. For that purpose, if the calculation based on paragraph 1 should give a result of less than 5 participation shares for an individual Member, that Member's share shall be increased to five and the participation shares of the other Members shall be decreased proportionately.
3. The Council of Members shall, at its annual session, adopt the participation shares calculated under this article. Such distribution shall be in force for the following year.
4. The initial participation shares are contained in Annex A to this Agreement. They are determined on the basis of paragraphs 1 and 2 of this article in the light of the average of the data for the last six olive crop years and calendar years for which final data are available. Each year the Council of Members shall modify the shares as appropriate, in compliance with paragraphs 1, 2 and 3 of this article.

Article 9

Decisions of the Council of Members

1. Unless otherwise provided in this Agreement, decisions of the Council of Members shall be taken by consensus of the Members within a time-limit laid down by the Chairperson. Such time-limit may not exceed the duration of the session at which the decision is submitted to the Council of Members.

If consensus is not reached within this time-limit, Members shall take a vote.

2. Any decision shall be considered to be adopted when at least 50 per cent of the Members accounting for 82 per cent of the participation shares are in favour thereof.
3. The Council of Members may take decisions by an exchange of correspondence between the Chairperson and the Members without holding a session, provided that no Member objects to this procedure.

The rules for the application of this consultation procedure shall be laid down by the Council of Members in its Rules of Procedure.

Any decision so taken shall be communicated to all the Members by the Executive Secretariat as quickly as possible and shall be entered in the final report of the following session of the Council of Members.

SECTION III – CHAIRPERSON AND VICE-CHAIRPERSON

Article 10

Chairperson and Vice-Chairperson

1. The Council of Members shall elect a Chairperson from among the delegations of the Members. In the event of the Chairperson being the Head of Delegation, his or her right of participation in decisions of the Council of Members shall be exercised by another member of his or her delegation.

Without prejudice to the powers or functions vested in the Executive Director in, or in accordance with, this Agreement, the Chairperson shall exercise the powers or functions set out in this Agreement and further specified in the Rules of Procedure. Furthermore, the Chairperson shall represent the International Olive Council legally and shall chair the sessions of the Council of Members.

2. The Council of Members shall also elect a Vice-Chairperson from among the delegations of the Members. In the event of the Vice-Chairperson being the Head of Delegation, the Vice-Chairperson shall have the right to participate in decisions of the Council of Members except when acting as Chairperson, in which case he or she shall delegate this right to another member of his or her delegation.

The Vice-Chairperson shall replace the Chairperson in the event of his or her absence.

3. The Chairperson and the Vice-Chairperson shall not receive any remuneration.

4. In the event of the temporary absence of both the Chairperson and the Vice-Chairperson or of the permanent absence of one or both, the Council of Members shall elect new officers, temporary or permanent as appropriate, from among the delegations of the Members.

SECTION IV – COMMITTEES AND SUBCOMMITTEES

Article 11

Financial Committee

1. The Council of Members shall establish a Financial Committee comprising one delegate of each Member.

2. The Financial Committee shall be responsible for the financial control of the International Olive Council and for the control of the application of chapter IV of this Agreement.

In this context, it shall be in charge of analyzing and studying the draft annual budgets of the International Olive Council proposed by the Executive Secretariat. Only the draft budgets resulting from the discussions of the Financial Committee shall be submitted to the Council of Members for adoption.

The Financial Committee shall likewise be responsible for examining the accounts of the International Olive Council in accordance with the provisions of article 18.

Each year, the Financial Committee shall submit the accounts for the preceding financial year to the Council of Members for adoption at its annual session together with any other measure dealing with financial matters.

3. Detailed rules for the application of these provisions shall be established and adopted by the Council of Members in its Rules of Procedure.

Article 12

Other committees and subcommittees

1. The Council of Members may establish such committees and subcommittees as it deems useful for assisting it in the exercise of its functions under this Agreement.
2. Detailed rules for the application of this provision shall be established and adopted by the Council of Members in its Rules of Procedure. Such rules shall:
 - (a) ensure the fair allocation of the committee chairs among the different Members;
 - (b) establish the provisions governing the admission of observers to the meetings of its committees and subcommittees.

SECTION V – EXECUTIVE SECRETARIAT

Article 13

Executive Secretariat

1. The International Olive Council shall have an Executive Secretariat comprising an Executive Director, senior officials and such staff as are required to perform the tasks arising from this Agreement. The posts of the Executive Director and of the senior officials shall be defined in the Rules of Procedure adopted by the Council of Members.
2. The Council of Members shall appoint the Executive Director and senior officials on the basis of the principle of proportionate alternation among the Members and of geographical equilibrium.

The Council of Members shall fix their terms of appointment in the light of those applying to corresponding officials of similar intergovernmental organizations. Their profile shall be described in the Rules of Procedure.
3. The Executive Director shall be the chief administrative officer of the International Olive Council. The Executive Director shall carry out his or her duties and take management decisions on a collegiate basis with the senior officials.
4. The Executive Director shall appoint the staff in accordance with the Staff Regulations.

5. The Executive Director, the senior officials and the other members of the staff shall not carry out any gainful activity in any of the various sectors of the olive-growing and olive-products industry.

6. The Executive Director and the senior officials and staff shall not seek or receive instructions regarding their duties under this Agreement from any Member or from any authority external to the International Olive Council. They shall refrain from any action which might reflect on their position as international officials responsible only to the Council of Members. Members shall respect the exclusively international character of the responsibilities of the Executive Director, senior officials and staff and shall avoid influencing them in the discharge of their responsibilities.

SECTION VI – COOPERATION AND RELATIONSHIP WITH OTHER ORGANIZATIONS

Article 14

Cooperation with other organizations

1. The International Olive Council shall make whatever arrangements are appropriate for consultation or cooperation with the United Nations and its organs, in particular the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the World Health Organization (WHO), the Food and Agriculture Organization of the United Nations (FAO), the Joint FAO/WHO Programme of the Codex Alimentarius Commission, the International Labour Organization (ILO), the United Nations Education, Scientific and Cultural Organization (UNESCO) and other specialized agencies of the United Nations and with such intergovernmental, governmental and non-governmental organizations as may be appropriate for the olive sector and as may strive to provide funds to support the activities of the International Olive Council for the benefit of all the Members.

2. The International Olive Council shall establish relations and draw up, as appropriate, special collaborative agreements with international or regional organizations or institutions of a financial nature, in particular with the Common Fund for Commodities.

Any collaborative agreement established between the International Olive Council and the aforementioned international organizations or institutions shall receive the prior approval of the Council of Members.

In respect of the implementation of any project under this article, the International Olive Council shall not, in its capacity as an international commodity body, incur any financial obligation for guarantees given by individual Members or other entities. No Member shall be responsible by reason of its membership in the International Olive Council for any liabilities arising from borrowing or lending by any other Member or entity in connection with such projects.

3. The International Olive Council shall, if necessary, keep UNCTAD informed of its activities and programmes of work, bearing in mind the particular role of UNCTAD in international commodity trade.

PART TWO. FINANCIAL PROVISIONS

CHAPTER IV – BUDGETS OF THE INTERNATIONAL OLIVE COUNCIL

Article 15

Budgets of the International Olive Council

1. The Council of Members shall adopt the following annual budgets to achieve the general objectives laid down in chapter I of this Agreement:

- . An administrative budget;
- . A technical cooperation budget;
- . A promotion budget.

2. The administrative budget shall be financed by the contributions of the Members and by any other related revenues generated. The amount of the contribution of each Member shall be established in proportion to its participation share as set in compliance with article 8 of this Agreement.

3. The technical cooperation budget shall be financed by:

(a) the amount of the contribution of each Member, which shall be established in proportion to its participation share as set in compliance with article 8 of this Agreement;

(b) subsidies, voluntary contributions of the Members, which shall be governed by the provisions embodied in an agreement established between the International Olive Council and the donor Member, and donations; and

(c) any other related revenues generated.

4. The promotion budget shall be financed by:

(a) the amount of the contribution of each Member, which shall be established in proportion to its participation share as set in compliance with article 8 of this Agreement;

(b) the voluntary contributions of the Members, which shall be governed by the provisions embodied in an agreement established between the International Olive Council and the donor Member;

(c) donations from Governments and/or other sources; and

(d) any other related revenues generated.

5. The International Olive Council may also receive other forms of supplementary contributions, including services, scientific and technical equipment and/or staff that may meet the requirements of approved programmes.

The International Olive Council shall, in addition, as part of the development of international cooperation, endeavour to procure such essential financial and/or technical assistance as may be obtainable from the competent international, regional or national organizations, whether financial or of some other kind.

The above contributions shall be allocated by the Council of Members either to the technical cooperation budget, or to the promotion budget, or to both budgets.

6. The amounts of the administrative budget, of the technical cooperation budget and of the promotion budget that are not committed during one calendar year may be carried forward to the following calendar years as advance financing of the corresponding budgets and shall be assigned thereto according to the participation shares of each Member for the calendar year concerned.

Such amounts may not, under any circumstances, be transferred to other budgets unless the Council of Members decides otherwise.

Article 16

Administrative funds

In addition to the budgets referred to in article 15, the International Olive Council may be provided with the funds for administrative purposes for which provision is made in its Rules of Procedure.

Article 17

Payment of contributions

1. Each year, at its annual session, the Council of Members shall determine the amount of the contribution to be paid by each Member for the following calendar year, which shall be calculated on the basis of the number of participation shares corresponding to each Member as established pursuant to article 8.
2. The initial conditions of any Member which becomes a Party to this Agreement after its entry into force shall be assessed by the Council of Members. The contribution of the new Member shall be calculated on the basis of the share allotted to that Member and of the unexpired portion of the year in question at the time of the accession of the new Member, but the assessments made upon the other Members for that calendar year shall not be altered.
3. The contributions provided for in article 15 shall fall due upon the first day of the calendar year for which they are assessed. They shall be determined in Euros and be payable in that currency or in the equivalent amount of another freely convertible currency.
4. The Council of Members shall, at the start of the calendar year, request the Members to settle their contribution as soon as possible to enable the International Olive Council to operate normally and to enable the implementation of the activities planned by it for the calendar year concerned.

If a Member does not settle its contribution within six months of the start of the calendar year, the Council of Members shall invite it to make payment within the following three months. If these two deadlines are not met, the matter shall be brought to the attention of the Council of Members at its regular session. The right of the Member in arrears to participate in decisions of the Council of Members and to hold elective office in the Council of Members and its committees and subcommittees shall be suspended automatically until the

contribution is paid in full. The Council of Members shall, after hearing the Member in arrears, take any other appropriate decisions, which shall be applied.

5. No decision of the Council of Members may relieve a Member of its financial obligations under this Agreement.

Article 18

Financial control

1. The financial control of the International Olive Council shall be carried out by the Financial Committee in accordance with article 11.

2. The financial statements of the International Olive Council for the previous calendar year, certified by an independent auditor, shall be presented to the Financial Committee which, after analyzing the accounts, shall submit them to the Council of Members at its annual session for approval and publication.

The Council of Members shall designate the independent auditor by holding a tender in which at least three relevant specialized firms shall take part.

The independent auditor may not be designated for more than three years.

No firm chosen to audit the accounts of the International Olive Council may be re-selected to act as auditor in the course of the following nine years, during the life of this Agreement.

3. Furthermore, the Council of Members shall, at its annual session, examine and adopt the report relating to:

. the verification of the management of the funds, assets and cash of the International Olive Council;

. the regularity of financial operations and their conformity with the rules and regulations and budgetary provisions in force.

Article 19

Liquidation

1. The Council of Members shall, if dissolved, first take the steps stipulated in article 47, paragraph 5.
2. On the expiry of this Agreement, and unless it is prolonged, extended or renewed, the assets of the International Olive Council and any uncommitted sums proceeding from the funds referred to in article 16 as well as any uncommitted sums of the budgets referred to in article 15 shall be repaid to Members in proportion to the total of their participation shares in force at the time. The voluntary contributions referred to in article 15 (4) (b) and 15 (5) (b) and the donations referred to in article 15 (5) (c) shall be repaid to the Member or donor concerned.

PART THREE. ECONOMIC AND STANDARDIZATION PROVISIONS

CHAPTER V – DESIGNATIONS AND DEFINITIONS OF OLIVE OILS, OLIVE-POMACE OILS AND TABLE OLIVES. GEOGRAPHICAL INDICATIONS

Article 20

Use of the designation "olive oil"

1. The designation "olive oil" shall be restricted to oil obtained solely from the olive, to the exclusion of oil obtained by solvent or re-esterification processes and of any mixture with oils of other kinds.
2. In no case shall the designation "olive oil" be used alone to refer to olive-pomace oils.
3. The Members undertake to suppress in their internal and international trade any use of the designation "olive oil", alone or in combination with other words, which is not in conformity with this article.

Article 21

Designations and definitions of olive oils, olive-pomace oils
and table olives

1. The definitions of the following different categories of olive oils and olive-pomace oils are described in Annex B:

I. Olive oil:

(A) Virgin olive oils:

(a) Virgin olive oils fit for consumption as they are:

- (i) Extra virgin olive oil;
- (ii) Virgin olive oil;
- (iii) Ordinary virgin olive oil.

(b) Virgin olive oils not fit for consumption as they are:

Lampante virgin olive oil.

(B) Refined olive oil.

(C) Olive oil.

II. Olive-pomace oil:

(A) Crude olive-pomace oil;

(B) Refined olive-pomace oil;

(C) Olive-pomace oil.

2. The definitions of the following types of table olives are described in Annex C:

- (i) Green olives;
- (ii) Olives turning colour;
- (iii) Black olives.

3. The Council of Members may make all such amendments as it deems necessary or appropriate to the categories of oils and types of table olives provided for in this article and to the definitions laid down in Annexes B and C.

Article 22

Undertakings by Members

1. The Members of the International Olive Council undertake to apply the designations prescribed in Annexes B and C in their international trade and shall encourage their application in their internal trade.

2. The Council of Members shall determine quality criteria standards applicable to the international trade of the Members, in accordance with article 25, paragraph 3.

3. The Members undertake to analyze in detail the definition of the designations and geographical indications that may be of economic interest to the Members as well as the minimum national legal provisions required to ensure, or ensuring, the protection of such indications. To this end, the International Olive Council shall secure the means to develop a scheme of mutual recognition of such indications.

4. Geographical indications, when given, may only be applied to virgin olive oils and to table olives belonging to the Extra trade category which are produced in accordance with the relevant provisions for these products.

5. Geographical indications may only be used in conformity with the conditions prescribed by the law of the country of origin.

6. The Members undertake, in particular, to develop a scheme for the mutual recognition of geographical indications to ensure protection, *ex officio*, of geographical indications protected under the national law of the Members, and to prohibit and repress the use in their territories, for the purposes of international trade, of such geographical indications and designations of olive oils, olive-pomace oils and table olives as conflict with these principles.

This undertaking shall apply to all inscriptions placed on packagings, invoices, consignment notes and commercial documents or used in advertising, and to trade marks, registered names and illustrations connected with the international marketing of olive oils, olive-pomace oils and table olives, in so far as such inscriptions might constitute false statements or

give rise to confusion as to the origin, source or quality of the olive oils, olive-pomace oils or table olives concerned.

Article 23

Disputes and conciliation

1. Any dispute regarding geographical indications arising from the interpretation of the provisions of this chapter or from difficulties in their application shall, if the dispute has not been settled by direct negotiation, be examined by the Council of Members.
2. The Council of Members shall endeavour to reconcile the dispute, after seeking the opinion of an advisory panel as provided for in article 37, paragraph 1, and after consultation with the World Intellectual Property Organization, with a competent professional organization and, if necessary, with the International Chamber of Commerce and specialized international institutions for analytical chemistry; if this is unsuccessful, and after the Council of Members has determined that every means has been employed to reach agreement, the Members concerned shall have the right of recourse in the final instance to the International Court of Justice.

CHAPTER VI - STANDARDIZATION OF THE MARKETS FOR OLIVE PRODUCTS

Article 24

Examination of the situation of and developments in the market for olive oil, olive-pomace oil and table olives

1. Within the framework of the general objectives set forth in article 1, and with a view to contributing towards the standardization of the market for olive oil, olive-pomace oil and table olives and correcting any imbalance between international supply and demand due to irregularity of harvests or to other factors, Members shall make available and furnish to the International Olive Council all the necessary data, statistics and documentation on olive oil, olive-pomace oil and table olives.
2. The Council of Members shall, at its annual session, make a detailed examination of the balances for olive products and an overall estimate of the supplies of and demand for olive oil, olive-pomace oil and table olives, on the basis of the information furnished by each Member under article 36, of any information communicated to the International Olive Council by Governments of States not Parties to this Agreement, and of any other relevant statistical material

available to the International Olive Council on the subject. The Council of the Members shall, taking into account all the information available to it, examine the market situation and make an overall estimate of supplies of and demand for all olive products, and may propose to the Members such measures as it considers desirable.

Article 25

Standardization of the market for olive products

1. The International Olive Council shall undertake studies with a view to making recommendations to the Members for achieving a balance between production and consumption, and, more generally, for standardizing the market for olive products over the long term through the application of appropriate measures.

2. With a view to such standardization, the International Olive Council shall also undertake studies to recommend to Members suitable solutions to the problems which may arise as regards the evolution of the international market for olive oil, olive-pomace oil and table olives, through appropriate arrangements, account being taken of market imbalances resulting from fluctuations in production or from other causes.

3. The International Olive Council shall examine ways and means of ensuring the expansion of international trade and the increase of the consumption of olive oil and table olives. In particular, it shall make appropriate recommendations to the Members concerning:

- (a) the adoption and use of a standard international contract for transactions in olive oils, olive-pomace oils and table olives;
- (b) the constitution and functioning of an international conciliation and arbitration office to deal with any disputes relating to transactions in olive oils, olive-pomace oils and table olives;
- (c) the application of standards for the physical, chemical and organoleptic characteristics of olive oils, olive-pomace oils and table olives;
- (d) the establishment of uniform methods of analysis.

4. The International Olive Council shall take any measures it considers useful for the suppression of unfair competition at the international level, including such competition by States which are not Parties to this Agreement or by persons who are nationals of such States.

PART FOUR. TECHNICAL PROVISIONS

CHAPTER VII – TECHNICAL COOPERATION IN THE OLIVE SECTOR

Article 26

Programmes and activities

1. In order to achieve the general objectives set forth in article 1 concerning technical cooperation with regard to olives and olive products, the International Olive Council, acting through its Council of Members, shall conceive, promote and elaborate programmes of activities relating thereto.
2. Such technical cooperation shall encompass olive cultivation, olive oil extraction and table olive industry.
3. The International Olive Council may take direct action to promote such technical cooperation.
4. The International Olive Council may decide to call upon the collaboration of public or private bodies and/or entities, whether national or international, to implement part or all of the provisions of this chapter. It may also give a financial contribution to the aforementioned bodies and/or concerns within the budgetary limits.

Article 27

Research and development

1. The International Olive Council, acting through its Council of Members, shall examine any proposals for research-and-development projects of general interest to Members and shall take such measures as are appropriate in this field.
2. The International Olive Council may call upon the collaboration of specialized research institutes, laboratories and centres for the implementation, monitoring, use and dissemination, for the benefit of Members, of the findings of the research-and-development programmes.
3. The International Olive Council shall undertake the necessary studies on the economic returns which can be expected from the application of the results of the research-and-development programmes.

Article 28

Training and specific operations

1. The International Olive Council, acting through its Council of Members, shall take the necessary steps for the organization of refresher and training courses at various levels for technical experts in the olive sector, particularly those from Members that are developing countries.
2. The International Olive Council shall encourage the transfer of technologies to Members that are developing countries from Members highly advanced in olive cultivation, olive oil extraction and table olive processing techniques.
3. The International Olive Council shall facilitate any technical cooperation enabling consultants and experts to be placed at the disposal of the Members requiring such services.
4. The International Olive Council shall facilitate the participation of the delegations and experts of the Members in its general or scientific–technical meetings.
5. In particular, the Council of Members shall:
 - (a) carry out specific studies and operations;
 - (b) convene or foster the holding of international seminars and meetings;
 - (c) collect technical information and circulate it to all the Members;
 - (d) promote the coordination of activities relating to technical cooperation among Members in olive cultivation, olive oil extraction and table olive industry, including action within the framework of interregional or regional planning;
 - (e) promote such bilateral or multilateral cooperation as may assist the International Olive Council in achieving the objectives of this Agreement.

CHAPTER VIII – OTHER MEASURES

Article 29

Other measures

The International Olive Council shall:

- (a) foster and coordinate appropriate studies and research on the biological value of olive oil and table olives, with particular reference to their nutritional qualities and other intrinsic properties;
- (b) draw up, in association with specialist bodies, olive-related terminology, standards covering olive products and related methods of analysis, as well as any other standards connected with the olive sector;
- (c) take whatever measures are appropriate to draw up a compendium of established fair trade practices for international trade in olive oil, olive-pomace oil and table olives.

PART FIVE. PROMOTIONAL PROVISIONS

CHAPTER IX – WORLD PROMOTION OF THE CONSUMPTION OF OLIVE OIL AND TABLE OLIVES

Article 30

Programmes to promote the consumption of olive oil and table olives

1. The Members undertake jointly to conduct generic promotional activities to expand world consumption of olive oil and table olives, on the basis of the use of the designations of edible olive oils and table olives defined in Annexes B and C respectively.
2. Those activities shall take the form of educational and information campaigns and shall deal with the organoleptic and chemical characteristics of olive oils and table olives, as well as with their nutritional, therapeutic and other properties.

3. The promotional campaigns shall aim to inform consumers about the designations, origins and sources of olive oils and table olives, care being taken to ensure that no quality, origin or source is either promoted or given prominence in preference to another.

4. The promotional programmes to be undertaken under this article shall be decided by the Council of Members in the light of the resources made available to it. Priority shall be given to action in the mainly consuming countries and in those countries in which the consumption of olive oil and table olives is likely to increase.

5. The resources of the promotion budget shall be used in the light of the following criteria:

- (a) the volume of consumption and the possibilities of developing existing markets;
- (b) the creation of new outlets for olive oil and table olives;
- (c) the return obtainable on the promotion expenditure.

6. The Council of Members shall administer all the resources allocated for joint promotion purposes. It shall prepare an annual estimate of receipts and expenditure relating to this promotion as an annex to its budget.

7. In the event of a Member, organization or person providing a voluntary contribution for the conduct of promotional action, the Council of Members shall adopt the procedures governing the use of such resources within the framework of a specific agreement between the International Olive Council and the contributor.

8. The International Olive Council shall be responsible for the technical execution of the promotional programmes, which it may also entrust to specialized bodies chosen in accordance with the Rules of Procedure.

Article 31

International guarantee label of the International Olive Council

The Council of Members may make provision for the application of the international quality guarantee label ensuring compliance with the international standards of the International Olive Council.

PART SIX. OTHER PROVISIONS

CHAPTER X – MISCELLANEOUS OBLIGATIONS

Article 32

General obligations

The Members undertake not to adopt any measures that conflict with their obligations under this Agreement or with the general objectives set forth in article 1.

Article 33

Financial liability of Members

In accordance with the general principles of law, the financial liability of each Member to the International Olive Council and to other Members is limited to the extent of its obligations under article 15 concerning the contributions to the budgets referred to in the same article, and, as the case may be, under article 16 referring to the administrative funds.

Article 34

Environmental and ecological aspects

Members shall give due consideration to environmental and ecological aspects at all stages of olive and olive oil production and undertake to implement such action as may be deemed necessary by the Council of Members to improve or solve any problems encountered in this sphere.

Article 35

Encouragement of international trade and consumption

The Members undertake to adopt all the appropriate measures to facilitate trade, encourage consumption of olive oils and table olives and ensure the proper development of the international trade in these products. To that end, they undertake to conform to the principles, rules and guidelines they have approved in the competent international fora.

Article 36

Information

The Members undertake to make available and furnish to the International Olive Council all the statistics, data and documentation which it needs to discharge its functions under this Agreement, and in particular any information it requires in order to establish the balances for olive oils, olive-pomace oils and table olives and to acquire a knowledge of Members' national policies for olive products.

CHAPTER XI – DISPUTES AND COMPLAINTS

Article 37

Disputes and complaints

1. Any dispute which concerns the interpretation or application of this Agreement other than a dispute under article 23, and which is not settled by negotiation shall, at the request of any Member which is a party to the dispute, be referred to the Council of Members, which shall take a decision in the absence of the Member concerned after seeking an opinion, where appropriate, from an advisory panel, the composition and operational details of which shall be laid down in the Rules of Procedure.
2. A substantiated opinion by the advisory panel shall be submitted to the Council of Members, which shall in all circumstances settle the dispute after considering all the relevant facts.
3. Any complaint that a Member has failed to fulfil its obligations under this Agreement shall, at the request of the Member making the complaint, be referred to the Council of Members, which shall take a decision in the absence of the Member in question after consulting the Members concerned and after seeking an opinion, where appropriate, from the advisory panel referred to in paragraph 1 of this article.
4. If the Council of Members finds that a Member has committed a breach of this Agreement, it may either impose on that Member sanctions, ranging from a simple warning to the suspension of the Member's right to participate in decisions of the Council of Members until it has met its obligations, or, in accordance with the procedure laid down in article 45, exclude the Member from participation in the Agreement. The Member in question shall have the right of recourse in the final instance to the International Court of Justice.

CHAPTER XII – FINAL PROVISIONS

Article 41

Notification of provisional application

1. A signatory Government which intends to ratify, accept or approve this Agreement, or a Government for which the Council of Members 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 Agreement provisionally when it enters into force in accordance with article 42, or, if it is already in force, at a specified date.
2. A Government which has notified under paragraph 1 of this article that it will apply this Agreement when it enters into force, or, if it is already in force, at a specified date shall, from that time, be a provisional Member until it deposits its instrument of ratification, acceptance, approval or accession and thus becomes a Member.

Article 42

Entry into force

1. This Agreement shall enter into force definitively on the day when at least five Governments among those mentioned in Annex A to this Agreement and accounting for at least 90 per cent of the participation shares have signed this Agreement definitively or have ratified, accepted or approved it, or acceded thereto.
2. If, on 1 January 2006, this Agreement has not entered into force in accordance with paragraph 1 of this article, it shall enter into force provisionally if by that date five Governments satisfying the percentage requirements of paragraph 1 of this article have signed this Agreement definitively or have ratified, accepted or approved it, or have notified the depositary that they will apply this Agreement provisionally.
3. If, on 1 January 2006, the requirements for entry into force under paragraph 1 or paragraph 2 of this article have not been met, the Secretary-General of the United Nations shall invite those Governments which have signed this Agreement definitively or have ratified, accepted or approved it, or have notified that they will apply this Agreement provisionally, to decide whether to bring this Agreement into force definitively or provisionally among themselves, in whole or in part, on such date as they may determine.

4. For any Government which has not notified the depository under article 41 that it will apply this Agreement provisionally and which deposits an instrument of ratification, acceptance, approval or accession after the entry into force of this Agreement, this Agreement shall enter into force on the date of such deposit.

Article 44

Withdrawal

1. Any Member may withdraw from this Agreement at any time after the entry into force of this Agreement by giving written notice of withdrawal to the depository. The Member shall simultaneously inform the International Olive Council in writing of the action it has taken.

2. Withdrawal under this article shall become effective 90 days after the notice is received by the depository.

Article 45

Exclusion

Without prejudice to article 37, if the Council of Members decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may, by reasoned decision of the other Members taken in the absence of the Member concerned, exclude that Member from this Agreement. The International Olive Council shall immediately notify the depository of its decision. The Member in question shall cease to be a Party to this Agreement 30 days after the date of the decision of the Council of Members.

Article 46

Settlement of accounts

1. The Council of Members shall determine any settlement of accounts which it finds equitable, taking into account all the commitments entailing legal consequences for the International Olive Council and which would have repercussions on the contributions of a Member which has withdrawn from this Agreement or which has been excluded from the International Olive Council or has otherwise ceased to be a Party to this Agreement, as well as the time needed to ensure an adequate transition, in particular when such commitments have to be terminated.

Notwithstanding the provisions of the sub-paragraph above, such Member shall be bound to pay any amounts due from it to the International Olive Council in respect of the period during which it was a Member.

2. Upon termination of this Agreement, no Member referred to in paragraph 1 of this article shall be entitled to any share of the proceeds of the liquidation or the other assets of the International Olive Council; nor shall it be burdened with any part of the deficit, if any, of the International Olive Council.

Article 47

Duration, prolongation, extension and termination

1. This Agreement shall remain in force until 31 December 2014 unless the International Olive Council, acting through its Council of Members, decides to prolong it, extend it, renew it or terminate it in advance in accordance with the provisions of this article.

2. The International Olive Council, acting through its Council of Members, may decide to prolong this Agreement for not more than two periods of two years each. Any Member which does not accept any such prolongation of this Agreement shall so inform the International Olive Council and shall cease to be a Party to this Agreement from the beginning of the period of prolongation.

3. If, before 31 December 2014, or before the expiry of a period of prolongation referred to in paragraph 2 of this article, as the case may be, a new agreement or a protocol for the extension of this Agreement has been negotiated but has not yet entered into force either definitively or provisionally, this Agreement shall remain in force beyond its expiry date until the new agreement or protocol enters into force, provided that the period of such prolongation does not exceed 12 months.

4. The International Olive Council, acting through its Council of Members, may at any time decide to terminate this Agreement with effect from such date as it may determine.

5. Notwithstanding the expiry or termination of this Agreement, the International Olive Council shall continue in being for as long as may be necessary for the purpose of carrying out the liquidation of the International Olive Council, including the settlement of accounts, and shall have during that period such powers and functions as may be necessary for these purposes.

6. The International Olive Council shall notify the depositary of any decision taken under this article.

Article 48

Reservations

No reservations may be made with respect to any of the provisions of this Agreement.

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

DONE at Geneva on [.....**2005**], the texts of this Agreement in the Arabic, English, French and Spanish languages being equally authentic.

ANNEX A

Participation shares in the budgets of the Organization
established in accordance with article 8*

Algeria	11
European Community	801
Croatia.....	5
Egypt	8
Iran (Islamic Republic of)	5
Israel.....	5
Libyan Arab Jamahiriya	5
Jordan	7
Lebanon	5
Morocco.....	25
Syrian Arab Republic	45
Serbia and Montenegro	5
Tunisia	73
	<hr/>
Total	1,000

* Calculations are based on the average production for the period 1997/1998 - 2002/2003 and on the average exports for the period 1998-2003.

ANNEX B

Designations and definitions of olive oils and olive-pomace oils

The designations of the different categories of olive oils and olive-pomace oils are given below with the definition corresponding to each designation:

- I. Olive oil** is the oil obtained solely from the fruit of the olive tree, to the exclusion of oils obtained using solvents or re-esterification processes and of any mixture with oils of other kinds. It is designated as follows:
- A. Virgin olive oils: oils which are obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions, particularly thermal conditions, that do not lead to deterioration of the oil, and which have not undergone any treatment other than washing, decantation, centrifugation and filtration. Virgin olive oils shall be classified and designated as follows:
- (a) Virgin olive oils fit for consumption as they are:
- (i) Extra virgin olive oil: virgin olive oil which has a free acidity, expressed as oleic acid, of not more than 0.8 grams per 100 grams and the other characteristics of which correspond to those laid down for this category;
 - (ii) Virgin olive oil: virgin olive oil which has a free acidity, expressed as oleic acid, of not more than 2.0 grams per 100 grams and the other characteristics of which correspond to those laid down for this category;
 - (iii) Ordinary virgin olive oil: virgin olive oil which has a free acidity, expressed as oleic acid, of not more than 3.3 grams per 100 grams and the other characteristics of which correspond to those laid down for this category.^{1/}

^{1/} This product may only be sold direct to the consumer if permitted in the country of retail sale. If not permitted, the designation of this product shall comply with the legal provisions of the country concerned.

(b) Virgin olive oil not fit for consumption as it is:

Lampante virgin olive oil: virgin olive oil which has a free acidity, expressed as oleic acid, of more than 3.3 grams per 100 grams and/or the organoleptic characteristics and other characteristics of which correspond to those laid down for this category. It is intended for refining for use for human consumption, or it is intended for technical use.

- B. Refined olive oil: olive oil obtained by refining virgin olive oils. It has a free acidity, expressed as oleic acid, of not more than 0.3 grams per 100 grams and its other characteristics correspond to those laid down for this category.^{2/}
- C. Olive oil: oil consisting of a blend of refined olive oil and virgin olive oils fit for consumption as they are. It has a free acidity, expressed as oleic acid, of not more than 1 gram per 100 grams and its other characteristics correspond to those laid down for this category.^{3/}

II. Olive-pomace oil is the oil obtained by treating olive pomace with solvents or other physical treatments, to the exclusion of oils obtained by re-esterification processes and of any mixture with oils of other kinds. It is classified as follows:

- A. Crude olive-pomace oil: olive-pomace oil whose characteristics are those laid down for this category. It is intended for refining for use for human consumption, or it is intended for technical use.
- B. Refined olive-pomace oil: oil obtained by refining crude olive-pomace oil. It has a free acidity, expressed as oleic acid, of not more than 0.3 grams per 100 grams and its other characteristics correspond to those laid down for this category.^{4/}

^{2/} This product may only be sold direct to the consumer if permitted in the country of retail sale.

^{3/} The country of retail sale may require a more specific designation.

^{4/} This product may only be sold direct to the consumer if permitted in the country of retail sale.

- C. Olive-pomace oil: oil consisting of a blend of refined olive-pomace oil and virgin olive oils fit for consumption as they are. It has a free acidity, expressed as oleic acid, of not more than 1 gram per 100 grams and its other characteristics correspond to those laid down for this category. In no case shall this blend be called "olive oil".^{5/}

ANNEX C

Types and definitions of table olives

Table olives shall be classified in one of the following types:

- (i) Green olives: fruits harvested during the ripening period, prior to colouring and when they have reached normal size. They may vary in colour from green to straw yellow.
- (ii) Olives turning colour: fruits harvested before the stage of complete ripeness is attained, at colour change. They may vary in colour from rose to wine rose or brown.
- (iii) Black olives: fruits harvested when fully ripe or slightly before full ripeness is reached. They may vary in colour from reddish black to violet black, deep violet, greenish black or deep chestnut.

^{5/} The country of retail sale may require a more specific designation.