



INTERNATIONAL TROPICAL TIMBER COUNCIL

COMMITTEE ON FINANCE AND ADMINISTRATION

Distr.
GENERAL

CFA(XXXIV)/8
1 November 2019

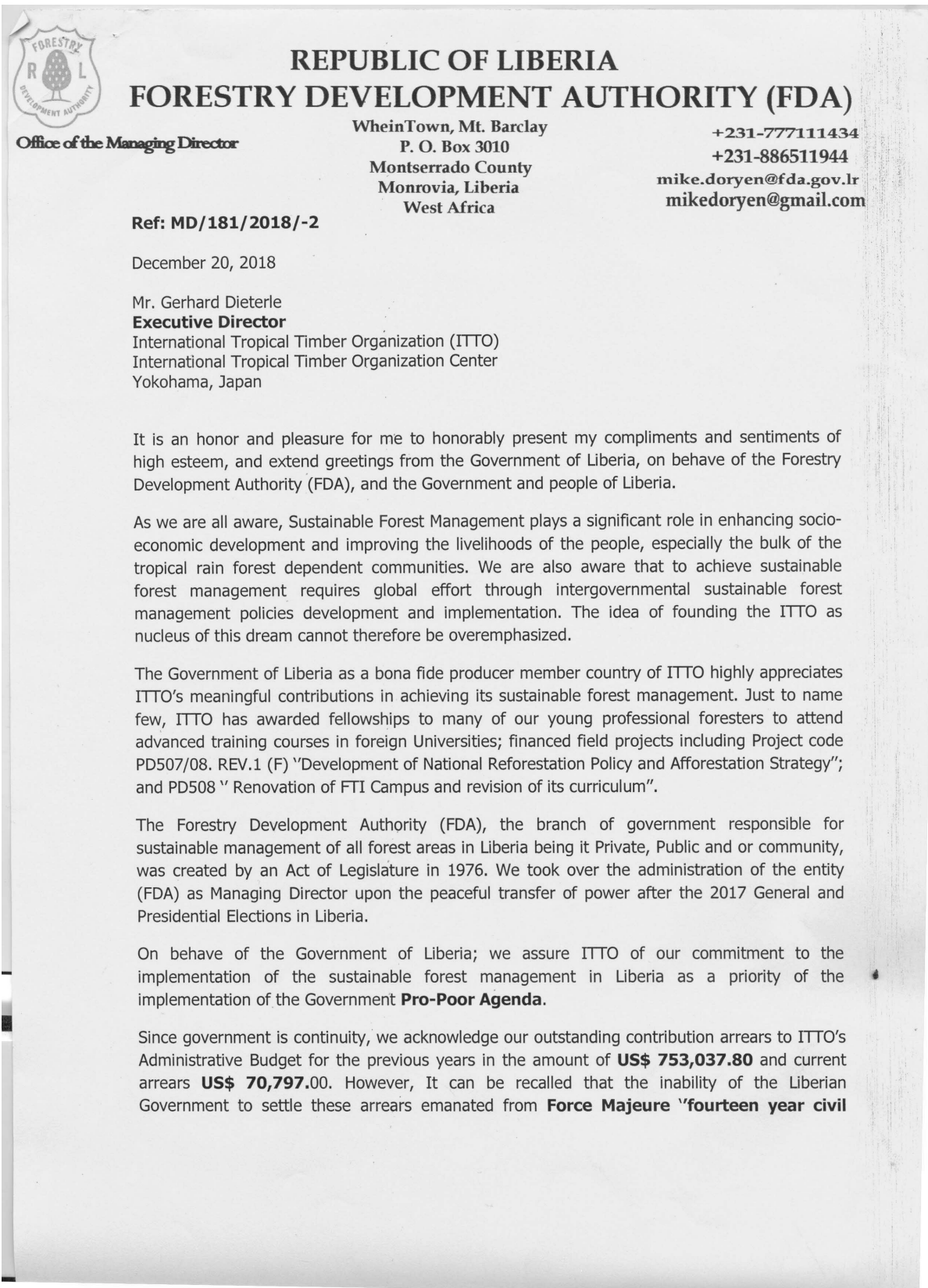
Original: ENGLISH

THIRTY-FOURTH SESSION
2-7 December 2019
Lomé, Togo

REQUEST BY LIBERIA FOR 'RELIEF FROM OBLIGATIONS'

1. On 20 December 2018, ITTO received a letter from the government of Liberia (contained in Annex 1) requesting the waiver of its arrears from 1990-2017 for the amount of US\$753,037.80 due to the inability of the Liberian Government to settle these arrears emanating from Force Majeure "fourteen year civil war". The government of Liberia at the same time committed themselves to settling the current arrears covering the 2018 period in the amount of US\$70,797.00.
2. The current position of Liberia to the Administrative Budget is provided in Annex 2 showing a total outstanding amount of US\$894,587.80 including the arrears covering the 2019 period in the amount of US\$70,753.00. The government of Liberia had previously, in 2006, requested to be relieved from obligations and the request was considered at the CFA (see Annex 3 for relevant excerpts from the CFA Report). As a result, Decision 5(XLIII) was adopted by Council in 2007 which applied Article 33 of the ITTA, 1994, on "Relief from Obligations". The only other instance the Article on "Relief from Obligations" in the ITTA has been applied is in response to a request sent in 2015 from the Central African Republic, which resulted in Decision 8(LIII) (contained in Annex 5) adopted by Council in 2017.
3. In accordance with Article 30 of the ITTA, 2006, on "Relief from Obligations" the committee may consider whether this request accounts for "exceptional circumstances or emergency or force majeure not expressly provided for in this Agreement" and make recommendations if appropriate to the Council to "relieve a member of an obligation under this Agreement if it is satisfied by an explanation from that member regarding the reasons why the obligation cannot be met." Any recommendation should also "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."
4. In addition to Article 30 of the ITTA, 2006, it should be noted that Decision 7(XXXIII) (contained in Annex 6) also provides a mechanism to write off arrears by authorizing the Executive Director "to write off, on an annual basis, one-fifth of a Member's arrears of the period 1986-1996 for any Member which has no arrears in its contributions to the Administrative Budget in respect to its obligations related to the year 2002 and beyond".

Annex 1 – Letter from Liberia



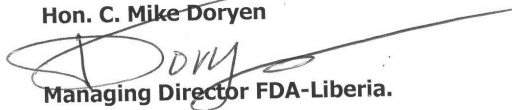
war" which dilapidated both human resource and forest products as they were being used to fuel the war by the warlords at the detriment of the Liberians.

At this juncture, we are pleased to honorably appeal on behalf of the Government and People of Liberia to ITTO through this honorable body for a waiver of the arrears from 1990-2017, while we commit ourselves to the settlement of the current arrears covering the 2018 period in the amount of **US\$ 70,797.00**

Once again, let me reassure ITTO of our greater commitment to the implementation of the sustainable forest management goals in Liberia and elsewhere, and to the settlement of the current contribution arrears to the budget.

Respectfully submitted on behalf of the Government of Liberia.

Hon. C. Mike Doryen

A handwritten signature in black ink, appearing to read "C. Mike Doryen", is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Managing Director FDA-Liberia.

Annex 2 – Contribution Position of Liberia to the Administrative Budget

INTERNATIONAL TROPICAL TIMBER ORGANIZATION									
CONTRIBUTION POSITION OF MEMBERS TO THE ADMINISTRATIVE BUDGET									
INCLUDING INTEREST CHARGES LEVIED ON LATE CONTRIBUTIONS									
AS STIPULATED IN PARAGRAPH 7, ARTICLE 19, OF ITTA, 1983.									
(in United States dollars)									
MEMBER:	LIBERIA								
POSITION AS AT:	1 November 2019								
FINANCIAL PERIOD	CONTRIBUTION				INTEREST				TOTAL AMOUNT DUE
	Assessed	Paid	Written-off a/	Balance	Charged	Paid	Dec.7(XXXIII) Written-off	Balance	
ITTA, 1983									
Initial Period (1986)	4,375.00	4,375.00	0.00	0.00	218.75	b/	N/A	N/A	0.00
Remainder of 1986 (Nov/Dec)	4,369.00	4,369.00	0.00	0.00	227.55	b/	N/A	N/A	0.00
First Half 1987	14,994.00	14,994.00	0.00	0.00	687.23	b/	N/A	N/A	0.00
Second Half 1987	20,262.00	20,262.00	0.00	0.00	675.40	b/	N/A	N/A	0.00
Financial Year 1988	35,937.00	35,937.00	0.00	0.00	748.69	b/	N/A	N/A	0.00
Financial Year 1989	40,584.00	0.00	40,584.00	0.00	9,215.95	b/	N/A	N/A	0.00
Financial Year 1990	46,450.00	0.00	35,404.20	11,045.80	9,038.41	b/	N/A	N/A	11,045.80
Financial Year 1991	43,138.00	0.00	0.00	43,138.00	6,135.59	b/	N/A	N/A	43,138.00
Financial Year 1992	41,637.00	0.00	0.00	41,637.00	3,625.89	b/	N/A	N/A	41,637.00
Financial Year 1993	45,900.00	0.00	0.00	45,900.00	2,505.38	b/	N/A	N/A	45,900.00
Financial Year 1994	47,600.00	0.00	0.00	47,600.00	1,408.17	b/	N/A	N/A	47,600.00
Financial Year 1995	56,952.00	0.00	0.00	56,952.00	688.17	b/	N/A	N/A	56,952.00
Financial Year 1996	57,680.00	0.00	0.00	57,680.00	120.17	b/	N/A	N/A	57,680.00
ITTA, 1994									
Financial Year 1997 c/	51,975.00	15,592.50	36,382.50	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 1998 c/	48,500.00	14,550.00	33,950.00	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 1999 c/	51,525.00	15,457.50	36,067.50	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2000 c/	56,000.00	16,800.00	39,200.00	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2001 c/	57,250.00	17,175.00	40,075.00	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2002	57,200.00	57,200.00		0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2003 d/	60,320.00	12,064.00	48,256.00	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2004 d/	63,312.00	12,662.40	50,649.60	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2005 d/	70,320.00	14,064.00	56,256.00	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2006	67,650.00	67,650.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2007	69,412.00	69,412.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2008	68,950.00	68,950.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2009	72,100.00	72,100.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2010	82,030.00	82,030.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2011	97,821.00	97,821.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
ITTA, 2006									
Financial Year 2012	105,392.00	105,392.00	N/A	0.00	N/A	N/A	N/A	N/A	0.00
Financial Year 2013	116,907.00	0.00	N/A	116,907.00	N/A	N/A	N/A	N/A	116,907.00
Financial Year 2014	83,969.00	0.00	N/A	83,969.00	N/A	N/A	N/A	N/A	83,969.00
Financial Year 2015	89,403.00	0.00	N/A	89,403.00	N/A	N/A	N/A	N/A	89,403.00
Financial Year 2016	81,125.00	0.00	N/A	81,125.00	N/A	N/A	N/A	N/A	81,125.00
Financial Year 2017	77,681.00	0.00	N/A	77,681.00	N/A	N/A	N/A	N/A	77,681.00
Financial Year 2018	70,797.00	0.00	N/A	70,797.00	N/A	N/A	N/A	N/A	70,797.00
Financial Year 2019	70,753.00	0.00	N/A	70,753.00	N/A	N/A	N/A	N/A	70,753.00
TOTAL:	\$2,130,270.00	\$818,857.40	\$416,824.80	\$894,587.80	\$35,295.35	b/	\$0.00	\$0.00	\$894,587.80

a/ Amounts written-off during 1986-1996 in accordance with Decision 7(XXXIII); and during 1997-2001 and 2003-2005 in accordance with Decision 5(XLIII).

b/ A total amount of US\$35,295.35 of interest charges was waived in accordance with Decision 5(XLIII).

c/ Contributions for 1997-2001 reduced by 70% in accordance with Decision 5(XLIII), Annex, item II, to be paid before 30 June 2009 (deadline extended ITTC-XLIV)

d/ Contributions for 2003-2005 reduced by 80% in accordance with Decision 5(XLIII), Annex, item III, to be paid before 30 June 2010 (deadline extended ITTC-XLIV)

Annex 3 – CFA Report Excerpts Relating to Liberia’s 1st Request for Relief from Obligations

[CFA Report at its 17th Session, Brazzaville, Congo, June 2005]

(b) Debt Relief for Member Governments in Dire Economic Situations due to Prolonged Civil Wars

1. The Chairman again recalled that the IAG requested the Committee to deliberate on the issue of debt relief for Liberia and the Democratic Republic of Congo in view of their dire state of economy as a result of prolonged civil wars.
2. The Committee considered the application of Article 33 “Relief from Obligations” of the ITTA, 1994, as well as the ITTC Decision 7(XXXIII) on write-off arrears of contributions and acceptance of project proposals for evaluation by the Expert Panel and their subsequent approval by the Council on the recommendations of the respective Committees.
3. The Committee decided to recommend to the Council that if a formal declaration was received by these Members of the application of *force majeure*, with documented justifications, it should consider the whether to apply the provisions of Article 33 of the ITTA, 1994.

.....

Item 13: Recommendations to the International Tropical Timber Council

4. The Committee decided to make the following recommendations to the Council:
 - (1)
 - (2); and
 - (3) To recommend that if a formal declaration was received by the Governments of Liberia and Democratic Republic of the Congo, of the application of *force majeure* with documented justifications, it should consider whether to apply Article 33 of the ITTA, 1994.

[CFA Report at its 20th Session, Yokohama, Japan, November 2006]

Item 13: Other Business

A. Debt Relief Request by the Government of Liberia

5. The Chairman recalled that the IAG had requested the Committee to deliberate on the request from the Government of Liberia of the debt relief in the amount of US\$999,288.35 and invited the Secretariat to elaborate further.
6. The Secretariat informed that the Committee earlier at the Seventeenth Session of the CFA held in Brazzaville, Republic of Congo, in June 2005, after deliberating on the issue of “debt relief for Member Governments in dire economic situations due to prolonged civil wars”, recommended to the Council that “if a formal declaration was received by the Governments of Liberia and Democratic Republic of the Congo, of the application of *force majeure* with documented justifications, it should consider whether to apply Article 33 of the ITTA,

1994.” Consequent to this recommendation, the Government of Liberia had submitted a formal request (in the form of a Draft Decision) to write off their debt to the Administrative Budget until the end of 2006, in the total amount of US\$999,288.35.

7. The Secretariat stated that to date there is no precedent in the Organization for debt relief other than what is provided under Decision 7(XXXIII), Annex I, Part C, paragraph 1, which stated that: “The Executive Director is authorized to write off, on an annual basis, one-fifth of a Member’s arrears of the period 1986-1996 for any member which has no arrears in its contributions to the Administrative Budget in respect to its obligations related to the year 2002 and beyond. The Secretariat will not process projects and pre-projects proposals submitted by Members with cumulative arrears to the Administrative Account beginning from 2002 which are equal to or in excess of three times the Member’s annual assessed contribution in the year the proposals are submitted”. Since 2002 to date, arrears of contributions of four Members for a total amount of US\$743,097.39 had been written off. The Secretariat added that in May 2005, an ITTO Technical Country Mission to Liberia was conducted, the report of which is available in the ITTO website. However, Liberia has not been able to take advantage of the recommendations contained in the Mission Report in preparing Project proposals, since in view of their arrears they are not eligible to submit Projects to the Organization in accordance with Decision 7(XXXIII).

8. The representative of Ghana, on behalf of the Government of Liberia, stated that Liberia had gone through a real crisis for many years and is only now in the process of recovery and reconstruction. However, in view of its dire economic situation it is not able to pay the arrears in contributions and accordingly implored on the Committee for the recommendation of the debt relief. The Republic of Congo also supported the proposal.

9. The representatives of the European Community, Japan and the United States of America while expressing their sympathy with the desperate state of affairs in Liberia, nevertheless, observed that a complete write off of the debt would not be in the best interest of the Organization. The representatives, seconded also by Brazil, instead requested that the Government of Liberia be contacted with a view to reaffirm its commitments to the Organization, establish conditions with a view to reincorporate with ITTO, work out a repayment plan, and propose rescheduling the payments of its arrears, while meeting its obligations from 2007 onwards. The representatives of the European Community and the United States of America also suggested taking into account recent measures taken by the United Nations, the European Community and others to recognize ongoing Liberian reforms and to promote economic recovery through the lifting of sanctions on Liberian timber exports.

10. The Committee decided to recommend to the Council that the Secretariat urgently initiate consultations with the Government of Liberia (GOL) with a view to:

- (a) ensuring as far as is possible that a member of the GOL attends the next Council Session to provide relevant information on the debt relief request;
- (b) gathering information from the GOL that allows for the updating of the information available as a result of the ITTO Country Mission held in 2005;
- (c) determining on the basis of the contact held with GOL, the need for another technical Country Mission; and
- (d) exploring the possibility of full participation of GOL in the activities of the ITTO under the ITTA, 1994, and gathering information on the intention of GOL regarding its ratification of the ITTA, 2006.

11. The Committee also decided to re-visit this matter on the basis of the information obtained in the contact with the GOL.

[CFA Report at its 21st Session, Port Moresby, PNG, June 2007]

Item 10: Debt Relief Request by the Government of Liberia

12. The Secretariat informed that further to the recommendations of the Committee on Finance and Administration in November 2006, a member of the Secretariat (Mr. Mahboob Hasan, Finance/Administrative Officer) visited Monrovia, Liberia, during 11-13 April 2007, with a view to addressing the various requests of the Committee. The report of the visit by the ITTO Official was made available to the Committee.

13. The Secretariat summarized the outcomes of the meetings and discussions held in Monrovia as follows:

- a) The Government of Liberia confirmed that Hon. John T. Woods, Managing Director, Forestry Development Authority, Liberia (as head of the delegation) and Mr. Bledde V. Dagbe, Manager, Forestry Development Authority (as member of the delegation) would attend the Forty-second Session of the ITTC scheduled to be held from 7 to 12 May 2007, in Port Moresby, Papua New Guinea;
- b) The Government of Liberia confirmed its intention to actively participate in ITTO activities and on 7 May 2007 made a payment in the amount of US\$67,650 to settle its arrearage to the ITTO Administrative Budget for the year 2006. Liberia also promised to provide information supporting its request for the debt relief, at the Forty-second Session of the ITTC;
- c) On 12 April 2007, the Forestry Development Authority (FDA) had requested the relevant Ministry for the approval of and accession to the ITTA, 2006, and is confident that the process would be completed in May 2007;
- d) Since the ITTO Diagnostic mission report on Liberia that was published in June 2005, considerable developments have taken place. As part of the post-conflict reconstruction efforts in Liberia, the World Bank is financing a number of activities in support of the Forestry Sector. The activities are contributing to the multi-donor Liberia Forest Initiative (LFI). The LFI is an informal partnership between the Government of the United States of America, World Bank, European Commission, Conservation International, Environmental Law Institute, IUCN and several Liberian NGOs, working together with the FDA to increase transparency and accountability of forest management. The impressive developments since the ITTO Diagnostic mission are mainly with regard to reforms, policy works and preparation of regulations; and
- e) In view of the developments that have already taken place in the forestry sector through the LFI, the FDA is of the opinion that another ITTO Technical Mission, albeit in a smaller scale, might be appropriate, more appropriately with a view to develop relevant project proposals.

14. The representative of Liberia, Hon. John T. Woods, Managing Director, Forestry Development Authority, Liberia, made a detailed presentation on the current economic status of Liberia, the on-going reconstruction and recovery process including in the forestry sector and the

valuable assistance provided by a number of countries and the international institutions in the process. He reconfirmed the commitment of the Government of Liberia to actively participate in the activities of ITTO, both under the current ITTA, 1994 and in the future ITTA, 2006. He recalled the recent settlement of the contribution to the Administrative Budget of 2006 and confirmed their intention to settle that of 2007 in the near future, and urged the Committee to recommend to the Council for the writing off the arrears of the earlier years in the amount of \$999,288.35 incurred during the conflict years.

15. A number of representatives from the European Union informed the Committee that it would need to consult with their relevant ministries and accordingly, would be able to express their views regarding the request for writing off of the debt at the next Session.

16. In response to the clarifications sought by the representatives of Japan and Switzerland, the Secretariat informed the Committee that a proposed decision of the Government of Liberia was made subsequent to the recommendation of the of the CFA at its Seventeenth Session held in Brazzaville in June 2005, and was approved by the Council. The recommendation was as follows:

“To recommend that if a formal declaration was received by the Government of Liberia and Democratic Republic of the Congo, of the application of *force majeure* with documented justifications, it should consider whether to apply Article 33 of the ITTA, 1994.”

17. The Chairperson concluded that the Committee was impressed by the progress made by the Government of Liberia, including the implementation of various measures for the recovery of the forestry sector on the basis of the national forestry policy and implementation strategy. Furthermore, he added that the four recommendations of the Committee made at its Twentieth Session had been met satisfactorily, and another technical country mission was not considered necessary.

Item 13: Recommendations to the International Tropical Timber Council

18. The Committee decided to make the following further recommendations to the Council, taking note of the recent settlement by the Government of Liberia of the contributions to the Administrative budget for the year 2006:

- i. To encourage the Government of Liberia to settle their contribution for the year 2007 as soon as possible;
- ii. To conclude that the provisions under Article 33 of ITTA, 1994, “Relief from obligations” are applicable;
- iii. To waive immediately the interest charged to the Contributions in arrears during the period from 1986 to 1996 in the amount of \$35,295.35;
- iv. To request the Government of Liberia to develop a proposal to reschedule the outstanding arrears for the years 1989-2005 in the amount of \$896,343.00. This proposal will include a clear time horizon and could include the possibilities to make full use of the provisions under Decision 7 (XXXIII), Annex I, paragraph 1 of Part C – “Measures Regarding Arrears to the Administrative Account”, and a possible discount mechanism, and could also take into account the exceptional circumstances which existed from mid-2003 to mid-2006, during which period Liberia did not earn revenues in the absence of tropical timber trading;

- v. To request the Executive Director to assist the Government of Liberia in developing such a proposal;
- vi. To adopt at its Forty-third Session a rescheduling plan for the settlement of the arrears on the basis of the proposal of the Government of Liberia; and
- vii. To make Liberia eligible for the funding for Projects and Pre-projects, provided that the settlement of the contributions to the Administrative Account are not in arrears from 2007 onwards.

[CFA Report at its 22nd Session, Yokohama, November 2007]

Item 9: Debt Relief Request by the Government of Liberia

19. The Vice-Chairperson recalled that at its Twenty-first Session held in Papua New Guinea, a number of recommendations were made regarding the debt relief request by the Government of Liberia, which was subsequently approved by the Council. Following one of the recommendations to develop a proposal to reschedule the outstanding arrears to the administrative budgets for the years 1989-2005 in the amount of \$896,343.00, the Government of Liberia proposed a Decision and it was circulated to the Members in early September 2007. The Chairperson also informed that noting the advice of Informal Advisory Group, the Council on Monday, 5 November 2007, had requested the Committee to deliberate on the proposed Decision and make recommendations.

20. The Vice-Chairperson concluded that the Committee expressed great sympathy to the current situation in Liberia, and was impressed by the progress made by the Government of Liberia, including the settlements of the Administrative contributions for the years 2002, 2006 and 2007, and in the implementation of various measures for the recovery of the forestry sector on the basis of the national forestry policy and implementation strategy.

21. The Committee decided to recommend to the Council for the approval of the draft Decision on "Application of Article 33 of ITTA, 1994 (Relief from obligations) to the Government of Liberia, including the payment plan to reschedule the outstanding arrears of the Government of Liberia to the Administrative Budget", as shown in the Annex to the draft Decision.

[CFA Recommendation to the Council]

- (1) To approve the draft Decision on "Application of Article 33 of ITTA, 1994 (Relief from obligations) to the Government of Liberia", including the payment plan to reschedule the outstanding arrears of the Government of Liberia to the Administrative Budget, as shown in the Annex to the draft Decision;

[CFA Report at its 23rd Session, Yokohama, November 2008]

22. The representative from Liberia informed the Committee that his Government has made its utmost effort in making payments of its contributions to the Administrative Budgets for the financial years 2006, 2007 and 2008 as well as payment of the arrearages for the years 1997 and 2002 in accordance with the payment plans set out in the Annex to Decision 5(XLIII). However, due to Liberia's national biennial fiscal budgets, the remaining balance of the arrearages in contribution for the financial years 1997-2001 of a total amount of US\$59,125.00 which should have been paid before the end of 2008 could not be processed in time. Liberia therefore requests the Council to defer this payment to the end of June 2009.

23. The representative from Liberia further informed the Committee that Liberia is committed to pay within 2009 its assessed contribution for the year 2009. However, he also requested the Committee to defer payment of the arrearages in contribution for the years 2003-2005 (in the amount of US\$38,790.40) to the end of June 2010 instead of before the end of 2009 as stipulated in the payment plans set out in item III of the Annex to Decision 5(XLIII). Other delegations commended the efforts of Liberia in meeting its obligations to the Organization. The Committee recommended that these requests be favorably considered and approved by the Council.

[CFA Recommendation to Council]

- (1) To extend the date limits for payment by Liberia of its reduced arrearages in contribution for the years 1997-2001 (in the amount of US\$59,125.00) and for the years 2003-2005 (in the amount of US\$38,790.40), as stipulated in items II and III of the Annex to Decision 5(XLIII), from 31 December 2008 to 30 June 2009 and from 31 December 2009 to 30 June 2010 respectively.

Annex 4 – Decision 5(XLIII)



INTERNATIONAL TROPICAL TIMBER COUNCIL

Distr.
GENERAL

ITTC(XLIII)/18
10 November 2007

Original: ENGLISH

FORTY-THIRD SESSION
5-10 November 2007
Yokohama, Japan

DECISION 5(XLIII)

APPLICATION OF ARTICLE 33 OF ITTA, 1994 (RELIEF FROM OBLIGATIONS) TO THE GOVERNMENT OF LIBERIA

The International Tropical Timber Council,

Aware that paragraphs (1) and (2) of Article 33 of the International Tropical Timber Agreement, 1994, "Relief from Obligations" state: "1. Where it is necessary on account of exceptional circumstances or emergency or *force majeure* not expressly provided for in this Agreement, the Council may, by special vote, relieve a member of an obligation under this Agreement if it is satisfied by an explanation from that member regarding the reasons why the obligation cannot be met," and "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,"

Recalling that the International Tropical Timber Council, at its Thirty-eighth Session held in Brazzaville, Republic of Congo, in June 2005, recommended, in view of the dire state of economy as a result of the prolonged civil war in Liberia, that if a formal declaration was received by the Government of Liberia, of the application of *force majeure* with documented justifications, it should consider whether to apply Article 33 of the International Tropical Timber Agreement, 1994;

Acknowledging that the Government of Liberia, through the letter of the Minister of Foreign Affairs of 30 May 2006, indicated that Liberia has emerged from a prolonged conflict and experienced fourteen years of civil war, which hampered the performance of the forestry sector in meeting its financial obligations to the International Tropical Timber Organization (ITTO) and other International Organizations; referred to the possibility that the ITTO provide technical and financial assistance to Liberia's forestry sector if the debt relief is granted by the International Tropical Timber Council; and requested the International Tropical Timber Council to initiate discussion of the waiver of Liberia debt and to unconditionally waive the Government of Liberia's financial obligations to a way forward.;

Recalling also that the International Tropical Timber Council, at its Forty-first Session held in Yokohama, Japan, in November 2006, decided that the Secretariat initiate consultations with the Government of Liberia and visit the relevant authorities in Monrovia with the view to the following:

- (a) ensuring as far as is possible that a member of the Government of Liberia attends the next Council Session to provide relevant information on the debt relief request;
- (b) gathering information from the Government of Liberia that allows for the updating of the information available as a result of the ITTO Country Mission held in 2005;
- (c) determining on the basis of the contact held with Government of Liberia, the need for another technical Country Mission; and
- (d) exploring the possibility of full participation of Government of Liberia in the activities of the ITTO under the International Tropical Timber Agreement, 1994, and gathering information on the intention of Government of Liberia regarding its ratification of the International Tropical Timber Agreement, 2006;

Recalling furthermore the recommendations of the Committee on Finance and Administration at its Twenty-first Session at the Forty-second Session of the International Tropical Timber Council in Port Moresby, Papua New Guinea in May 2007, relative to the previous request by the Government of Liberia for a debt waiver for the period 1986 – 2006 in accordance with Article 33 of the International Tropical Timber Agreement, 1994; and the conclusion of the Committee that the four recommendations of the Committee on Finance and Administration at its Twentieth Session held in November 2006, Yokohama, Japan, had been satisfactorily met;

Further recalling that the Committee on Finance and Administration, at its Twenty-first Session, concluded that the provisions of Article 33 of the International Tropical Timber Agreement, 1994, are applicable to the Government of Liberia;

Noting also the recommendation of the Committee on Finance and Administration, at its Twenty-first Session, that the Government of Liberia shall become eligible for the funding of Projects and Pre-Projects, provided that its settlement of contributions to the Administrative Account is not in arrears from 2007 onwards;

Welcoming that after careful deliberations the Committee on Finance and Administration recommended to the Council at its Forty-second Session in Port Moresby, Papua New Guinea that:

- a) The interest on the assessed contributions from 1986 – 1996, total of US\$35,295.35 be waived immediately,
- b) The Government of Liberia presents a repayment plan to settle the assessed contributions from 1989-2001, and
- c) The Government of Liberia settle the assessed contributions for 2002, 2006 and 2007 prior to the Council meeting in Yokohama, Japan in November, 2007;

Recognizing the International Tropical Timber Council's desire to facilitate and solicit funding and technical assistance to Liberia's forestry sector once it reached consensus on a debt rescheduling for the Government of Liberia;

Taking note that the Government of Liberia, following the recommendations of the International Tropical Timber Council at the Forty-second Session, has settled its contributions to the Administrative Budget for the year 2002 (US\$57,200.00), 2006 (US\$67,650.00) and 2007 (US\$69,412.00), totaling US\$194,262.00;

Acknowledging also that in the period 2003 – 2005 no revenues were generated by the Government of Liberia from tropical timber trade;

Decides:

1. to confirm that, following a careful analysis of the situation concerning the obligations of the Government of Liberia in the framework of the International Tropical Timber Agreement, 1994, and taking into account the fulfillment of the requests to the Government of Liberia by the International Tropical Timber Council, the provisions under Article 33 of International Tropical Timber Agreement, 1994, apply to the Government of Liberia;
2. to reschedule the outstanding arrears for the years 1989-2005, of the Government of Liberia in the amount of *US\$ 839,143.00* as contained in the payment plan (see Annex);
3. to confirm that with this decision Liberia has become eligible for funding for Projects and Pre-Projects;
4. to restore the voting rights of the Government of Liberia upon payment of its contributions for the years 1997-2001 and for the year 2008 as specified in the attached Annex, paragraph II; and
5. to monitor the implementation of this Decision on the basis of information provided by the Government of Liberia.

Annex

**PAYMENT PLAN TO RESCHEDULE THE OUTSTANDING ARREARS
OF THE GOVERNMENT OF LIBERIA TO THE ITTO ADMINISTRATIVE BUDGET**

- I. Under the conditions of Decision 7 (XXXIII) Annex I, paragraph 1 of part C, once obligations from years 2002 and beyond are settled, the total contributions of the Government of Liberia for the years 1989-1996, total of US\$379,941.00 will be written off over a period of five years;
- II. Taking into account the exceptional circumstances in Liberia as referred to above, the contributions for the years 1997-2001, total of US\$265,250.00 will be settled for 30%, total of US\$79,575.00 to be paid by the Government of Liberia in the year 2008, in addition to its contribution to the Administrative Account for 2008, upon which it will be relieved of obligations regarding the remaining contributions for the years 1997-2001;
- III. In view of the exceptional circumstances in Liberia referred to above and taking into account that from 2003-2005 no revenues were generated by the Government of Liberia from tropical timber trade, the contribution for the years 2003 – 2005, total of US\$193,952.00, will be settled for 20%, total of US\$38,790.40 to be paid by the Government of Liberia before the end of 2009, in addition to its contribution to the Administrative Account for 2009, upon which it will be relieved from obligations regarding the remaining contributions for the years 2003-2005; and
- IV. Contributions to the Administrative Account by the Government of Liberia are due on 1 January of the budget year concerned, and Decision 7 (XXXIII) provides for an opportunity to be granted a discount if the contribution is paid in full within four months of this due date.

* * *

Annex 5 – Decision 8(LIII)



INTERNATIONAL TROPICAL TIMBER COUNCIL

Distr.
GENERAL

ITTC(LIII)/21
2 December 2017

Original: ENGLISH

FIFTY-THIRD SESSION
27 November – 2 December 2017
Lima, Peru

DECISION 8(LIII)

APPLICATION OF ARTICLE 30 OF ITTA, 2006 (RELIEF FROM OBLIGATIONS) TO THE GOVERNMENT OF THE CENTRAL AFRICAN REPUBLIC

The International Tropical Timber Council,

Aware that paragraphs (1) and (2) of Article 30 of the International Tropical Timber Agreement, 2006, "Relief from Obligations" state: "1. Where it is necessary on account of exceptional circumstances or emergency or *force majeure* not expressly provided for in this Agreement, the Council may, by special vote in accordance with article 12, relieve a member of an obligation under this Agreement if it is satisfied by an explanation from that member regarding the reasons why the obligation cannot be met," and "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,"

Acknowledging that the Government of the Central African Republic, through the letter from the Ministry of Water, Forest, Hunting and Fisheries of 12 February 2015 addressed to the Council, indicated that the Central African Republic is in a very serious military and political crisis and is facing financial difficulties to settle its ITTO arrears for the period 2005 to 2011, and that it is committed to undertake its best efforts to contribute its assessments under the ITTA, 2006;

Recalling that the International Tropical Timber Council, at its Fifty-first Session held in Kuala Lumpur, Malaysia, in November 2015, and at its Fifty-second Session held in Yokohama, Japan, in November 2016, deferred any discussions on this matter due to time constraints caused by ITTO's financial impairment;

Taking into account the exceptional circumstance of the Government of the Central African Republic as referenced in their letter to the Council;

Decides to:

1. Confirm that, following a careful analysis of the situation concerning the obligations of the Government of the Central African Republic in the framework of the International Tropical Timber Agreement, 2006, the provisions under Article 30 of International Tropical Timber Agreement, 2006, apply to the Government of the Central African Republic;
2. Write-off the outstanding arrears for the years 2005-2011, of the Government of the Central African Republic in the amount of US\$ 525,507.00.
3. Communicate this relief is provided due to extraordinary circumstances and does not constitute a precedent in ITTO or other international organizations.
4. Urge the Government of the Central African Republic to pay its remaining outstanding arrears and requests the Secretariat to identify a suitable payment plan to allow Central African Republic to meet its financial obligations.

Annex 6 – Decision 7(XXXIII), Annex I

Part C – Measures Regarding Arrears to the Administrative Account

1. The Executive Director is authorized to write off, on an annual basis, one-fifth of a Member's arrears of the period 1986-1996 for any Member which has no arrears in its contributions to the Administrative Budget in respect to its obligations related to the year 2002 and beyond; and
2. The Secretariat will not process project and pre-project proposals submitted by Members with cumulative arrears to the Administrative Account beginning from 2002 which are equal to or in excess of three times the Member's annual assessed contribution in the year proposals are submitted.