

CHAPTER VII. OPERATIONAL ACTIVITIES

Article 24Policy work of the Organization

In order to achieve the objectives set out in article 1, the Organization shall undertake policy work and project activities in the areas of Economic Information and Market Intelligence, Reforestation and Forest Management and Forest Industry, in a balanced manner, to the extent possible integrating policy work and project activities.

Article 25Project activities of the Organization

1. Bearing in mind the needs of developing countries, members may submit pre-project and project proposals to the Council in the fields of research and development, market intelligence, further and increased wood processing in producing member countries, and reforestation and forest management. Pre-projects and projects should contribute to the achievement of one or more of the objectives of this Agreement.

2. The Council, in approving pre-projects and projects, shall take into account:

- (a) Their relevance to the objectives of this Agreement;
- (b) Their environmental and social effects;
- (c) The desirability of maintaining an appropriate geographical balance;
- (d) The interests and characteristics of each of the developing producing regions;
- (e) The desirability of equitable distribution of resources among the fields referred to in paragraph 1 of this article;
- (f) Their cost-effectiveness; and
- (g) The need to avoid duplication of efforts.

3. The Council shall establish a schedule and procedure for submitting, appraising, and prioritizing pre-projects and projects seeking funding from the Organization, as well as for their implementation, monitoring and evaluation. The Council shall decide on the approval of pre-projects and projects for financing or sponsorship in accordance with article 20 or article 21.

4. The Executive Director may suspend disbursement of the Organization's funds to a pre-project or project if they are being used contrary to the project document or in cases of fraud, waste, neglect or mismanagement.