



Brussels, 19.12.2012  
COM(2012) 779 final

2012/0362 (NLE)

Proposal for a

**COUNCIL DECISION**

**establishing the position to be taken by the European Union within the International Grains Council with respect to the extension of the Grains Trade Convention 1995**

## EXPLANATORY MEMORANDUM

1. The Grains Trade Convention 1995 (hereinafter: the “Convention”) was concluded by the Community by Council Decision 96/88/EC<sup>1</sup> until 30 June 1998 and, since then, it has been regularly extended. The Convention was last extended by decision of the International Grains Council in June 2011 and remains into force until 30 June 2013.
2. A further extension of the Convention by up to two years is in the interest of the Union.
3. The extension of the Convention entails the prolongation of the EU contribution to the administrative budget of the International Grains Council, which covers both the Grains Trade Convention 1995 and the Food Aid Convention 1999. That contribution is budgeted under item 05 06 01 of the EU budget (International agricultural agreements).
4. The purpose of this proposal is to seek the Council’s authorisation to the Commission to vote, on behalf of the Union, in favour of the extension of the Grains Trade Convention up to 30 June 2015 within the International Grains Council.

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<sup>1</sup> OJ L 21, 27.1.1996, p. 47.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207 in conjunction with Article 218(9) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Grains Trade Convention 1995 was concluded by the Community by Council Decision 96/88/EC<sup>2</sup> and was regularly extended for further periods of two-year. This Convention was extended last time by decision of the International Grains Council in June 2011 and remains into force until 30 June 2013. A further extension is in the interest of the Union. The Commission, which represents the Union in the Grains Trade Convention, should therefore be authorised to vote in favour of such extension,

HAS DECIDED AS FOLLOWS:

*Article 1*

The position to be taken by the Union within the International Grains Council shall be to vote in favour of the extension of the Grains Trade Convention 1995 for a further period of up to 2 years.

The Commission is hereby authorised to express this position within the International Grains Council.

*Article 2*

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

*For the Council  
The President*

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<sup>2</sup> OJ L 21, 27.1.1996, p. 47.

## LEGISLATIVE FINANCIAL STATEMENT

**Policy area:** Agricultural and Rural Development

**Activity:** International aspects of Agricultural and Rural Development policy area

**TITLE OF ACTION: EXTENSION OF THE GRAINS TRADE CONVENTION 1995**

### 1. BUDGET LINE + HEADING:

Heading 4 – The EU as a global partner

05 06 01: International agricultural agreements

### 2. OVERALL FIGURES

2.1. **Total allocation for action (Operational appropriations):** EUR million 0.833

2.2. **Period of application:** 1.7.2013 to 30.06.2015

2.3. **Overall multi-annual estimate on expenditure (EUR million), subject to the approval of Budget 2014 and 2015 by the Budgetary Authority**

	2013/14	2014/15	Total
Commitments	0.406	0.427	0.833
Payments	0.406	0.427	0.833

2.4. **Compatibility with the financial programming and the financial perspective**

Proposal compatible with the existing financial programming

2.5. **Financial impact on revenue**

No financial implications (involves technical aspects regarding implementation of a measure).

### 3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA participation	Participation applicant countries	Heading Financial Perspective
Comp	Diff	NO	NO	NO	4 The EU as a global partner

### 4. LEGAL BASIS

Article 207 in conjunction with Article 218(9) of the Treaty (TFEU).

## **5. DESCRIPTION AND GROUNDS**

### **5.1. Need for Community intervention**

Because of its economic importance, especially in the agricultural sector, the EU must be represented in international agricultural agreements, which represent an important means for following global developments and defending Union interests for the products concerned.

The payment of EU membership contributions to the International Grains Council (IGC) enables the objectives of the international agreements to be attained. The IGC, which is responsible for administering the Grains Trade Convention 1995 and Food Aid Convention 1999, promotes the objectives of these agreements, including international cooperation, exchange of statistical information, forecasting market trends, etc. and for the Food Aid Convention the guarantee that developing countries are ensured a minimum amount of food aid by the European Union. It is therefore in the interests of the EU to be a part of these Conventions.

The membership contributions are determined on an annual basis and are due as long as the EU is a member of the Conventions.

It is clear that if the EU had to carry out on its own the same actions as are carried out by the IGC, the total cost of these would be much greater than the cost of the membership contributions.

### **5.2. Actions envisaged and arrangements for budget intervention**

The EU pays membership contributions on an annual basis for the International Grains Council and they are due as long as the EU remains a signatory of the Conventions.

The European Commission participates fully in the activities of the IGC and takes full advantage of the benefits of membership.

## **6. FINANCIAL IMPACT**

### **6.1. Total financial impact on Operational appropriations**

Commitments (to the 3<sup>rd</sup> decimal place): EUR 0.833 million for the period of two years: 0.406 for 2013/2014 and 0.427 for 2014/2015.

### **6.2. Calculation**

The expenditure involved in the application of the two Conventions is covered by annual contributions from all members of the Grains Trade Convention.

The contribution of a member country is fixed in proportion to the number of votes attributed to the member concerned and proportionally to its importance in the international market.

There are a total of 2000 votes in the Grains Trade Convention, of which the European Union is estimated to hold 380 in 2013/14 and 2014/2015. The estimated cost per vote for 2013/2014 is EUR 1,070 resulting in a EU contribution of EUR 0.406 million. For 2014/2015 and taking into consideration the adjustment of the price per vote, the cost is estimated at EUR 0.427 million. These amounts already include an increase of 10% safety margin (exchange rates, unexpected changes in the

organisation, etc.). We estimated an exchange rate of EUR 1.25 = GBP 1 for the calculations.

## 7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

### 7.1. Impact on human resources

Types of post		Staff to be assigned to management of the action using existing resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Permanent officials or temporary staff	A	0.2	–	0.2	<i>Preparation for attendance at and follow up from meetings of the IGC</i>
	B	0.1	–	0.1	
	C	–	–	–	
Other human resources		–	–	–	
Total		0.3	–	0.3	

### 7.2. Overall financial impact of human resources

Type of human resources	Amount EUR	Method of calculation
Officials Temporary staff	36 600	0.3 x 122 000
Other human resources		
Total	36 600	

## 8. FOLLOW-UP AND EVALUATION

### 8.1. Follow-up arrangements

The Commission services will participate fully at the various meetings of the IGC (Administrative Committees, Council meeting), which are the governing bodies of the organisation responsible for determining budgetary contributions.

Reports on these meetings and of the decisions taken in the course of these meetings are published and are freely available to members.

## 9. ANTI-FRAUD MEASURES

The execution and the control of EU contributions are checked in conformity of the rules foreseen by the IGC.

Specific modalities of audit and control are laid down in the legal basis of this international organisation.

The accounts of this organisation are certified by an independent external auditor. This certification is submitted to the competent body of the IGC in view of its approval and subsequent publication.