

EN

EN

EN



EUROPEAN COMMISSION

Brussels, 18.1.2011  
COM(2011) 3 final

2011/0004 (NLE)

Proposal for a

**COUNCIL DECISION**

**establishing the position to be adopted, on behalf of the Union, within the International Sugar Council as regards the extension of the International Sugar Agreement 1992**

## **EXPLANATORY MEMORANDUM**

The International Sugar Agreement 1992, (hereinafter: the “Agreement”) was concluded by the Community by Decision 92/580/EEC<sup>1</sup> and entered into force on 1 January 1993 for a period of three years until 31 December 1995. Since then it has been regularly extended for further periods of two years. The Agreement was extended last time by decision of the International Sugar Council in May 2009 and remains into force until 31 December 2011.

A further extension of the Agreement by up to two years is in the interest of the Union.

That extension of the Agreement entails the prolongation of the EU contribution to the administrative budget of the Agreement. That contribution is budgeted under item 05 06 01 of the EU budget (International agricultural agreements).

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 Agreement up to 31 December 2013 within the International Sugar Council.

---

<sup>1</sup> OJ L 379, 23.12.1992, p. 15.

Proposal for a

**COUNCIL DECISION**

**establishing the position to be adopted, on behalf of the Union, within the International Sugar Council as regards the extension of the International Sugar Agreement 1992**

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 European Commission,

Whereas:

- (1) The International Sugar Agreement 1992 was concluded by the Community by Council Decision 92/580/EEC<sup>2</sup> and entered into force on 1 January 1993 for a period of three years until 31 December 1995. Since then, it has been regularly extended for further periods of two years. That Agreement was last extended by decision of the International Sugar Council in May 2009 and remains into force until 31 December 2011. A further extension is in the interest of the Union. The Commission, which represents the Union in the International Sugar Council, should therefore be authorised to vote in favour of such extension,

HAS ADOPTED THIS DECISION:

*Sole Article*

The European Union's position within the International Sugar Council shall be to vote in favour of the extension of the International Sugar Agreement, 1992, for a further period, up to two years.

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

Done at Brussels,

*For the Council  
The President*

---

<sup>2</sup> OJ L 379, 23.12.1992, p. 15.

## 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 INTERNATIONAL SUGAR AGREEMENT 1992**

### 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 (Part B):** EUR million 0.850

2.2. **Period of application:** 1.1.2012 to 31.12.2013

2.3. **Overall multi-annual estimate on expenditure (EUR million), subject to the approval of Budget 2012 and 2013 by the Budgetary Authority**

	2012	2013	Total
Commitments	0.419	0.431	0.850
Payments	0.419	0.431	0.850

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 enables the objectives of the International Sugar Agreement to be attained. The International Sugar Organisation, which is responsible for administering the Agreement, promotes the objectives of the Agreement, such as international cooperation, exchange of statistical information, forecasting market trends, etc. It is therefore in the interests of the EU to be a part of the Agreement.

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

It is clear that if the EU had to carry out on its own the same actions as are carried out by the ISO, 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 dues on an annual basis for the International Sugar organisation.

The dues are paid for as long as the EU remains a signatory of the Agreement.

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

## **6. FINANCIAL IMPACT**

### **6.1. Total financial impact on Part B**

Commitments (to the 3<sup>rd</sup> decimal place): EUR 0.850 million for the period of two years, i.e. 0.419 for 2012 and 0.431 for 2013.

### **6.2. Calculation**

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

The number of votes allocated to the EU is estimated at 565 out of 2000 and the number of votes should remain stable for the period of the extension. The estimated cost per vote for 2012 is €674 resulting in a EU contribution of EUR .0.381 million.

For 2013, taking into consideration the adjustment of the price per vote (€694), the estimated cost is EUR 0.392 million. These amounts were increased by a 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 ISO</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 ISO activities are closely followed by its members and the Commission fully participates in ISO's regular meetings. A report of ISO activities is regularly published.

## 9. ANTI-FRAUD MEASURES

Payments will only be made directly to the bank account of the ISO on receipt of a written request, after verification that the request coincides with the figure agreed by the Council of the International Sugar Agreement.