



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13.6.2006
COM(2006) 303 final

2006/0101 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of Agreements in the form of an Exchange of Letters between the European Community and, of the one part, Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of Côte d'Ivoire, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Surinam, Saint Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe and, of the other part, the Republic of India on the guaranteed prices for cane sugar for the 2005/06 delivery period

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Protocol 3 on ACP sugar attached to Annex V to the ACP-EC Partnership Agreement, and the agreement on sugar between the European Community and the Republic of India provide for a Community undertaking to purchase and import at guaranteed prices cane sugar which the exporting countries concerned cannot market in the Community at prices equivalent to or higher than the guaranteed prices.
2. For the 2005/2006 delivery period, the Commission has negotiated guaranteed prices with the ACP States and the Republic of India pursuant to Articles 5(4) of Protocol 3 on ACP sugar, referred to in point 1, and the agreement with India on cane sugar as well as in conformity with the guidelines for negotiations given by the Council on 22 April 2002.
3. The Commission therefore proposes that the Council adopt the proposal for a decision on the conclusion of these agreements in the form of an exchange of letters as set out in the Annex.
4. Financial impact:

The expenditure related to these proposals are already covered by the appropriations included in the Budget 2006.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133, in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Implementation of Protocol 3 on ACP Sugar attached to Annex V to the ACP-EC Partnership Agreement¹ and of the Agreement between the European Community and the Republic of India on cane sugar² is carried out, in accordance with Article 1(2) of each, within the framework of the management of the common organisation of the sugar market.
- (2) It is appropriate to approve the Agreements in the form of an Exchange of Letters between the Community and, of the one part, the States referred to in the Protocol and, of the other part, the Republic of India on the guaranteed prices for cane sugar for the 2005/06 delivery period,

¹ OJ L 317, 15.12.2000, p. 27.

² OJ L 190, 23.7.1975, p. 35.

HAS DECIDED AS FOLLOWS:

Article 1

The Agreements in the form of an Exchange of Letters between the European Community and, of the one part, Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of Côte d'Ivoire, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Surinam, Saint Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe and, of the other part, the Republic of India on the guaranteed prices for cane sugar for the 2005/06 delivery period are hereby approved on behalf of the Community.

The texts of the agreements are set out in the Annex to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person empowered to sign the Agreements referred to in Article 1 in order to bind the Community.

Article 3

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President

ANNEX

Text No I

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS

between the European Community and Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of Côte d'Ivoire, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Surinam, Saint Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe on the guaranteed prices for cane sugar for the 2005/06 delivery period

A. Letter No 1

Brussels,

Sir,

The representatives of the ACP States referred to in Protocol 3 on ACP sugar attached to Annex V to the ACP-EC Partnership Agreement and of the Commission, acting on behalf of the European Community, have agreed, pursuant to the provisions of the said Protocol, on the following:

For the delivery period 1 July 2005 to 30 June 2006, the guaranteed prices referred to in Article 5(4) of the Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: EUR 52.37 per 100 kilograms;
- (b) for white sugar: EUR 64.65 per 100 kilograms.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between the Governments of the abovementioned ACP States and the Community.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the Council
of the European Union*

B. Letter No 2

Brussels,

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

"The representatives of the ACP States referred to in Protocol 3 on ACP sugar attached to Annex V to the ACP-EC Partnership Agreement and of the Commission, acting on behalf of the European Community, have agreed, pursuant to the provisions of the said Protocol, on the following:

For the delivery period 1 July 2005 to 30 June 2006, the guaranteed prices referred to in Article 5(4) of the Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: EUR 52.37 per 100 kilograms;
- (b) for white sugar: EUR 64.65 per 100 kilograms.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between the Governments of the abovementioned ACP States and the Community."

I have the honour to confirm the agreement of the Governments of the ACP States referred to in this letter with the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Governments of the
ACP States referred to in Protocol 3*

Text No II

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS

between the European Community and the Republic of India
on the guaranteed prices for cane sugar
for the 2005/06 delivery period

A. Letter No 1

Brussels,

Sir,

The Representatives of India and of the Commission, acting on behalf of the European Community, have agreed, within the framework of the negotiations provided for in Article 5(4) of the Agreement between the European Community and the Republic of India on cane sugar, on the following:

For the delivery period 1 July 2005 to 30 June 2006, the guaranteed prices referred to in Article 5(4) of the Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

- (a) for raw sugar: EUR 52.37 per 100 kilograms;
- (b) for white sugar: EUR 64.65 per 100 kilograms.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between your Government and the Community.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the Council
of the European Union*

B. Letter No 2

Brussels,

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

"The Representatives of India and of the Commission, acting on behalf of the European Community, have agreed, within the framework of the negotiations provided for in Article 5(4) of the Agreement between the European Community and the Republic of India on cane sugar, on the following:

For the delivery period 1 July 2005 to 30 June 2006, the guaranteed prices referred to in Article 5(4) of the Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

- (a) for raw sugar: EUR 52.37 per 100 kilograms;
- (b) for white sugar: EUR 64.65 per 100 kilograms.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between your Government and the Community."

I have the honour to confirm the agreement of my Government with the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of
the Republic of India*

FINANCIAL STATEMENT

<p>1. BUDGET HEADING: 120 05 02 05 01 05 02 05 07</p>	<p>APPROPRIATIONS (2006 budget): €12 905 M €801 M €38 M</p>		
<p>2. TITLE: Council Decision on the conclusion of the Agreements in the form of an Exchange of Letters between the European Community and, of the one part, the ACP States and, of the other part, the Republic of India on the guaranteed prices for cane sugar for the 2005/06 delivery period.</p>			
<p>3. LEGAL BASIS: Article 133 of the Treaty, in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof</p>			
<p>4. AIMS: To guarantee cif prices for the ACP States and the Republic of India for their deliveries of white and raw cane sugar to the Community which are comparable with the prices guaranteed to sugar producers in the Community for the 2005/06 delivery period (1 July 2005 to 30 June 2006).</p>			
5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (EUR million)	CURRENT FINANCIAL YEAR 2006 (EUR million)	FOLLOWING FINANCIAL YEAR 2007 (EUR million)
5.0 EXPENDITURE – CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) – NATIONAL AUTHORITIES – OTHER	542	542	
5.1 REVENUE – OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) – NATIONAL	0	0	
	2008	2009	2010
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED REVENUE			
<p>5.2 METHOD OF CALCULATION: 1.3 million t x EUR 390/t (export refund) = EUR 507 million 1.2 million t x EUR 29.20/t (refining aid) = <u>EUR 35 million</u> EUR 542 million</p>			
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			YES
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			YES / NO
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?			NO
6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?			NO

OBSERVATIONS:

→ **Expenditure**

These expenditure are already covered by the appropriations included in the Budget 2006.

The export refund rate is based on the refunds which are applied from the beginning of the marketing year 2005/06.

→ **Revenue**: The import duty is zero.