



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.12.2006  
COM(2006)808 final

2006/0275(ACC)

Proposal for a

**COUNCIL DECISION**

**on a Community position in the EC-Turkey Association Council on the amendment of the trade concessions for processed agricultural products covered by Decision No 1/95 of the EC-Turkey Association Council on implementing the final phase of the Customs Union and by Decision No 1/97 of the EC-Turkey Association Council on the arrangements applicable to certain processed agricultural products**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

Trade in processed agricultural goods is covered by Section V of Decision 1/95<sup>1</sup> of the EC-Turkey Association Council on implementing the final phase of the customs union. Further arrangements for preferential trade in agricultural goods between the Community and Turkey are set out in Decision No 1/97<sup>2</sup> of the EC-Turkey Association Council.

In anticipation of the enlargement of the Community on 1 May 2004, the Council issued negotiating directives to the Commission according to which the Community's agreements with a number of third countries (including Turkey) should be reviewed in order to take account of existing concessions and traditional trade flows between the countries concerned and the new Member States.

The Conclusions of the Copenhagen Council referred to the need to deepen and widen the EC-Turkey Customs Union.

After consultations between Commission services and the competent Turkish authorities, agreement was reached on 13 September 2006 on adaptations to be made to the preferential arrangements for trade in processed agricultural products between the Community and Turkey to take account of the EU's enlargement to 25 Member States and with a view to deepen and widen the existing Customs Union.

In the interest of clarity, these adaptations and modifications, which result in duty free quotas, should be integrated into the existing agreement in the form of additional annexes.

For quantities imported in excess of the tariff quotas indicated in the new annexes the preferential regime set out in Decision 1/95 of the EC-Turkey Association Council will continue to apply.

Decision 1/97 of the EC-Turkey Association Council will be repealed accordingly.

To implement these changes, the EC-Turkey Association Council should adopt a new Decision amending Decision No 1/95 and repealing Decision 1/97.

The Community position in the EC-Turkey Association Council should be defined accordingly.

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<sup>1</sup> OJ L 35, 13.2.1996, p. 1

<sup>2</sup> OJ L 126, 15.7.1997, p.26

Proposal for a

**COUNCIL DECISION**

**on a Community position in the EC-Turkey Association Council on the amendment of the trade concessions for processed agricultural products covered by Decision No 1/95 of the EC-Turkey Association Council on implementing the final phase of the Customs Union and by Decision No 1/97 of the EC-Turkey Association Council on the arrangements applicable to certain processed agricultural products**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission

Whereas:

- (1) Section V of Chapter I of Decision No 1/95 of the EC Turkey Association Council of 22 December 1995 on implementing the final phase of the Customs Union<sup>3</sup> establishes the trade arrangements for processed agricultural products.
- (2) Decision No 1/97 of the EC Turkey Association Council of 29 April 1997 on arrangements applicable to certain processed agricultural products<sup>4</sup> establishes annual quotas in respect of certain goods.
- (3) New trade improvements have recently been negotiated which aim to deepen and widen the customs union and to improve economic convergence as a result of the enlargement of the Community on 1 May 2004. These improvements include concessions in the form of duty free tariff quotas (for goods covered by Decision No 1/97) That Decision should therefore be repealed. For imports outside of the quotas the current trade provisions continue to apply.
- (4) The Community position in the EC-Turkey Association Council should be determined accordingly.

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<sup>3</sup> OJ L 35, 13.2.1996, p.1

<sup>4</sup> OJ L 126, 15.7.1997, p.26

- (5) Commission Regulation (EEC) No. 2454/93<sup>5</sup> of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code provides the procedures for managing the tariff quotas to be used in chronological order of the dates of the customs declarations. These procedures should be applicable for imports under the Association Council Decision.

HAS DECIDED AS FOLLOWS:

*Article 1*

The position to be adopted by the Community in the Association Council established by the Agreement between the European Economic Community and Turkey shall be based on the draft Decision of the EC-Turkey Association Council annexed to this Decision.

*Article 2*

The tariff quotas set out in Annex I of the Decision of the Association Council shall be managed, after the entry into force of the Decision of the Association Council, by the Commission in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93.

Done at Brussels,

*For the Council*  
*The President*

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<sup>5</sup> OJ L 253, 11.10.1993, p. 1, as last amended by Regulation (EC) No 2286/2003 (OJ L 343, 31.12.2003)

**ANNEX**

Draft

**DECISION No.../2006 OF THE EC-TURKEY ASSOCIATION COUNCIL**

**of.... 2006**

**amending the trade concessions for processed agricultural products covered by Decision No 1/95 of the EC-Turkey Association Council on implementing the final phase of the Customs Union and by Decision No 1/97 on the arrangements applicable to certain processed agricultural products and repealing Decision No 1/97**

THE ASSOCIATION COUNCIL,,

Having regard to the Agreement establishing an association between the European Economic Community and Turkey<sup>6</sup> and in particular Article 22 (3) thereof,

Whereas:

- (1) Section V of Chapter I of Decision No 1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the Customs Union<sup>7</sup> establishes the trade arrangements for processed agricultural products.
- (2) Decision No 1/97 of the EC-Turkey Association Council of 29 April 1997 on the arrangements applicable to certain processed agricultural products<sup>8</sup> establishes annual quotas in respect of certain goods..
- (3) New trade improvements have recently been negotiated which aim to deepen and widen the customs union and to improve economic convergence as a result of the enlargement of the Community on 1 May 2004. These improvements include concessions in the form of duty free tariff quotas (in particular for the goods covered by Decision No 1/97). That Decision should therefore be repealed.
- (4) For imports outside of the quotas the current trade provisions set out in Decision 1/95 of the EC-Turkey Association Council should continue to apply.

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<sup>6</sup> OJ 217, 29.12.1964, p. 3687

<sup>7</sup> OJ L 35, 13.2.1996, p. 1

<sup>8</sup> OJ L 126, 15.7.1997, p.26

HAS DECIDED AS FOLLOWS:

*Article 1*

The tariff quotas set out in Annex I and in Annex II shall be opened from 1 January 2007 and from 1 January to 31 December of the following years under the conditions laid down therein.

*Article 2*

Section V of Chapter I of Decision No 1/95 of the EC-Turkey Association Council shall continue to apply to imports exceeding the duty free tariff quotas set out in Annex I and in Annex II.

*Article 3*

Decision No 1/97 of the EC Turkey Association Council shall be repealed.

*Article 4*

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

It shall apply as from 1 January 2007.

Done at Brussels,

*For the Association Council  
The President*

**ANNEX I**

Duty free tariff quotas applicable upon imports into the EU of processed agricultural products from Turkey

CN-Code	Product description	Annual Duty Free Tariff Quota (in tons net weight)
(1)	(2)	(3)
1704	Sugar confectionery (including white chocolate), not containing cocoa:	
1704 10	-Chewing gum, whether or not sugar-coated:	
	--Containing less than 60% by weight of sucrose (including invert sugar expressed as sucrose):	
1704 10 11	---Gum in strips	5.000
1704 10 19	---Other	
	--Containing 60% or more by weight of sucrose (including invert sugar expressed as sucrose):	
1704 10 91	---Gum in strips	
1704 10 99	---Other	
1704 90	-Other:	
1704 90 30	--White chocolate	
	--Other:	
1704 90 51	---Pastes, including marzipan, in immediate packings of a net content of 1 kg or more	
1704 90 55	---Throat pastilles and cough drops	
1704 90 61	---Sugar-coated (panned) goods	
	---Other:	10.000 <sup>9</sup>
1704 90 65	----Gum confectionery and jelly confectionery, including fruit pastes in the form of sugar confectionery	
1704 90 71	----Boiled sweets whether or not filled	
1704 90 75	----Toffees, caramels and similar sweets	
	----Other:	
1704 90 81	-----Compressed tablets	
1704 90 99	-----Other	

<sup>9</sup> Products, which are excluded from the Duty Free Quota: 1704 90 99 9080, but including Halva and Lokoum

<b>CN-Code</b>	<b>Product description</b>	<b>Annual Duty Free Tariff Quota (in tons net weight)</b>
(1)	(2)	(3)
1806	Chocolate and other food preparations containing cocoa:	5.000 <sup>10</sup>
1806 10	-Cocoa powder, containing added sugar or other sweetening matter:	
1806 10 20	--Containing 5% or more but less than 65% by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose	
1806 20	-Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg:	
1806 20 10	--Containing 31% or more by weight of cocoa butter or containing a combined weight of 31% or more of cocoa butter and milkfat	
1806 20 30	--Containing a combined weight of 25% or more, but less than 31% of cocoa butter and milkfat	
	--Other:	
1806 20 50	---Containing 18% or more by weight of cocoa butter	
1806 20 70	---Chocolate milk crumb	
1806 20 80	---Chocolate flavour coating	
1806 20 95	---Other	
	-Other, in blocks, slabs or bars:	
1806 31 00	--Filled	
1806 32	--Not filled	
1806 32 10	---With added cereal, fruit or nuts	
1806 32 90	---Other	
1806 90	-Other:	
	--Chocolate and chocolate products:	
	---Chocolates, whether or not filled:	
1806 90 11	----Containing alcohol	
1806 90 19	----Other	
	---Other:	

<sup>10</sup> Products, which are excluded from the Duty Free Quota: 1806 20 80 9080, 1806 20 95 9080, 1806 90 90 1980, 1806 90 90 9980

<b>CN-Code</b>	<b>Product description</b>	<b>Annual Duty Free Tariff Quota (in tons net weight)</b>
(1)	(2)	(3)
1806 90 31	----Filled	
1806 90 39	----Not filled	
1806 90 50	--Sugar confectionery and substitutes therefore made from sugar substitution products, containing cocoa	
1806 90 60	--Spreads containing cocoa	
1806 90 70	--Preparations containing cocoa for making beverages	
1806 90 90	--Other	
1901	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:	
1901 20 00	-Mixes and doughs for the preparation of bakers' wares of heading 1905	900
1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:	20.000
	-Uncooked pasta, not stuffed or otherwise prepared:	
1902 11 00	--Containing eggs	
1902 19	--Other:	
1902 19 10	---Containing no common wheat flour or meal	
1902 19 90	---Other	
1902 20	-Stuffed pasta, whether or not cooked or otherwise prepared:	
	--Other:	
1902 20 91	---Cooked	
1902 20 99	---Other	
1902 30	-Other pasta:	
1902 30 10	--Dried	
1902 30 90	--Other	
1902 40	-Couscous:	
1902 40 10	--Unprepared	

<b>CN-Code</b>	<b>Product description</b>	<b>Annual Duty Free Tariff Quota (in tons net weight)</b>
(1)	(2)	(3)
1902 40 90	--Other	
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, cornflakes); cereals (other than maize (corn)), in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked or otherwise prepared, not elsewhere specified or included:	
1904 10	-Prepared foods obtained by the swelling or roasting of cereals or cereal products:	500
1904 10 10	--Obtained from maize	
1904 10 30	--Obtained from rice	
1904 10 90	--Other	
1904 20	-Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals:	
1904 20 10	--Preparation of the Müsli type based on unroasted cereal flakes	
	--Other:	100
1904 20 91	---Obtained from maize	
1904 20 95	---Obtained from rice	
1904 20 99	---Other	
1904 30 00	-Bulgur wheat	10.000
1904 90	-Other:	
1904 90 10	--Rice	2.500
1904 90 80	--Other	
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products:	10.000
	-Sweet biscuits; waffles and wafers:	
1905 31	--Sweet biscuits:	
	---Completely or partially coated or covered with chocolate or other preparations containing cocoa:	
1905 31 11	----In immediate packings of a net content not exceeding 85g	
1905 31 19	----Other	
	---Other:	

<b>CN-Code</b>	<b>Product description</b>	<b>Annual Duty Free Tariff Quota (in tons net weight)</b>
(1)	(2)	(3)
1905 31 30	----Containing 8% or more by weight of milk fats	
	----Other:	
1905 31 91	-----Sandwich biscuits	
1905 31 99	-----Other	
1905 32	--Waffles and wafers:	
1905 32 05	--- With a water content exceeding 10 % by weight	
	--- Other	
	---- Completely or partially coated or covered with chocolate or other preparations containing cocoa:	
1905 32 11	----- In immediate packings of a net content not exceeding 85g	3.000
1905 32 19	----- Other	
	---- Other:	
1905 32 91	----- Salted, whether or not filled	
1905 32 99	----- Other	
1905 40	-Rusks, toasted bread and similar toasted products:	
1905 40 10	--Rusks	120
1905 40 90	--Other	
1905 90	-Other:	10.000
1905 90 10	--Matzos	
1905 90 20	--Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	
	--Other:	
1905 90 30	---Bread, not containing added honey, eggs, cheese or fruit, and containing by weight in the dry matter state not more than 5% of sugars and not more than 5% of fat	
1905 90 45	---Biscuits	
1905 90 55	---Extruded or expanded products, savoury or salted	
	---Other:	

<b>CN-Code</b>	<b>Product description</b>	<b>Annual Duty Free Tariff Quota (in tons net weight)</b>
(1)	(2)	(3)
1905 90 60	----With added sweetening matter	
2105 00	Ice cream and other edible ice, whether or not containing cocoa:	<b>3.000<sup>11</sup></b>
2105 00 10	-Containing no milk fats or containing less than 3% by weight of such fats	
	-Containing by weight of milk fats:	
2105 00 91	--3% or more but less than 7%	
2105 00 99	--7% or more	
2106	Food preparations not elsewhere specified or included:	<b>4.000</b>
2106 10	-Protein concentrates and textured protein substances:	
2106 10 80	--Other	
2106 90	-Other:	
2106 90 10	-- Cheese fondues	
	--Other:	
2106 90 98	---Other	

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<sup>11</sup> Application delayed till the problems regarding imports into EU of milk and milk products originating in Turkey will be solved

## Annex II

### Duty free tariff quotas applicable upon imports into Turkey of processed agricultural products from the EU

CN-Code	Product description	Annual Duty Free Tariff Quota (in tons net weight)	
(1)	(2)	(3)	
1704	Sugar confectionery (including white chocolate), not containing cocoa:	1.000	
1704 10	-Chewing gum, whether or not sugar-coated:		
	--Containing less than 60% by weight of sucrose (including invert sugar expressed as sucrose):		
1704 10 11	---Gum in strips		
1704 10 19	---Other		
	--Containing 60% or more by weight of sucrose (including invert sugar expressed as sucrose):		
1704 10 91	---Gum in strips		
1704 10 99	---Other		
1704 90	-Other:		2.500
1704 90 30	--White chocolate		
	--Other:		
1704 90 51	---Pastes, including marzipan, in immediate packings of a net content of 1 kg or more		
1704 90 55	---Throat pastilles and cough drops		
1704 90 61	---Sugar-coated (panned) goods		
	---Other:		
1704 90 65	----Gum confectionery and jelly confectionery, including fruit pastes in the form of sugar confectionery		
1704 90 71	----Boiled sweets whether or not filled		
1704 90 75	----Toffees, caramels and similar sweets		
	----Other:		
1704 90 81	-----Compressed tablets		
1704 90 99	-----Other		
1806	Chocolate and other food preparations containing cocoa:	7.000	

CN-Code	Product description	Annual Duty Free Tariff Quota (in tons net weight)
(1)	(2)	(3)
1806 10	-Cocoa powder, containing added sugar or other sweetening matter:	
1806 10 20	--Containing 5% or more but less than 65% by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose	
1806 10 30	--Containing 65% or more but less than 80% by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose	
1806 10 90	--Containing 80% or more by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose	
1806 20	-Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg:	
1806 20 10	--Containing 31% or more by weight of cocoa butter or containing a combined weight of 31% or more of cocoa butter and milkfat	
1806 20 30	--Containing a combined weight of 25% or more, but less than 31% of cocoa butter and milkfat	
	--Other:	
1806 20 50	---Containing 18% or more by weight of cocoa butter	
1806 20 70	---Chocolate milk crumb	
1806 20 80	---Chocolate flavour coating	
1806 20 95	---Other	
	-Other, in blocks, slabs or bars:	
1806 31 00	--Filled	
1806 32	--Not filled	
1806 32 10	---With added cereal, fruit or nuts	
1806 32 90	---Other	
1806 90	-Other:	
	--Chocolate and chocolate products:	
	---Chocolates, whether or not filled:	
1806 90 11	----Containing alcohol	
1806 90 19	----Other	
	---Other:	
1806 90 31	----Filled	

CN-Code	Product description	Annual Duty Free Tariff Quota (in tons net weight)
(1)	(2)	(3)
1806 90 39	----Not filled	
1806 90 50	--Sugar confectionery and substitutes therefor made from sugar substitution products, containing cocoa	
1806 90 60	--Spreads containing cocoa	
1806 90 70	--Preparations containing cocoa for making beverages	
1806 90 90	--Other	
1901	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:	
1901 10 00	-Preparations for infant use, put up for retail sale	500
1901 20 00	-Mixes and doughs for the preparation of bakers' wares of heading 1905	300
1901 90	-Other:	
	--Malt extract:	
1901 90 11	---With a dry extract content of 90% or more by weight	2.000
1901 90 19	---Other	
	--Other:	
1901 90 99	---Other	
1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:	20.000
	-Uncooked pasta, not stuffed or otherwise prepared:	
1902 11 00	--Containing eggs	
1902 19	--Other:	
1902 19 10	---Containing no common wheat flour or meal	
1902 19 90	---Other	
1902 20	-Stuffed pasta, whether or not cooked or otherwise prepared:	
	--Other:	
1902 20 91	---Cooked	
1902 20 99	---Other	

CN-Code	Product description	Annual Duty Free Tariff Quota (in tons net weight)
(1)	(2)	(3)
1902 30	-Other pasta:	
1902 30 10	--Dried	
1902 30 90	--Other	
1902 40	-Couscous:	
1902 40 10	--Unprepared	
1902 40 90	--Other	
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, cornflakes); cereals (other than maize (corn)), in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked or otherwise prepared, not elsewhere specified or included:	
1904 10	-Prepared foods obtained by the swelling or roasting of cereals or cereal products:	5.000
1904 10 10	--Obtained from maize	
1904 10 30	--Obtained from rice	
1904 10 90	--Other	
1904 20	-Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals:	
1904 20 10	--Preparation of the Müsli type based on unroasted cereal flakes	
	--Other:	500
1904 20 91	---Obtained from maize	
1904 20 95	---Obtained from rice	
1904 20 99	---Other	
1904 90	-Other:	
1904 90 10	--Rice	300
1904 90 80	--Other	
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products:	1.000
	-Sweet biscuits; waffles and wafers:	
1905 31	--Sweet biscuits:	
	---Completely or partially coated or covered with chocolate or other preparations containing cocoa:	

CN-Code	Product description	Annual Duty Free Tariff Quota (in tons net weight)
(1)	(2)	(3)
1905 31 11	----In immediate packings of a net content not exceeding 85g	
1905 31 19	----Other ---Other:	
1905 31 30	----Containing 8% or more by weight of milk fats ----Other:	
1905 31 91	-----Sandwich biscuits	
1905 31 99	-----Other	
1905 32	--Waffles and wafers:	
1905 32 05	--- With a water content exceeding 10 % by weight --- Other ---- Completely or partially coated or covered with chocolate or other preparations containing cocoa:	
1905 32 11	----- In immediate packings of a net content not exceeding 85g	600
1905 32 19	----- Other ---- Other:	
1905 32 91	----- Salted, whether or not filled	
1905 32 99	----- Other	
1905 40	-Rusks, toasted bread and similar toasted products:	
1905 40 10	--Rusks	200
1905 40 90	--Other	
1905 90	-Other:	1.500
1905 90 10	--Matzos	
1905 90 20	--Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products --Other:	
1905 90 30	---Bread, not containing added honey, eggs, cheese or fruit, and containing by weight in the dry matter state not more than 5% of sugars and not more than 5% of fat	
1905 90 45	---Biscuits	

<b>CN-Code</b>	<b>Product description</b>	<b>Annual Duty Free Tariff Quota (in tons net weight)</b>
(1)	(2)	(3)
1905 90 55	---Extruded or expanded products, savoury or salted	
	---Other:	
1905 90 60	----With added sweetening matter	
1905 90 90	----Other	
2105 00	Ice cream and other edible ice, whether or not containing cocoa:	
2105 00 10	-Containing no milk fats or containing less than 3% by weight of such fats	3.000 <sup>12</sup>
	-Containing by weight of milk fats:	
2105 00 91	--3% or more but less than 7%	
2105 00 99	--7% or more	
2106	Food preparations not elsewhere specified or included:	
2106 10	-Protein concentrates and textured protein substances:	
	--Other	
2106 10 80	--Other	4.000
2106 90	-Other:	
2106 90 10	-- Cheese fondues	
	--Other:	
2106 90 98	---Other	

<sup>12</sup> Application delayed till the problems regarding imports into EU of milk and milk products originating in Turkey will be solved

## LEGISLATIVE FINANCIAL STATEMENT

*This document is intended to accompany and complement the Explanatory Memorandum. As such, when completing this Legislative Financial Statement, and without prejudice to its legibility, an attempt should be made to avoid repeating information contained in the Explanatory Memorandum. Before filling in this template, please refer to the specific Guidelines that have been drafted to provide guidance and clarification for the items below.*

### **1. NAME OF THE PROPOSAL**

Council Decision on a Community position in the EC-Turkey Association Council on the amendment of the trade concessions for processed agricultural products covered by Decision 1/95 of the EC-Turkey Association Council on implementing the final phase of the Customs Union and by Decision 1/97 on the arrangements applicable to certain processed agricultural products

### **2. ABM / ABB FRAMEWORK**

Policy Area(s) concerned and associated Activity/Activities:

Title 02 - Enterprise

Title 05 Agriculture

Title 14 Taxation and Customs Duties

### **3. BUDGET LINES**

#### **3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B. A lines)) including headings :**

Title 01 Own resources, Chapter 1.0 – Article 100 – Item 1000 and Chapter 1.2 Article 120

Title 05 Agriculture and Rural Development, Chapter 0502 and 0503, Items 05020104, 05020505, 05030109 and 05030406

#### **3.2. Duration of the action and of the financial impact:**

As of 1.1.2007 - ? (depending on the exact date of accession)

### 3.3. Budgetary characteristics (add rows if necessary) :

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
	Comp/ Non-comp	Diff <sup>13</sup> / Non-diff <sup>14</sup>	NO	NO	NO	No
	Comp/ Non-comp	Diff/ Non-diff	YES/ NO	YES/NO	YES/NO	No

## 4. SUMMARY OF RESOURCES

### 4.1. Financial Resources

#### 4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		12 month period	Financial year 2007	Financial year 2008	Financial year 2009	n + 4	n + 5 and later	Total
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#### Operational expenditure<sup>15</sup>

Commitment Appropriations (CA)	8.1	a							
Payment Appropriations (PA)		b							

#### Administrative expenditure within reference amount<sup>16</sup>

Technical & administrative assistance (NDA)	8.2.4	c							
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#### TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c							
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<sup>13</sup> Differentiated appropriations

<sup>14</sup> Non-differentiated appropriations hereafter referred to as NDA

<sup>15</sup> Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

<sup>16</sup> Expenditure within article xx 01 04 of Title xx.

<b>Payment Appropriations</b>		b+c							
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**Administrative expenditure not included in reference amount<sup>17</sup>**

Human resources and associated expenditure (NDA)	8.2.5	d							
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e							

**Total indicative financial cost of intervention**

<b>TOTAL CA including cost of Human Resources</b>		a+c +d+ e							
<b>TOTAL PA including cost of Human Resources</b>		b+c +d+ e							

**Co-financing details**

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

*EUR million (to 3 decimal places)*

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
<b>TOTAL CA including co-financing</b>	a+c +d+ e+f							

**4.1.2. Compatibility with Financial Programming**

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.

<sup>17</sup> Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

- Proposal may require application of the provisions of the Interinstitutional Agreement<sup>18</sup> (i.e. flexibility instrument or revision of the financial perspective).

#### 4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

**NB: All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.**

**The calculation of expenditure and the revenues are based on average imports and during 2003 – 2005. The loss of revenues through abolition of customs duties is ca.8,4 Mio € (including collection costs). The net loss is 6,3 Mio €.**

EUR million (to one decimal place)

Budget line	Revenue	Prior to action [Year n-1]	Situation following action					
			[Year 2007 ]	[200 8]	[200 9]	[n+3 ]	[n+4]	[n+5] 19]
Item 1000,	a) Revenue in absolute terms		-6,3	-6,3	-6,3			
Article 120	b) Change in revenue	Δ	-6,3	-6,3	-6,3			

**(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)**

#### 4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later
Total number of human resources						

Once the proposal is adopted the cost for human resources is negligible since it only involves very limited managing and control effort on the part of the Commission Services.

<sup>18</sup> See points 19 and 24 of the Interinstitutional agreement.

<sup>19</sup> Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

## 5. CHARACTERISTICS AND OBJECTIVES

**Details of the context of the proposal are required in the Explanatory Memorandum. This section of the Legislative Financial Statement should include the following specific complementary information:**

### 5.1. Need to be met in the short or long term

In anticipation of the enlargement of the Community on 1 May 2004, the Council issued negotiating directives to the Commission according to which the Community's agreements with a number of third countries (including Turkey) should be reviewed in order to take account of existing concessions and traditional trade flows between the countries concerned and the new Member States.

The Conclusions of the Copenhagen Council referred to the need to deepen and widen the EC-Turkey Customs Union.

### 5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

### 5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

### 5.4. Method of Implementation (indicative)

Show below the method(s)<sup>20</sup> chosen for the implementation of the action.

***Centralised Management***

Directly by the Commission

Indirectly by delegation to:

Executive Agencies

Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

National public-sector bodies/bodies with public-service mission

***Shared or decentralised management***

With Member states

With Third countries

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<sup>20</sup> If more than one method is indicated please provide additional details in the "Relevant comments" section of this point

- Joint management with international organisations (please specify)***

Relevant comments:

Customs duties are own resources of the EU and they are imposed by the national authorities of the Member States.

## **6. MONITORING AND EVALUATION**

### **6.1. Monitoring system**

The monitoring systems applied by DG TAXUD will be applied accordingly.

### **6.2. Evaluation**

#### *6.2.1. Ex-ante evaluation*

No specific ex-ante evaluation has been carried out.

#### *6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)*

Not applicable.

#### *6.2.3. Terms and frequency of future evaluation*

No evaluation foreseen for the time being since the Decision will be redundant after accession of Turkey.

## **7. ANTI-FRAUD MEASURES**

*Due to the fact, that the sector of Processed Agricultural Products has not been identified as a sector, where committing fraud is very likely, the standard clearance account applies.*

## 8. DETAILS OF RESOURCES

### 8.1. Objectives of the proposal in terms of their financial cost

*Commitment appropriations in EUR million (to 3 decimal places)*

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 <sup>21</sup> .....																
<b>Action 1</b> .....																
- Output 1																
- Output 2																
<b>Action 2</b> .....																
- Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No.2 <sup>1</sup> .....																
<b>Action 1</b> .....																
- Output 1																
Sub-total Objective 2																

<sup>21</sup> As described under Section 5.3

OPERATIONAL OBJECTIVE No.n <sup>1</sup>																
Sub-total Objective n																
<b>TOTAL COST</b>																

## 8.2. Administrative Expenditure

### 8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources ( <b>number of posts/FTEs</b> )					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff <sup>22</sup> (XX 01 01)	A*/AD						
	B*, C*/AST						
Staff financed <sup>23</sup> by art. XX 01 02							
Other staff <sup>24</sup> financed by art. XX 01 04/05							
<b>TOTAL</b>							

### 8.2.2. Description of tasks deriving from the action

### 8.2.3. Sources of human resources (statutory)

(When more than one source is stated, please indicate the number of posts originating from each of the sources)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

<sup>22</sup> Cost of which is NOT covered by the reference amount

<sup>23</sup> Cost of which is NOT covered by the reference amount

<sup>24</sup> Cost of which is included within the reference amount

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

*EUR million (to 3 decimal places)*

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
<b>1 Technical and administrative assistance (including related staff costs)</b>							
Executive agencies <sup>25</sup>							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
<b>Total Technical and administrative assistance</b>							

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

*EUR million (to 3 decimal places)*

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)						
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.)  (specify budget line)						
<b>Total cost of Human Resources and associated costs (NOT in reference amount)</b>						

<sup>25</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned

Calculation– *Officials and Temporary agents*

*Reference should be made to Point 8.2.1, if applicable*

Calculation– *Staff financed under art. XX 01 02*

*Reference should be made to Point 8.2.1, if applicable*

### 8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees <sup>26</sup>							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
<b>2 Total Other Management Expenditure (XX 01 02 11)</b>							
<b>3 Other expenditure of an administrative nature</b> (specify including reference to budget line)							
<b>Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</b>							

Calculation - *Other administrative expenditure not included in reference amount*

<sup>26</sup> Specify the type of committee and the group to which it belongs