



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 6.2.2007  
COM(2007) 43 final

2007/0017 (ACC)

Proposal for a

**COUNCIL DECISION**

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

(presented by the Commission)

## 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 2005 and remains into force until 31 December 2007.

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

That extension of the Agreement entails the prolongation of the Community contribution to the administrative budget of the Agreement. That contribution is budgeted under item 05 06 01 of the Community 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 Community, in favour of the extension of the Agreement up to 31 December 2009 within the International Sugar Council.

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

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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 second subparagraph of Article 300(2) thereof,

Having regard to the proposal from the 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 2005 and remains into force until 31 December 2007. A further extension is in the interest of the Community. The Commission, which represents the Community in the International Sugar Council, should therefore be authorised to vote in favour of such extension,

HAS DECIDED AS FOLLOWS:

*Sole Article*

The European Community'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*

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<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 1.023

2.2. **Period of application:** 1.1.2008 to 31.12.2009

2.3. **Overall multi-annual estimate on expenditure (EUR million):**

	2008	2009	Total
Commitments	0.506	0.517	1.023
Payments	0.506	0.517	1.023

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 133 in conjunction with Article 300(2) of the Treaty.

## **5. DESCRIPTION AND GROUNDS**

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

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

The payment of EC 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 EC to be a part of the Agreement.

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

It is clear that if the EC 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 EC pays membership dues on an annual basis for the International Sugar organisation.

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

The European Commission participate fully in the activities of the ISO take 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 1.023 million for the period of two years. 0.506 for 2008 and 0.517 for 2009.

### **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 Community is estimated at 574 out of 2000 and the number of votes should remain stable for the period of the extension. The estimated cost per vote for 2008 is €882 resulting in a Community contribution of 0.506 million EUR.

For 2009 and taking into consideration the adjustment of the price per vote, the cost estimated is 0.517 million EUR.

## 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	–	0.3	<i>Preparation for attendance at and follow up from meetings of the ISO</i>
	B	-	–	-	
	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	35.400	0,3 x 118 000
Other human resources		
Total	35.400	

## 8. FOLLOW-UP AND EVALUATION

### 8.1. Follow-up arrangements

The ISO activities are closely followed by its members and EC fully participate 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.