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2012/0363 (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/EEC¹ 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 June 2011 and remains into force until 31 December 2013.

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 2015 within the International Sugar Council.

¹ OJ L 379, 23.12.1992, p. 15.

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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 International Sugar Agreement 1992 was concluded by the Community by Council Decision 92/580/EEC² 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 June 2011 and remains into force until 31 December 2013. 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 DECIDED AS FOLLOWS:

Article 1

The position to be taken by the Union within the International Sugar Council shall be to vote in favour of the extension of the International Sugar Agreement, 1992 for a further period of up to 2 years.

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

² OJ L 379, 23.12.1992, p. 15.

Article 2

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

Done at Brussels,

*For the Council
The President*

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 (Operational appropriations): EUR million 0.882

2.2. Period of application: 1.1.2014 to 31.12.2015

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

	2014	2015	Total
Commitments	0.430	0.452	0.882
Payments	0.430	0.452	0.882

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 Union 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 contributions on an annual basis for the International Sugar Organization. The annual contributions are due 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 Operational appropriations

Commitments (to the 3rd decimal place): EUR 0.882 million for the period of two years, i.e. 0.430 for 2014 and 0.452 for 2015.

6.2. Calculation

The contribution of the member countries is fixed in proportion to the number of the 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 550 out of 2000 for 2014 and 2015, i.e. the period of the extension. The estimated contribution per vote for 2014 is EUR 782 resulting in a EU contribution of EUR 0.430 million.

For 2015, taking into consideration the adjustment of the price per vote (EUR 821), the estimated cost is EUR 0.452 million. These amounts already include 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 at the regular meetings of the ISO. 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.