



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.10.2003  
COM(2003) 647 final

Proposal for a

**COUNCIL DECISION**

**establishing the Community position in respect to the prolongation  
of the International Sugar Agreement, 1992**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

1. The International Sugar Agreement entered into force on 1 January 1993 until 31 December 1995 and has been prolonged four times for a two-year period. This means that the Agreement is due to expire on 31 December 2003.
2. At the meeting of the International Sugar Council on 29 May 2003 it has been proposed to prolong the Agreement for a further two-year period until 31 December 2005 under the provisions of Article 45.2 of the Agreement.
3. The European Community's contribution to the administrative budget of the International Sugar Organisation, shown under budget line B7-821 of the European Union budget, will not be affected as such by the proposed decision. However, the contribution will have to be increased as a result of enlargement.
4. The purpose of this proposal is to authorise the Commission to approve the prolongation of the International Sugar Agreement on behalf of the Community.

Proposal for a

**COUNCIL DECISION**

**establishing the Community position in respect to the prolongation  
of the International Sugar Agreement, 1992**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 181 in conjunction with Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

The 1992 International Sugar Agreement was concluded by the Community by Council Decision 92/580/EEC<sup>1</sup>, and was prolonged most recently in 2001 for an additional period of two years. This Agreement remains in force until 31 December 2003, unless it is prolonged beyond that date by decision of the International Sugar Council for a period of no more than two years. The prolongation of that agreement is in the interest of the Community. The Commission, representing the Community in the International Sugar Council, should therefore be authorised to approve such extension,

HAS DECIDED AS FOLLOWS:

*Sole Article*

1. The prolongation of the International Sugar Agreement for a period of up to two years is hereby approved.
2. 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>1</sup> OJ L 379, 23.12.1992, p. 15.

## LEGISLATIVE FINANCIAL STATEMENT

**Policy area:** External aspects of certain Community policies

**Activity:** International Agricultural Agreements

**TITLE OF ACTION:** EUROPEAN COMMUNITY CONTRIBUTION TO THE INTERNATIONAL SUGAR ORGANISATION

**1. BUDGET LINE + HEADING:**

Article 05 06 01 (ex B7-821): International agricultural agreements

**2. OVERALL FIGURES**

**2.1. Total allocation for action (Part B):** EUR 1.313 million for commitment

**2.2. Period of application:** 1.1.2004 to 31.12.2005

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

	2004	2005	Total
Commitments	0.460	0.469	0.929
Payments	0.460	0.469	0.929

(\*) Account has been taken of the enlarged EUR-25 on the basis of ISO estimates of future contributions for the new Member States.

**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 External action

#### 4. LEGAL BASIS

- Article 181 of the Treaty in conjunction with Article 300(2),
- Council Decision 92/580/EEC of 13 November 1992<sup>2</sup>.

#### 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 Agreement.

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

The European Commission and the Member States participate fully in the activities of the ISO and take full advantage of the benefits of membership.

#### 6. FINANCIAL IMPACT

##### 6.1. Total financial impact on Part B (\*)

*Commitments in EUR million (to the 3rd decimal place)*

Breakdown	Year 2004	Year 2005	Total
EC Contribution	0.460	0.469	0.929
<b>TOTAL</b>	0.460	0.469	0.929

(\*) Account has been taken of the enlarged EUR-25 on the basis of ISO estimates of future contributions for the new Member States.

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

## 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 and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Permanent officials or temporary staff	A	0.3	–	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	32 400	
Temporary staff		
Other human resources		
Total	32 400	

The amounts are total expenditure for twelve months.

## 8. FOLLOW-UP AND EVALUATION

### 8.1. Follow-up arrangements

The Commission services will participate fully in the Administrative Committee and Council of the ISO; these are the bodies responsible for determining budgetary contributions.

A report of these meetings and of the decisions taken at them is published and is freely available to members.

## 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.