International Sugar Agreement, 1992: amendment

2022/0082(NLE) - 17/05/2022 - Legislative proposal

PURPOSE: to approve the conclusion of the amendments to the International Sugar Agreement 1992.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the Union is a party to the International Sugar Agreement 1992 and a member of the International Sugar Organisation (ISO).

The Commission, on behalf of the Union, has opened negotiations with other ISO members to amend the agreement, under the guidance of the United Nations Conference on Trade and Development.

The negotiations on the amendments to the Agreement have been completed and the wording of those amendments was approved by the International Sugar Council (ISC) during its 57th session in November 2020 and its 58th session in June 2021.

Council Decision (EU) 2021/1851 authorised the Commission to vote in favour of recommending that the ISO Members amend the Agreement. The ISC voted unanimously in favour of the amendments to the Agreement.

Each ISO Member is to notify the depositary of its acceptance of the amendments to the Agreement.

The amendments to the Agreement should be approved

CONTENT: the Council draft aims to approve, on behalf of the Union, amendments to the International Sugar Agreement 1992 (ISA).

The **objectives** of the International Sugar Agreement of 1992 are:

- to ensure enhanced international cooperation in connection with world sugar and sweeteners matters as well as related issues, including bioenergy and fuel ethanol production from sugar crops;

- to provide a forum for intergovernmental consultations on sugar and sweeteners markets as well as markets for sugar industry by-products as well sugar-crop based fuel ethanol;

- to facilitate trade by collecting and providing information on the world sugar market and other sweeteners, as well as bioenergy and sugar-crop based fuel ethanol;

- to encourage increased demand for sugar and sugar crops, particularly for non-food uses.

The **amendment** concerns the administrative budget and contributions of members, broadening of the objectives, studies, evaluations and research activities, allowing for the inclusion of other sugar-related products and the rules for the appointment of the Executive Director

Adoption of the administrative budget and members' contributions: Article 25 includes a revised calculation method and more effective adjustment mechanism to standardise the Union's share of budgetary costs and responsibilities within the ISO.

The Union's share of the financial contribution will vary according to the final number of votes allocated to the EU following the amendment agreement. A transition period of up to ten years is foreseen, during which the annual change in the number of votes is limited to 15% in the first five years and 20% for the rest of the transition period. The change in the calculation method will lower the number of votes allocated to the Union for budgetary purposes, which in turn will reduce the Union's contribution to the ISO.

Executive Director: the Executive Director will be appointed by special vote for a period of four years. The Council may reappoint the Executive Director by special vote for a second period of four years. The Executive Director shall not be appointed for more than two terms.

Information and studies: the Organisation will serve as a centre for the collection and publication of statistical information and studies concerning production, prices, exports and imports, consumption and stocks of sugar products, as well as taxes on such products, on a world-wide basis.

Market situation, consumption and statistics: the Council will establish a Committee on Sugar Products Market Evaluation, Consumption and Statistics, composed of all Members, under the Chairmanship of the Executive Director.

Research and development: the Council may provide assistance both in scientific research and development concerning the economies of sugar products and in the dissemination of the results obtained in this field. To this end, the Council may co-operate with international organisations and research bodies, provided that no additional financial obligations are incurred.