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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	21 March 2022
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2022) 117 final - Annex
Subject:	ANNEX to the Proposal for a COUNCIL DECISION concerning the conclusion of the amendments to the International Sugar Agreement, 1992

Delegations will find attached document COM(2022) 117 final - Annex.

Encl.: COM(2022) 117 final - Annex



EUROPEAN
COMMISSION

Brussels, 21.3.2022
COM(2022) 117 final

ANNEX

ANNEX

to the

**Proposal for a
COUNCIL DECISION**

**concerning the conclusion of the amendments to the International Sugar Agreement,
1992**

ANNEX

The International Sugar Agreement, 1992 ('the Agreement') is amended as follows:

- (1) Article 1 is replaced by the following:

‘Article 1

Objectives

The objectives of the International Sugar Agreement, 1992 (hereinafter referred to as this Agreement), in the light of the terms of resolution 93 (IV) adopted by the United Nations Conference on Trade and Development, are:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) To encourage increased demand for sugar and sugar crops, particularly for non-food uses.’;

- (2) in Article 23, paragraph 1 is replaced by the following:

‘1. The Council shall appoint the Executive Director by special vote for a period of four years. The appointment by the Council shall occur at least six months prior to the beginning of the tenure of the Executive Director. 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. Specific terms of appointment of the Executive Director shall be decided by the Council.’;

- (3) Article 25 is replaced by the following:

‘Article 25

Adoption of the administrative budget and contributions of Members

- 1. For the purpose of this article Members shall hold 2000 votes.
- 2.
 - (a) Each Member shall hold a number of votes, which shall be determined in accordance with paragraph 3 below.
 - (b) No Member shall hold fewer than 6 votes.
 - (c) There shall be no fractional votes. Rounding shall be permitted in the process of calculation and to ensure that the full number of votes is allocated.
- 3. Votes shall be determined on an annual basis according to the following procedure: each year from 2023, at the time of the publication of the Sugar Year Book by the International Sugar Organization, the number of votes for each Member shall be calculated on the basis of the following indicators and their relative weighing:

- 20 per cent of votes based on that Member's pro-rata share of Total Members exports, plus
- 20 per cent of votes based on that Member's pro-rata share of Total Members imports, plus
- 20 per cent of votes based on that Member's pro-rata share of Total Members production, plus
- 20 per cent of votes based on that Member's pro-rata share of Total Members consumption, plus
- 20 per cent of votes based on that Member's pro-rata share of Total Members Ability to Pay Factor (APF). The APF equals the latest published assessments for the apportionment of the expenses of the United Nations.

The number of votes of each Member shall be calculated, for each of the indicators above, using the average of that indicator for the 5 last years published in the most recent edition of the Organization's Sugar Year Book. The share of each Member in the total of all Members' for the indicators mentioned above shall be calculated by the Executive Director. All the above data will be distributed to Members at the time that the calculations are made.

4. In the event of the accession of a Member or Members after the entry into force of this Agreement, their votes shall be determined according to the calculation key under paragraphs 2 and 3 above. The votes of existing Members shall be re-calculated accordingly so that the total of votes remains at 2000.
5. In the event of the withdrawal of a Member or Members, the votes of the withdrawing Member or Members shall be redistributed to the remaining Members based on the recalculated shares of the 5 indicators of the Members so that the total of the votes of all Members remains at 2000.
6. Transitional arrangement:
 - (a) For the purpose of establishing a starting point for calculating adjustments, the Membership and voting situation in the year 2022 will be taken as a base.
 - (b) During the first 5 years of the transition period the number of votes of each Member cannot be more than 15% higher or lower than those agreed for the previous year, and, in the second 5 years of the transition period the number of votes of each Member cannot be more than 20% higher or lower than those agreed for the previous year. Except if, in accordance with the provisions of paragraph 2(c), rounding means that the number of votes allocated to a Member exceed the agreed percentages, this shall be permitted.
 - (c) For the purpose of establishing the contribution per vote, votes not taken up due to the application of paragraph 6 (b) above shall not be redistributed to other Members. Hence, the contribution per vote will be determined on the basis of the re-calculated number of overall votes, provided that these will not exceed 2000 votes.
 - (d) The transitional arrangement will be completed within 10 years.

7. The provisions of article 26, paragraph 2, relating to the suspension of voting rights for non-fulfilment of obligations, shall not apply to this article.
8. During the second half of each year, the Council shall adopt the administrative budget of the Organization for the following year and shall determine the per vote contribution of Members required to meet that budget, after taking into account the provisions of paragraph 6 of this article.
9. The contribution of each Member to the administrative budget shall be calculated by multiplying the per vote contribution by the number of votes held by it under this article, as follows:
 - (a) For those which are Members at the time of the final adoption of the administrative budget, the number of votes which they then hold; and
 - (b) For those which become Members after the adoption of the administrative budget, the number of votes which they receive at the time of taking up membership, adjusted in proportion to the remainder of the period covered by the budget or budgets; assessments made upon other Members shall not be altered.
10. The Council may, by special vote, take such measure as it might deem appropriate in order to mitigate the effects on Members' contributions resulting from a possibly limited membership at the time of the adoption of the administrative budget for 2024 or from any major decrease of membership thereafter.';

(4) Article 32 is replaced by the following:

‘Article 32

Information and studies

1. The Organization shall act as a centre for the collection and publication of statistical information and studies on world production, prices, exports and imports, consumption and stocks of sugar products, as well as taxes on sugar products.
2. Members undertake to supply within the time which may be prescribed in the rules of procedure all available statistics and information as may be identified in those rules as necessary to enable the Organization to discharge its functions under this agreement. Should this become necessary, the Organization shall use such relevant information as may be available to it from other sources. No information shall be published by the Organization which might serve to identify the operations of persons or companies producing, processing or marketing sugar products.';

(5) Article 33 is replaced by the following:

‘Article 33

Market evaluation, consumption and statistics

1. The Council shall establish a Committee on Sugar Products Market Evaluation, Consumption and Statistics, composed of all Members, under the Chairmanship of the Executive Director.
2. The Committee shall keep under continuous review matters relating to the world economy of sugar products and shall apprise Members of the outcome of its

deliberations, for which purpose it shall hold meetings, normally twice a year. In its review the Committee shall take account of all relevant information gathered by the Organization pursuant to article 32.

3. The Committee shall undertake work in the following areas:

- (a) Preparation of sugar product statistics and statistical analysis of sugar product production, consumption, stocks, international trade and prices;
- (b) Analysis of market behaviour and factors which affect it, with special reference to participation of developing countries in world trade;
- (c) Analysis of demand for sugar products, including the effects of the use of any form of natural and artificial substitutes for sugar products on world trade in, and consumption of, sugar products;
- (d) Other issues as approved by the Council.

4. Each year the Council shall consider a draft forward work programme, with estimated resource requirements, prepared by the Executive Director.’;

(6) Article 34 is replaced by the following:

‘Article 34

Research and development

In order to achieve the objectives set out in Article 1, the Council may assist both in scientific research and development in sugar product economies and in the dissemination of the results obtained in this field. To this end, the Council may cooperate with international organizations and research institutions on condition that no additional financial obligations are incurred by the Council.’;

(7) the title of the **Annex** is replaced by the following:

‘Allocation of votes originally agreed in 1992’.