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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL DECISION concerning the conclusion of the amendments to the International Sugar Agreement, 1992

COUNCIL DECISION (EU) 2022/...

of ...

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

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(6), second subparagraph, point (a)(v), thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Whereas:

- (1) The Union is a Party to the International Sugar Agreement 1992 ('the Agreement'), which was concluded by the Union by Council Decision 92/580/EEC¹, and a member of the International Sugar Organization ('ISO').
- (2) Based on the authorisation given by Council Decisions (EU) 2017/2242² and (EU) 2019/2136³, the Commission, on behalf of the Union, opened negotiations with other ISO Members to amend the Agreement, under the guidance of the United Nations Conference on Trade and Development.
- (3) 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.

¹ Council Decision 92/580/EEC of 13 November 1992 on the signing and conclusion of the International Sugar Agreement 1992 (OJ L 379, 23.12.1992, p. 15).

² Council Decision (EU) 2017/2242 of 30 November 2017 authorising the opening of negotiations to amend the International Sugar Agreement 1992 (OJ L 322, 7.12.2017, p. 29).

³ Council Decision (EU) 2019/2136 of 5 December 2019 authorising the opening of negotiations to amend the International Sugar Agreement 1992 (OJ L 324, 13.12.2019, p. 3).

- (4) Any amendments to the Agreement agreed upon during the negotiations may be recommended to the ISO Members by the ISC in accordance with the procedure set out in Article 44 of the Agreement.
- (5) Council Decision (EU) 2021/1851¹ authorised the Commission to vote in favour of recommending that the ISO Members amend the Agreement during the special vote that took place at the 59th session of the ISC in November 2021. The ISC voted unanimously in favour of the amendments to the Agreement.
- (6) Pursuant to Article 44(1) of the Agreement, each ISO Member is to notify the depositary of its acceptance of the amendments to the Agreement.
- (7) The amendments to the Agreement should be approved,

HAS ADOPTED THIS DECISION:

¹ Council Decision (EU) 2021/1851 of 15 October 2021 on the position to be taken on behalf of the European Union within the International Sugar Council as regards amendments to the International Sugar Agreement 1992 and the timetable for their implementation (OJ L 374, 22.10.2021, p. 49).

Article 1

The amendments to the International Sugar Agreement, 1992 ('the Agreement'), are hereby approved on behalf of the Union.

The text of the amendments to the Agreement is attached to this Decision.

Article 2

The President of the Council shall, on behalf of the Union, give the notification provided for in Article 44(1) of the Agreement, with a view to expressing the Union's consent to be bound by the amended Agreement.

Article 3

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

Done at ...,

For the Council

The President

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 to the Agreement is replaced by the following:

‘Allocation of votes originally agreed in 1992’.
