

# Procedure file

| Basic information  |                                |                     |
|--|--------------------------------|---------------------|
| NLE - Non-legislative enactments<br>Decision   | <a href="#">2022/0082(NLE)</a> | Procedure completed |
| International Sugar Agreement, 1992: amendment   |                                |                     |
| Subject<br>3.10.03 Marketing and trade of agricultural products and livestock<br>3.10.06.07 Sugar<br>6.20.05 Multilateral and plurilateral economic and trade agreements and relations |                                |                     |

| Key players  |   |   |            |
|--|---|---|------------|
| European Parliament                                  | Committee responsible   | Rapporteur  | Appointed  |
|  |  <a href="#">International Trade</a>                 |  <a href="#">LANGE Bernd</a> | 16/05/2022 |
|  | Committee for opinion   | Rapporteur for opinion  | Appointed  |
| Council of the European Union<br>European Commission |  <a href="#">Budgets</a>                           | The committee decided not to give an opinion.   |            |
|  |  <a href="#">Agriculture and Rural Development</a> | The committee decided not to give an opinion.   |            |
|  | Commission DG<br><a href="#">Agriculture and Rural Development</a>  | Commissioner<br>WOJCIECHOWSKI Janusz  |            |

| Key events |   |   |         |
|------------|---|---|---------|
| 21/03/2022 | Preparatory document  | <a href="#">COM(2022)0117</a>   | Summary |
| 17/05/2022 | Legislative proposal published                                  | 07978/2022  | Summary |
| 18/05/2022 | Committee referral announced in Parliament                      |   |         |
| 31/08/2022 | Vote in committee   |   |         |
| 07/09/2022 | Committee report tabled for plenary, 1st reading/single reading | <a href="#">A9-0229/2022</a>  |         |
| 13/09/2022 | Results of vote in Parliament                                   |  |         |
| 13/09/2022 | Decision by Parliament  | <a href="#">T9-0304/2022</a>  | Summary |
| 29/09/2022 | Act adopted by Council after consultation of Parliament         |   |         |
|            |   |   |         |

| Technical information      |   |
|----------------------------|---|
| Procedure reference        | 2022/0082(NLE)  |
| Procedure type             | NLE - Non-legislative enactments  |
| Procedure subtype          | Consent by Parliament   |
| Legislative instrument     | Decision  |
| Legal basis                | Treaty on the Functioning of the EU TFEU 207-p4; Treaty on the Functioning of the EU TFEU 218-p6a |
| Other legal basis          | Rules of Procedure EP 159   |
| Stage reached in procedure | Procedure completed   |
| Committee dossier          | INTA/9/08654  |

| Documentation gateway   |  |                               |            |     |         |
|---|--|-------------------------------|------------|-----|---------|
| Preparatory document  |  | <a href="#">COM(2022)0117</a> | 21/03/2022 | EC  | Summary |
| Legislative proposal  |  | 07978/2022                    | 17/05/2022 | CSL | Summary |
| Committee draft report  |  | <a href="#">PE734.171</a>     | 20/06/2022 | EP  |         |
| Committee report tabled for plenary, 1st reading/single reading |  | <a href="#">A9-0229/2022</a>  | 07/09/2022 | EP  |         |
| Text adopted by Parliament, 1st reading/single reading          |  | <a href="#">T9-0304/2022</a>  | 13/09/2022 | EP  | Summary |

| Final act  |
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| <a href="#">Decision 2022/1910</a><br><a href="#">OJ L 261 07.10.2022, p. 0001</a> |

## International Sugar Agreement, 1992: amendment

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

**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, which was concluded by the Union under Council Decision 92/580/EEC, and a member of the International Sugar Organisation (the ISO).

On the basis of the authorisation given by Council Decisions (EU) 2017/2242 and (EU) 2019/2136, the Commission, on behalf of the Union, has been negotiating with other members of the ISO with a view to amending the Agreement under the guidance of the United Nations Conference on Trade and Development.

Negotiations on amendments to the Agreement have been completed and the wording was approved by the International Sugar Council at its 57th session in November 2020 and its 58th session in June 2021.

At its 59th Session, held on 26 November 2021, the International Sugar Council voted unanimously to recommend to ISO members that the Agreement be amended in accordance with the results of the negotiations.

**CONTENT:** the Commission proposes that the Council should decide to approve, on behalf of the Union, the amendments to the International Sugar Agreement 1992.

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.

In particular, Article 25 (adoption of the administrative budget and contributions of members) includes a revised calculation method and a more effective adjustment mechanism to standardise the Union's share of budgetary costs and responsibilities within the IOS.

The Council should appoint the Executive Director 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 should not be appointed for more than two terms.

**BUDGETARY IMPLICATIONS:** the proposal may have financial consequences as of 2024 but these cannot be quantified at present. The Unions share of the financial contribution will vary depending on the final number of votes attributed to the EU after the amendment agreement.

With the approval of the amendment of Article 25 of the Agreement, which governs the adoption of the administrative budget and contributions of Members, the calculation for distribution of votes will be better aligned with the current world sugar market. A transition period of maximum ten years is provided for, in which the annual change in the number of votes is limited to 15% in the first five years and 20% for the remaining part of the transition period. The change in the calculation method will lower the amount of votes for budgetary purposes distributed to the EU, which in turn will reduce the contribution of the EU to the ISO.

## International Sugar Agreement, 1992: amendment

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**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.

## International Sugar Agreement, 1992: amendment

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The European Parliament adopted by 449 votes to 25, with 85 abstentions, a legislative resolution on the draft Council decision concerning the conclusion of the amendments to the International Sugar Agreement, 1992.

As a reminder, the EU is a Party to the International Sugar Agreement adopted in 1992 by the United Nations Sugar Conference and a member of the International Sugar Organization (ISO).

The Commission was authorised by the Council to open negotiations with the other parties to the International Sugar Agreement, with a view to modernise the Agreement, in particular as regards the discrepancies between the number of votes and financial contributions of Members and their relative position in the global sugar market and the rules for the appointment of the Executive Director.

During the 59th meeting of the International Sugar Council on 26 November 2021, the International Sugar Council (ISC) voted unanimously in favour of recommending the Members of ISO to amend the Agreement.

The revised objectives of the International Sugar Agreement are as follows:

- 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.

In the light of the above, the European Parliament gave its consent to the conclusion of the amendments to the Agreement.