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Proposal for a

COUNCIL DECISION

**on the conclusion by the European Union of the amended Constitution and Rules of
Procedure of the International Rubber Study Group**

EXPLANATORY MEMORANDUM

The European Union became a member of the International Rubber Study Group (IRSG) on the basis of Council Decision (2002/651/EC) of 22 July 2002 concerning the participation of the Community to the International Rubber Study Group.

On 1 July 2008, further to the withdrawal of the UK from the IRSG, the Heads of Delegation of the IRSG adopted a decision to move the Group's Headquarters to Singapore, which required the corresponding adaptation of the relevant provisions of the IRSG Constitution.

At the Executive Committee meeting of 12-13 February 2008 and the Heads of Delegation meeting of 5-6 March 2008 of the IRSG it has been decided to proceed to a more comprehensive revision of the Constitution and Rules of Procedure, *inter alia* allowing also for a definition of "Members" or "Countries" that takes into account the particular legal status of the European Union.

The Commission has been authorised by the Council to open negotiations for the revision of the Constitution of the International Rubber Study Group¹. This authorisation also laid down negotiating directives. In the negotiations for the amendment of the Constitution and Rules of Procedure, the Commission has closely followed these directives and the outcome of the negotiations is in line with the Commission's negotiating mandate.

The IRSG composition has undergone successive changes, mainly as a result of the withdrawal or announced withdrawal of several existing members, rendering the budget contributions more onerous for the remaining members. In the course of the negotiations, according to its negotiating mandate, the Commission has sought to obtain a rebalancing between the basic and the variable contribution in favour of the latter, so as to minimize the financial burden on the Group's members which are small producing developing countries. However, at the end of the negotiations only limited changes have been acceptable to other members of the IRSG.

A final draft amendment of the IRSG Constitution and new Rules of Procedure were agreed at the extra-ordinary meeting of the Heads of Delegation on 18-19 November 2010 and formally adopted at the meeting of the Heads of Delegation on DD MMMM 2011². The signature by the European Union of the amended IRSG Constitution and Rules of Procedure was decided by the Council in its Decision 2011/XXX³.

Therefore, it is necessary that the Council adopts in accordance with Article 218(6) a decision to conclude the agreement.

¹ 11516/08 PROBA 28 RELEX 503 WTO 132 **RESTREINT UE**, approved by COREPER, Part 2, on 16.7.2008

² *Insert date when known*

³ *Insert reference when available*

Proposal for a

COUNCIL DECISION

on the conclusion by the European Union of the amended Constitution and Rules of Procedure of the International Rubber Study Group

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(3) and (4) in conjunction with Article 218(6) (a) (v) thereof,

Having regard to the proposal from the European Commission,

Having obtained the consent of the European Parliament

Whereas:

- (1) Further to several rounds of negotiation, on 18-19 November 2010, the Heads of Delegation of the International Rubber Study Group agreed on the text of the amendments to the Group's Constitution and Rules of Procedure.
- (2) The European Union is a party to the International Rubber Study Group.
- (3) The EU Member States currently members of the International Rubber Study Group have served formal notices of withdrawal and will withdraw from the Group as from 1 July 2011.
- (4) The adoption of the amended Constitution and Rules of Procedure is indispensable for confirming the Group's new Headquarters and for making explicit provisions regarding the status of the EU within the Group, as well as to realign the organisational structure, budget contributions and decision-making procedures.
- (5) The Council decided in its Decision 2011/XXX that the European Union would sign the amended Constitution and Rules of Procedure of the IRSG at the meeting of the Heads of Delegation by voting in favour of the two texts, subject to confirmation in writing following its conclusion.
- (6) It is appropriate to conclude the amended Constitution and Rules of Procedure,

HAS ADOPTED THIS DECISION:

Article 1

The amended Constitution and Rules of Procedure of the International Rubber Study Group are hereby approved on behalf of the European Union.

The texts of the amended Constitution and Rules of Procedure are attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to confirm in writing to the Secretary-General of the International Rubber Study Group the agreement of the Union to be bound by the amended Constitution and Rules of Procedure and to deposit the declaration of competence attached to this Decision, in accordance with Article XVI, paragraph 2, of the amended Constitution.

Article 3

The Union shall be represented by representatives of the Commission in the Heads of Delegation meetings of the International Rubber Study Group as established by Article IX of the amended Constitution.

The Member States may participate as part of the delegation of the European Union at the meetings of the Heads of Delegation.

Article 4

This Decision shall enter into force on the day of its adoption. It shall be published in the Official Journal of the European Union.

Done at Brussels,

*For the Council
The President*

ANNEX

INTERNATIONAL RUBBER STUDY GROUP CONSTITUTION

Foreword

The International Rubber Study Group (hereafter referred to as the Group) was established in 1944 with the status of a recognised international organisation in the United Kingdom. The Group has been based in Singapore, recognised as an international organisation, since 1 July 2008.

I Objectives

1. The Group provides a forum for the discussion of issues affecting the production and consumption of, as well as trade in, natural and synthetic rubbers. The Group aims to collect and disseminate comprehensive statistical information on the world rubber industry thereby increasing the transparency in rubber markets and market trends.
2. The Group may cooperate with other international organisations which are relevant for achieving its objectives.

II Functions

1. The Group shall meet periodically at times and places convenient to Members for the purposes of reviewing the statistical position and of discussing common issues of the rubber industry.
2. The Group shall make or commission such reviews and studies of the world rubber situation as it sees fit, paying regard particularly to the provision of comprehensive information on the supply and demand position and its probable development.

III Definitions

1. The **“Group”** means the International Rubber Study Group (IRSG).
2. **“Heads of Delegation”** means the highest authority of the Group composed of the representatives of the Members.
3. **“Host Country”** means the Member with whom the Group has concluded a Headquarters Agreement.
4. Any reference in this Constitution to **“Member”** or **“Country”** shall be construed as including the European Union and any intergovernmental organisation having exclusive competence over matters covered by this Constitution and responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.
5. **World Rubber Summit** is a public conference for industry and governments organised by the IRSG.

6. **Natural rubber producer** is any Member whose production of natural rubber exceeds its consumption of natural rubber.
7. **Rubber consumer** is any Member other than a natural rubber producer.
8. **Natural rubber** is the product derived from latex from the *Hevea brasiliensis* tree.
9. **Synthetic rubber** comprises thermoset elastomers, based on the polymerization process, which is the chemical assembly of monomers to form a polymer.
10. **Rubber** is natural rubber or synthetic rubber excluding reclaimed forms of rubber.
11. **"Simple majority"** means a majority of votes.

IV Headquarters

The Headquarters of the Group shall be in the territory of a Member and the Group shall maintain there a Secretariat for conducting its work.

V Membership

1. Membership to the Group shall be open to Countries interested in the production or consumption of, or trade in, natural and synthetic rubbers.
2. There shall be two categories of membership in the Group, namely natural rubber producers and rubber consumers.

VI Obligations of Members

1. Members shall use their best endeavours to provide the Secretariat with accurate statistics concerning the production and consumption of, and trade in rubber for their respective territories and with such other information as is pertinent to current estimates and future trends.
2. If a Member has not provided, for two consecutive years, accurate statistics and information required and no satisfactory explanation is forthcoming, the Heads of Delegation shall take such action as they deem appropriate.

VII Voting Rights and Procedures

1. Members shall together hold the total number of 100 votes.
2. Votes shall be distributed among Members in accordance with their respective annual share of contributions.
3. Whenever the membership changes or when any Member has its voting rights suspended or restored under any provision, the votes shall be recalculated and redistributed to the Members prior to the next vote.
4. Each Member shall be entitled to cast the number of votes it holds, and no Member shall be entitled to divide its votes.

5. By writing to the Chairperson of the Heads of Delegation, the Statistical and Economic Committee or other committees, any natural rubber producer may authorize any other natural rubber producer and any rubber consumer may authorize any other rubber consumer to represent its interests and to cast its votes at any meeting.
6. The presence of a simple majority of Members that includes at least two natural rubber producers and two rubber consumers shall be necessary to constitute a quorum at any meeting of the Group.
7. Voting procedures
 - 7.1. Decisions at all meetings shall, whenever possible, be made by consensus without contrary votes, formal objections or reservations of position. Chairpersons of meetings shall at all times strive to obtain consensus for all decisions, and where positions are reserved, sufficient time shall - if at all possible - be allowed for compromise and consensus to be achieved.
 - 7.2. If, in the opinion of the Chairperson of the meeting there is no possibility of achieving consensus on any matter, it shall be put to a vote.
 - 7.3. Voting shall normally be conducted so as to maintain the maximum transparency in decision-making, and shall at the sole discretion of the Chairperson of the meeting be by show of hands or by roll call. In exceptional circumstances the Chairperson may decide that a secret ballot or a postal vote of the appropriate membership may be required. At the request of one or more Members the Chairperson shall call for a secret ballot.
 - 7.4. Decisions by vote shall, subject to the provisions of paragraphs 7.5 and 7.6 below, normally be made by a simple majority of those present and voting, provided that an affirmative vote from at least two natural rubber producers and two rubber consumers is cast. When abstaining, a Member shall be deemed not to have cast its votes.

Where a Member avails itself of the provisions of paragraph 5 of this article, and its votes are cast at a meeting, such Member shall, for the purposes of paragraphs 7.4, 7.5 and 7.6 of this article, be considered as present and voting.

- 7.5. Decisions by vote concerning
 - a. the selection of Secretary-General;
 - b. approval of budget; and
 - c. suspension of rights of a Member as referred to in article XIV paragraph 4

shall require a simple majority within the group of the natural rubber producers as well as within the group of the rubber consumers present and voting; and in addition, these combined votes shall comprise at least two-third majority of those present and voting.

7.6. Decisions concerning

- a. revision or termination of the Headquarters Agreement;
 - b. amendment or termination of the Constitution;
 - c. location of Headquarters; and
 - d. approval of the draft audited accounts
- shall be determined only by consensus.

VIII World Rubber Summit

The Group shall meet annually in the territory of a Member. However, when the World Rubber Summit is organised in the territory of a non-Member, the Group meetings may be held there instead. If no invitation is received and accepted, the World Rubber Summit shall be held in the Host Country. Non-Member, Industry advisers and other experts and observers can be invited to attend the World Rubber Summit.

IX Heads of Delegation

1. The Members constituting the Group shall each appoint one representative who may be accompanied by advisors at any Heads of Delegation meeting.
2. The Chairperson and Vice-Chairperson shall be elected by the Heads of Delegation and shall hold office for two financial years of the Group; they shall be eligible for re-election for one more term.
3. The Heads of Delegation shall meet at the Headquarters or such other place as they may decide.
4. The Heads of Delegation shall meet at least once in the first half of each calendar year and at such other times as the Heads of Delegation may determine.
5. If its representative is unable to be present at a meeting of the Group, any Member may be represented by an alternate. Such alternate shall be accorded all the privileges of a representative, including voting rights.
6. The Heads of Delegation may appoint other committees or advisory panels as may from time to time be deemed necessary and shall determine their membership and functions.
7. The Heads of Delegation shall appoint independent auditors for the purpose of auditing the accounts of the Group.
8. The Heads of Delegation shall authorise the preparation and publishing of such studies of the world rubber position and such other subjects as it deems fit.
9. The Heads of Delegation shall adopt the Rules of Procedure of the Group.

X The Secretariat and the Secretary-General

1. The Secretariat is established for the proper conduct of the work of the Group.
2. The Secretary-General shall be the executive head of the Secretariat and responsible to the Heads of Delegation for its work.
3. The Secretary-General shall be appointed by the Heads of Delegation for a term of four years, renewable for another term up to four years. The rules for the selection shall be decided by the Heads of Delegation.
4. The Heads of Delegation shall decide on the responsibilities of the Secretary-General.
5. The functions of the Secretariat are
 - a. to provide the best possible information on statistics and on wider economic matters related to rubber;
 - b. to prepare and implement the work programme;
 - c. to provide a link between Members on rubber matters between meetings;
 - d. to make the necessary preparations for meetings; and
 - e. to maintain liaison with the other international organisations and industry whose work is relevant and of interest to the work of the Group.

XI The Statistical and Economic Committee

1. The Statistical and Economic Committee shall consist of all Members who wish to serve on it.
2. The Committee shall draw upon the expertise of the Industry Advisory Panel.
3. Members within the Committee shall elect the Chairperson and Vice-Chairperson from amongst themselves or from the Industry Advisory Panel. These officers shall serve for two financial years and be eligible for re-election for one more term.
4. The Committee shall meet once each calendar year - and at such other times as the Committee may determine.
5. The Committee shall :
 - a. analyse and review the statistical data provided by the Secretariat on the rubber supply/demand positions;
 - b. approve, monitor and review the Secretariat Work Programme, taking into account any views and recommendations made to it by the Industry Advisory Panel; and

c. make recommendations to the Heads of Delegation concerning the initiation, continuation and publication of papers prepared in the Work Programme including the submission of this report thereon to the Head of Delegations for approval.

XII The Industry Advisory Panel

1. The Heads of Delegation shall establish an Industry Advisory Panel to provide a channel of communication with input from all sides of the rubber sector, including industry, commerce, academy, research and technology. The Heads of Delegation shall set up a transparent procedure to select the members of the Industry Advisory Panel.
2. The Industry Advisory Panel shall elect its own Chairperson and Vice- Chairperson. These officers shall serve for two financial years and be eligible for re-election for one more term.
3. The Industry Advisory Panel shall :
 - a. contribute views and recommendations towards the establishment of the Secretariat work programme;
 - b. assist the Statistical and Economic Committee in the monitoring and reviewing the Secretariat work programme;
 - c. assist the Statistical and Economic Committee in appraising project proposals funded by other bodies; and
 - d. make reports and recommendations as considered appropriate to the Heads of Delegation.
4. The Industry Advisory Panel shall meet at least once a year and at such other times as the Industry Advisory Panel may determine. Members shall have observer status at Industry Advisory Panel meetings as appropriate.
5. The Industry Advisory Panel as represented by its Chairperson or Vice-Chairperson shall be observer in all Heads of Delegation meetings as appropriate.

XIII Status

1. The Group shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings as governed by the Headquarters Agreement concluded between the Host Country and the Group.
2. The status, privileges and immunities of the Group, of its Secretary-General, its staff and experts, and of representatives of Members while in the territory of the Host Country for the purpose of exercising their functions, shall be governed by the Headquarters Agreement concluded between the Host Country and the Group.

XIV Budget and Financial Rules

1. Members shall contribute on an agreed basis the income required for the activities of the Group. All sums due from Members shall be in the currency of the host country.
2. Of the approved annual budget, 60% shall be met by basic contributions as paid in equal amount by all Members. The balance of 40% of the approved budget shall be paid by Members in proportion to the average of their production or consumption (whichever is the larger) of rubber in the three calendar years before the financial year in question. In the absence of necessary statistics, the Secretary-General shall determine by the best information available the contribution to be paid and shall invite the Members concerned to agree to this assessment.
3. New Members joining the Group during the course of a financial year shall pay pro rata (per month) contribution for the remainder of the year. Contributions received from new Members shall not affect contributions by existing Members in the financial year in question, but shall be taken into account in assessing contributions in the ensuing year.
4. Members with two years' contributions unpaid shall, unless the Group otherwise decides, have their rights suspended until arrears of all previous years and contributions for the current year have been met.

XV Amendments

1. The Heads of Delegation may, by consensus in accordance with Article VII, paragraph 7.6, adopt amendments to this Constitution. The Secretariat shall notify the Members of the amendments.
2. The Heads of Delegation shall specify the date and procedures for the application of the amendments.

XVI Joining, Withdrawal and Exclusion from the Group

1. Joining the Group shall be effected by notification to the Secretary-General.
2. Upon joining, the European Union or any intergovernmental organisation referred to in article III, paragraph 4, shall deposit a declaration with the Secretariat issued by the appropriate authority of such organisation specifying the nature and extent of its competence over matters governed by this Constitution, and shall inform the Secretariat of any subsequent substantial change in such competence. Where the European Union or any intergovernmental organisation declares exclusive competence over all matters governed by this Constitution, the Member States of such organisations shall not be eligible to become members of the Group and those being Members shall withdraw from the Group.
3. Notice of withdrawal by a Member shall be delivered in writing to the Secretary-General by 1 November to be effective on 30 June of the subsequent calendar year. Members giving notice after 1 November shall be liable for the membership contributions for the next ensuing financial year.

4. If the Heads of Delegation decide that any Member is in breach of its obligations under this Constitution, it may, by consensus, exclude that Member from the Group. The Member who is in breach of its obligations shall not vote on its own matters.
5. Financial obligations to the Group incurred by a Member under this Constitution before its withdrawal or exclusion, shall not be terminated by withdrawal or exclusion.
6. A Member that has withdrawn from or been excluded from the Group shall not be entitled to any share of the proceeds of liquidation or the other assets of the Group nor shall such Member be liable for payment of any part of the deficit, if any, of the Group upon termination of this Constitution.

XVII Termination

1. This Constitution shall remain in effect unless the Heads of Delegation decide by consensus to terminate it.
2. Notwithstanding the termination of this Constitution, the Heads of Delegation shall continue in being for a period not exceeding 18 months to carry out the liquidation of the Group, including the settlement of accounts, and, subject to relevant decisions to be taken by consensus in accordance with article VII, paragraph 7.6, shall have during that period such powers and functions as may be necessary for these purposes.

INTERNATIONAL RUBBER STUDY GROUP RULES OF PROCEDURE

Foreword

The Rules of Procedure of the International Rubber Study Group are formulated as required in the International Rubber Study Group Constitution, paragraph 9 of article IX. These Rules of Procedure were adopted by the Group at the meeting of the Heads of Delegation held on in

1. Financial Rules of Procedures

The financial year shall run from 1 July to 30 June.

1.1. Membership Contributions

1.1.1. Membership contributions shall be due on 1 July annually upon receipt of the official invoice from the Secretariat.

1.1.2. If a Member has not paid its contribution in full by 1 December, the Secretary-General shall make an urgent request for immediate payment.

1.1.3. If payment is not made in full by 1 February, the Secretary-General shall report the arrears to the Heads of Delegation. Then the Heads of Delegation shall consider suspension of all voting rights of the Member, except when voting on issues directly resulting from a decision to liquidate the Group.

1.1.4. If payment is not made in full by 1 April, the Heads of Delegation shall, unless in the particular circumstances it decides otherwise, suspend all Secretariat services to the Member.

1.1.5. If a Member has not paid its contribution in full by the end of the financial year, the value of the payment due shall be maintained by increasing it by the annual rate of inflation in the Host Country used in the calculation of the budget for each year for which the payment remains in arrears, unless the Heads of Delegation decide otherwise.

1.1.6. The revised payment shall be calculated and notified to the Member by the Secretary-General at the end of each quarter of the financial year.

1.1.7. No decision or action taken under the provisions of this clause shall prejudice the rights of the Member.

1.2. Bank Account

1.2.1. A bank account in the name of the International Rubber Study Group shall be maintained in the Host Country.

1.2.2. The bank account shall be operated on cheques/electronic banking endorsed by

(a) the Secretary-General;

(b) in his absence by the Head of Economic and Statistics or

(c) in their absence, the appointed representative of the Host Country to the Heads of Delegation .

1.2.3. Beyond the limit of SGD15,000 the cheques/electronic banking will require two signatures, one signature will be from the Secretariat and one from the appointed representative of the Host Country to the Heads of Delegation.

1.2.4. The accounts of the Secretariat shall be kept by the Head of Management and Administration.

1.2.5. The Secretariat oversees all relevant bank accounts operating in the Host Country.

1.2.6. All monies received shall promptly be deposited in the Bank. An impress account shall be kept by the Secretary-General for petty cash payments and receipts to an amount of SGD1,000.

1.3. Rules for Tender

The Secretariat shall procure services through one of the following methods, based on the Estimated Procurement Value (EPV) determined. The Secretariat shall not “split” the EPV to avoid compliance with the procurement procedures.

1.3.1. Small Value Purchases for EPV not exceeding S\$3,000/- GST-exclusive. Purchases can be made directly from the supplier when (a) the price of the items (goods or services) is known either by previous purchase or (b) posted prices by suppliers, the media or any other source of reliable information e.g. flyers, the Internet. The price for the items should also be reasonable.

1.3.2. Procurement through Quotations for EPV not exceeding S\$70,000/- GST-exclusive the Secretariat must call for quotations from at least 3 appropriate suppliers, taking the lowest-priced offer where feasible. Justifications must be properly documented if the lowest-priced offer is not chosen for any procurement. The Secretary-General’s approval is required for any procurement decision.

1.3.3. Procurement through Tendering for EPV exceeding S\$70,000/- GST-exclusive. The Secretariat must call for tender from at least 3 appropriate suppliers. The Secretariat must put up an evaluation report of the tenders with the necessary recommendations and observations to the Heads of Delegation. The Heads of Delegation approval is required for any procurement decisions.

1.4. Appointment of Auditors

1.4.1. The appointment of auditors in accordance with paragraph 7 of article IX of the Constitution shall be made on the recommendation of the Secretary-General who shall be responsible for monitoring the performance of the auditors. Every four

years the Secretary-General shall invite quotations from at least three legally qualified auditing companies.

1.4.2. Independently audited statements of the accounts shall be made available to Members as soon as possible after the close of each financial year, but not later than six months after that date, and be considered for approval by the Heads of Delegation at its next session, as appropriate. A summary of the audited accounts and balance sheet shall thereafter be published on the IRSG website.

1.5. Budget

1.5.1. The Secretary-General shall be responsible for drawing up and submitting to the Heads of Delegation not later than 31 March of each year a draft budget for the following financial year for approval.

1.5.2. The Secretary-General shall be responsible for submitting to Members the approved budget.

1.5.3. The travelling and subsistence expenses of Members attending meetings of the Group shall be borne by the respective Members.

1.6. Annual Statement of Accounts

1.6.1. The Secretary-General shall circulate to all Members as soon as possible after the end of the financial year an Annual Statement of Accounts. After the approval by Heads of Delegation, the Annual Statement of Accounts shall be certified by the Chairperson or Vice Chairperson, the Secretary-General and the auditors.

1.6.2. The duly signed and certified account shall be maintained at the Secretariat.

2. Meetings of the Heads of Delegation

2.1. The Heads of Delegation may hold special sessions whenever so requested by a simple majority of its members, or by the Secretary-General with the consent of the Chairperson.

2.2. Notice of any session, the provisional agenda and the written explanation for the session shall be communicated to the Members by the Secretary-General in consultation with the Chairperson at least 30 days in advance, except in cases of emergency, when a notice must be communicated at least 15 days in advance. In cases of emergency, the notice shall state the nature of the emergency.

2.3. The provisional agenda for each session shall be prepared by the Secretary-General in consultation with the Chairperson. If a Member wishes a particular matter to be discussed at a session the Member shall, if possible, notify the Secretary-General 60 days before the commencement of the session, including in that notification a written explanation.

- 2.4. Each Member shall endeavour to notify the Secretary-General not later than five days before the commencement of the session of the names of the delegates, alternates and advisers designated to represent it at a session.

3. Appointment of the Secretary-General

- 3.1. The appointment of the Secretary-General by the Heads of Delegation pursuant to Article X, paragraph 3, of the Constitution shall be made on the basis of a recommendation by a Selection Panel constituted for that purpose.
- 3.2. The Selection Panel shall be established by the Heads of Delegation, normally at least twelve months before the expiry of the term of office of the incumbent Secretary-General.
- 3.3. The Selection Panel shall comprise the Chairperson and Vice Chairperson of the Heads of Delegation, who shall be Chairperson and Vice Chairperson respectively, of the Panel, and any such other Members wishing to serve on it.
- 3.4. The incumbent Secretary-General shall attend meetings of the Selection Panel as an adviser without voting rights.
- 3.5. All costs and expenses incurred in attendance at meetings of the Selection Panel and participation in the selection procedure by their representation shall be met by Members.
- 3.6. The Selection Panel shall establish the criteria for selection and agree on the advertisement for the post of Secretary-General. The advertisement shall be published in appropriate International media as well as via IRSG channels. The advertisement shall be made available to all Members who would ensure circulation within their countries.
- 3.7. Applications shall be received by the Secretary-General who shall be responsible for the administrative aspects of the recruitment process.
- 3.8. The Selection Panel shall meet as required to select a short list not exceeding six candidates for interview. Applicants shall be nationals or citizens of Members.
- 3.9. Interviews with short-listed candidates shall be held with the objective of choosing unanimously or by consensus a candidate with the necessary qualities of experience, personality, impartiality and the ability to work effectively with senior officials of Member and other governments, international and private organisations for recommendation to the Heads of Delegation for appointment as Secretary-General. An alternate candidate shall be submitted in case the selected candidate is prevented by ill-health or other reason from assuming the post. In the event that a single candidate cannot be agreed, two candidates chosen by consensus may be submitted to the Heads of Delegation.
- 3.10. The terms and conditions of appointment and contract shall be determined by the Heads of Delegation.
- 3.11. Early termination of the contract for cause shall require a simple majority within the group of the natural rubber producers as well as within the group of the rubber

consumers present and voting; and in addition, these combined votes shall comprise at least two-third majority of those present and voting.

4. Work of the Secretariat

- 4.1. In the performance of its duties, the Secretariat shall not engage in any activities which pose a conflict of interest.
- 4.2. The Secretariat shall not seek or receive instructions from any individual Member or authority external to the Group. The Secretary-General and staff shall refrain from any action which might reflect adversely on their position as international officials ultimately responsible to the Heads of Delegation.
- 4.3. Each Member shall respect the responsibilities of the Secretary-General and other staff and shall not seek to influence them in the discharge of their responsibilities.
- 4.4. The Secretariat shall endeavour to ensure that no information published shall prejudice the confidentiality of the operations of persons or enterprises producing, processing, marketing or consuming rubber.
- 4.5. The Secretariat publishes regularly a Rubber Statistical Bulletin and a Rubber Industry Report as well as reports on projects and studies.

5. Industry Advisory Panel

- 5.1. The Industry Advisory Panel shall consist of not more than thirty persons appointed for their particular expertise by the Heads of Delegation for a period not exceeding three years. Membership may be renewed for a further period of three years.
- 5.2. Following the decision by the Heads of Delegation to renew the composition of the Industry Advisory Panel, the Secretariat shall invite nominations for candidates for the Industry Advisory Panel from Members, the Industry Advisory Panel and associate members.
- 5.3. The Secretariat shall make a recommendation concerning these candidates to the Heads of Delegation for consideration and appointment.
- 5.4. The new appointments shall commence by decision of Heads of Delegation.
- 5.5. The Secretary-General shall facilitate Industry Advisory Panel meetings.
- 5.6. The Industry Advisory Panel shall establish its own rules of procedure consistent with the provision of the International Rubber Study Group Constitution and these Rules of Procedure.
- 5.7. With reference to the Constitution, observer status in all Group meetings shall exclude discussions relating to confidential matters, budget and financial issues.
- 5.8. The travelling and subsistence expenses of Industry Advisory Panel members attending meetings shall be borne by themselves.

6. Associate Members

- 6.1.** Associate Membership shall be available to any company or organisation with an interest in the rubber industry on payment of the appropriate annual membership fee.
- 6.2.** The annual membership fee is S\$3,000 for organisations or individuals based in the territory of Members and S\$6,000 for those in the territory of non-Members.
- 6.3.** Associate Members are entitled to free access to all information available on the website for Associate members. Any additional request will be charged.

7. World Rubber Summit

When the Group receives an invitation to host the World Rubber Summit by a non-Member or Member, the Group shall consider the invitation and accept only when sufficient funds are available.

8. Amendments and Revision

The Heads of Delegation may at any time amend or revise these Rules of Procedures only by consensus.

European Union Declaration in accordance with Article XVI(2) of the Constitution

In accordance with Article XVI, paragraph 2, of the International Rubber Study Group Constitution, this declaration indicates the powers transferred to the European Union by its Member States in the matters governed by the Constitution.

The European Union declares that, in accordance with the Treaty on the Functioning of the European Union, the European Union has exclusive competence with respect to international trade matters under the its common commercial policy, including the production of statistics.

The scope and the exercise of the European Union competences are, by their nature, subject to continuous development, and the European Union will complete or amend this declaration, if necessary, in accordance with Article XVI, paragraph 2, of the Constitution.

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on operational appropriations*
 - 3.2.3. *Estimated impact on appropriations of an administrative nature*
 - 3.2.4. *Compatibility with the current multiannual financial framework*
 - 3.2.5. *Third-party participation in financing*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Council Decision on the conclusion by the European Union of the amended Constitution and Rules of Procedure of the International Rubber Study Group

1.2. Policy area(s) concerned in the ABM/ABB structure⁴

Competitiveness, Industrial Policy, Innovation and Entrepreneurship

1.3. Nature of the proposal/initiative

☐ The proposal/initiative relates to **a new action**

☐ The proposal/initiative relates to **a new action following a pilot project/preparatory action**⁵

☒ The proposal/initiative relates to the extension of an existing action

☐ The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

--

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

<u>Specific objective No.</u>

1. Approving the amended version of the Constitution of the IRSG and making the financial contributions to IRSG's budget mandated by the Constitution

<u>ABM/ABB activity(ies) concerned</u>
--

Competitiveness, Industrial Policy, Innovation and Entrepreneurship

⁴ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

⁵ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The objective of the IRSG is to collect and disseminate comprehensive statistical information on the world rubber industry, thereby increasing the transparency in rubber markets and rubber trends. This is welcomed by the European rubber and tyre industry, which is completely dependent on imports of natural rubber. The existing Constitution of the IRSG needs to be amended in order to reflect the change of its Headquarters (which have moved from London to Singapore), but also to implement some other changes, notably , the introduction of a clear definition of “Members” or “Countries” that takes into account the particular legal status of the European Union.

1.4.4. *Indicators of results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

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1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term*

--

1.5.2. *Added value of EU involvement*

--

1.5.3. *Lessons learned from similar experiences in the past*

--

1.5.4. *Coherence and possible synergy with other relevant instruments*

--

1.6. Duration and financial impact

☐ Proposal/initiative of **limited duration**

- ☐ Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY
- ☐ Financial impact from YYYY to YYYY

☒ Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Management mode(s) envisaged⁶

☒ **Centralised direct management** by the Commission

☐ **Centralised indirect management** with the delegation of implementation tasks to:

- ☐ executive agencies
- ☐ bodies set up by the Communities⁷
- ☐ national public-sector bodies/bodies with public-service mission
- ☐ persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

☐ **Shared management** with the Member States

☐ **Decentralised management** with third countries

☐ **Joint management** with international organisations (*to be specified*)

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments

⁶ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

⁷ As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

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2.2. Management and control system

2.2.1. Risk(s) identified

--

2.2.2. Control method(s) envisaged

--

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

The Rules of Procedure provide for the independent auditing of the IRSG's accounts and contain rules for tendering and for the operation of the bank accounts.
--

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	DA/NDA ⁽⁸⁾	from EFTA ⁹ countries	from candidate countries ¹⁰	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	02.02.02.01 Support to EC-Japan Centre for Industrial Cooperation and membership to international study groups	DA	NO	NO	NO	NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	[XX.YY.YY.YY]		YES/N O	YES/N O	YES/N O	YES/NO

⁸ DA= Differentiated appropriations / DNA= Non-Differentiated Appropriations

⁹ EFTA: European Free Trade Association.

¹⁰ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:	02.02	Competitiveness, industrial policy, innovation and entrepreneurship
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DG: ENTR			Year N ¹¹	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	TOTAL
• Operational appropriations										
02.02.02.01	Commitments	(1)	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
	Payments	(2)	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
Number of budget line	Commitments	(1a)								
	Payments	(2a)								
Appropriations of an administrative nature financed from the envelop of specific programs ¹²										
Number of budget line		(3)								
TOTAL appropriations for DG ENTR	Commitments	=1+1a+3	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
	Payments	=2+2a+3	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875

¹¹ Year N is the year in which implementation of the proposal/initiative starts.

¹² Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

• TOTAL operational appropriations	Commitments	(4)	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
	Payments	(5)	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
• TOTAL appropriations of an administrative nature financed from the envelop of specific programs		(6)								
TOTAL appropriations under HEADING 1A of the multiannual financial framework	Commitments	=4+ 6	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
	Payments	=5+ 6	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875

If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
	Payments	(5)	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
• TOTAL appropriations of an administrative nature financed from the envelop of specific programs		(6)								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875
	Payments	=5+ 6	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.875

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	TOTAL
DG: ENTR									
• Human resources		0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.175
• Other administrative expenditure		0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.035
TOTAL DG ENTR	Appropriations	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.210

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.210
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EUR million (to 3 decimal places)

		Year N ¹³	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	0.155	0.155	0.155	0.155	0.155	0.155	0.155	1.085
	Payments	0.155	0.155	0.155	0.155	0.155	0.155	0.155	1.085

¹³ Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. Estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- **X The proposal/initiative requires the use of operational appropriations**, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓			Year N		Year N+1		Year N+2		Year N+3		Year N+4		Year N+5		Year N+6		TOTAL	
	OUTPUTS																	
	Type of output 14	Avera ge cost of the ouput	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Total numbe r of ouputs	Total cost
SPECIFIC OBJECTIVE: 1																		
- Output																		
- Output				0.125		0.125		0.125		0.125		0.125		0.125		0.125		0.875
- Output																		
Sub-total for specific objective N°1				0.125		0.125		0.125		0.125		0.125		0.125		0.125		0.875
SPECIFIC OBJECTIVE No 2...																		
- Output																		
Sub-total for specific objective N°2																		
TOTAL COST				0.125		0.125		0.125		0.125		0.125		0.125		0.125		0.875

¹⁴

Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- ☐ The proposal/initiative does not require the use of administrative appropriations
- **X The proposal/initiative requires the use of administrative appropriations,**
as explained below:

EUR million (to 3 decimal places)

	Year N ¹⁵	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	TOTAL
--	-------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------

HEADING 5 of the multiannual financial framework								
Human resources	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.175
Other administrative expenditure	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.035
Subtotal HEADING 5 of the multiannual financial framework	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.210

Outside HEADING 5¹⁶ of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 5 of the multiannual financial framework								

TOTAL	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.210
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¹⁵

Year N is the year in which implementation of the proposal/initiative starts.

¹⁶

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources
- ☒ **The proposal/initiative requires the use of human resources**, as explained below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	Year N	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6
• Establishment plan posts (officials and temporary agents)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	0.2	0.2	0.2	0.2	0.2	0.2	0.2
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)¹⁷							
XX 01 02 01 (CA, INT, SNE from the "global envelope")							
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 yy¹⁸	- at Headquarters ¹⁹						
	- in delegations						
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL	0.2	0.2	0.2	0.2	0.2	0.2	0.2

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

¹⁷ CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;
¹⁸ Under the ceiling for external personnel from operational appropriations (former "BA" lines).
¹⁹ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

Officials and temporary agents	Preparation of EU position papers, consultation with Member States (including in the framework of the Working Group on Commodities – PROBA), representation of the EU in the meetings of the IRSG
External personnel	

3.2.4. *Compatibility with the current multiannual financial framework*

- ☒ Proposal/initiative is compatible the current multiannual financial framework.
- ☐ Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- ☐ Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework²⁰.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

- ☒ The proposal/initiative does not provide for co-financing by third parties
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

	Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
<i>Specify the co-financing body</i>								
TOTAL appropriations cofinanced								

²⁰

See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue

- ☒ Proposal/initiative has no financial impact on revenue.
- ☐ Proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☐ on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget exercise	Impact of the proposal/initiative ²¹						
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article								

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

--

Specify the method for calculating the impact on revenue.

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²¹ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.