

Bananas: special framework of technical and financial assistance for traditional ACP suppliers

1998/0014(SYN) - 17/02/1998 - Legislative proposal

OBJECTIVE : establishing a special framework of assistance for traditional ACP suppliers of bananas, to help them adapt to the new market conditions following the amendments introduced to the common organization of the market in bananas (CNS98013). **SUBSTANCE** : In view of the amendments to the common organization of the market in bananas (in particular the dismantling of the special import licence system) with regard to access to Community markets for traditional ACP banana suppliers and the possibility for them to maintain their presence on the EU market, the Commission proposes specific accompanying measures to help suppliers adapt to the new conditions on the market. The objective is to propose a special framework of technical and financial assistance for the suppliers concerned and to make them more competitive particularly with Latin American ('dollar'-zone) suppliers. The financial assistance granted under this regulation is in addition to funding under the Lomé Convention and varies for each ACP country according to the competitiveness gap observed while taking into account the importance of banana production for the economy of the country concerned. In order to ensure the appropriateness of such assistance it would be limited in time (ten years from 1 January 1999) and degressive. However, in order to provide an additional incentive to traditional ACP suppliers and provide for a smooth and gradual phasing-out of technical and financial assistance, a reduction coefficient of up to 15% may be applied from the year 2004 in cases where no sufficient increase in competitiveness can be observed. In the financial statement annexed the Commission quotes an estimated total of ECU 366.8 m for the period 1999-2008, earmarked for the necessary assistance measures.