

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

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Adopting the report by Mr Peter LIESE (PPE, D) on ACP suppliers of bananas, the European Parliament called first for funds of ECU 500 million to be made available (rather than ECU 366.8 million). The most important of the other major amendments made by Parliament were as follows: - aid should last ten years from its date of implementation (rather than from 1 January 1999). At the end of this period, it may be renewed or revised, taking account of efforts made to adjust. Aid would take the form of technical and financial assistance and would take account of the interests of the most disadvantaged suppliers; - aid should apply to fresh or dried bananas but not plantains; - all traditional ACP suppliers (the twelve plus Ghana and the Dominican Republic) should be eligible for technical and financial assistance; - the aid reduction coefficient should apply from 2004 to producers who have not made sufficient effort to increase their competitiveness; - income support should be paid solely to the most disadvantaged traditional ACP suppliers and, where possible, be paid directly to producers. It should serve to help producers and producer organisations improve their competitiveness and increase market opportunities by supporting initiatives to enable producers to fulfil the environmental and social criteria established by European and internationally recognised fair trade and organic produce importers and marketing organisations. Special measures should be made in this context (so-called "fair trade" bananas). Parliament also called on the Commission to undertake to promote diversification of production in ACP states, in consultation with all parties concerned. A special fund should be created for the purpose, together with technical and financial assistance to diversity into other economic sectors (crafts, tourism). In addition, funds should be made available outside the planned scheme in order to finance urgent measures to improve quality and productivity. Recalling that the Community banana scheme and the preferences attached to it are real development instruments for ACP states, Parliament insisted that the funding provided by the EU should primarily benefit small independent producers. Multinational undertakings with plantations in several countries should not therefore be eligible for this aid. Parliament also stressed the need for consultation between producers and producer organisations. At the same time, it called for special provisions for Somalia in order to take account of the specific situation in that country and the disastrous consequences on production of the floods in 1997 and 1998. The quantity of bananas exported by Somalia should correspond to its best year before 1991. Finally, Parliament called for regular reports (every 2 years from 2000) on the application of the regulation in order to evaluate its impact on the income of producers.