

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

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**PURPOSE :** to present the biannual report (2004) from the Commission on the special framework of assistance for traditional ACP suppliers of bananas.

**CONTENT :** in this report, the Commission recalls that in 2003, world banana production was approximately 69 million tonnes (68 million tonnes in 2002). The largest producer is India (23.8% of world production), while the main exporters are Ecuador, Costa Rica, the Philippines and Colombia, which in 2002 controlled together 63% of world banana exports.

In 2002, almost 95% of total ACP banana exports were sold to the EU. In 2003, banana imports from the Ivory Coast and Cameroon accounted for almost 63% (61% in 2002) of total ACP imports into the EU.

Banana imports into the European Union have traditionally been regulated by a quota system with strong preferential treatment for bananas from Africa, the Caribbean and the Pacific (the so-called ACP countries). The EU's banana import regime has not changed over the period 2002-2004. Following EU enlargement on 1 May 2004, the volume of imported bananas has been increased by an additional quantity for the period 1 May-31 December 2004 in order to ensure a sufficient supply of bananas to consumers in the enlarged Community.

The EU obtained two waivers in the WTO to cover the preferential import arrangements for the ACP. The first covers the tariff preference for the import of bananas for the ACP under the Cotonou Agreement until 1 January 2008. The second covers the reservation of quota C for the ACP until 1 January 2006.

Due to the verification exercise under Article 164 of the Financial Regulations, there has been a considerable delay in the implementation of projects during the past two years. The provision of this article allows for decentralised management in most countries concerned. The implementation situation should thus improve at the beginning of 2005. In parallel to the reduction coefficient of 15% to the level of assistance made available and its proportional reduction to the increase in competitiveness observed, implementation and programming shifted from supporting competitiveness to supporting primarily diversification. This trend has continued in the period 2002-2004.

In 2002, an evaluation of the implementation of Regulation 856/1999/EC was commissioned and carried out. Its recommendations, e.g. multi-annual programming to reduce administrative steps and consequently simplify the administrative process, were found not to correspond to the requirements of the SFA Regulation and the Financial Regulation. Other reports have been commissioned, drafted and carried out for other donors. The Commission is currently in the process of examining their conclusions and recommendations with a view to further simplifying and accelerating the implementation of the SFA in the context of the existing regulatory framework.