Basic information

2003/2091(INI) INI - Own-initiative procedure	Procedure completed
Bananas: special framework of assistance for traditional ACP suppliers (Regulation (EC) No 856/1999). 2002 biennial report **Subject** 3.10.06.01 Fruit, citrus fruits 6.30.02 Financial and technical cooperation and assistance **Geographical area** ACP countries	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development and Cooperation	FERNÁNDEZ MARTÍN Fernando (PPE-DE)	21/01/2003

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Development	

Key events

Date	Event	Reference	Summary
23/12/2002	Non-legislative basic document published	COM(2002)0763	Summary
15/05/2003	Committee referral announced in Parliament		
20/05/2003	Vote in committee		Summary
20/05/2003	Committee report tabled for plenary	A5-0164/2003	
04/09/2003	Decision by Parliament	T5-0386/2003	Summary

04/09/2003	Debate in Parliament		
04/09/2003	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2091(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/5/19530

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0164/2003	20/05/2003	
Text adopted by Parliament, single reading		T5-0386/2003 OJ C 076 25.03.2004, p. 0255-0472 E	04/09/2003	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2002)0763	23/12/2002	Summary

Bananas: special framework of assistance for traditional ACP suppliers (Regulation (EC) No 856/1999). 2002 biennial report

2003/2091(INI) - 04/09/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Fernando FERNANDEZ MARTIN (EPP-ED, Spain) on the banana import regime. (Please see the summary dated 20/05/03.) In addition, Parliament suggested that the Commission assist those countries which are obliged to diversify production by providing them with advice on drawing up viable programmes and projects. The Commission should also explore ways of strengthening the use of the SFA to support the development of the fair-trade banana market.

Bananas: special framework of assistance for traditional ACP suppliers (Regulation (EC) No 856/1999). 2002 biennial report

2003/2091(INI) - 23/12/2002 - Non-legislative basic document

PURPOSE : to present a communication from the Commission on the special framework of assistance for traditional ACP suppliers of bananas.
CONTENT : this document comprises of the communication from the Commission on a special framework assistance for traditional ACP suppliers of bananas (Council Regulation 856/1999) biennial report from the Commission 2002. The document recalls that banana imports in 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 US, Guatemala, Honduras, Mexico and Ecuador have challenged this regime as being incompatible with WTO regulations. In April 2001, after lengthy legal battles and negotiations, an Understanding was reached with the US and Ecuador on the future of the banana import regime into the EU. The agreement stipulates that the quota system will be replaced by a tariff only system, which should come into force on 1st January 2006 at the latest. In the meantime, the EU market in bananas will continue to be managed through a quota system based on historical reference, which has also been discussed with the ACP countries. In order to help the twelve traditional ACP banana suppliers better cope with the transition to the new market conditions, a Special Framework of Assistance (SFA) was put in place already in 1999, through a dedicated budget line. Five African countries and seven Caribbean countries are considered as traditional suppliers and are therefore beneficiaries of the SFA. This framework provides technical and financial support to specific projects presented by the countries concerned, based on a long-term strategy previously agreed with and approved by the Commission. The individual country allocations are calculated on the basis of two criteria, namely both the competitiveness gaps observed when compared to the third country suppliers, and the importance of the banana production to the economy of the ACP concerned. So far (1999 - 2002) the logic underlying the allocation methodology has caused those countries suffering from a bigger competitiveness gap and in which the share of the banana sector in the total GDP is higher, to receive more support. The report concludes by stating that due to some new procedures and the high degree of participation by the beneficiaries in implementation, disbursements have experienced delays in some cases. However, these difficulties are being tackled, and there have been substantial improvements in recent months. It is expected that further ground will be made up in the next two-year period, also as a result of the current devolution exercise. In this context, the Commission will explore the possibility of creating a "BA" budget line with a view to making the administrative process as effective as possible. In general, a need to streamline the whole administrative process has become evident. Whereas the strategies adopted are long-term, the fact of having projects in the form of annual action plans makes it burdensome both for the beneficiaries and for the Commission to elaborate, approve and implement them every year. In accordance with the SFA Regulation and the Financial Regulation, the Commission will explore the possibility of devising multi-year action plans. This would significantlyreduce the administrative steps currently undertaken every year, and would enhance the consistency of implementation. In accordance with the SFA Regulation, the Commission would favour further strengthening of the link between the Country Strategy and the projects submitted under the SFA, as it has been the case in several countries already. In the Council Regulation establishing the SFA there is provision for application of a maximum reduction coefficient of 15% to the level of assistance made available from 2004, and for this reduction coefficient to be reduced proportionally to the increase in competitiveness observed. In the first phase of the SFA the logic applied favoured the less competitive suppliers, the idea being to bridge the bigger gaps and enable these producers to compete under the new market conditions. From 2004, in accordance with the above-mentioned provision, the allocation criteria should be adjusted by taking into account the different degrees of competitiveness gained. In parallel, implementation efforts are likely to shift more and more from support for competitiveness to diversification for those suppliers still suffering from substantial competitiveness gaps.