

COMMISSION REGULATION (EC) No 1609/1999**of 22 July 1999****laying down the detailed rules for the implementation of Council Regulation (EC) No 856/1999
establishing a special framework of assistance to traditional ACP suppliers of bananas**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 856/1999 of 22 April 1999 ⁽¹⁾ establishing a special framework of assistance for traditional ACP suppliers of bananas, and in particular Article 8 thereof.

- (1) Whereas Regulation (EC) No 856/1999 establishes, for a period not exceeding ten years, a special framework for technical and financial assistance to assist traditional ACP suppliers of bananas to adapt to new market conditions following the amendments made to the common organisation of the market in bananas;
- (2) Whereas Regulation (EC) No 856/1999 stipulates that technical and financial assistance shall be granted to contribute to the implementation of programmes aiming to improve competitiveness in the banana sector, where improvement in the competitiveness of the banana sector is not sustainable, to support diversification;
- (3) Whereas programmes submitted for financing should be consistent with the general development objectives of the traditional ACP supplier concerned;
- (4) Whereas, in order to ensure such consistency as well as the relevance of these programmes with regard to the specific objectives defined by Regulation (EC) No 856/1999, it is necessary that these programmes be based on a coherent long term strategy;
- (5) Whereas this strategy should be defined by the traditional ACP supplier concerned, in consultation with the actors involved in the sector, and agreed by the Commission;
- (6) Whereas, so as to ensure an integrated approach, programmes submitted for financing should take the form of annual action plans, based on the strategy agreed;
- (7) Whereas Article 7(1) of Regulation (EC) No 856/1999 provides that, within the global amount available for a given year, the maximum amount available to each traditional ACP supplier for the financing of programmes aimed at increasing the competitiveness of the banana sector shall be fixed on the basis of the competitiveness gap observed and taking into account the importance of banana production of the country concerned; whereas it further provides that, where only

programmes aimed at diversification are implemented, an amount comparable to that given to other traditional suppliers shall be allocated;

- (8) Whereas detailed rules on the method of calculation of the individual country allocations should be laid down;
- (9) Whereas the competitiveness gap should be established for each individual traditional ACP supplier on the basis of the price differences observed at the entry into the Community market, taking into account the quantities exported to the Community; whereas, so as to avoid the impact of short-term price fluctuations, the price difference to be considered should be calculated on the basis of a sufficiently long reference period immediately preceding the year of application; whereas, in order to grant a comparable treatment to all traditional ACP suppliers, irrespective of the specific objective they pursue, the average ACP price difference observed should be used in cases where exports have ceased as a consequence of diversification; whereas, in view of the economic objective of Regulation (EC) No 856/1999 to allow traditional ACP suppliers to maintain a position on the Community market equivalent to that they enjoyed before the entry into force of Council Regulation (EC) No 1637/98 ⁽²⁾, the quantities to be considered for the establishment of the competitiveness gap should be those realised during the three years preceding the entry into force of that Regulation;
- (10) Whereas the importance of banana production for the economy of the traditional ACP supplier concerned is best reflected by the share of the banana sector in GDP of that country; whereas the most accurate statistics in this regard are supplied by the International Monetary Fund or in their absence by UNCTAD and these statistics should therefore be used; whereas, as with regard to export quantities, the economic objective of Regulation (EC) No 856/1999 requires that the statistics to be used be those relating to the three years preceding the year of entry into force of Regulation (EC) No 1637/98, for which statistics are available;
- (11) Whereas, given the fact that the basic economic factors of the banana trade vary considerably within the group of traditional ACP suppliers, the most equitable result will be achieved if both criteria relevant to the calculation of the individual country allocations are equally weighted;

⁽¹⁾ OJ L 108, 27.4.1999, p. 2.

⁽²⁾ OJ L 210, 28.7.1998, p. 28.

- (12) Whereas, in order to ensure the feasibility of the programmes to be financed, a minimum allocation should nevertheless be fixed;
- (13) Whereas, special account needs be taken of the need for specific solutions for Somalia;
- (14) Whereas Article 7(2) of Regulation (EC) No 856/1999 provides that from the year 2004 and for each subsequent year thereafter, a maximum reduction coefficient of 15 % shall be applied to the level of assistance made available to individual traditional ACP suppliers; whereas it further provides that, where programmes aimed at increasing competitiveness are implemented, this reduction coefficient shall be reduced to the same extent that an increase in competitiveness has been observed compared to the previous year;
- (15) Whereas in order to ensure that the maximum use is made of the opportunities offered by Regulation (EC) No 856/1999 to assist traditional ACP suppliers to adapt to the new market conditions, unused funds, within the budget year, should be reallocated;
- (16) Whereas the measures provided for in this regulation are in accordance with the opinion of the Committee provided for in Article 8 of Regulation (EC) No 1637/98,

HAS ADOPTED THIS REGULATION:

Article 1

1. Requests for technical and financial assistance in accordance with Council Regulation (EC) No 856/1999 shall be presented by the traditional ACP supplier concerned to the Commission, at the beginning of each calendar year and no later than 60 days after the financial allocations, referred to in Article 2, have been notified. Account will be taken of the special situation of Somalia.
2. These requests should be based on a coherent long-term strategy for the banana sector, defined by the ACP country concerned, in consultation with the actors involved in the sector, and agreed by the Commission. The strategy should define the specific objective pursued in accordance with Article 3(2) of Regulation (EC) No 856/1999, assess its viability and set out the approach to achieve this objective. It should further provide the necessary information allowing to assess its consistency with the general development objectives of the traditional ACP supplier concerned. Particular attention shall be paid to the possibility of carrying out projects on a regional level.
3. Programmes submitted for financing should be drawn up on the basis of the agreed strategy and take the form of annual action plans.

Article 2

The maximum amount available for the financing of programmes referred to in Article 1(3) above shall be fixed annually. Without prejudice to Article 6 below, it shall be individually calculated for each traditional ACP supplier on the basis of the competitiveness gap observed and the importance of

banana production for the economy of the country concerned, both criteria being equally weighted.

Article 3

1. The competitiveness gap shall be calculated on the basis of the reference quantities and the difference between the third country reference price and the ACP reference price.
2. The reference quantity shall be the average quantity of bananas exported by each individual ACP supplier to the Community for the last three years preceding the entry into force of Council Regulation (EC) No 1637/98. By derogation and taking account of its particular situation, the reference quantity for Somalia is fixed at 60 000 tonnes. Reference quantities to be applied are listed in Annex I.
3. The third country reference price shall be the lowest average price per tonne of bananas produced in any individual established third country supplier other than an ACP country and exported to the Community during the last three years preceding the year of application, in respect of which the assistance is requested, for which statistics are available.
4. The ACP reference price shall be the average price per tonne of bananas produced in the traditional ACP supplier concerned and exported to the Community during the same period. In cases where banana exports have ceased as a consequence of diversification, the average ACP reference price shall be applied.
5. Reference prices referred to in paragraph 3 and 4 above shall be cif prices. The statistics needed for the calculation of the competitiveness gap shall be those drawn up and published on Community imports by the Statistical Office of the European Communities.

Article 4

The importance of the banana production for the economy of the traditional ACP supplier concerned shall be established on the basis of the share of the value added by the banana sector to the total GDP of the traditional ACP supplier concerned in the last three years, preceding entry into force of Council Regulation (EC) No 1637/98, for which statistics are available. The statistics needed for the establishment of the importance of the banana production shall be those drawn up by the International Monetary Fund or in their absence by UNCTAD. By derogation and taking account of its particular situation, the calculation factor for Somalia is fixed at 1,0. The calculation factor resulting from these statistics is listed in Annex II.

Article 5

Without prejudice to Articles 2 to 4 above, an automatic reduction coefficient shall be applied as from the year 2004 and for each year thereafter to the allocations made available. The reduction coefficient shall be fixed individually at the appropriate level to ensure that the level of assistance made available to each individual traditional ACP supplier during the year of application is reduced by not more than 15 % compared to the level of funds made available in the previous year.

Article 6

Where calculations carried out in accordance with Articles 2 to 5 above lead to an amount inferior to EUR 0,5 million per year, a minimum amount of EUR 0,5 million shall be allocated.

Article 7

Where any traditional ACP supplier has not presented a request for technical and financial assistance within the deadline set out in Article 1(1) or where programmes presented are not in compliance with the long-term strategy defined in Article 1(2),

the Commission will reallocate the amounts initially made available to the remaining ACP suppliers, on the basis of the programmes presented and in accordance with the provisions of Regulation (EC) No 856/99. Account will be taken of the special situation of Somalia.

Article 8

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities* is applicable from 1 January 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 22 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX I

List provided for in Article 3(2)

Country	Tonnes
Belize	49 762
Cameroon	163 016
Cap Verde	20
Ivory Coast	169 272
Dominica	36 173
Grenada	2 222
Jamaica	83 432
Madagascar	0
Somalia	60 000
St Lucia	92 951
St Vincent and the Grenadines	40 611
Surinam	28 469

ANNEX II

List provided for in Article 4

Country	Calculation factor
Belize	4,16
Cameroon	1,16
Cap Verde	0,60
Ivory Coast	0,95
Dominica	8,02
Grenada	0,31
Jamaica	0,93
Madagascar	0
Somalia	1,0
St Lucia	8,17
St Vincent and the Grenadines	7,27
Surinam	1,99