

Dear [REDACTED]

You may be interested in the following correspondence with Brussels on the state of the AMS programme. As you can see there is still confusion about the numbers which DG Dev seem either not to understand or are being deliberately disingenuous. We also still have the unknown extent to which there will be cuts based on time expiry in the early years' allocations.

The more damaging thing has been the exceptionally slow disbursement which has damaged the Adaptation Strategy of many countries and also undermined the parallel private sector investments on which sugar industry productivity gains and diversification plans were based .

A further problem has been the interference in the basic expenditure programme outlined in the Action Plans. A fundamental aspect of all these plans is that without a healthy and competitive sugar industry all the added value ideas are moribund. This seemingly is beyond the EC Delegates and economists to understand. I doubt if they are unaware of this but I suspect they don't care. The EC objective in trade is to expand EU exports and imports are not to be allowed to interfere with this plan .

I attach a copy of the latest schedule of AMS which contains the figures mentioned in my exchange with Brussels. I also attach my updated analysis . The schedule shows that contracts overall are 56 % of the 1.245 Bn Euros and payments only 43 % .

These are not impressive figures for a programme heralded as being front loaded. Finally you may be interested in the following impact on Belize which the diversion and late payment has had .

Unless I am mistaken the total actually allocated for this purpose is B\$14.5m from the 2008 and 2010 AMS and a further 2.5m from 2012 . There may be another final allocation from 2013 of B\$2m (but this is generally described as "competitiveness") which will bring the maximum to B\$19m . More important is the delay in getting anything at all since the "contribution agreement" was not signed between the CDB and EU until March 2012 with the first reimbursement requested by DFC in mid April 2013. This represents a loss in project time of over 6 years which bearing in mind the simple difference between the cane yields of plant cane and the subsequent new ratoons as compared to existing old ratoons is a huge deficit in cane supply .It is not less than 200 000 tc per annum in the early years -.This would have produced an incremental annual revenue stream to the industry and Belize economy of B\$30m . It has damaged not only farmers' income at a time of high EU prices but also of course BSI's revenue stream and unit costs as well as undermining the company and national energy benefits generated from BSI's B\$ 125m investment in cogeneration . The overall negative impact of EU mismanagement of the AMS on Belize's GDP and foreign exchange earnings has therefore been immense. To which one should add the effect of loss of supply to TLS .

I can rant on for some time if you wish . I certainly intend to emphasise this to DEFRA/DFID as it is exactly what [REDACTED] and I forecast(to much protestation by the EU) would happen if the EU did not remove the bureaucratic interference which bedevilled the Banana SFA programme. Indeed it might even have been the worst of all results for the sugar industry since we have the delays PLUS the high allocation of funds to road building (B\$62m compared with B\$ 4.4 m in the Action Plan). As far as I am aware this diversion from spending on "competitiveness" was never discussed with the industry

This point is totally overlooked in the ODI/LMC report last year and it contain solutions which are frankly barmy

See you tomorrow

Barry

----- Forwarded Message -----

From: [REDACTED]
To: B NEWTON [REDACTED]
Cc: [REDACTED]
Sent: Friday, 13 September 2013, 8:55
Subject: FW: AMSP

Dear Barry,

Please see below the exchange with [REDACTED] in response to the clarification sought after his presentation at the SSC meeting on the 9th.

In view of his response, it is best that we await a fuller response from him to assist us in our assessment.

Kind regards,

[REDACTED]
From: [REDACTED]
Sent: 13 September 2013 09:44
To: [REDACTED]
Subject: RE: AMSP

Dear [REDACTED],

Many thanks indeed for your prompt consideration and initial reactions of the points raised.

We look forward to your feedback at your convenience..

Please find attached the draft notes of the Subcommittee meeting. As you will see we have tried to cover the points in a very broad way.

All the best and do have an enjoyable break.

Kind regards,

[REDACTED]
From: [REDACTED]
Sent: 13 September 2013 09:27
To: [REDACTED]
Subject: RE: AMSP

Dear [REDACTED],

I will try to collect this and the other elements that members of the sub-committee raised during the meeting. I understand position of Barry but I believe some of his comments were already answered by us previously.

I will be out of the office from today's lunch time until next Wednesday, this are my short holidays. But I will try to do my best afterwards. Our main goal it is to have a good and constructive dialogue in the coming conference in Fiji.

In the meanwhile, I will try to clarify the main points in short and draft version. You could produce the draft minutes share with us and consolidate the unclear points.

Un saludo

[REDACTED] R [REDACTED]

European Commission.

DG for Development and Cooperation "EuropeAid"
DEVCO/C1 - Food security, rural development, nutrition

Rue de la Loi 41 02/88.B-1049 Brussels/Belgium

T: +32(0)229 51466 Francisco.URENA-LARA@ec.europa.eu

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From: [REDACTED]
Sent: Thursday, September 12, 2013 8:28 PM
To: [REDACTED]
Subject: FW: AMSP

Dear [REDACTED],

On behalf of the ACP Sugar Subcommittee, I would like to express my sincere thanks to you for your time and very useful intervention at the meeting on the 9th September. This certainly assisted us in better appreciation of the current status and has prompted the need for some further clarification. Barry has raised some pertinent points on the overall numbers and it would be useful if you could provide your perspectives and clarification which in turn would assist us in the briefing of our Ministers.

Kind regards,

[REDACTED] From: B NEWTON R [REDACTED]

Sent: 12 September 2013 11:43

To: [REDACTED]

Cc: [REDACTED]

Subject: Re: Draft summary record of ACP Sugar Subcommittee meeting 9 September 2013

Thanks : I attach a few comments. I have to confess to continuing confusion about the basic arithmetic of the AMS which was not answered by [REDACTED]'s comments on Monday.

I attach a shortened summary of the overall disbursement schedule which I have constructed from the last detailed presentation .Despite [REDACTED]'s helpful attempt clarify matters it still begs a number of questions

1. The August figures have inevitable changed since the April report and we now have a reported total "decided " figure of 1 100 284 185 Euros.

The instrument is moving ahead, meaning more commitments and payments. That is why each three months maybe changed in this case additionally we added the allocation 2006 as we were asked by the previous sugar sub-committee.

2. This figure still includes figures for 2006 which were not part of the promised 1.245Bn from the 2007/13 budget line. I have identified a total of 37 889 m for this

This was roughly the figure that I said during the meeting.

3. As I believe [REDACTED] indicated it now also includes amounts from the 2013 allocation but these are not clearly shown. However he did report at the meeting figures for Fiji and Mauritius of 30.5m and 50.5 m respectively (as noted in the Draft minutes). It is not evident whether any other amounts have been "decided" and are now included

In the case of Mauritius it is an indicative amount to 2012 decision that will need to be confirmed by a Implementation Decision from the Commission. In the case of the Fiji the 2013, is currently active in our system

4. It has been frequently stated that the total allocation for 2013 will be 177m Euros from which the 81m for Fiji and Mauritius will be taken.

This has not changed in our conversation. AMSP allocation for 2013 is 177 M\$, which include the individual allocation for Fiji and Mauritius.

5. Taking these figures into account I have calculated (as shown in the attachment) that even without some more of the figures being from the 2013 allocation the total is still short of the 1.245Bn and Francisco's statement that we would achieve 1.2Bn is incorrect as he still seems to be including the 2006 figure and possible is double counting for 2013.

6. As I see it the total now forecast is 1.100 284K plus 177m(2013 total) less 81m(2013 for Fiji/Maur)) and less 37 889 (2006) to give a forecast of 1 158 395 -a shortage of 86 605m . This is much more than the amount of 25 m for the two years 2011/12 quoted by [REDACTED] at the meeting.

If as recommended by [REDACTED] (whose point I fully support)we are to meet as ACP and make a case urgently for a new post 2013 fund or a rollover we really do need to get the figure right. Could you press [REDACTED] to explain where I might have gone wrong

The figure of funds lost may be even bigger as another issue relates to his confirmation of the N+3 deadline. As will be noted from the figures there are some amounts still not contracted from the 2006 allocation (and obviously not paid!) The total is in excess of 1m Euros. We are now 7 years on from the nominal date but we have no indication of the signature date for each country . Are these time expired ?. There are also some much larger figures contained within the 2007 /8/9 data which must be approaching a deadline of N+3. Is there any data on this? If we wish to make a case for reallocation or rollover it would be important to know this. We also need to be able to counter the frequent statements by Commissioners and Council members that the ACP has already received 1.245m and should by now be ready to live in the new trading environment. As we are only too well aware we haven't had the money and what we have had has been horribly late if we were to achieve the Action Plans.

To this point three last point we will probably need to wait to the conference, but I will work on parallel to provide the most accuracy figure to my management. And I hope this may solve these point which may be keep as part of our relationships as donors and beneficiary countries.

Kind Regards

Barry

From: [REDACTED]

To: "'B NEWTON'

Cc: [REDACTED]

Sent: Wednesday, 11 September 2013, 15:43

Subject: Draft summary record of ACP Sugar Subcommittee meeting 9 September 2013

Dear Barry,

Please find attached for your consideration summary record of the SSC meeting held on 9th September drafted by [REDACTED] with input from [REDACTED] and I. Grateful if you could make changes/input as necessary. I am awaiting for briefs on SRP Phase I and Communication Strategy Phase II which will be added on.

Many thanks,

[REDACTED]