

PARLIAMENTARY QUESTION B/409

PQ B/409 **The Honourable First Member for Vacoas and Floreal**
(06.05.08) **(Mr Bodha)**

*To ask Dr the Honourable Minister of Agro Industry
and Fisheries:-*

Whether, in regard to the EU Sugar Sector Reform, he will state (a) where matters stand concerning the disbursement of funds to the African Caribbean Pacific sugar supplying states under the sugar protocol and (b) if he will consider the advisability of holding fresh discussions, with a view to reviewing the modalities thereof, in the light of the increase in the prices of commodities on the world market?

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REPLY

Mr Speaker, Sir,

I am informed by our Ambassador in Brussels that disbursement of funds to the ACP sugar supplying states under the Sugar Protocol as at February 2008 is as follows:

- Allocations paid for 2006/2007: 22,9M€, i.e. nearly 60% of the assistance.
- Allocations paid for 2007/2008: NIL. The total allocation for 2007/2008 is 165M€.

Mauritius has, so far received, 6,5M€ for 2006/2007 representing 100% of the assistance.

As regards part (b) of the question, I must point out that Mauritius has continued lobbying for a better deal since the EU announced the reduction in the price of sugar under the ACP Sugar Protocol. However, resources for the Multi Annual Adaptation Strategy (MAAS) amounting to €1,244 billion for all ACP Sugar Protocol supplying states was agreed to and adopted in the 2007-2013 EU Financial Perspectives until 2013. Under these circumstances, it would be difficult to secure additional resources for the ACP Sugar Protocol countries under the MAAS.

Mr Speaker, Sir, as the House knows already, the resources under Accompanying Measures or under the FLEX are meant to compensate for the drastic loss of revenue to be encountered as a result of the reform of the EU Sugar Regime. The House is aware that we are going to lose some 782M€ till 2015/16. However, we must not forget that Mauritius will benefit from additional grant resources following adverse fluctuation in export earnings in respect of FLEX 2007 and FLEX 2008 to the tune of €30.8 m. and also from the 9th End of Term Review Bonus in an amount of €8.7 m. These resources will be disbursed as general budget support for implementation of our overall reform programme. Similarly, resources under the 10th EDF (€43.5 m.) will be used as general budget support for the overall reform programme.

As regards the rise in the price of commodities, Government will treat it as a separate issue and separate funds will have to be found to deal with the situation. Government, and indeed my colleague the Deputy Prime Minister & Minister of Finance has already initiated action *vis-à-vis* the World Bank, the EU and the ADB, to canvass for additional support to enable us to withstand the food price shock.

I must also point out that the House is already aware of the broad lines of Government's strategy locally and in the region regarding food security as indicated in my reply to the PNQ of the Honourable Leader of the Opposition on 15 April 2008.