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5.4 Exclusions from the Fund

The following situations will not allow participation in the Catastrophe Recovery Fund.

a) Farms, which are not registered, de-registered or registered after 31st May each year.

b) Farms with less than 1,236 mats of banana per ha. (500 mats per acre).

c) Farms which reflect substandard husbandry or production level well below that advocated by the Banana Board.

d) Growers who, knowingly, submit false and misleading information to the Fund or fraudulently try to influence the decisions of the field staff and the Fund.

e) Growers who engage in threats and violent activities to extort financial assistance from the Fund.

f) Growers who use covert or overt means to distort and prevent proper assessment and examination of field or verification of information submitted to the Fund.

g) Abandoned farms

h) Growers who refuse to make Annual Production Returns (history of production and sales of banana and plantain for last 12 months) to the Banana Board, at time of registration.

5.5 Appeal of Decision on Assistance Request

Farmers may appeal the fund’s decision for assistance under the catastrophe assistance programme. Appeals must be submitted in writing to the Banana Board within 60 days after the notification of the outcome of a decision by the Committee. A panel of three experienced field staff will revisit the submissions and review the applications. Their findings will be submitted to the Senior Technical Officer and the Oversight Committee.
5.3 Accessing the Catastrophe Fund

5.3.1 Eligibility Criteria

a) The Fund should be used for rehabilitation work only.
b) Only a fully paid up registered grower whose farm is declared to have suffered a catastrophe will receive benefits from the Fund.
c) Only a fully paid up grower (payment received by May 31 of the year of occurrence of the catastrophic event) can benefit from the Banana Catastrophe Fund.
d) Farm size of a minimum of 0.40 ha (one acre)
e) The banana farm must be a commercial enterprise, with no less than 1,236 mats per Hectare (500 mats per acre).
f) The farm/grower must be involved in commercial banana/plantain production
g) The Fund will provide materials for eligible participants from the Unallocated portion of the Fund.

5.3.2 Procedures for Accessing the Fund

a) In order to access the Fund, eligible growers must present demonstrable proof of action to carry out replanting or rehabilitation.
b) A Technical Officer's report, stating the status of the rehabilitation of banana on the applicant's farm will be commissioned by the Committee. The release from the Fund will normally be for assistance in the acquisition of material.
c) The Committee may decide to release the Fund in tranches, (under a supervised payment schedule) or in re-imbursement. In any event, there will be a requirement for follow-up to monitor the use of the Fund.
d) The Oversight Committee will determine the time for the release of the funds.
e) The assigned Senior Technical Officer will vet all applications and recommend the acceptance or rejection of each application.
f) Payment for materials previously agreed by the BCFOC should be on the basis of certified pro-forma invoice or receipts from reputable suppliers of agricultural inputs (where reimbursement is applicable). The Banana Board may choose to do material acquisition and distribution.
1.0 Background

1.1 Establishment of the Banana Catastrophe Fund
Within the framework of the European Union Banana Support Programme (EUBSP) which started in 1996, the SFA 2003 Financing Agreement between the European Union and the Government of Jamaica was signed. The aim of this agreement is to produce a banana industry in Jamaica that comprises an efficient and productive core industry which is improved and coordinated for domestic and export supply of fruits. These efforts are part of a Banana Improvement Programme (BIP) under which a Grant Contract to establish a Banana Catastrophe Fund (BFC) was signed between the Authorising Authority and the Banana Board (BB) in December 2006. The overall objective of the Grant Contract was to maintain living standards of farmers in the traditional banana growing areas of Jamaica in the short-term and to improve them in the long-term. The more specific objective is to improve the resilience of Jamaican banana industry to serious damage caused by climatic and/or other catastrophes. The Catastrophe Fund was established with four activities:

a. The opening of a bank account
b. The establishment of an Oversight Committee
c. Consultations with the target group and the wider beneficiaries

1.2 Overview of the Banana Sub-sector
Banana and plantain continues to be economically important. Currently there are some 800 registered commercial growers but the Statistical Institute of Jamaica (2009) reports that there are 102,802 growers of banana and 59,262 growers of plantain island-wide. Jamaica produce bananas commercially for over 140 years and exported up to 2008. Export production in 1996 reached 87,433 tons but fell to approximately 37,000 tons in 2008. Exports ceased following a series of devastation by hurricanes; Ivan in 2004, Denis and Emily in 2005, Dean in 2007 and tropical storm Gustav in 2008. During that 5-year period, only in 2006 was it possible to ship 32,428 tons in that year.

Financial Reporting Obligations
The BCFOC will commission the compilation of an annual report to be presented to the Banana Board. This report should be prepared within six (6) months of the end of the financial year and annually thereafter. The operational or financial year will correspond to the Banana Board's financial year, January - December.

A Catastrophe in the Banana/Plantain Sub-sector

5.1 What Constitutes A Catastrophe?
In a general sense, a catastrophe is a great and sudden calamitous event or series of events, which bring sudden and violent changes or disaster to a wide area or large number of people. In the case of bananas, this is most likely to result from local cyclonic winds or hurricane force winds; flooding caused by heavy and continuous rainfall and in special circumstances new pest and disease outbreaks and drought. These would normally affect Jamaica as a whole, or a specific region of Jamaica. The BCFOC will declare the occurrence of a catastrophe. Damage must be at or exceed 50% of the registered cultivation.

5.2 Catastrophe Budget
Once a Catastrophe Declaration is made the following activities will be placed in high gear. The assigned Senior Technical Officer will then utilize preliminary information from the field to put together a detailed Catastrophe Budget for presentation to the Oversight Committee. This budget will be prepared and presented for approval of the CFOC as early as is practical. A detailed logistics of procedures and information flow will be appended to the budget. The Catastrophe Budget will indicate the required recovery cost.
Banana continues to be the most common domestic crop grown in Jamaica, with 44% of all growers growing bananas mainly with other crops. By its indeterminate nature bananas and plantains are considered the life line of small growers as they provide a stable and continuous cash-flow throughout the year. The domestic industry was conservatively estimated at approximately J$2 billion in 2009.

The removal of this economic base, therefore, is strongly linked to the existing incidence and prevalence of poverty in the traditional banana producing communities. The government’s strategic response to this issue has been largely one of promoting vertical diversification of the industry in the affected communities. This policy is strongly supported by the European Union through a series of banana support initiatives and agricultural diversification projects started in the 1990s. However, much more needs to be done to restore the level of economic activities, at least to the pre-1980s level in the main banana growing areas.

2.0 The Operations Manual

The first edition of the Catastrophe Fund Operations Manual was prepared using a combination of primary and secondary research techniques. The first revision of the manual by the Oversight Committee was carried out in 2001 in consultation with growers.

2.1 The Primary Research

A process of intensive consultations and discussions with the primary target group (banana farmers) using the Participatory Rapid Appraisal (PRA) technique constituted the main method of primary research. The use of the PRA technique in the preparation of the manual allowed us to get practical information over a relatively short period of time on a wide range of issues that may affect the management and operations of the Catastrophe Fund. Participatory planning is a technique that allows for the improvement of plans and increasing the chances for successful implementation of those plans. The technique allowed the facilitator to listen and learn from the target group, to determine their needs and to ascertain how the Catastrophe Fund can help them. The consultations were conducted using a purposive sample of farmers drawn from the main banana producing areas in six parishes: Portland, St. Mary, St. Thomas, St. Catherine, Clarendon and St. James. Approximately 360 farmers representing some 15 districts over the six parishes participated in the study. This aspect of the research also included one to one discussions and consultations with key individuals in the banana industry to obtain their views, perceptions and attitude towards the management and operations of the Catastrophe Fund.
2.2 The Secondary Research
The secondary research comprised a comprehensive review of relevant documents, including, project socio-economic baseline and evaluation studies, agricultural census, annual production and trade statistics, agricultural sector plans, economic and social surveys, relevant laws, including the Banana Board Act and the Banana Insurance Law, 1946; relevant manuals among other documents. Additionally, Internet searches were conducted with a view to obtain information on the existence, characteristics and features of other Catastrophe Funds elsewhere.

3.0 The Catastrophe Grant Fund

3.1 Purpose of the Fund
The Catastrophe Fund provides assistance to commercial producers for the domestic banana/plantain market. The Fund enhances the recovery and sustenance of the Jamaican banana industry as well as the economic and social survival of those whose welfare are predicated by the presence of a viable banana industry. The successful implementation of the Fund for the recovery benefits of commercial banana producers is the most important objective.

3.2 Size of the Fund
The Fund was established in 2007 with two parts:

a) Un-allocated - which represents grant funds to be set up at approximately Thirty-One Million Jamaican Dollars (J$31,000,000) being the start-up financing of the equivalent of 322,143 Euros donated by the European Union together with the additional amount resulting from the charge of 12% of the value of material assistance to the growers.

b) Allocated – In 2007 it was a non-refundable registration fee by targeted beneficiaries being J$5,000 per hectare in the first year and an annual re-registration fee of J$2,500 per ha. Henceforth, however, the fees will be determined by the Banana Catastrophe Fund Oversight Committee (BCFOC). Both components will be treated as a single fund with interest and/or investment income credited annually on a pro-rata basis to the respective components of the Fund. As at February 2010, the estimated area under commercial banana and plantain cultivation in the main banana producing areas was estimated at just over 7,000 hectares.

4.7 Decisions of the BCFOC
Decisions of the committee will be by simple majority vote of appointed members. The Chairman has the original and casting vote in the case of a voting deadlock.

4.8 Support Staff to BCFOC

Secretary to the Committee:
- A senior secretary on the staff of the Banana Board will be assigned to be the secretary to the BCFOC and will provide a thorough service of secretarial services, human resource and communication to the committee.
- The assignment will be minuted.
- The secretary will notify committee members of meeting dates and provide them with such minutes, notes, follow-ups and documentations to facilitate the efficient conduct of the meetings' agenda.
- The secretary will convey decisions of the committee to such persons, organizations, ministries, institutions, beneficiaries and the public, as dictated by the committee.
- In addition, the secretary will establish and maintain a dynamic update of a Catastrophe Fund Registry of Banana Farmers / Farms approved as potential beneficiaries under the Fund. The secretary will provide such communication to registered beneficiaries as the BCFOC may approve from time to time.

Senior Technical Officer:
The Banana Board will provide a Senior Technical Officer (Director of Research and Development or other nominee) to attend Fund Committee meetings as requested by the Committee Chairman. This officer will provide technical information, conduct and reports on such investigation as the committee may request in conducting its business. The Senior Technical Officer will coordinate applications for registration and assistance under the Fund and present these to the committee for approval. The Senior Technical Officer will provide the committee with a general overview of the industry at the request of the committee. The technical personnel of the Banana Board will provide the human resources to support the Senior Technical Officer. Temporary staff may also be recruited in time of disaster to supplement the existing staff.
4.0  The Management and Operations of the Fund

A Banana Catastrophe Fund Oversight Committee (BCFOC) is appointed to provide overarching policy and technical direction to the Catastrophe Fund.

4.1  Guiding Principles

This Operations Manual in its original form must not be changed by the Banana Catastrophe Fund Oversight Committee (BCFOC) without full consultation with the Beneficiaries, Banana Board and the PIOJ.

- The Banana Catastrophe Fund is available to all commercial banana and plantain producers and no single group of producers have greater advantage or priority to the assistance or access to the fund. However, for producers to benefit they must voluntarily register with the Fund. The conditions for acceptance and registration apply equally to all commercial banana and plantain farmers.

§ At the time of a catastrophe, only fully paid up participants will be eligible for assistance.

§ The Fund is intended to be a long term arrangement (in perpetuity) for the assistance to banana farmers, hence, it must be allowed to grow in value over time without neglecting the needs of the banana farmer in times of serious dislocations.

§ The guidelines (Manual) are for the long term development and utilization of the Fund.

§ Banana fields, which are recently established or re-established, but over six months old will benefit from the Fund.

§ There will not be any discrimination against commercial banana growers on the basis of gender, social standing, and association related to politic, civic groups or religion.

§ Participants will make Annual Returns (reports) on banana production and sales for both export and local consumption. The report is a precondition for registration. Information on individuals and data supplied will be treated with the strictest confidence.

§ References to bananas include plantains where grown separately.
4.2 Farmer Registration

- All banana farmers are required to pay a registration fee. This fee will be determined from time to time by the Oversight Committee. There will be a 10% discount on full payment at registration. Growers may, however, make arrangements for payments in two instalments in which case the 10% discount will not apply. Failure to pay in full before June 1 will result in automatic de-registration. Registration opens January of each year until May 31 of the same year.

- The farm/farmer must be registered with the Fund's Secretariat annually, by the 31st of January of each year, starting 2008. This includes the filing of Banana Production Returns for the previous 12 months (January to December). This may be done on the reverse side of the registration form.

- The Oversight Committee will review the registration fee annually and make changes where necessary.

- The entire production must be registered. Global Position System (GPS) co-ordinates will delineate fields in production and will form the basis for total registration fee.

- For registration and re-registration on an annual basis, all farmers must submit production and sale quantities for the previous year.

- Farmers with cultivations above 2 hectares may have separate registration for fields in separate locations, but must submit separate annual returns and maintain separate records.

- Farmers must apply for registration using approved application forms.

4.3 Terms of Reference and Operations of Banana Catastrophe Fund Committee

- The Committee comprises representatives from the Banana Board, the Ministry of Agriculture and Fisheries (MoAF), the All Island Banana Growers Association (AIBGA) and any other banana grower representative. The Committee is made up of 9 members with composition as follows:
  - Banana Board - three (3) representatives
  - AIBGA Ltd. - two (2) representatives
  - MoAF - one (1) representative
  - Farmers - two (2) representatives

This Committee will be chaired by the Chairman of the Banana Board.

- The tenure of the BCFOC will be for a period of three years and renewed thereafter. However, should the Minister of Agriculture and Fisheries revoke or terminate the appointment of the Chairman of the Banana Board, consequently those members of the Committee appointed by the Chairman will also be similarly revoked.

- The Appointed members of the committee may resign from the committee by writing to the Chairman of BCFOC.

- The constituted BCFOC will have the option of co-opting specialist non-voting members to the Committee as the situation may arise.

- Co-opted members may resign by way of a letter to the Chairman of the BCFOC.

- The BCFOC will meet quarterly or as frequently as the situation may demand.

- The Chairman or any appointed member of the committee may request a special or an emergency meeting of the committee after consultation with two or more of the appointed committee members. The Agenda for each meeting shall be communicated to the members in advance.

- The committee meeting will be considered properly constituted with a quorum of not less than five (5) appointed members.

- In the absence of the appointed Chairman, the Committee members present will nominate one of its members to act as Chairman of that particular meeting. Decisions taken at such meeting will be considered binding if a quorum is present. Appointed committee members who were absent should be immediately advised of such decisions.