

# The Food Aid Convention

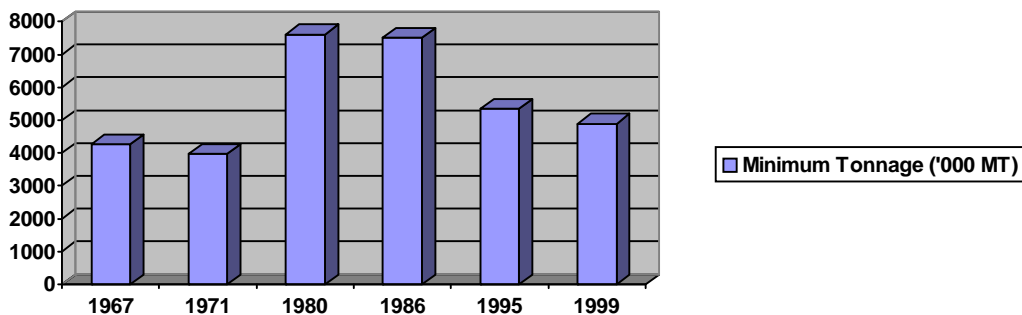
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## A Primer for Supporters of the Foodgrains Bank – September 2009

### What is It, Why is it Important?

The Food Aid Convention (FAC) is an agreement between the European Union and seven other rich mostly-agricultural exporting nations to provide a predictable amount of food aid each year. It was first created in 1967 at the time of the Kennedy Round of trade rules. At that time other agricultural exporting countries were worried about the US using its food aid to promote its own agricultural exports.

The amount of food guaranteed has varied considerably over the years as the Convention has been renegotiated.



This is the only international treaty that demonstrates a practical collective response based on a shared responsibility. All other foreign aid is discretionary. Importantly, this commitment is specified in an amount of food, regardless of the price, which is key to responding to hunger. The current Convention promises just under 5 million tonnes of food per year. Canada provides 8.5% of this total (425,000 tonnes/yr) which makes Canada the most generous FAC member on a per capita basis.

### What Good has it Done?

Over the years this largely unknown treaty has provided a 'floor level' of food aid which has been important to organizations like the United Nations World Food Program. Although there is no court for those countries that don't deliver on their promises, the Canadian Foodgrains Bank has been able to successfully apply pressure to the Canadian government when it failed to meet its Convention commitments in the earlier years of this decade. Canada now meets its commitments each year and has 'paid back' its unmet commitments from earlier years.

## **What's Wrong with It?**

The greatest weakness of the current convention, which was signed over a decade ago (1999), is that the system for counting how much food has been provided is out of date. Important contributions such as the provision of micro-nutrients (vitamins, iodine, iron, etc) are restricted in their amounts and form (must be combined with other foods, not provided on their own). All contributions are expressed in 'wheat equivalents' which requires very complex ways of counting other important foods (e.g. cooking oil, vegetable proteins like beans). At present, cash contributions to assist other countries' food aid activities are not counted which discourages donor countries like Canada from assisting one developing country to provide food to another developing country.

The second major weakness is that the Convention makes no effort in practice to ensure that the food aid provided is effective. Some kinds of food aid which are known to be of little direct benefit or actually do damage are still permitted. Only the donors are part of the Convention and therefore outside parties like the Foodgrains Bank have no possibility to contribute our experience or learn from the experience of others.

## **How Can It be Fixed?**

The Food Aid Convention is due for renegotiation, perhaps as soon as 2010, and Canada is set to take a leadership role in these negotiations. Canada is currently Vice-Chair of the Food Aid Committee of the FAC and next year will be the Chair. The current members of the Convention and many interested organizations are in agreement that it should become a 'Food Assistance Convention' which will allow both direct transfers of food and other newer practices such as food vouchers or even small cash transfers to be counted. There is interest in finding ways to include the voices of recipients, both national governments and local civil society organizations and food related organizations in the work of the Convention.

## **When Can This Happen?**

There are some indications that negotiations for a new treaty may start as soon as early 2010. The European Union is pushing for full renegotiation as soon as possible but doesn't want to agree on a final new convention until the stalled trade deal at the World Trade Organization is completed. The US is interested in reforming the Convention but obtaining passage through both the Senate and the House of Representatives will be complex. Canada is ready to renegotiate in 2010 but has not yet finalized exactly what it is looking for in a new treaty.

## What Role for the Canadian Foodgrains Bank?

The Foodgrains Bank is a highly trusted advisor to the Canadian government negotiators. Eventually, there will need to be political support for any new convention and Foodgrains Bank supporters may play an important role in ensuring that support.

The Foodgrains Bank has already begun encouraging the Canadian government to consider several important changes to the Convention.

1. **A More Flexible Counting System** – donors should be encouraged to provide a wider range of food-related transfers to hungry people – such as vouchers which can be redeemed for food from local merchants, cash which can be used to buy food from local markets and micro-nutrient supplements for use in nutrition programs. Food aid which is not given directly to hungry people (e.g. sold on the market to fund other activities) should not be counted. We are also suggesting that the counting system be based on ‘people fed’ rather than tonnes of wheat.
2. **Stronger Incentives for Effective Food Assistance** – getting food to the right people at the right time is essential to good food aid. There are no incentives in the current convention. We think that food which is distributed within 60 days of an announced need should receive a ‘counting bonus’. As part of the operation of the Convention, we are urging that every two years a sample of food aid activities should be reviewed to see if, in the end, the food reached the people who needed it most.
3. **Better Integration with Long Term Hunger Solutions** – although food assistance remains an important way to assist in emergencies, the Foodgrains Bank also supports using food in ‘safety net’ programs – programs that guarantee to provide food to people in situations such as seasonal food shortages. These programs are an important way to support long term solutions to hunger such as agricultural development and employment creation activities.

The Foodgrains Bank is also a founding member of a coalition of almost all the major non-governmental organizations which provide food aid (e.g. Save the Children, CARE, Oxfam, etc.). This coalition, called TAFAD (the Trans-Atlantic Food Assistance Dialogue), has developed detailed proposals for the reform of the Convention. Coalition members have been promoting these proposals with their own governments who are members of the Convention.

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***For more information contact your Foodgrains Bank Regional Coordinator or Stu Clark at the Foodgrains Bank main office at 1-800-665-0377.***