



GLOBAL: Calls to reform Food Aid Convention



Photo: Reinnier Kazé/IRIN
Food aid mechanism needs an overhaul

JOHANNESBURG, 26 January 2009 (IRIN) - Calls for reforming a treaty that makes donor countries commit to providing food aid in cash as well as in kind were reiterated as a [high-level two-day meeting](#) to discuss the global food crisis began in the Spanish capital, Madrid.

The treaty, the Food Aid Convention (FAC), first signed in 1967, does not ensure that aid will get to the neediest countries, or that it will be of the right kind, or that it will be made available at the right time, said Frederic Mousseau, policy advisor at the development agency, Oxfam Great Britain, which called for reforms to the treaty on Monday.

The FAC was set up to fight hunger, but poor countries and aid agencies are struggling to respond to the current food price crisis. In 2008, when food prices peaked to record levels, the World Food Programme (WFP) had to increase its beneficiaries to about 100 million a year.

The Convention operates under the auspices of the International Grains Council (IGC), a trade promotion body, and is "managed by a club of exporters serving the commercial

concerns of cereal-exporting countries, rather than fighting hunger in poor countries," Mousseau alleged.

Oxfam said the FAC should be taken from the Council and administered by the WFP, the Food and Agriculture Organisation and the International Fund for Agricultural Development, all UN bodies.

This suggestion was among others made by Oxfam in a briefing paper, [A Billion Hungry People](#), which urged governments and aid agencies to find lasting solutions to the global food crisis.

The FAC commits donors to providing five million metric tonnes of food per year, but "This figure was last revised in 1999," Mousseau pointed out.

An "anachronism"

Christopher Barrett, a leading food aid expert who teaches development economics at Cornell University, New York, warned that as long as the FAC "remains an anachronism, global food aid will be severely compromised as an effective instrument for responding to emergencies characterised by acute food insecurity."

He maintained that the Convention functioned more as an instrument of grain surplus disposal and global cereals trade rather than as a tool in the struggle to achieve world food security, the FAC's stated objective.

Barrett noted some of the problems with the FAC in a paper he co-wrote with John Hoddinott, a senior research fellow at the International Food Policy Research Institute, for instance that in terms of the FAC, when donors are unable to fulfil their commitments in a year, these are carried over, without penalty, to the following year.

The FAC also uses price values to determine commitments, which "undercuts the value of the convention as a guarantee of a fixed quantity of food", Barrett and Hoddinott noted. This meant the FAC had an in-built bias to "make food aid counter-cyclical with respect to prices", so that as prices increased, food aid volumes would shrink.

It also then became "cheaper to delay purchases until after harvest time and thus less costly to meet FAC commitments, even though beneficiaries would have been much better off if deliveries had been made earlier".

"Incentives to mis-time deliveries run counter to the FAC's core stated objectives, since access to food – one of the three pillars of food security – is compromised when food prices are high," they said.

The FAC also took transport costs into account, which often acted as a disincentive to sending food aid to remote countries, and imposed restrictions on the amount of micronutrients, like vitamins and minerals, to be included in the food aid.

Mousseau said the underlying problem was that food aid remained tied to the World Trade Organisation (WTO) Agreement on Agriculture. "We need to separate the two."

“[FAC] is managed by a club of exporters serving the commercial concerns of cereal-exporting countries, rather than fighting hunger in poor countries”

Barrett and another leading food aid expert, Daniel Maxwell, associate professor at the Friedman School of Nutrition Science and Policy at the Boston-based Tufts University, suggested a Global Food Aid Compact (GFAC) to replace the FAC. "The GFAC would encompass all stakeholders in food aid, not just the major donors, as is the case with the present FAC," he told IRIN.

"It would couple monitoring with enforcement, through a link with the WTO Agreement on Agriculture and the WTO's Dispute Resolution Mechanism. Importantly, it would incorporate explicit codes of conduct for all parties: donor countries, recipient countries and operational."

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