



## **FAC ACTIVITIES IN 2009/10**

### **Contents**

	page
<b>HIGHLIGHTS OF FAC ACTIVITIES IN 2009/10</b> .....	2
<b>FOOD AID COMMITTEE</b> .....	3
<b>Membership and meetings</b> .....	3
<b>Developments in 2009/10</b> .....	4
Food situation in developing countries.....	4
Operations in 2009/10.....	4
Food aid policy developments .....	4
<b>Food Aid Convention</b> .....	5
Future action.....	5
Extension of the Food Aid Convention.....	6
<b>Administrative and other matters</b> .....	6
FAC, 1999: Member actions .....	6
Chair and Vice-Chair for 2010/11 .....	6
<b>APPENDICES</b>	
1. Food Aid Convention: Annual operations:2004/05 – 2009/10 .....	7

### **Notes**

- *All figures in tons refer to metric tons.*
- *“m.” stands for “million”.*

## HIGHLIGHTS OF FAC ACTIVITIES IN 2009/10

### Food Aid Committee

- Members intensify and accelerate preparatory work for a new Convention which would more effectively provide appropriate food assistance to those with identified needs\*
- Committee notes that while international prices of staple foods had fallen from their 2007/08 peaks, they were still volatile and local market prices remained high in some developing countries, especially in sub-Saharan Africa.
- Members inform Committee of their responses to current food emergencies, notably in Ethiopia, Sudan, the Sahel region and Haiti.
- At a time of tight budgetary conditions, donors concentrate their resources on the greatest emergencies and the most immediate life-saving interventions.
- Discussion of recent international food security initiatives include G-8 meetings and “Dublin Dialogue”.
- FAC food aid operations in 2009/10 amounted to 7.0m. tons, well above members’ combined minimum commitments, but down from the previous year’s 7.8m.

---

\*At the Committee’s 103<sup>rd</sup> Session, on 14 December 2010, members agreed to begin the formal process to renegotiate the Food Aid Convention, 1999

## FOOD AID COMMITTEE

### Membership and meetings

#### Chair in 2009/10

Ms Sharon Murphy  
(Deputy Head of Economic and Planning Division  
Department of Agriculture, Fisheries and Food, Ireland)

#### Membership

Argentina	Japan
Australia	Norway
Canada	Switzerland
European Union and its twenty-seven member States	United States of America

The Food Aid Committee administers the Food Aid Convention, 1999 (FAC)\*, the latest in an evolving series of legal instruments which, since 1968, have provided for continuous intergovernmental cooperation in food aid matters. The present Convention's basic objective is to contribute to world food security and improve the ability of the international community to respond to emergency food situations and other food needs of developing countries, in particular by making appropriate levels of food aid available on a predictable basis. FAC members each pledge to provide specified minimum annual amounts of grains and other eligible products to vulnerable populations in developing countries which need food aid. Donors are encouraged to improve the effectiveness and quality of their assistance in support of food security, particularly for the most vulnerable groups, and to improve member co-ordination in the supply of food aid. Much of the aid under the FAC is channelled multilaterally, particularly through the World Food Programme (WFP) and, increasingly, donors' operations involve their purchasing food from developing countries or on local markets in the recipient countries themselves.

The Food Aid Committee held two sessions in 2009/10, both of them in London. The 101st Session was on 9 December 2009 and the 102nd Session was on 4 June 2010. The meetings were attended by representatives of donor members and by observers from international organisations concerned with food aid. Representatives of four non-member governments (India, the Republic of Korea, South Africa and the Russian Federation) also attended as observers. In recent years Committee members have been considering changes to the operation of the current FAC and its Rules of Procedure that would improve the Convention's effectiveness, pending its eventual renegotiation. These discussions intensified in 2009/10 with informal meetings prior to each session of the Committee and also in February 2010, and the establishment of a Working Group on the future of the Convention which met in April 2010<sup>1</sup>.

---

\*As constituent parts of the International Grains Agreement, 1995, the Food Aid Convention, 1999 and the Grains Trade Convention, 1995 (administered by the International Grains Council - IGC) are institutionally linked. The IGC Secretariat provides administrative services for the Food Aid Committee.

<sup>1</sup>See the section of this report headed "Food Aid Convention - future action"

## Developments in 2009/10

### Food situation in developing countries

The Committee reviewed the food situation in developing countries in the light of reports by the IGC Secretariat on the latest developments in grains and oilseeds. Unexpectedly large harvests in 2009, especially of wheat, had improved the balance between supply and demand. While export prices for wheat, coarse grains and, to a lesser extent rice, had fallen from the peaks reached in 2007, local market prices of key food staples remained high in several developing countries, notably in Western Africa's drought-affected Sahel region. World grain and oilseed markets also continued to be volatile. The Secretariat's medium-term baseline projections suggested that total wheat and coarse grain supplies, especially those of maize, would tighten in the period to 2015 and that rice supply and demand would remain roughly in balance.

Members informed the Committee of their responses to current food emergencies. At a time of tight budgetary conditions, major donors were concentrating their resources on the greatest emergencies and the most immediate life-saving interventions. East Africa was a particular priority, with extreme food insecurity in parts of Ethiopia, Somalia and Sudan: conditions were also very difficult in the Sahel region, especially in Niger and Chad. The observer from the FAO also drew attention to the chronic food insecurity affecting North Korea. The observer from the WFP pointed out at the June 2010 Session that the nature of global food aid had changed dramatically over the past ten years. While the amount supplied had continued to decline in 2009, all was now in grant form, 92% was directly distributed to beneficiaries and 70% of it went through multilateral channels. Emergency food aid now accounted for 76% of global flows. The WFP calculated that global food aid flows in 2009 were able to meet potentially the calorie requirements of 25.9m. people and the protein requirements of 32.6m. people.

### Operations in 2009/10

According to preliminary data for the year to June 2010, FAC members provided 7.0m. tons\* of food, down from 7.9m. in the previous year, but in excess of combined total annual FAC commitments of some 5m. tons. Operations in Africa amounted to 4.4m. tons, accounting for 63% of the total. This was 0.7m. tons less than in 2008/09, when donors had been faced with particularly severe food emergencies in Zimbabwe, Somalia, the Democratic Republic of Congo and some other countries. This was only partly offset by substantially increased contributions to the region's biggest single recipient, Ethiopia. Nearly two-thirds of the food donated consisted of cereals and cereals products. The Appendix shows total operations by each member in recent years.

### Food aid policy developments

The Committee noted recent international initiatives on food security including, in particular, the joint statements on global food security by G-8 leaders at their summit meeting at L'Aquila (Italy) in July 2009, and the meeting of G-8 Development Ministers in Halifax (Canada) in April 2010 which had focused on strengthening the accountability and effectiveness of development assistance. At the June 2010 session the Chair referred to the "Dublin dialogue" with civil society in May 2010<sup>2</sup>, which had included a fruitful discussion on food assistance. The observer of the World Trade Organisation updated the Committee on progress in the Doha Round of multilateral trade negotiations, which included prospective disciplines on international food aid.

---

\* Wheat equivalent

<sup>2</sup> Dialogue with civil society arranged by the Irish Government on the "Comprehensive Framework for Action of the UN High Level Task Force for the Global Food Security Crisis"

Representatives of members informed the Committee of relevant developments in their governments' policies. The Government of Australia had entered into a four-year Aus \$180m. Strategic Partnership Agreement with the WFP, including Aus\$ 40m. earmarked for the WFP's School Feeding Programme. Food security was a foreign policy priority for Canada, and its new food security strategy balanced short-term and long-term responses to developing country needs. The Council of Ministers of the European Union had adopted a new food assistance policy in June 2010, which took a holistic view of food needs and assistance that went beyond dealing with emergencies. The United States was engaging in large-scale investments in a number of partner countries as a way of accelerating progress towards the Millennium Development Goal of sustainably reducing hunger and poverty.

## Food Aid Convention

### Future action

In 2008 the Food Aid Committee instituted a series of informal meetings between members to consider the replacement of the Food Aid Convention, 1999 (FAC) by an up-to-date instrument that would more effectively provide appropriate food aid to those with identified needs. While some members considered that formal negotiations should await conclusion of the WTO Doha Round of trade negotiations, which included disciplines applicable to food aid transactions, there was a consensus that enough progress had been made in the WTO for FAC members to begin intensive work on the possible elements of a new FAC.

A questionnaire was circulated to members in June 2009 to gain a better understanding of their views on the strengths and weaknesses of the current Convention and the desired aims of a new one. Responses were reviewed at an informal meeting on 7-8 December 2009. Four points, in particular, emerged as requiring further clarification: the vision and objectives of a new Convention; its place in the global food security system; the type of commitments donors should undertake, and the role of the Committee. The Committee, meeting the following day, agreed that the informal discussions had been extremely fruitful, and that the process should be accelerated in the months prior to the next session in June 2010, when the further extension of the 1999 FAC was to be decided. Another informal meeting was therefore convened on 15-16 February 2010 to discuss the four points and to consider how to maintain the momentum of the discussions. Under written procedures, the Food Aid Committee agreed to this meeting's proposal to set up a Working Group on the future of the Food Aid Convention, which was to report to members before the June session.

The Working Group commenced its work on 15 March 2010, initially through an electronic exchange of views, and then met in London on 15-16 April 2010. Its report to the Committee on 22 April set out a shared vision on the objectives and principles of a new Food Aid Convention, members' commitments, the role of the Food Aid Committee and the next steps. At their informal consultations on 2-3 June 2010 members endorsed the Working Group's report and agreed that more discussion was required on some key questions. The Committee therefore agreed, when it met on 4 June, that further informal discussions should be held prior to the next session in December 2010<sup>3</sup>. Their aim would be to further develop and crystallise aspects of the consensus and obtain a clear future vision. Some members of the Committee indicated that they were now ready to begin the formal process of negotiation, but other members were not yet in that position<sup>4</sup>.

---

<sup>3</sup> They took place in September 2010 in Ottawa,

<sup>4</sup> At the Committee's 103<sup>rd</sup> Session, on 14 December 2010, members agreed to begin the formal process to renegotiate the Food Aid Convention, 1999

## **Extension of the Food Aid Convention**

In the light of the progress made in the discussions of future action, the Committee agreed, at its June 2010 session, that the Food Aid Convention, 1999, which had been due to expire on 30 June 2010, should be extended for one further year, to 30 June 2011.

## **Administrative and other matters**

### **FAC, 1999: member actions**

By 30 June 2010 twenty-five of the thirty-five members of the Food Aid Committee had completed their formal procedures of ratification or accession to the FAC, 1999: the situation was unchanged from a year earlier. At its June 2010 session the Committee granted the other ten members extensions of time to 30 June 2011 in which to deposit their instruments.

### **Chair and Vice-Chair for 2010/11**

At its June 2010 session the Committee appointed Ms Leslie Norton (Director General, International Humanitarian Assistance Directorate, CIDA, Canada) to chair the Committee in 2010/11. The Committee agreed to defer the appointment of the Vice-Chair for 2010/11 until the following session.

-----

**APPENDIX 1**

**Food Aid Convention**

**Annual shipments: 2004/05-2009/10\***  
**(July/June years)**

metric tons: wheat equivalent

DONOR	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
ARGENTINA	-	-	-	-	-	-
AUSTRALIA	168,083	180,667	114,530	216,726	163,857	165,081
CANADA a)	437,341	448,534	474,438	520,903	551,475	524,148
EUROPEAN UNION c)	2,151,958	2,853,063	2,488,053	2,178,310	2,263,456	1,691,765
JAPAN a)	578,261	354,289	318,964	428,301	556,078	776,228
NORWAY a)	145,586	196,034	179,408	102,955	89,382	62,774
SWITZERLAND	71,854	61,608	71,051	69,872	59,368	47,861
UNITED STATES	5,363,186	4,830,710	3,869,162	3,630,343	4,256,834	3,745,514
<b>TOTAL b)</b>	<b>8,916,269</b>	<b>8,924,904</b>	<b>7,515,606</b>	<b>7,147,410</b>	<b>7,940,450</b>	<b>7,013,371</b>

\* These figures refer to the wheat equivalent of actual operations completed during the years shown, including EC value commitments (as estimated by the IGC Secretariat). They are not adjusted for product limits under Article IV of the Food Aid Convention 1999 and do not necessarily represent the performance of members in relation to their annual commitments, which are as follows (in tons):

Argentina: 35,000  
Australia: 150,000  
Canada: 420,000  
EU: 1,320,000 tons (tonnage commitment) and €130,000,000 (value commitment)  
Japan: 300,000  
Norway: 30,000  
Switzerland: 40,000  
USA: 2,500,000

- a) Wheat equivalent of cash contributions as calculated on the basis of the "prevailing international market price". These figures therefore do not correspond to quantities actually shipped.
- b) Includes contributions under IEFRA - Immediate Response Account (IRA), as reported by WFP.
- c) EU and member States. For the purpose of this table, includes the wheat equivalent of FAC "value" contributions.