Food Assistance Convention (2012)

2012/0183(NLE) - 06/07/2012

PURPOSE: to conclude the Food Assistance Convention on behalf of the European Union.

PROPOSED ACT: Council Decision.

BACKGROUND: the Food Aid Convention (FAC 1999) is a multilateral agreement which came originally into effect in the 1960s as an instrument for a coordinated and acceptable disposal of agricultural surpluses from developed countries to developing countries in need. The FAC 1999 was initially to remain in force until 30 June 2002 and has been extended five times, with the latest extension running until 30 June 2012.

On 14 December 2010, the Parties to the FAC 1999 - the USA, Canada, Japan, Switzerland, Australia and the EU - agreed to negotiate a new convention that would aim at providing **appropriate and effective food assistance to vulnerable populations**, based on identified needs.

On the basis of the recommendation submitted by the Commission to the Council, the Council authorised the Commission to open negotiations for a new Food Assistance Convention.

On 25 April 2012 the negotiations were successfully completed.

The Commission presented a proposal for a Council Decision on the signing of the Food Assistance Convention, on behalf of the European Union, subject to conclusion of the Convention at a later date.

The agreement should now be approved on behalf of the European Union.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASIS: Article 214(4) in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union.

CONTENT: this Decision approves a new Food Assistance Convention on behalf of the Union.

Objectives: the objectives of the 2012 Convention are **to save lives, reduce hunger, improve food security, and improve the nutritional status of the most vulnerable populations** by:

- addressing the food and nutritional needs of the most vulnerable populations through commitments made by the Parties to provide food assistance that improves access to, and consumption of, adequate, safe and nutritious food;

- ensuring that food assistance provided to the most vulnerable populations is appropriate, timely, effective, efficient, and based on needs and shared principles; and

- facilitating information-sharing, cooperation, and coordination, and providing a forum for discussion in order to improve the effective, efficient, and coherent use of the Parties' resources to respond to needs.

Nature of the Food Assistance Convention (FAC 2012): the Convention reflects a modernised approach to food assistance. It aims at responding to food and nutrition needs of vulnerable populations in an

effective and efficient manner, **going beyond the mere provision of food aid,** in keeping with the EU's Humanitarian Food Assistance Policy). It aims to improve access to and consumption of adequate, safe and nutritious food on the basis of proper needs analysis, an approach based on (humanitarian) principles and full respect for WTO obligations.

Eligible countries: eligible countries are those on the OECD's Development Assistance Committee (DAC) list of Official Development Assistance Recipients, or any other country identified in the Rules of Procedure and Implementation. "Eligible Vulnerable Populations" means vulnerable populations in any eligible country.

Commitments by the Parties: the Convention will be implemented by means of annual commitments in kind or in cash to be made by the Parties. Each Party must agree to make an annual commitment of food assistance, expressed in terms of value or quantity, which should be made in fully grant form whenever possible.

The Parties shall ensure that the provision of food assistance is not tied directly or indirectly, formally or informally, explicitly or implicitly, to commercial exports of agricultural products or other goods and services to recipient countries.

The Parties' contributions may be provided bilaterally, through intergovernmental or other international organisations, or through other food assistance partners, but not through other Parties.

Extension of old Convention and entry into force of the 2012 Convention: the 2012 Convention will enter into force on 1 January 2013 if, by 30 November 2012, five Signatories have ratified the Convention. The Convention will be open for signature until 31 December 2012. It will also be open for signature and ratification by individual EU Member States, making commitments stemming directly from their respective budgets.

There is likely to be a time gap between the expiry date of the current FAC 1999 (30 June 2012) and the likely date of entry into force of the Food Assistance Convention (1 January 2013). The question of a possible further extension of the FAC 1999 will be formally addressed by the Food Aid Committee at its meeting in June 2012. A proposal from the Commission to the Council authorising the Commission, on behalf of the EU, not to support a further extension of the FAC 1999 is pending before the Council.

Annual reporting and information sharing: there are provisions stating that each Party shall provide an annual report detailing how it met its minimum annual commitment under the Convention. Each year, **a party has to report ex-post on the fulfilment of its annual commitment and the food assistance activities** undertaken or supported. The Convention's secretariat draws up a report on the basis of the individual reporting by parties, and this report is subsequently made public. The EU will undertake the reporting on the fulfilment of the EU minimum annual commitments and EU Member States will do a similar individual reporting on the fulfilment of their commitment.

Institutional matters: a Food Assistance Committee, consisting of all of the Parties to the Convention, will be established. The Committee shall make decisions by consensus, meaning that no Party formally opposes the proposed decision of the Committee on a matter under discussion at a formal session.

Miscellaneous provisions: the proposal contains customary provisions on dispute resolution between the Parties, the implementation of the Convention, the signature and ratification, acceptance, or approval of the Convention and its entry into force.

BUDGETARY IMPLICATIONS: based on the EU's budget, a conservative approach is envisaged for the European Union's minimum annual commitment, i.e. an amount of **EUR 200 million,** which corresponds to some 80% of average Humanitarian Food Aid Budget Line over the past few years EUR (1.6 billion).

The appropriations will come from the budget of DG ECHO (Heading 4, Food Aid). The financial statement also makes provision for EUR 33000 per annum for administrative expenditure.