

**JSCOT Public Hearing
Monday 17 June 2013**

Good afternoon, I am Jo Evans, First Assistant Secretary of the Trade and Market Access Division at the Department of Agriculture, Fisheries and Forestry (DAFF).

The objective of the *Food Assistance Convention* is to save lives, reduce hunger, improve food security and improve the nutritional status of the most vulnerable populations.

It commits acceding nations to general policies for the provision of food assistance and to the provision of a minimum amount of food aid to developing nations on an annual basis.

The *Food Assistance Convention 2012* is the latest iteration of the “Food Aid Convention”, which was first drafted in 1967 under the International Grains Agreement.

Australia has been a signatory to the various iterations of this Convention since 1968.

The most recent iteration before this one was the *Food Aid Convention 1999*, which expired on 30 June 2012.

The *Food Assistance Convention 2012* was adopted in London on 25 April 2012.

Australia signed the Convention on 21 December 2012 in New York.

The Convention had sufficient ratifications to enter into force on 1 January 2013.

Ratifying the new Convention would continue Australia’s commitment to global food security and to the provision of cost-effective food assistance.

The main difference between the new Convention and the 1999 version is a preference for aid to be given in grant form, rather than in-kind food aid.

The new Convention states that food assistance should be provided in fully grant form, whenever possible.

Upon ratifying the new Convention, Australia will have three months to declare a minimum annual food assistance commitment.

- Under the previous Convention our commitment was 150,000 Food Aid Convention equivalent tonnes per annum.
- Consultations are underway to confirm Australia’s new commitment, which AusAID will administer.

In relation to the trade impacts of food aid, the new Convention asks donors to:

- ensure that food assistance does not adversely affect local markets or commercial trade;
- increasingly provide untied cash-based food aid; and
- refrain from combining food aid directly or indirectly to commercial exports.

These elements of the Convention reflect Australia’s existing approach to food aid:

- Australian food commodities have not been directly provided as food assistance by the Australian aid program since December 2005.
 - Instead, Australia provides cash-based untied food assistance, in line with international best practice.
- Australian food assistance is provided in accordance with the principles of efficiency and effectiveness that underpin all aid program funding.

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- Cash-based untied food assistance is cost-effective.
- Australia has a longstanding concern that other countries have used in-kind food aid as a means to dump surplus agricultural production on international markets.
 - Using cash-based untied food assistance would alleviate our concern about this practice.

The new Convention is consistent with Australia's positions in the World Trade Organisation's Doha Round of negotiations.

- The new Convention aims to ensure that in-kind aid does not interfere with normal patterns of production and international commercial trade.
- It reflects our efforts to avoid food aid having an adverse impact on local agricultural production.

Australia's membership of the new Convention will not directly affect the states or territories.

Nevertheless, state and territory governments were informed of the negotiations through the Commonwealth-State Standing Committee on Treaties process in October 2011.

DFAT consulted separately with the National Farmers Federation.

No questions or issues were raised in these processes.

There are no new or additional budgetary or legal implications associated with ratifying the new Convention.

The Department of Agriculture, Fisheries and Forestry has had administrative responsibility for the Convention owing to its origins under the International Grains Agreement.

The Department of Foreign Affairs and Trade (DFAT) has the policy lead on trade issues reflected in the Convention.

- DFAT is represented here today by Ms Elizabeth Ward, Acting First Assistant Secretary of the Office of Trade Negotiations.

AusAID will be implementing the Convention requirements.

- AusAID is represented here today by Mr Alan March Acting First Assistant Director General Humanitarian and Stabilisation Division.

We are happy now to answer any questions along those lines of responsibility.