

**Committee on Agriculture  
Special Session**

**CAIRNS GROUP<sup>1</sup> PROPOSAL ON FOOD AID**

The following communication, dated 21 May 2007, is being circulated at the request of the Cairns Group.

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**POSSIBLE NEW ARTICLE 10.4 OF THE AGREEMENT ON AGRICULTURE  
INTERNATIONAL FOOD AID<sup>2</sup>**

1. Members reaffirm their commitment to maintain an adequate level of international food aid (hereinafter referred to as food aid<sup>3</sup>), to take account of the interests of food aid recipients and to ensure that the disciplines contained hereafter do not unintentionally impede the delivery of food aid provided to deal with emergency situations. Members shall ensure the elimination of commercial displacement.

**Section 1: General Provisions**

2. Members shall ensure that all food aid transactions are provided in conformity with the following provisions:

- (a) they are needs-driven;
- (b) they are provided in fully grant form;
- (c) they are not tied directly or indirectly to commercial exports of agricultural products or of other goods and services;
- (d) they are not linked to the market development objectives of donor Members; and
- (e) agricultural products provided as food aid shall not be commercially re-exported in any form. Non-commercial re-exportation is permissible only where, for logistical reasons and in order to expedite the provision of emergency food aid for another affected country in an emergency situation, this occurs as an integral part of a food aid transaction initiated by a relevant United Nations agency.

3. The provision of food aid shall take fully into account local market conditions of the same or substitute products. Members shall refrain from providing in-kind food aid in situations where this would create, or would risk to create an adverse effect on local or regional production of the same or substitute products. Members are encouraged to procure food aid from local or regional sources to the

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<sup>1</sup> Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Uruguay. Two members of the Group are continuing to consult on their positions.

<sup>2</sup> The Cairns Group is continuing to evaluate the potential role for regional inter-governmental organizations in these disciplines on food aid.

<sup>3</sup> Unless otherwise specified, the term food aid is used to refer to both in-kind and cash-based food aid donations.

extent possible, provided that the availability and prices of basic foodstuffs in these markets are not unduly compromised.

## **Section 2: Safe Box for Emergency Food Aid**

4. To ensure that there is no unintended impediment to the provision of food aid during an emergency situation<sup>[4]</sup>, food aid provided under such circumstances shall be exempt from the provisions of Section 3 provided that there has been:

- (a) a declaration of an emergency by the affected recipient country, or, the Secretary-General of the United Nations; and an assessment of need<sup>5</sup> undertaken by a relevant United Nations agency, including the World Food Programme and the United Nations Consolidated Appeals Process; the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies

or

- (b) an emergency appeal from a relevant United Nations agency, including the World Food Programme and the United Nations Consolidated Appeals Process; the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies

5. A notification of emergency food aid transactions to the WTO Committee on Agriculture will be required on an ex-post basis, by donor Members, every six months, in order to ensure transparency.

6. The provision of food aid in conformity with Section 2 (Safe Box) paragraph 4 may be provided for as long as necessary subject to an assessment of continued genuine need as a result of the initial onset of the emergency. The assessment of continued need shall be conducted by a relevant organisation or agency identified in paragraph 2.4.

## **Section 3: Disciplines for Food Aid in Non-emergency Situations**

7. In addition to the provisions of Section 1, food aid provided in situations other than defined in Section 2 shall be:

- (a) based on an assessment of need by a specialised multilateral inter-governmental organization, or specialized relevant United Nations agencies, including when working with their partners; and
- (b) targeted as food for consumption to an identified food insecure vulnerable population group, and provided to address specific nutritional requirements.

8. The monetisation of food aid shall be prohibited except where it is carried out by or at the direction of a specialised relevant United Nations agency and the recipient government, in a way that results in no, or at most minimal, commercial displacement and disruption to local production.

9. Food aid provided not in conformity with all of the provisions of this Agreement shall be considered to cause commercial displacement and therefore to circumvent Members' export subsidy commitments.

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<sup>4</sup> [For the purpose of this Article, an emergency situation is defined as per the definition established by the World Food Programme.]

<sup>5</sup> The assessment of need shall be completed no later than [x] months following the declaration.

10. Food aid donor Members shall be required to notify non-emergency food aid transactions to the WTO Committee on Agriculture. Notifications shall include information on the recipient, product(s), volume, total costs, the organisation which prepared the needs assessment on which the donation was made, and the specific food aid needs being met.

11. In addition to the notification requirements set out in paragraphs 5 and 10 above, food aid donor Members shall be required to submit a consolidated annual notification of emergency and non-emergency food aid transactions.

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