

The Wrap



GROWING CRISIS: Australian aid vital as countries face crop failures

Agriculture fund worth supporting

Committee told previous issues with international fund resolved.

Federal parliament's Treaties Committee has thrown its support behind Australia rejoining the United Nations International Fund for Agricultural Development (IFAD), which runs agricultural development programs to combat hunger and poverty.

The committee said organisations such as IFAD were likely to need Australia's support more than ever in years to come.

"With crop failures in the United States and Russia during the northern summer due to record high temperatures and drought, the price of food is already on the rise again," the committee said. "The fund has noted predictions that events of this sort will increase due to the influence of climate change."

Australia became a founding member of IFAD in 1977 but withdrew its support in 2004 amid concerns about the fund's effectiveness and relevance to national aid priorities. Australia was the only member to withdraw and is one of

only two countries in the G20 group, along with Russia, that are not members of the fund.

IFAD began a corporate reform program under new management shortly after Australia's involvement ended. This prompted the Australian Agency for International Development (AusAID) to review the situation last year.

AusAID told the Treaties Committee there was a strong business case to rejoin the organisation.

"Since 2004, the fund's reform process had resulted in improvements to strategic planning, project quality and impact, knowledge management and innovation," AusAID said.

"The fund is now considered by donors and developing countries to be an increasingly effective, results-focused, value-for-money development partner.

"Rejoining the fund will allow Australia to expand its existing support for food security and rural development and help the world's most vulnerable

fight hunger. This aligns with the Australian government's aid policy, which places priority on food security as a vehicle for sustainable economic growth and poverty reduction."

During its inquiry, Treaties Committee members questioned whether IFAD was a worthy recipient of Australian aid dollars, considering its patchy track record of effectiveness.

AusAID told the committee it believed the reformed fund now provided value for money.

"Australia's past concerns with IFAD have been outgrown, resolved or are on a clear trajectory of improvement," AusAID said. "The Australian government can have a high degree of confidence that providing funding to IFAD will deliver tangible developmental benefits in line with Australia's development objectives and that the investment will represent good value for money."

AusAID's Assistant Director General Paul Wojciechowski said Australia would be seeking to strongly influence the management of the fund if successful in IFAD board elections in 2015.

"As a member of the Executive Board, Australia would be able to participate in decision-making processes regarding the strategic direction, policy setting and implementation of the fund's objectives. This would be an important mechanism through which to ensure Australia's future investments in the fund are well managed and contribute to global food security," he said.

Mr Wojciechowski added that while a decision on rejoining the fund should be purely based on Australia's development and aid priorities, there would be commercial benefits to the country for doing so.

"Because we are not a member of IFAD, Australian nationals are prevented from bidding for contracts and being employed by IFAD, which is a large organisation. So our re-engaging with it and becoming a member mean that Australian specialists can be employed and receive contracts from IFAD, so there will be these direct commercial benefits," he said. •

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