



International Conference of the OIC Member States – Establishment of an OIC/IOFS Food Security Reserves – 6th April 2021

Bringing together member states to develop a framework for the establishment of a Food Security Reserve to alleviate hunger and poverty across the Member States



Session 3

Comparisons with ECOWAS FRF and ASEAN+3 (APTERR) Systems

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ECOWAS – FRF

Economic Community of West African States Food Reserve Fund

- **The purpose**

- ▶ 15 members under its Food Storage Strategy Programme
- ▶ **Mission:**
 - ▶ Improve crisis response by enhancing capacity and responsiveness at different levels and in various lines of defence;
 - ▶ Promote regional solidarity and reduce dependence on international assistance;
 - ▶ Promote a storage system specifically targeted for emergency response;
 - ▶ Reduce price volatility and impact on producers and consumers.
- ▶ **Encourages regional harmonisation and independence** from external sources of aid;
- ▶ **Storage targeted on regions of most need;** If resources are available in the Regional Reserve, countries can request more than quotas, required to pay.
- ▶ **Regional Reserve first satisfies the demand expressed by the countries within their quotas** before considering sales or reimbursable loans to governments, international humanitarian organisations, NGOs or producers' organisations.

THE REGIONAL FOOD SECURITY RESERVE

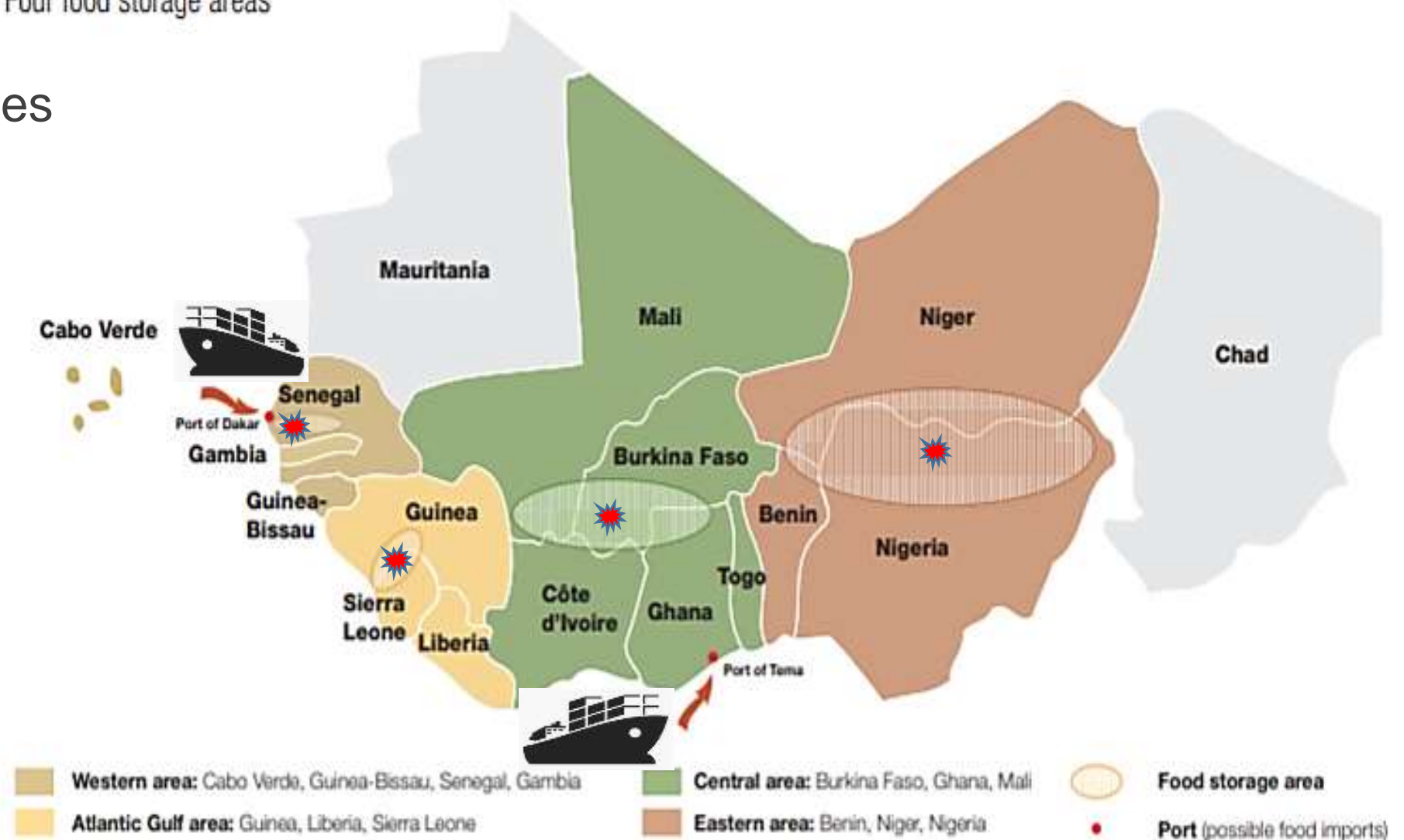
Four food storage areas

Link a group of countries

Focus on main areas of need

Four key storage areas

2 Main ports of entry



Source: ECOWAS Regional Agency for Agriculture and Food (RAAF)

Harmonisation and solidarity support the system

- CAADP – common agricultural policy and framework – 41 AU Countries / 8 Regional Economic Communities
- **promotion of other lines of defence** that the Regional Reserve supports: from subsidiarity mechanism: local stocks, national food security stocks;
- **promotion of contingency plans, designed as pre-prepared frameworks**, organize an appropriate response to different crises that the country or region may be forced to confront;
- **RESOGEST* cooperation framework boosts collaboration between public bodies** responsible for managing stocks and networks play key role in the implementation of the Regional Reserve.
- **Promotion of the CHB (Cadre Harmonisé Bonifié) framework as a methodology for monitoring food insecurity in the region.** It allows the food security levels of different countries to be compared

(*Network of Public Structure for the Management of National Food Security Stocks in the Sahel and West Africa (RESOGEST))

Basic Principles

- ▶ **Food stock an instrument of regional sovereignty** aimed at food security and price stabilisation.
- ▶ **Food stock fundamental part of the region's crisis response** /linked to both local and regional early warning systems and CHB.
- ▶ **Food stocks built from a subsidiarity mechanism.** Local stocks or “cereal banks” are not public stocks (except in Mali) managed by local communities.
- ▶ **International solidarity expected to act in support of regional policy**, not as a substitute for it.
- ▶ **Stock financed by national contributions in cash or in kind, regional and international contributions.**
- ▶ **Management of stock under ECOWAS' control and rely on broad consultations** with all interested parties, based on the principles of transparency and accountability.
- ▶ **Stock integrated with agriculture policy** via methods of supply (including regional preference and direct contracts)
- ▶ When possible the **strategy of stock rotation is to purchase grains from smallholders producers** of the region where the stocks are located.

Strategic Policy

- ▶ Response - Local, Country, Regional Reserve position and structure as 3rd line of defence;
- ▶ Boosts food and nutrition security but also the preparedness of DRR (Disaster Risk Reduction) and the resilience of the local communities;
- ▶ Reduces the risks and increases the flexibility of intervention by combining a physical (1/3) and a financial reserve (2/3);
- ▶ Implement a sustainable, viable and transparent mechanism;
- ▶ Based on regional responsibility (sovereignty) and international partners;
- ▶ Manage the connections between the food security storage policy and the storage policy for regulating food markets.

Building Stockpile

Table 7: 2013-2020 Plan for the Size of the Regional Reserve (Tons)

	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Regional I				293,967	293,967	411,554
-Physical I				100,000	100,000	140,000
-Financial				967	967	271,554
National S				774	774	841,083

Based on normal consumption and harvest surplus/ ability to build up stocks planned progress over 8 year period

from 230 Thousand Tons to 850 Thousand Tons

(*) This does not refer to the... information available and currently being updated. Data extracted from the *dispositif régional de renforcement et de coordination des stocks* (WAEMU: actual size of the security stock in the seven countries (WAEMU excl. Côte d'Ivoire): 77,000 tons, to which Nigeria's stock is added: 150,000 tons.

Members of ASEAN Plus Three

Brunei

Cambodia

Indonesia

Laos

Malaysia

Myanmar

Philippines

Singapore

Thailand

Vietnam

China

Japan

South Korea



APTERR – ASEAN+3

Asean Plus Three Emergency Rice Reserve



Objectives

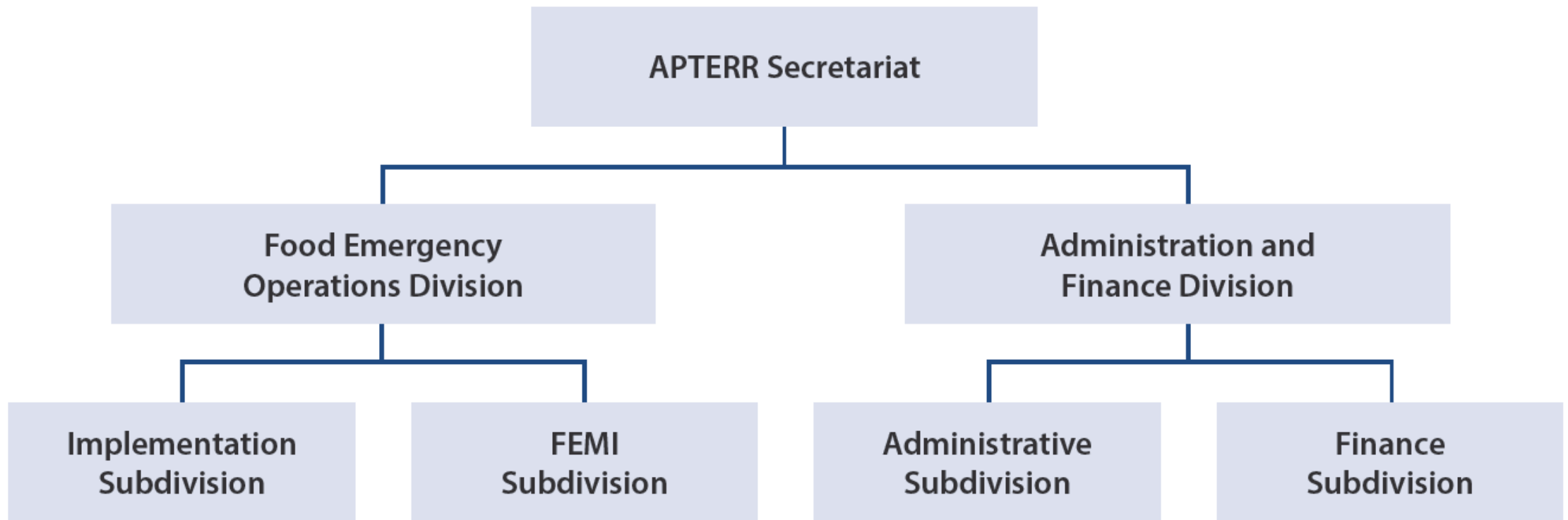
- To strengthen food security, poverty alleviation, and malnourishment eradication among its members
- without distorting normal trade,
- while the common goal of the APTERR Parties is the assurance of food security in the ASEAN+3 region.
- ASEAN established the first ASEAN Emergency Rice Reserve (AERR). (5 members) on 4 October 1979. (ASEAN+3 – 13 members from 2012)

Structure

- **The APPTERR Council** - executive board comprising one representative from each member country - governing body of the APTERR.
- **APTERR Secretariat** plays crucial role in facilitating and coordinating the APTERR mechanism.
- The APTERR Secretariat - **headed General Manager (GM) appointed by and reporting to the APTERR Council.** Secretariat office in-kind contribution by the Government of Thailand based at the Office of Agricultural Economics (OAE), Ministry of Agriculture and Cooperatives (MOAC), Bangkok, Thailand.
- **Secretariat financially supported by the APTERR Fund** contributed by the APTERR Parties. Comprises Endowment Fund (EF) -capital contribution for long-term financial support, and the annual contribution to the Operational Costs (OC)

Structure

Figure 1: Organizational Structure of the APTERR Secretariat



APTERR = ASEAN Plus Three Emergency Rice Reserve, FEMI = Food Emergency Monitoring and Information.

Source: APTERR Secretariat.

Stockpile

- **Earmarked Emergency Rice Reserves** specific quantities of milled rice, voluntarily designated and controlled by the government of the earmarking country, for the purpose of the meeting emergency requirements of one or more APTERR member countries.
- **Stockpiled Emergency Rice Reserves** voluntarily donated in the form of cash (stockpiled cash) and/or physical rice stocks (stockpiled rice) - owned **collectively** by member countries /managed by Secretariat /supervision of the APTERR Council. Used as a preparedness emergency stock for an emergency situation, and constitutes another component of the APTERR.

Breakdown of the APTERR Earmarked Rice Stocks (MT)		
1	Brunei Darussalam	3,000
2	Cambodia	3,000
3	Indonesia	12,000
4	Lao PDR	3,000
5	Malaysia	6,000
6	Myanmar	14,000
7	Philippines	12,000
8	Singapore	5,000
9	Thailand	15,000
10	Viet Nam	14,000
11	P.R. China	300,000
12	Japan	250,000
13	Republic of Korea	150,000
Total		787,000

Definition of emergency

- Threaten food availability at the national level
- **Acute threat** to accessibility to food in **households**
- **May be localised – subset of population** requiring humanitarian aid – whether or not sufficient stocks available nationally

Circumstances

- Disasters natural and artificial – at local and or national levels – sufficiently severe
- Market volatility amplifies risk posed by calamities – e.g. severe price increases

Programmes

Tier 1 Programme

- Release of **earmarked emergency rice** reserves under pre-arrangement terms - **anticipated emergencies**.
- Formalised **forward contract**, stating specific quantity and grade of rice, pricing method, terms of payment/delivery, and other requirements between the **supplying country and recipient country**.
- Delivery from the supplying country is made in the event of emergency to recipient country - **payment based** on prevailing international market price.
- **Amount is based on an estimate of shortfall** in the event of emergency over the medium term.

• Tier 2 Programme

- Release of **earmarked emergency rice** reserves under other agreement for **unanticipated emergencies** not addressed by Tier 1.
- Delivery **‘on-the-spot’ agreement** between the supplying country and the recipient country.
- **Pricing as Tier 1**, payment in cash or through long-term loan or grant based on mutual agreement of the countries involved.

And

Tier 3 Programme

- Release of **stockpiled** emergency rice reserves under the contribution.
- **Severe emergencies and humanitarian responses**, - poverty alleviation and malnourishment eradication, to ensure food security in the region.
- Rice distribution under Tier 3 can be the **fast track to assistance under automatic trigger**.
- **Directly released to households**.
- Can be **assisted in partnership (WFP. NGOs etc.)**.

• Summary

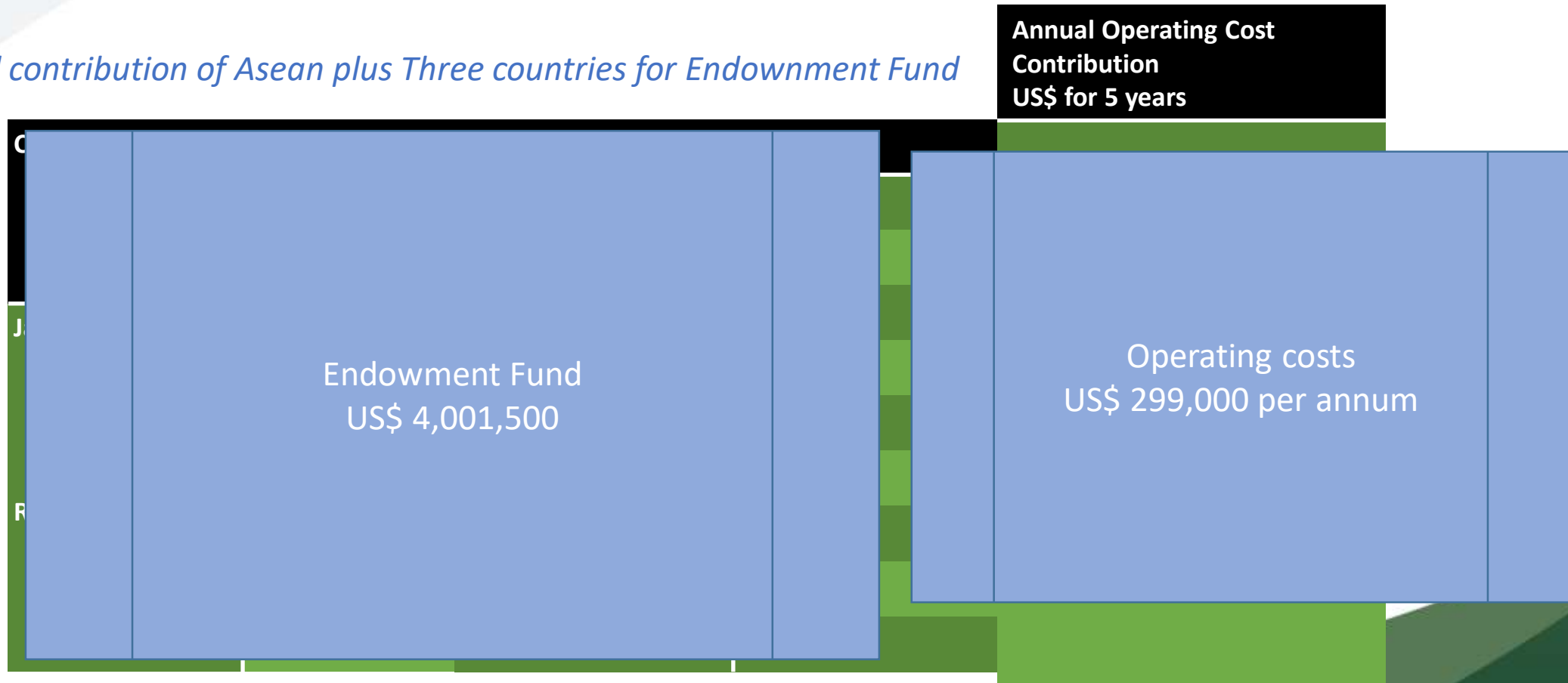
- Tier 1 – anticipated
- Tier 2 – unanticipated
- Tier 3 – humanitarian relief
- In case of a dispute regarding the AFSR Agreement, the parties may resolve it through the procedures in the 2004 ASEAN Protocol on Enhanced Dispute Settlement Mechanism (EDSM).

Storage and distribution

- Pilot project started in 2002
- Extended and formalised in 2012 across all countries
- Earmarking country stores reserve based on proven viability (through pilot)
- Host country responsible until end of contract
- APTERR then extend or release
- Quality checked and guaranteed
- Other countries and donors may provide donations for the stockpile
- Stocks released by APTERR are distributed by national agency of country affected
- Tier 1 release limited to contract
- Tier 1 and 2 not exceed earmarked stock
- Tier 2 and 3 limited to estimate of emergency need
- Replenishment within 12 months

Asean Plus Three Emergency Rice Reserve Agreement – Funding and Overheads

Capital contribution of Asean plus Three countries for Endowment Fund



**Annual contribution to Operational Costs*

Table 4: Implementation of the Tier 3 Programs during the EAERR Pilot Project, 2004–2010

Year	Program	Recipient Country	Beneficiaries	Quantity (MT)
2005	Poverty alleviation program	Lao People's Democratic Republic	87 households and students in Vientiane	13
2006	Flash flood victims and rehabilitation program	Indonesia	9,992 people in Sampang and 22,825 people in the Jember district	200
2006	Volcanic eruption and typhoon victims	Philippines	154,500 households in four	930
2007	Flood vi			
2008	Flood vi			

Table 5: Implementation of the APTERR Tier 3 Programs Since 2013

Year	Program	Recipient Country	Beneficiaries	Quantity (MT)
2008–2009	Rehabili			230
2010	Rehabili			400
2010	Rehabili			800
2010	Rehabili			5,000
2010	Rehabili			350
2010	Rehabili			580
2015	Preposition of stockpiled rice reserve	Japan	Cambodia	210
			Philippines	240
2016	Preposition of stockpiled rice reserve	Japan	Philippines	225
			Lao People's Democratic Republic	225
2017	Rehabilitation program for Typhoon Ketsana victims	Lao People's Democratic Republic	Myanmar	500
			Cambodia	250
2017	Preposition of stockpiled rice reserve	Japan	Myanmar	500

APTERR = ASEAN Plus Three Emergency Rice Reserve, PRC = People's Republic of China.

Source: APTERR Secretariat.

Difficulties encountered

- Size of the earmarked reserve is thought to be inadequate (787,000 MT for 1.5 days compared actual consumption across ASEAN +3 of 500,000 MT) – need to build and maintain stockpile at a higher level

(20/2/2020 8th Meeting APTERR Council - should consider increasing the reserved rice quantity in the form of contract/ increase natural disaster data analysis)

- Speed of negotiation, coordination, and response for acute and emergency food aid (Tier 3) releases after a crisis.
- Consensus requirement for APTERR Council decisions in disputes prevents actions
- Enforcement and compliance mechanism following APTERR Council decisions needs strengthening