



Islamic Organization for Food Security
l'Organisation Islamique pour la Sécurité Alimentaire
المنظمة الإسلامية للأمن الغذائي

OIC FOOD SECURITY RESERVES



October, 2021



Background of the OIC Food Security Reserves (FSR)



- The 1981 OIC Plan of Action to Strengthen Economic Cooperation among Member Countries of the OIC, which was adopted by the Third Islamic Summit Conference held in Makkah Al Mukarramah, KSA in January 1981
- Resolution No. 1/4 MFSAD adopted by the 4th OIC Ministerial Conference on Food Security and Agricultural Development held in Tehran, Islamic Republic of Iran on 14-16 January 1995;
- Resolution No. 1/42-E of 42th Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015;
- Resolution No. OIC/7-MCFSAD/2016/RES-FINAL on study the creation OIC Food Security Reserves of 7th OIC Ministerial Conference on Food Security and Agricultural Development held in Astana (now Nur-Sultan), the Republic of Kazakhstan on 26-28 April 2016;
- Resolution No. OIC/CFM-43/2016/ECO/RES/FINAL of 43th Session of the Council of the Foreign Ministers held in Tashkent, the Republic of Uzbekistan on 18-19 October 2016;
- Resolution No. 6/47-E of 47th Session of the Council of Foreign Ministers held in Niamey, Republic of Niger on 27-28 November 2020;
- Resolution No. IOFS/GA/3-6-2020 on establishment the OIC Food Security Reserves of the Third General Assembly of the Islamic Organization for Food Security, held online in Ankara, the Republic of Turkey on 02-03 December 2020;
- Under the provision of Article 4 (b) of the Statute of Islamic Organization of Food Security.



Study of the OIC Food Security Reserves (FSR)



Scope of study

(the full study is available at the link: <https://iofs.org.kz/post-category/food-security-reserves>)

- Preliminary data MS demographics - population, food availability and deficits, health and nutrition, food harvest and losses, food production, vulnerability self sufficiency, GDP per capita households;
- Geographic demarcations of possible structure;
- Tonnage capacity and contributions, recommendations on types and quantities of food;
- Mechanisms – operational / mitigation of food crisis and market price regulation;
- Benchmarking - global expertise including ECOWAS, APTERR;
- Draft founding document – Memorandum of Understanding;
- Conference – MS debate and opinions.

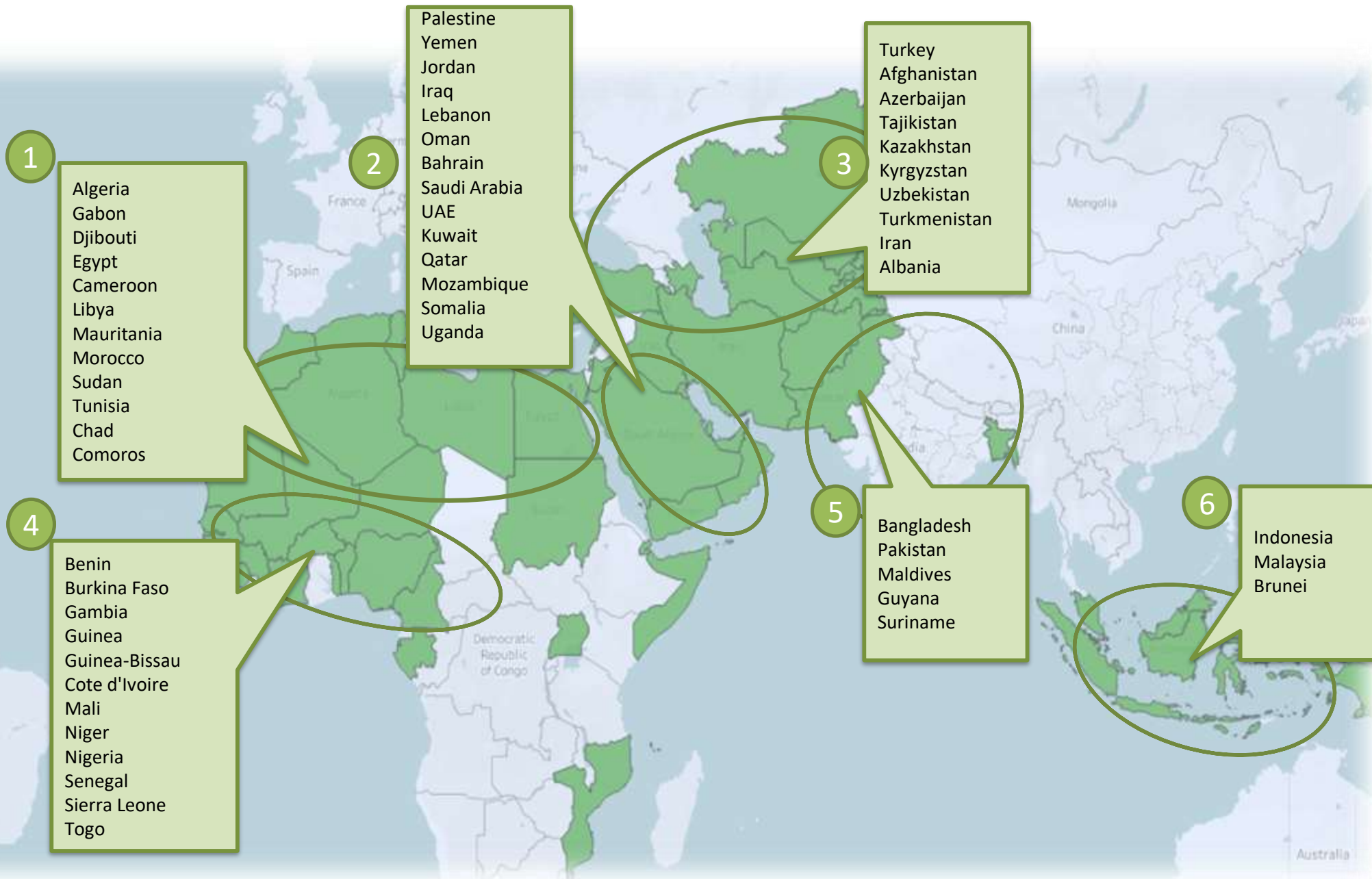
Study principles

Because the OIC member countries are spread across four continents and have economic, environmental, and climatic variety, the study should follow the principles that enable to meet the versatile wishes of the majority of MS:

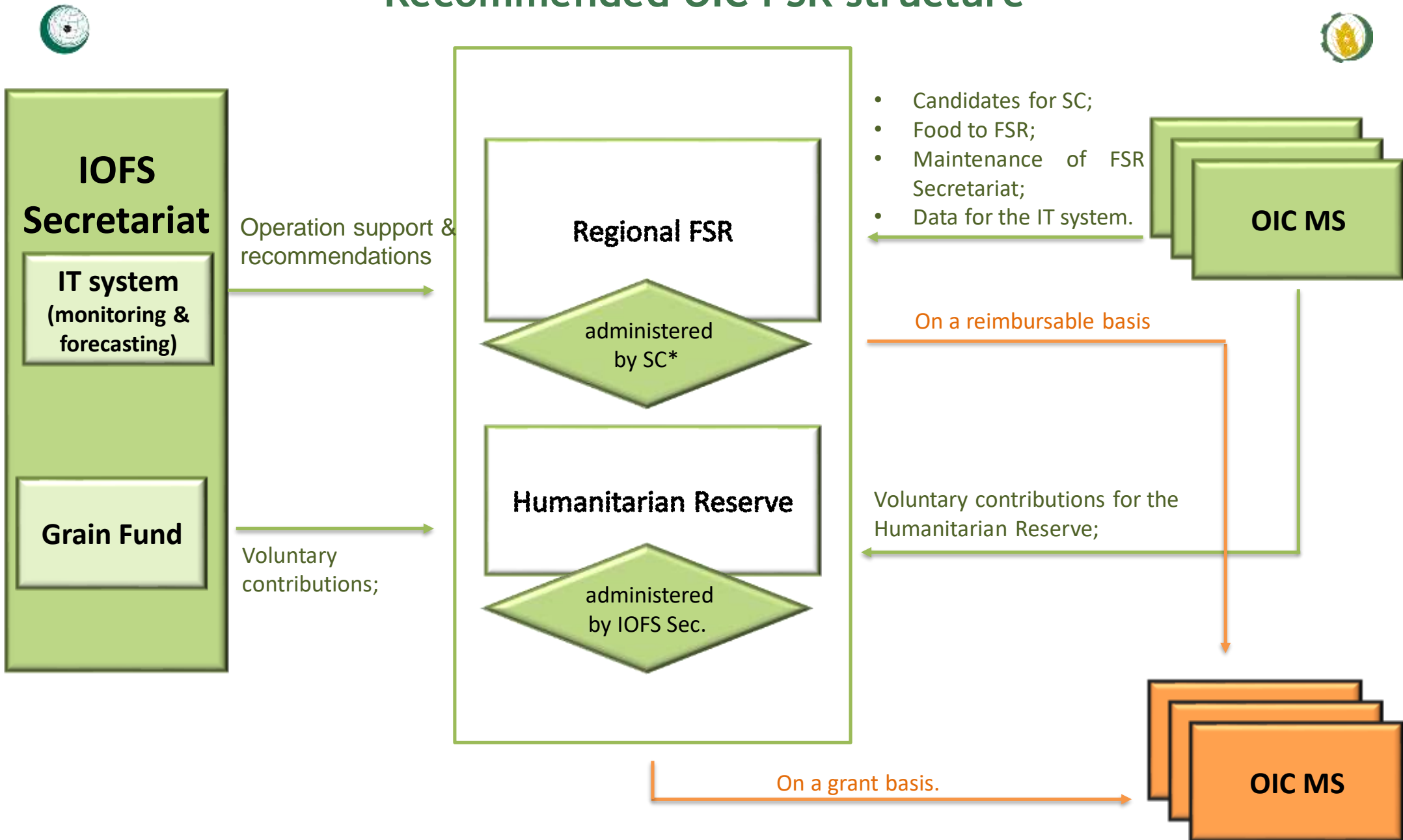
- **Flexibility**, taking into account regional and national policies and specifics of member countries;
- **Autonomy** to make independent decisions in order to attain unified objectives;
- Participation in the FSR should get a **mutual benefit** for every country;
- **Mobility** in response to crisis situations.

6 OIC Food Security Regional Reserves

(geographic demarcations)



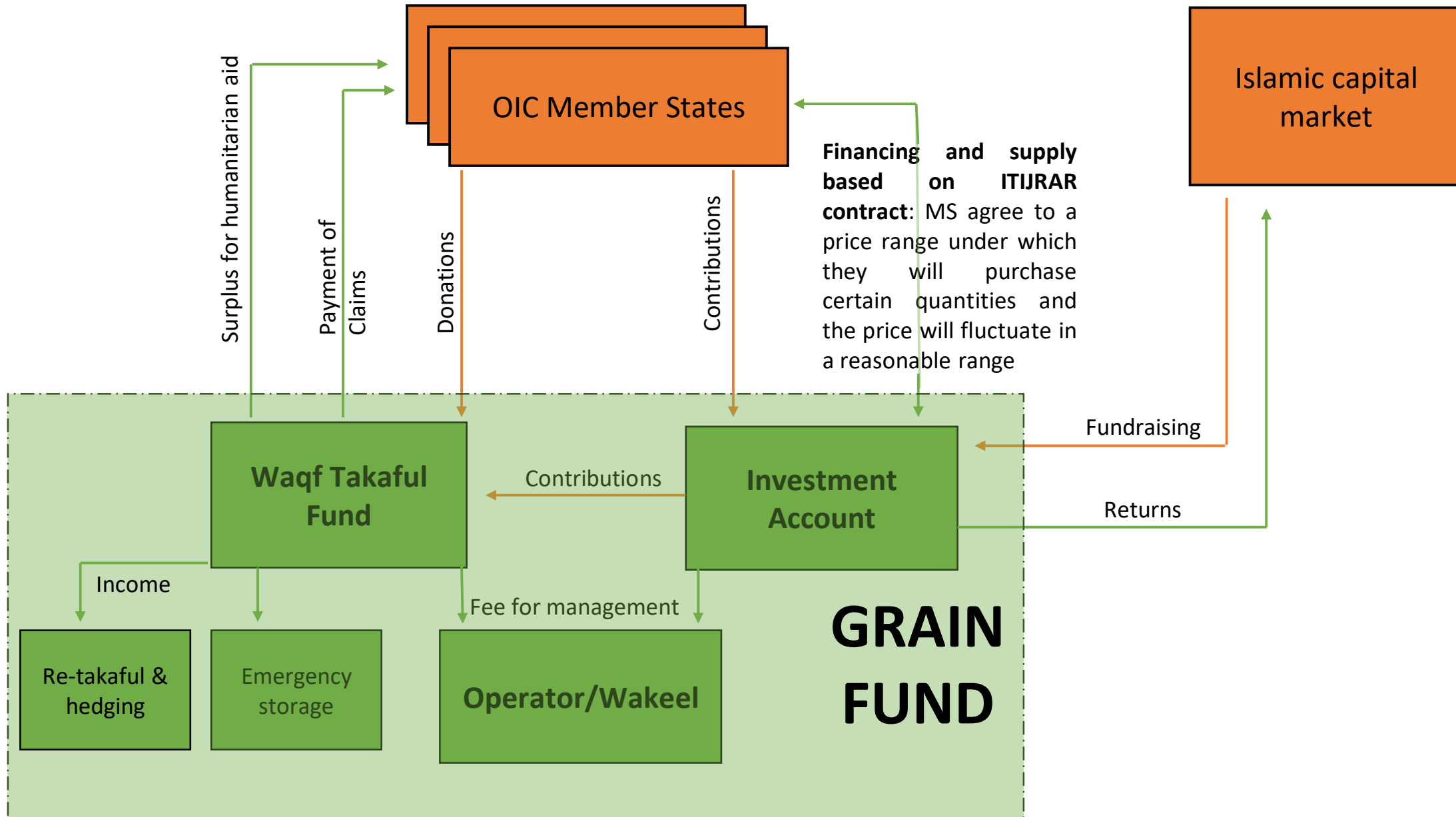
Recommended OIC FSR structure



* - Steering Committee



IOFS Grain Fund Structure





Parties to the Regional FSR: basic functions and principles of Interaction

Steering Committee

Approval and determination of:

- the types and quantities of food for the Regional FSR, as well as each country's portion and storage options
- the Regional FSR's operating principles and conditions, monitoring options, quality control, and so on;
- the budget and contributions to the Regional FSR Secretariat

Facilitating the development of an IT system for monitoring and forecasting the OIC FSR.
Suggestions for the Humanitarian Reserve's operating principles.

Participating countries in the Regional FSR

Conclude agreements (bilateral or multilateral) between members of the Regional FSR to determine the following details: case of emergency; the cost and volume of food in the Regional FSR (the country's share); the method of payment (installments, grants, etc.); logistics of delivery, phytosanitary requirements; and other details.

Regional FSR Secretariat

Supporting the Steering Committee's work



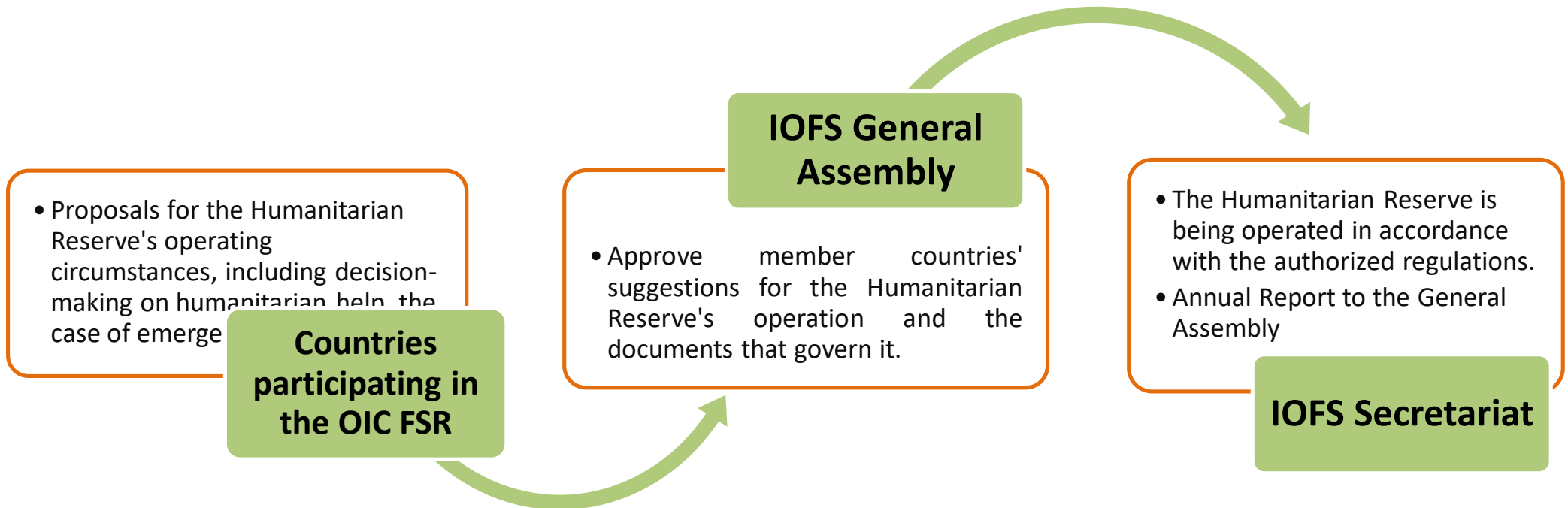
OIC FSR Humanitarian Reserve



➤ The basis for deciding whether or not to provide humanitarian aid from the OIC FSR

- ✓ an assessment of the current balance of food resources and balance food basket per household;
- ✓ the economic and physical availability of food;
- ✓ the depth of food shortages among vulnerable groups of the population;
- ✓ the ability of society and the country to solve the problem independently;
- ✓ the availability of local organizational and logistic infrastructure for distribution assistance;
- ✓ obtaining a clearly formulated request from the government for support.

➤ The process of approving the Humanitarian Reserve's rules





Approaches for preparing recommendations for the quantity and types of food required in Regional FSR (indicators)



Types of food for FSR

- Cereal crops (wheat, rice, corn, millet, and so on) based on their prevalence.
Cereals offer the properties that are suitable for the FSR: nutritivity, long-time storage, transportation convenience, pricing transparency and availability.

Indicators for determination FSR size and each country's share

- per capita consumption;
- production;
- import-export;
- cereal carryover stockpiles on a yearly basis;
- proportion of the population permanently food insecure based on the proportion of children under 5 years of age who are malnourished;
- GDP per capita at purchasing power parity (PPP);
- positions in international food security rankings.



Approaches for preparing recommendations for the quantity of products required in OIC FSR (country profiles)



INDICATORS

Main food product

Per capita consumption, kg / year cereals

Production per capita, kg

Net import-export, per capita, kg

Stocks in the country per capita, kg

GDP per capita (PPP), USD

Stunting children, %

Position in Hunger index and food security Index

COUNTRY PROFILES

Countries with high incomes, high production and export, low food deficit

Average income, medium level of food deficit and self-sufficiency

High-or middle income, low level of food deficit and self-sufficiency

Low-income countries with high food deficit

APPROACHES

Contributions are around 2 kg per capita, with the following conditions:

- not more than 10% of the average yearly carryover balance;
- not less than 2 thousand tons.

Contributions are around 0,2 kg per capita, but not less than 2 thousand tons

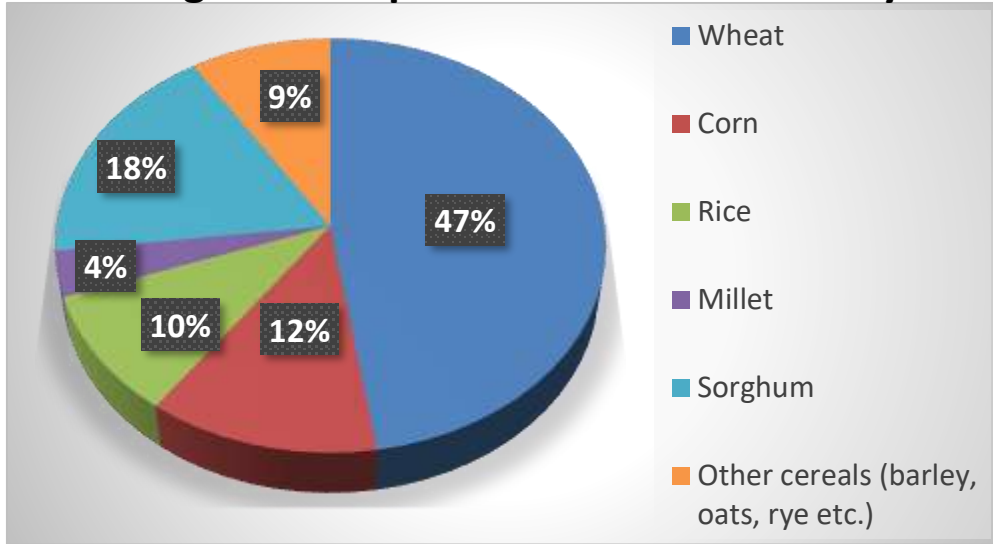
Countries under extraordinary circumstances (crisis, conflicts) do not contribute, but they may be eligible for food assistance based on a decision made by Regional FSR member countries.

Recommended crops and volume of food for Regional FSR#1

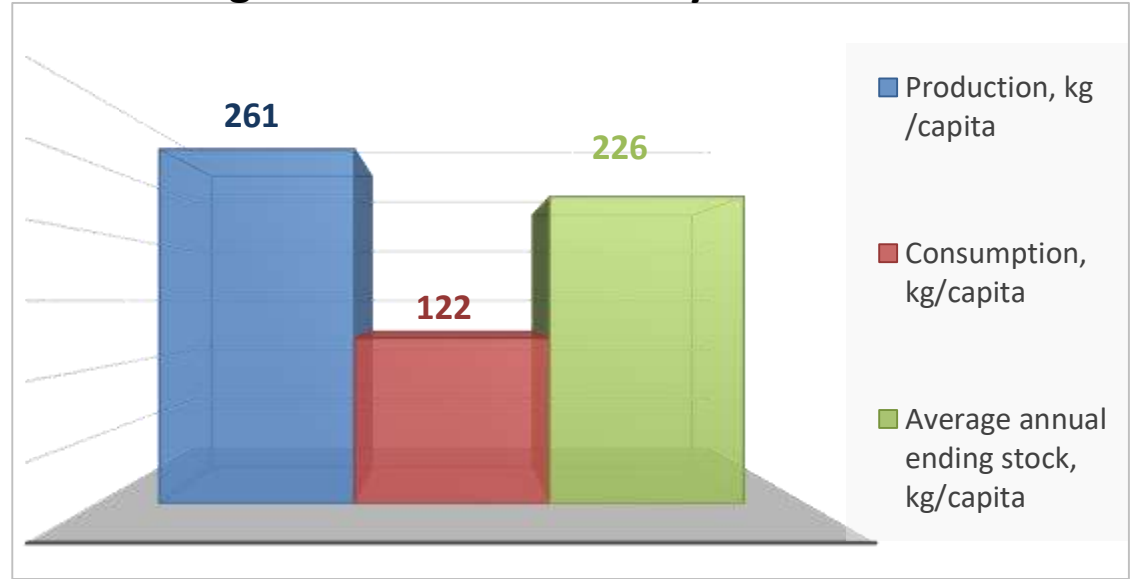
(Africa)



➤ Average annual production for the last 5 years



➤ Average values for the last 5 years



➤ Recommended crop and volume for Regional FSR

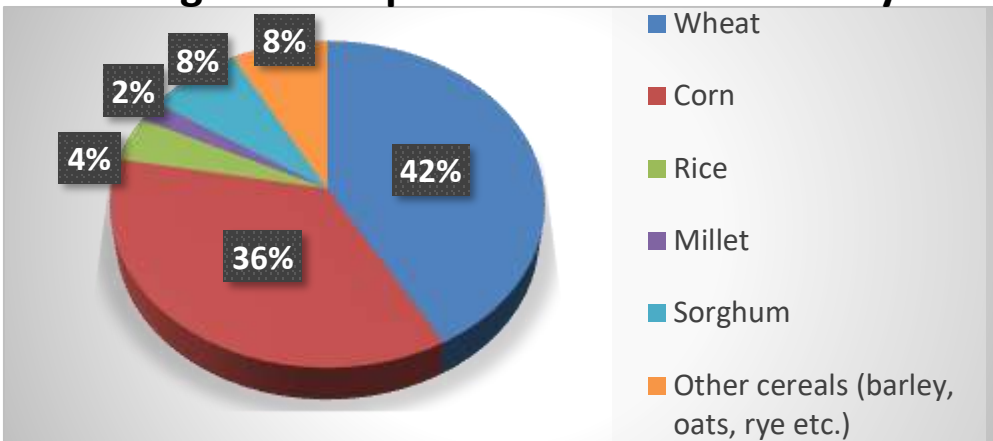
| Countries | Recommended type of food for the OIC FSR | Average yearly carryover balance, kg per capita | Recommended volume of contribution to OIC FSR, thousand tons |
|--------------|--|---|--|
| Algeria | wheat | 503 | 60 |
| Gabon | wheat, rice, cassava | - | 2 |
| Djibouti | wheat, rice | - | 0 |
| Egypt | wheat | 366 | 60 |
| Cameroon | millet, rice, wheat, corn | 46 | 49 |
| Libya | wheat | 96 | 0 |
| Mauritania | wheat, rice, cuscus | 76 | 3 |
| Morocco | wheat | 812 | 60 |
| Sudan | millet, sorghum, wheat | 107 | 0 |
| Tunisia | wheat | 686 | 23 |
| Chad | millet, sorghum, wheat | 24 | 31 |
| Comoros | rice | - | 0 |
| TOTAL | | | 288 |

Recommended crops and volume of food for Regional FSR#2

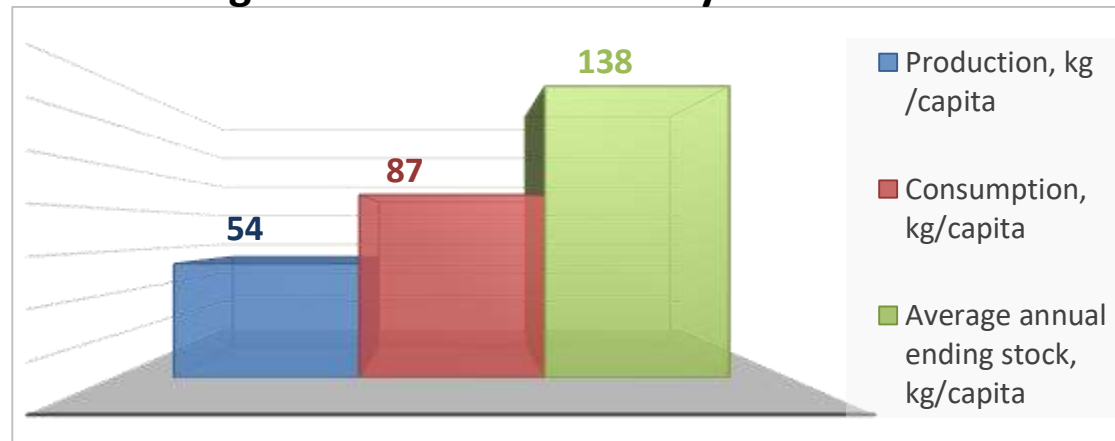
(Middle East + Africa)



➤ Average annual production for the last 5 years



➤ Average values for the last 5 years



➤ Recommended crop and volume for Regional FSR

| Countries | Recommended type of food for the OIC FSR | Average yearly carryover balance, kg per capita | Recommended volume of contribution to OIC FSR, thousand tons |
|--------------|--|---|--|
| Palestine | wheat | 503 | 0 |
| Yemen | wheat | - | 0 |
| Jordan | wheat | - | 21 |
| Iraq | wheat | 366 | 8 |
| Lebanon | wheat | 46 | 2 |
| Oman | wheat | 96 | 9 |
| Bahrain | wheat | 76 | 3 |
| Saudi Arabia | wheat | 20 | 60 |
| UAE | wheat | 107 | 19 |
| Kuwait | wheat | 686 | 4 |
| Qatar | wheat | 24 | 2 |
| Mozambique | corn , millet , sorghum, wheat | - | 58 |
| Somalia | sorghum , wheat | - | 0 |
| Uganda | corn, rice, wheat | - | 8 |
| TOTAL | | | 194 |

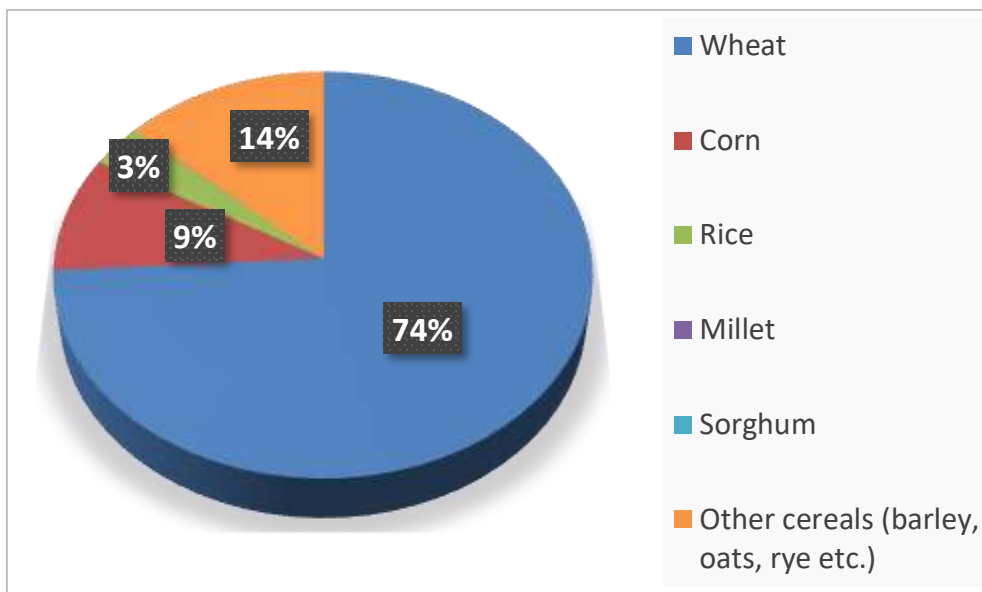


Recommended crops and volume of food for Regional FSR#3

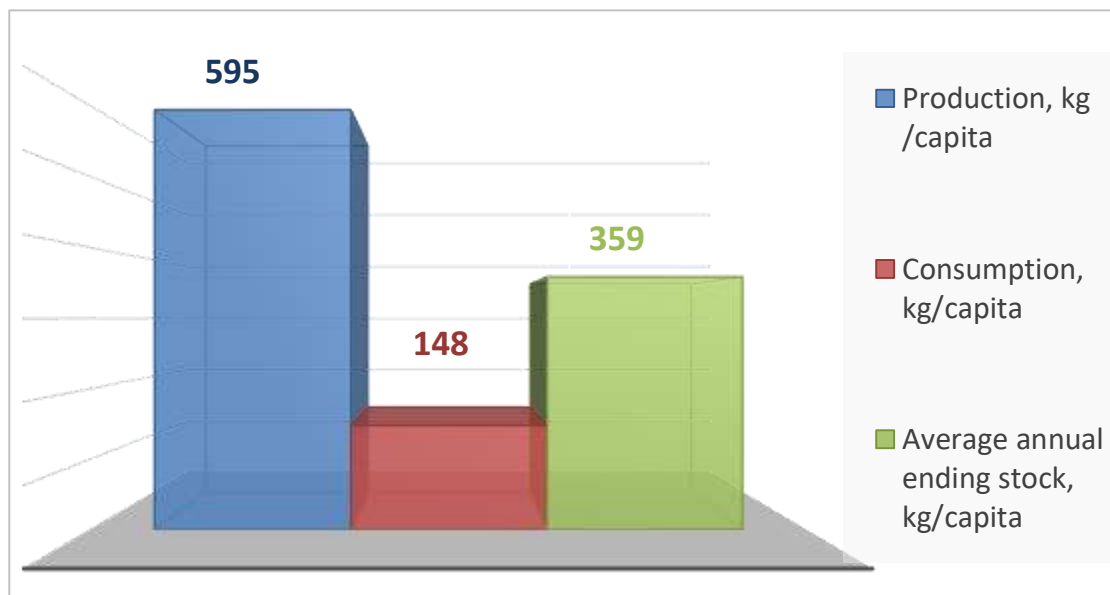
(Central Asia + Europe + Iran + Azerbaijan)



➤ Average annual production for the last 5 years



➤ Average values for the last 5 years



➤ Recommended crop and its volume for Regional FSR

| Countries | Recommended type of food for the OIC FSR | Average yearly carryover balance, kg per capita | Recommended volume of contribution to OIC FSR, thousand tons |
|--------------|--|---|--|
| Azerbaijan | wheat | 413 | 20 |
| Albania | wheat | 110 | 6 |
| Afghanistan | wheat | 46 | 0 |
| Iran | wheat | 677 | 67 |
| Kazakhstan | wheat | 778 | 37 |
| Kyrgyzstan | wheat | 195 | 13 |
| Tajikistan | wheat | 214 | 18 |
| Turkmenistan | wheat | 992 | 11 |
| Turkey | wheat | 253 | 25 |
| Uzbekistan | wheat | 153 | 15 |
| TOTAL | | | 212 |

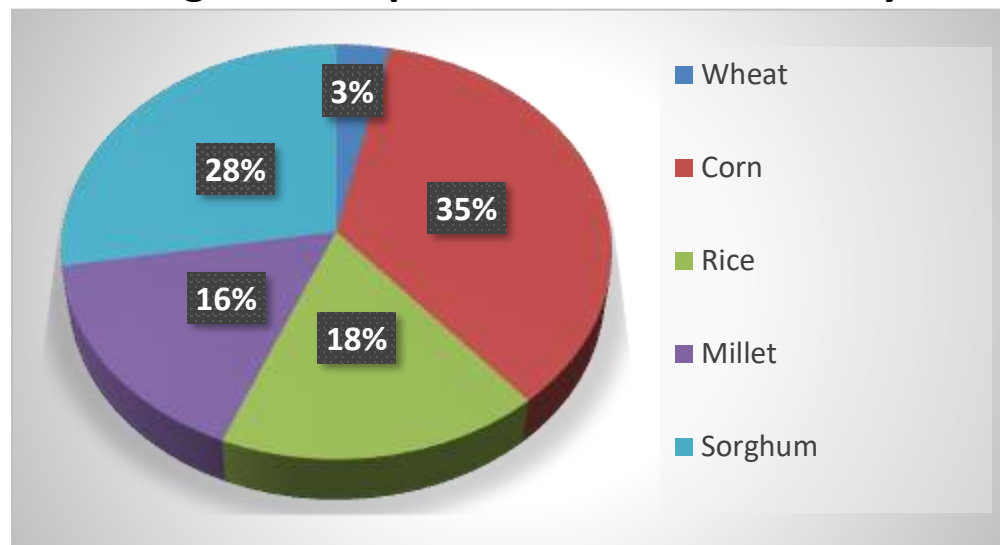


Recommended crops and volume of food for Regional FSR#4

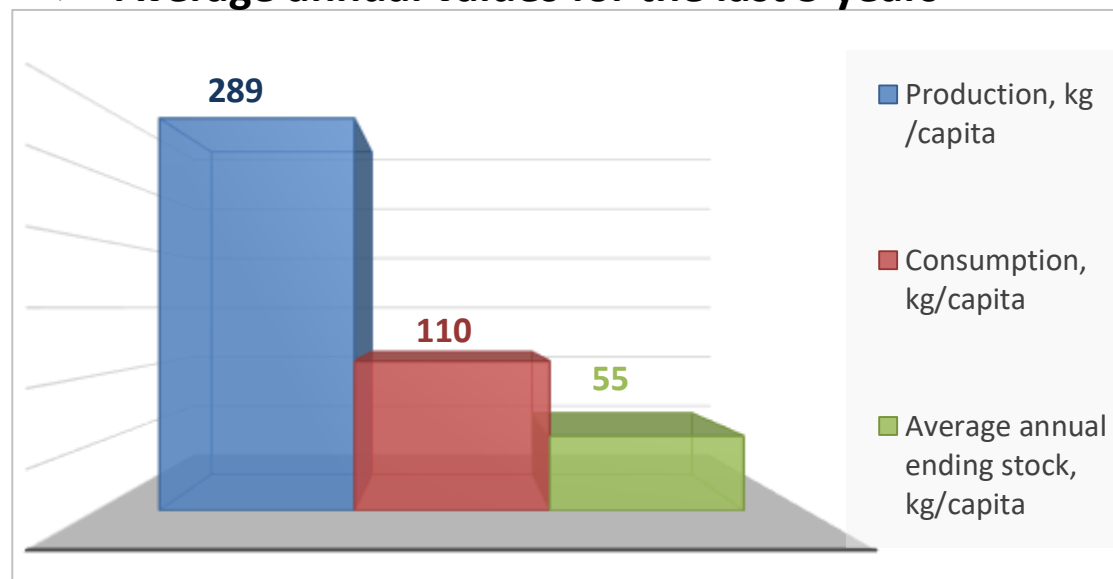
(Africa ECOWAS)



➤ Average annual production for the last 5 years



➤ Average annual values for the last 5 years



➤ Recommended crop and volume for Regional FSR

| Countries | Recommended type of food for the OIC FSR | Average yearly carryover balance, kg per capita | Recommended volume of contribution to OIC FSR, thousand tons |
|---------------|--|---|--|
| Benin | rice, millet, sorghum, millet, corn | 37 | 23,0 |
| Burkina Faso | rice, millet, sorghum, millet, corn | 67 | 4,0 |
| Gambia | rice, millet, sorghum, millet, corn | 50 | 3,0 |
| Guinea | rice, millet, sorghum, millet, corn | 81 | 3,0 |
| Guinea-Bissau | rice, millet, sorghum, millet, corn | 39 | 3,0 |
| Cote d'Ivoire | rice, millet, sorghum, millet, corn | 92 | 5,0 |
| Mali | rice, millet, sorghum, millet, corn | - | 4,0 |
| Niger | rice, millet, sorghum, millet, corn | 28 | 4,0 |
| Nigeria | rice, millet, sorghum, millet, corn | 50 | 39,0 |
| Senegal | rice, millet, sorghum, millet, corn | 178 | 3,0 |
| Sierra Leone | rice, millet, sorghum, millet, corn | 0 | 3,0 |
| Togo | rice, millet, sorghum, millet, corn | 40 | 3,0 |
| TOTAL | | | 97 |

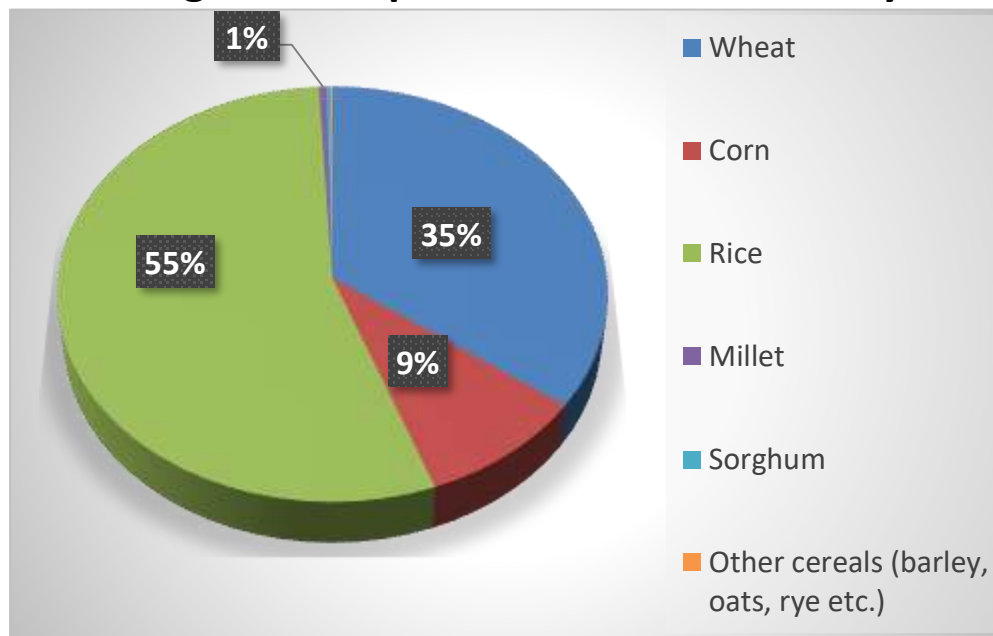


Recommended crops and volume of food for Regional FSR#5

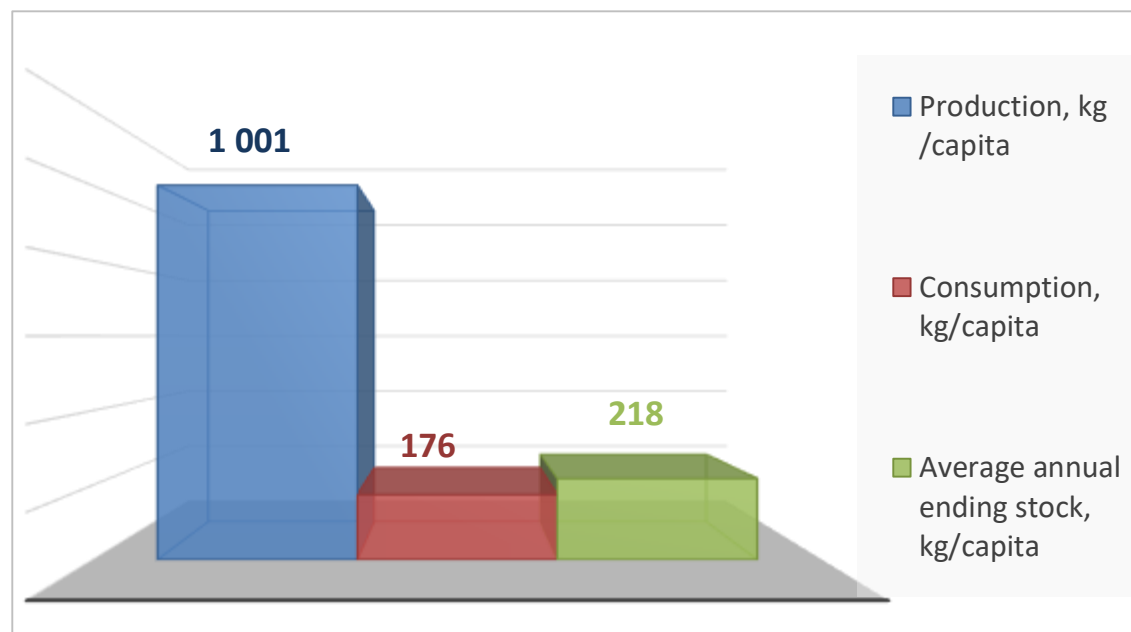
(South Asia+South America)



➤ Average annual production for the last 5 years



➤ Average values for the last 5 years



➤ Recommended crop and volume for the Regional FSR

| Countries | Recommended type of food for the OIC FSR | Average yearly carryover balance, kg per capita | Recommended volume of contribution to OIC FSR, thousand tons |
|--------------|--|---|--|
| Bangladesh | Rice | 81 | 33 |
| Guyana | rice | 887 | 2 |
| Maldives | wheat , rice , corn | - | 2 |
| Pakistan | wheat | 122 | 43 |
| Suriname | rice | 0 | 2 |
| TOTAL | | | |

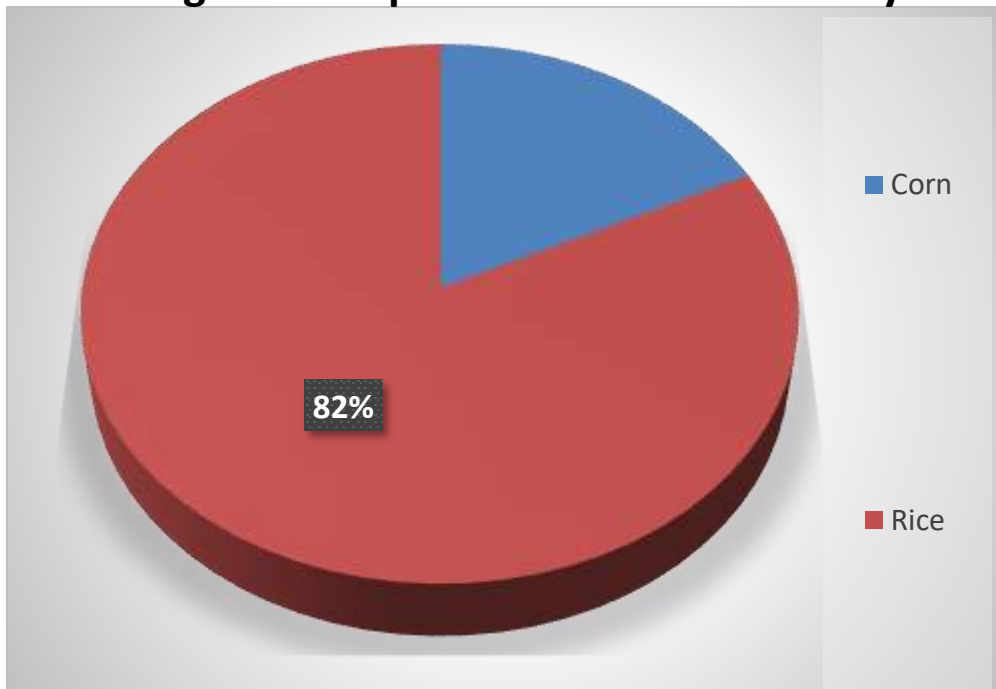


Recommended crops and volume of food for Regional FSR#6

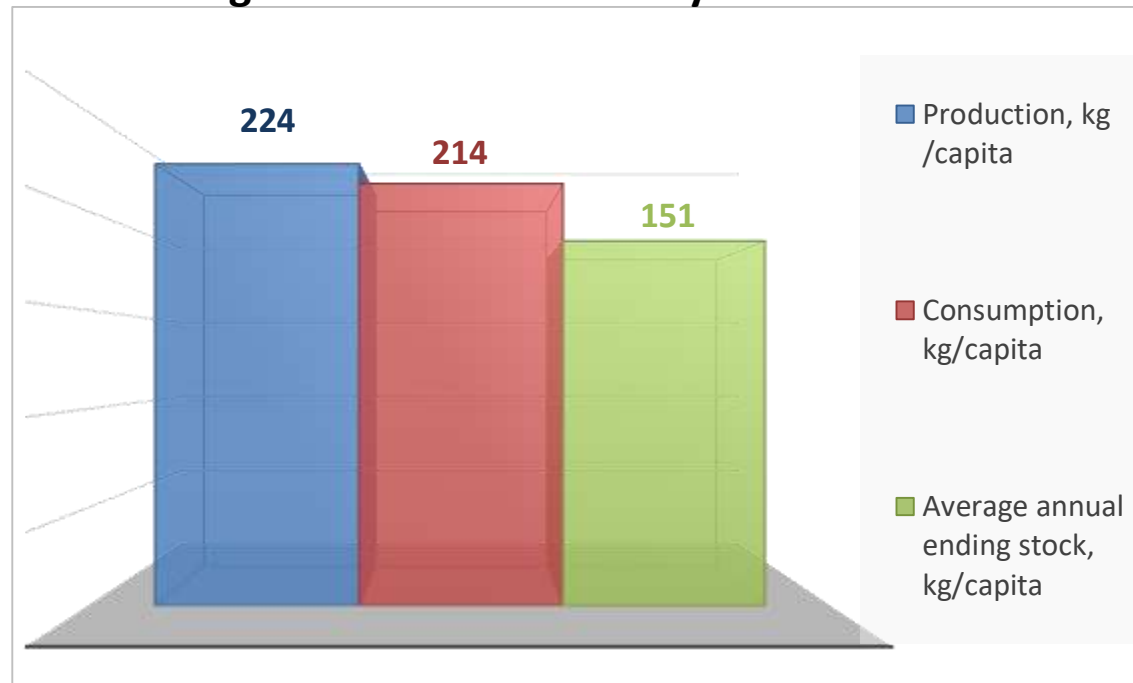
(South East Asia)



➤ Average annual production for the last 5 years



➤ Average values for the last 5 years



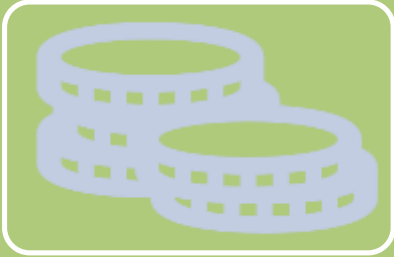
➤ Recommended crop and volume for Regional FSR

| Countries | Recommended type of food for the OIC FSR | Average yearly carryover balance, kg per capita | Recommended volume of contribution to OIC FSR, thousand tons |
|--------------|--|---|--|
| Indonesia | rice | 139 | 60 |
| Malaysia | rice | 163 | 60 |
| Brunei | rice | 0 | 2 |
| TOTAL | | | 122 |

Recommended ways of storing reserves



1



Part of the reserve is in-kind, while the rest is in financial value

- In-kind reserve is about 1/3 of total reserve normal yearly consumption;
- Financial value (monetary, liquid securities, deposits, etc.);
- Cost of maintaining the in-kind reserve to be covered by countries;

2



Each country keeps its share of the FSR

- Countries commitments are made at the bilateral or multilateral agreements;
- To be kept as part of the national stockpile;

3

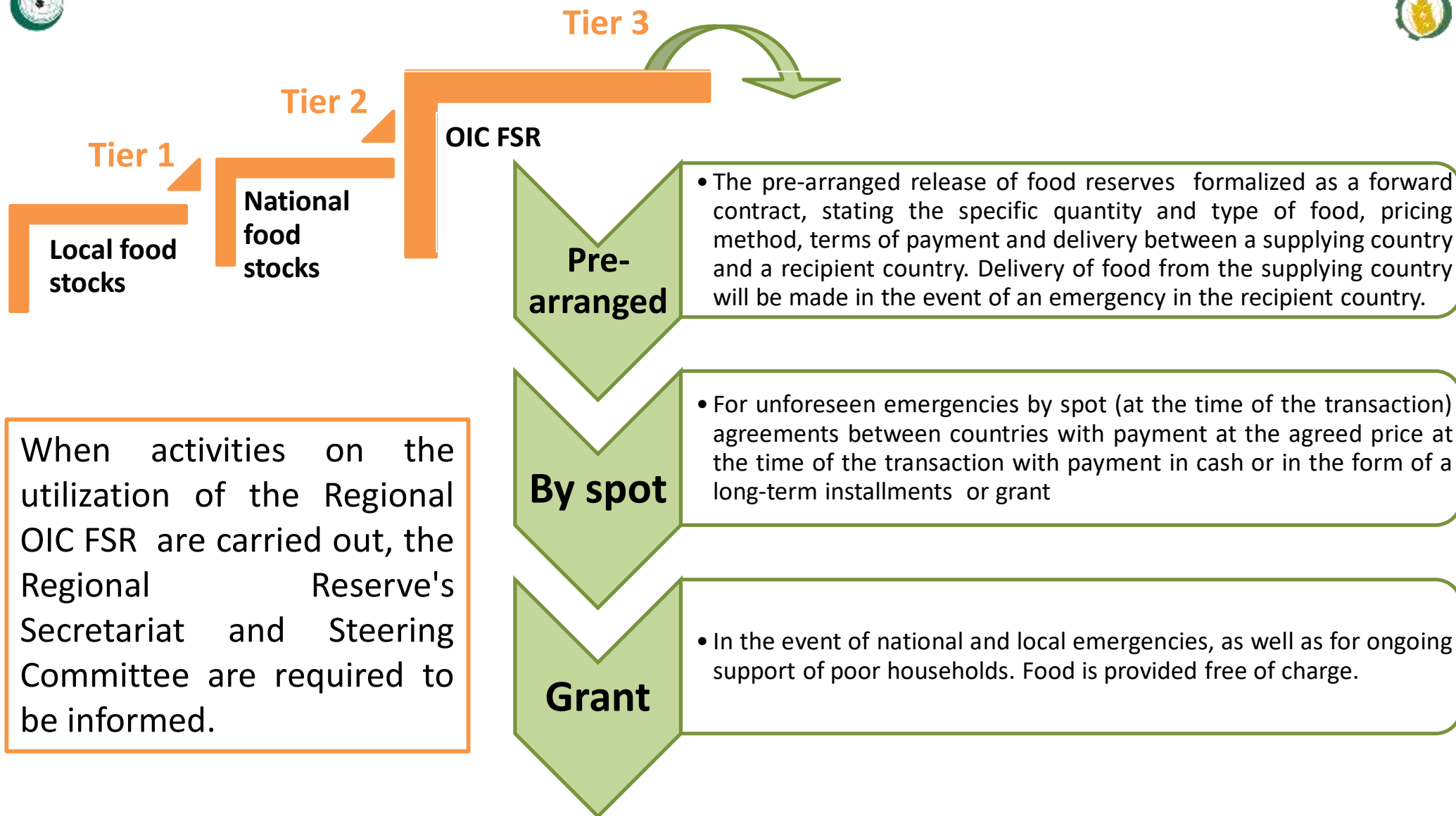


Reserves are stored in-kind in a common storage facility

- Cost of maintaining the in-kind reserve to be covered by countries;
- Detailed studies are needed in terms of ease of logistics, etc.



Recommended options for utilizing OIC FSR

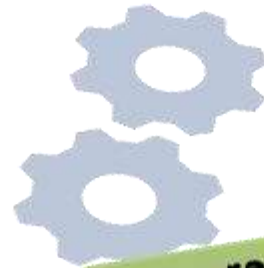


Main milestones in the formation of the OIC Food Security Reserves



launching a pilot project to establish an one Regional FSR

- 2021 - beginning 2022
- Regional FSR: Central Asia + Turkey + Azerbaijan + Iran + Albania



The regional FSR mechanism settings are being tested and calibrated

- 2022-2023
- Creation of IT system and the Grain Fund



The remaining Regional OIC FSR will be established.

- beginning in 2024
- based on ready and proven approaches



Planned steps to implement the pilot project of establishment of Regional FSR

(Central Asia + Europe + Iran + Azerbaijan)



| Activities | Deadlines | | | | | | |
|---|-----------|-------------------|-----------------------|--------------------|-------------------------|------------------|------|
| | 2021 | Beginning of 2021 | First quarter of 2022 | First half of 2022 | August - September 2022 | Till end of 2022 | 2023 |
| Conducting a coordinating meeting with countries in Regional FSR | ■ | | | | | | |
| Preparation of draft documents regulating the work of the FSR | | ■ | | | | | |
| Signing Memorandum (founding document) | | | ■ | | | | |
| Formation of the Steering Committee | | | | ■ | | | |
| First meeting of the Steering Committee | | | | | ■ | | |
| Second meeting of the Steering Committee: approval of key documents and decisions | | | | | | ■ | |
| Implementation | | | | | | | ■ |



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recurring sale for continuous purchase based on a master agreement between buyer and supplier with regular purchases without the need to prepare a specific offer and confirm an order, the price is determined either in advance or after the expiration of a specified period, subject to certain conditions.

<https://www.spglobal.com/spdji/en/indices/equity/dow-jones-islamic-market-world-index/#overview>

<https://aifc.kz/ru/islamic-finance/>

THANK YOU

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