*Annex*

*to the Resolution № IOFS/GA/1-13-2019* *on elaboration of IOFS investment program (by 3-years Work Programing)*

**EXPLANATORY NOTE**

**Establishment of Grain Fund**

According to the UN FAO data, the major part of calories intake in average comes from cereals and this level remain above the half of calories intake in the perspective by 2030. OIC member countries import grain annually for a total amount of about 18-20 billion US dollars, which makes up 25% of the world grain export. The dynamics of grain imports by OIC member countries will only increase, given the rapid population growth in Islamic countries. According to the expert community, the Muslim population of the world by 2050 will be more than 2 652.5 million people, that is, about 29% of the total population of the globe.

Among the above countries, the fastest-growing markets for wheat since 2013 were: Egypt (up 263.6%), Bangladesh (up 68.2%), Vietnam (up 55.9%) and Indonesia (up 48.7%).

As we can see from the same database, the top 15 OIC countries that imported the highest dollar value worth of wheat during 2017 is below:

1. Indonesia: US$3.6 billion (8.7% of total wheat imports)
2. Egypt: $2.6 billion (6.3%)
3. Algeria: $1.8 billion (4.3%)
4. Nigeria: $1.24 billion (3%)
5. Bangladesh: $1.22 billion (3%)
6. Turkey: $1.04 billion (2.5%)
7. Morocco: $0.85 billion (1.96)
8. Yemen: $0.61 billion (1.41%)
9. Sudan: $0.60 billion (1.40%)
10. Tunisia: $0.42 billion (0.96%)
11. Cameroon: $0.36 billion (0.83%)
12. Malaysia: $0.34 billion (0.78%)
13. United Arab Emirates: $0.29 billion (0.67%)
14. Libya: $0.24 billion (0.55%)
15. Azerbaijan & Kingdom of Saudi Arabia: $0.22 billion (0.52%)

It is noteworthy that the following current IOFS Member States are active participants of the wheat trade operations (by decrease of USD value): Egypt (full Member), Bangladesh (full Member), Turkey, Sudan, Cameroon, UAE (full Member), Libya, KSA (full Member), Tajikistan, Senegal, Uganda, Mozambique, Kuwait (full Member), Mauritania, Djibouti, Guinea, Afghanistan (full Member), Mali, Burkina Faso (full Member), Qatar (full Member), Iran, Gabon, Somalia, Kazakhstan (full Member), Benin, Suriname, Niger (full Member), Sierra Leone, Palestine (full Member), Guinea-Bissau.

Consequently, it appears expedient establishment of the IOFS Grain Fund. In the context of global agri-food trade, grain plays an increasingly important role in food security, especially for import-dependent regions. This is the main fundamental factor in the proposal to establish a Grain Fund which aims to systematize and meet the needs of the IOFS member States. The Grain Fund will function as an important part of the food reserve network.

During 2020, the Secretariat of the IOFS will conduct a detailed study on the Grain Fund, carry out a wide discussion of this issue with the IOFS member countries, interested parties, potential donors and beneficiaries. The IOFS will prepare an advisory feasibility study taking into account the interests of all parties. The implementation of this initiative is planned for 2021.

**3 years Investment Program**

Based on the results of an analysis of national and regional food security programs, data on food balances in the IOFS-countries, the Secretariat worked out the 3-years Investment Program that aims to resolve common issues for the vast majority of members, taking into account the possibility of solving them within the organization, on the basis of resources and available capacities in the IOFS member countries themselves.

The 3-year Investment Program provides for:

**In 2020:**

***Creating Food Security Database Platform***

The Food security database platform makes it possible to operate with objective data, identify our capabilities and problems, give an objective assessment of the situation in the region and in a particular country, and build an overall effective food security policy. In the future, this database should become a practical platform for the adoption by private sectors of our countries of investment decisions, the conclusion of trade, transport and logistics operations.

***Feasibility studies of IOFS Grain Fund***

The study will include the following questions: goals, objectives, functions, the structure of the Fund, indicators of its activity, efficiency and effectiveness. Fund management principles and procedures, decision-making procedures, geographical location, sources of financing, etc.

This work will be carried out in close cooperation with the IOFS member states, taking into account their suggestions and comments.

**In 2021:**

***Feasibility studies of Agriculture Investment Fund of IOFS***

To implement the initiatives of the IOFS, as well as measures for the development of the agro-industrial sector of the IOFS countries, financial resources are needed. In this regard, the creation Agrarian Investment Fund is proposed.

***Feasibility studies of IOFS transport and logistics center***

A significant share of food imports in OIC member countries is in non-Muslim countries. There are objective reasons for this, but the main reason for the current situation is the weakness of the transport and logistics infrastructure. By allocating sufficient resources to this issue, we are creating a powerful foundation for the sustainable and self-sufficient development of Muslim countries. To solve these problems, it is proposed to create transport logistics center under the IOFS.

**In the year 2022:**

***IOFS center of scientific and technological development***

Technology and applied science are important in the development of agricultural production and ensuring food security. In this regard, the creation of the IOFS center of scientific and technological development is proposed.

***IOFS online commodity exchange***

Further development of the Food security database platform through the creation of IOFS online commodity exchange on it