

Memorandum on Food Security Reserves of the OIC countries

DRAFT MEMORANDUM

ON CREATION OF OIC FOOD SECURITY RESERVE

For Sub Region

The Governments of being members of the Organization of the Islamic Cooperation (OIC),

Recalling the OIC Charter, and the OIC General Agreement on Economic, Technical and Commercial Cooperation (1977), which call for increased intra-OIC cooperation with a view to promoting economic and social development in OIC Member States;

Bearing in mind the Resolution No. 1/4-MFSAD adopted by the Fourth OIC Ministerial Conference on Food Security and Agricultural Development held in Tehran, Islamic Republic of Iran, on 14-16 January 1995, on OIC Food Security Reserve,

Reaffirming the Resolution on Promoting Food Security and Agricultural Development in OIC Member States adopted by the Sixth OIC Ministerial Conferences on Food Security and Agricultural Development held in Istanbul, Republic of Turkey, on 3-6 October 2011,

Recalling Resolution No.3/40-E adopted by 40th CFM held in Conakry, Guinea, on 09-11 December 2013, which approved the Statute of Islamic Organisation for Food Security (IOFS) as a specialised institution of OIC,

Noting the high vulnerability of the OIC Member States in region to wide fluctuations in the production of basic foodstuffs and hence to instability of the region's food supply,
Affirming the need for effective and concerted action by OIC Member States in aimed at strengthening food security in the region,

Have agreed as follows:

ARTICLE I

General Provisions

The OIC Member States in, hereby, agree that ensuring food security needs to be dealt with several aspects, especially, where appropriate through:

- strengthening of the agricultural efficiency and food production base;
- post-harvest management and agricultural value addition;
- establishment of a food information and early warning system;
- promotion of agricultural and rural development;
- investment promotion and joint venture;
- increasing the income of the small-holder farmers.

ARTICLE II

Establishment of the OIC Food Security Reserve for

The Governments of the OIC Member States in _____ hereby agree to establish the OIC Food Security Reserve for (hereinafter referred to as the Reserve) on the conditions and for the purpose described in this Memorandum. Food reserves hereinafter referred to the part of national strategic food reserves administered or controlled by a Member State and reserved by Member States to participate in the OIC Food Reserve System

The Reserve shall be administered by the Steering Committee of the OIC Food Security Reserve (hereinafter referred to as the Steering Committee) provided for in Article X of the present Memorandum.

ARTICLE III

Objectives of the OIC Food Security Reserve for

The objectives of the Reserve are:

to ensure the food security of OIC Member States in _____ through coordination of national food stock policies and national food reserve;

to monitor the food security situation of OIC Member States in _____ with regard to production volumes of food, movement of food stock and prices of principal food products through data collection, their processing and analysis.

ARTICLE IV

The Reserve

The Reserve shall consist of cereals (wheat, rice, maize, sorghum, teff, etc.) or principal food product or a combination thereof, (hereinafter referred to as foodgrains) earmarked by the Member States exclusively for the purpose described in Article III. The foodgrains forming part of the Reserve shall remain the property of the Member State that has earmarked them and shall be included in any national reserve that may be maintained by that member state;

Each Member State undertakes to earmark as its share of the Reserve the amount of foodgrains allocated to it in the Schedule of this Memorandum. The said Schedule shall be an integral part of this Memorandum.

The Member States shall keep the Schedule under review and may amend it in the light of operating experience in accordance with the procedure laid down in Article XII.

A Member State may, at any time, voluntarily earmark for the purpose provided for in this Memorandum, foodgrains exceeding the amount allocated to it in the Schedule. In such a case the Member State concerned may only withdraw an amount in excess of its allocation by giving six months advance written notice to the Steering Committee.

The quality of all foodgrains earmarked by the Member States shall meet the current standards in country of storage approved by Steering Committee to a minimum standard as set by the Steering Committee in agreement with Member States'

The Member States undertake to provide adequate storage facilities for the foodgrains that they have earmarked; to inspect the food grains periodically and to apply appropriate standard quality control measures, including turnover of the foodgrains, if necessary, with a view to ensuring that all times the foodgrains satisfy the required quality standards; and to replace forthwith any foodgrains that do not satisfy the said standards. In addition, the Member States agree to make every effort to comply with any guidelines on storage methods or quality control measures recommended by the Steering Committee.

The Member States will share data available for the quantities of commodities and main products available in the private sector and within the private supply chain

Member States may optionally provide equivalent amount or part of reserves in financial form (cash deposits in Islamic Development Bank) equivalent to up to 30% of the reserve.

Other countries, international organizations, other donors also may make contribution to the reserves instead on behalf of a country.

Procurements for reserves are recommended preferably in the countries of the OIC to support local producers.

ARTICLE V

Agreements of the countries

1. Member States Parties shall conclude bilateral and/or multilateral long-term mutual agreements on cooperation in the sphere of food reserves.
2. The specific quantities, terms and conditions of payment for deliveries are determined by short-term agreements.
3. Terms of payment should be defined in short-term agreements and may be cash, instalment payments or grants.
4. Country or local-level emergencies shall be declared by the Government of the recipient country or by the United Nations.
5. Emergencies may be defined as predictable or unpredictable.
6. The Member States will share the data available for the quantities of cereals and other reserved products available in the country, including private sector and within the private supply chain

ARTICLE VI

Creation of a Humanitarian Reserves

In order to fund the relevant activities under this Memorandum, Member States undertake to create a Humanitarian Reserve, which shall be administered by the Steering Committee. The activities of the Humanitarian reserves shall comprise the following:

Provision of humanitarian assistance in emergency situations, both at the country and local levels
Food support for vulnerable populations (refugees, famines, others)
Assistance to recipient countries in addition to deliveries from food reserves from donor countries

The Private Sector, philanthropists and net-worth individuals shall be encouraged to contribute to the Fund, including the utilization of endowment funds (Wakf) under the Islamic Social Finance.

ARTICLE VII

Withdrawal of Reserves in an Emergency

An emergency means a situation of natural calamities (earthquakes, droughts, floods, hurricanes, epidemics, etc.) or created by military and civil conflicts, blockades, etc., which disrupt the supply of food for the population, when a State is unable to cope with the situation by using its national reserves and normal trading transactions

Each Member State shall be entitled, on the conditions and in accordance with the procedures laid down in Articles V and VIII, to draw on foodgrains forming part of the Reserve in the event of an emergency.

The Member State in need shall directly notify other Member State or States of the emergency it is facing and the amount of reserves required.

The other Member State or States being requested agree to undertake immediate measures to ensure immediate deliveries of the required reserves, subject to availability in the combination requested.

The prices, terms and conditions of payment, standards of food provided shall be the subject of direct negotiations between the Member States concerned.

The requesting Member State shall at the same time inform the Steering Committee of their requests to the other Member State or States.

The Steering Committee shall provide support to the recipient country, upon request, in the assessment of the level and period of assistance required, in the negotiation and implementation of assistance agreements with other countries participating in the system.

8. Representatives of the Steering Committee shall participate in all stages of negotiations on the use of Reserves.

ARTICLE VIII

Changes of the Reserve.

A Member State in need shall be entitled to withdraw stocks from its own share of the Reserve.

A Member State that has released all or part of the national stocks forming its share of the Reserve shall notify the Steering Committee and the date of its recovery.

Member State before withdrawing stocks shall inform the Member States and the Steering Committee of such withdrawal.

A Member State that has released all or part of the national stocks forming its share of the Reserve shall replenish that Reserve as soon as practicable and, in any event, not later than one calendar year following the date of release.

ARTICLE IX

The Steering Committee of the OIC Food Security Reserve

For the purpose of providing supervision and coordination in the implementation of the OIC Food Security Reserve a Steering Committee shall be established. The Steering committee shall comprise one representative delegated from each Member State.

The Steering Committee shall elect a Chairman and Vice-Chairman based on the principle of rotation among Member States whose terms of office shall be two years. Rules of Procedure for the meetings of the Steering Committee shall be the same as for other OIC meetings.

The Secretariat is the executive body of the Steering Committee

The Steering Committee shall meet periodically, at least twice a year, and extraordinarily at other times as required (e.g. in an unprecedented crisis).

Decisions of the Steering Committee shall be taken on the basis of unanimity.

The decisions of the Steering Committee are taken by an absolute majority, or in the case of an equal number of votes, the Chairperson shall have the casting vote.

ARTICLE X

Functions of the Steering Committee

The functions of the Steering Committee shall include:

Undertaking a periodic review and assessment of the food situation and prospects in the region including factors such as production, consumption, trade, prices, quality and stocks of foodgrains. The periodic assessment reports shall be disseminated to all member states;

Examining immediate, short term and long term policy actions as may be considered necessary to ensure adequate supplies of basic food commodities in the region and to submit, on the basis of such examination, recommendations for appropriate action to the concerned member states;

Reviewing implementation of the provisions of the Memorandum, calling for such information from member states as may be necessary for the effective administration of the Reserve
issuing of guidelines of technical matters such as maintenance of stocks, storage conditions and quality control;

Monitoring the establishment and changes of Reserves and Humanitarian reserves

Monitoring and evaluation of the Secretariat's activities in accordance with the Steering Committee's directives

Suggesting amendment to the Memorandum, as and when considered necessary, in accordance with the procedure specified in Article XII.

The Steering Committee shall submit a periodic annual report to the OIC Council of Foreign Ministers on discharging its functions in accordance with the OIC resolutions.

ARTICLE XI

Secretariat and its responsibilities

The Steering Committee shall be assisted by its own Secretariat. The Secretariat shall be located in the headquarters of the IOFS. The Head of Secretariat shall be appointed by the Chairperson of the Steering Committee.

The Head of Secretariat shall report to, and coordinate with, the Chairperson of the Steering Committee and the Secretary General of the OIC on issues related to the implementation of the Steering Committee decisions.

The Secretariat's responsibilities shall include monitoring all matters relating to the management and release of the Reserve, and convening and administration of meetings of the Steering Committee.

The Secretariat may, on behalf of the Management Committee, inspect food reserves included by countries under this Memorandum for participation in the Food Security Reserve System of OIC countries
5. The Secretariat may inspect the situation and/or the reserve when requested by the recipient country with the consent or request of the donor country and the recipient country. The financial expenditures for the inspections shall be paid by the recipient or donor country or by a third party.

6. Inspection by the office of the Secretariat is mandatory for the provision of assistance from humanitarian reserves.

7. Following the distribution of aid from humanitarian reserves, the Secretariat shall conduct an independent sociological survey among the population of the recipient country to assess the effectiveness of the assistance provided.

8. Procurements for Humanitarian reserves are made in OIC countries to support OIC farmers. Locations for procurement, storage, standards, products are determined by the recipient country (to reduce costs)

9. The Secretariat shall develop, establish and maintain an Information and analysis system ('early warning') for

10. The Secretariat under the Food Reserve Management Committee should develop, establish and maintain an 'early warning' information and analytical system assessing and monitoring food security of OIC countries. The main functions of the system shall be to:

Provide a database of indicators required to monitor food security measures, in addition to statistics of the OIC member countries, and should include data from WFP, FAO, CRED (Center for Research on the Epidemiology of Disasters), USDA, WTO, etc.

(i(a)) - indicators for monitoring shall include: production, import and consumption, pricing, key factors affecting a countries ability to manage food supply (climate change, natural disasters, political and military events, decisions of governments, etc.), outbreaks of diseases or pest infestations that may affect production, supply or storage of food grains or other food commodities

Provide monitoring of risks and the assessment of their impact on food security: trends in the food market, climate changes, political, economic and military crises, physical and economic availability of food, assessment of possible damage (extent of damage, vulnerable groups of the population, for example, urban population is more vulnerable in economic crisis, the rural population is more vulnerable to natural disasters, etc.).

Forecast and plan – by assessment of the impact of these various factors on a country or regions food security state, assessment of potential damage, alternative solution scenarios, and the necessary actions to avoid worst-case food shortage scenarios.

Assessment of the food required for aid from international reserves and humanitarian reserves of OIC.

On-line tracking of the use of donations for donors

11. The budget of Secretariat shall be financed from the membership fees.

12. The level of membership fees shall be determined and approved by Steering Committee

13. Secretariat remuneration for the management of Humanitarian reserves is based on the principles of 'Vakalatul Istismar', regardless of the gains or losses of the Humanitarian reserves as a whole.

14. Secretariat should report annually to Steering Committee with results of independent audit of the financial statements of the Secretariat. All reports should be accessible in the public domain of the Secretariat.

ARTICLE XII

Final Provisions

This Memorandum shall be signed by official representatives of the OIC Member States who are members of the reserve

This Memorandum shall enter into force on the thirtieth day after the tabling of the memorandum before the Council of Foreign Ministers (CFM)

Any amendment to the provisions of this Memorandum shall be effected by consent of all OIC Member States in _ .

This Memorandum shall be deposited with the Director General of the IOFS, who shall promptly furnish a certified copy thereof to each OIC Member State in _ .

In witness whereof, the undersigned plenipotentiaries, being duly authorized thereto, have signed this Memorandum.

Signed at _____ on _____ in three originals in Arabic, English and French languages.