



Lessons from Rice Reserve Mechanism in Southeast Asia

SWAC 2010 Forum on regional solidarity
to address food crises

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Lessons in Four Key Areas

1. Objectives and Cooperation framework
2. Institutional Arrangement
3. Implementation Strategies
4. Information system

Objectives and Cooperation Framework (1)

- **Objectives**

“Collective self-reliance and common responsibility” / “Caring and Sharing ASEAN community”

- Coping with food emergencies (AFSR -> AERR)
- Ensure long term food security and improve livelihood of farmers in ASEAN (EAERR - > APTERR - >> AIFS-SPA-FS)

- **Cooperation framework**

- Voluntary commitments
- Usual ASEAN way of “non-interference” – weak mechanism to ensure compliance to commitment made by member states
- “Too” careful not to replace rice trade (No preferential or special term / normal bilateral negotiation; tied to WTO agreement which prohibits trade distortion)

Objectives and Cooperation Framework (2)

- **Results**

- Option of last resort (*preferred imports, foreign loan, WFP*)
- No clear value added role of regional cooperation in both short term (emergencies) and long term (food security)*

→ **Lessons / points for consideration for RESOGEST**

- How to balance the **trade interest** of countries particularly in the midst of existing Economic Partnership Agreements, FTAs, WTO commitments as well as the **commitment to common regional aspiration** (food security, political stability)

* *special/preferential terms distinct from usual rice trade*

- Need to define the extent of regional intervention acceptable to each member state

Institutional Arrangement (1)

- **Mandate**

- ASEAN Ministers of Foreign Affairs signed official agreement in 1979
- Senior Official Meeting of ASEAN+3 Ministers of Agriculture & Forestry sanctioned the implementation of EAERR as pilot program, and
- Senior Official Meeting of ASEAN Ministers of Agriculture & Forestry approved ASEAN Integrated Food Security Framework + strategic plan of action in 2008

Institutional Arrangement (2)

- **Performance of the mechanism**

- Transformation of the role of the regional mechanism from mere facilitator of information on availability of stock to a bit proactive nature of the management team in terms of monitoring and analyzing the rice supply and demand among member states and its mandate to move stockpiles between countries in times of food emergencies
- Pivotal role of lead countries (Japan and Thailand) in providing the necessary political and economic leadership*
- Credibility and inefficiency of national food reserve mechanism limited the potentials of the regional reserve*
- Absence of producers and consumers group

- **Lessons/points for consideration for RESOGEST**

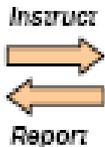
- Who will take the lead role – leadership (resources, political will) and how to guard against their trade motives
- Recognition of the value-added role of CSOs manifested in clear mechanism for meaningful participation (space, time, extent and cost of participation)

Implementation Strategies

- **Implementation strategies**
 - 2 types of stock: earmarked reserve + stockpiled reserve
 - Mechanism for releasing stock: Tier 1, 2, 3
- **Assessment of the strategies**
 - Reserves not easily accessible to address emergencies and related needs
 - Not enough safeguards to prevent dumping surplus rice
 - Undermined incentives for local rice production
 - Unclear modalities, in particular related to modes and triggers for access (price and/or volume shortages, mechanics of distribution of rice stocks from the reserves)
 - Missing regular participative review and assessment
 - Low or lack of technical capacity in determining the volume of stock necessary to address emergencies and food price crisis
- **Lessons/point for consideration for RESOGEST**
 - Appropriate timing
 - Strategic location - stockpile pre-positioned in strategic areas

East Asia Emergency Rice Reserve Pilot Project

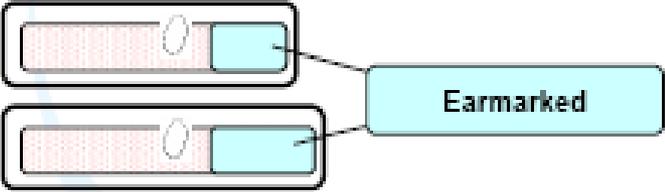
Project Steering Committee
 (ASEAN + China, Korea, Japan)
 ※Coordinator :
 Japan and Thailand

Management Team
EAERR

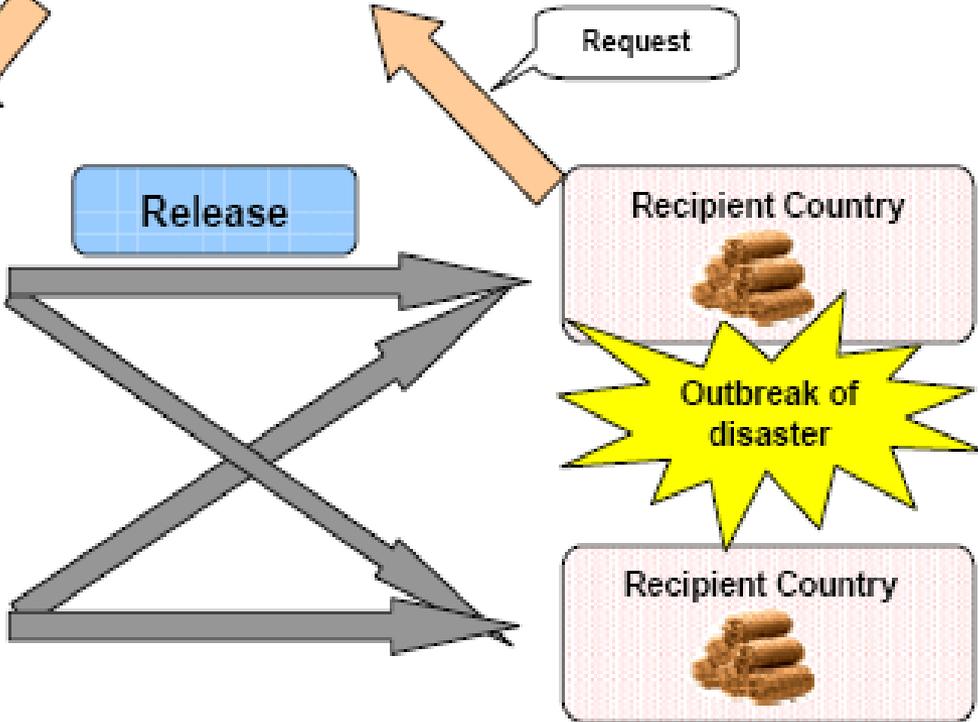
Earmarked Rice Reserve (emergency use)

Emergency Use



Stockpiled Rice Reserve (urgent first-aid)

- First-aid in case of emergency
- Poverty alleviation after storage period has passed

- ◎Schedule**
- Year 1 : Draw up the guidelines for stockpiling, contributions to the earmarked reserve
 - Year 2 : Implement the pilot project in accordance with the guidelines
 - Year 3 : Assess the pilot project and discuss future projects

Information system

- **Relevance of Regional Information system**
 - ASEAN Food Security Information System was established to complement the EAERR to develop the region's capacity for collecting and managing data on food security and to eventually enable the creation of an agriculture database to assess food security in the region.
 - **Assessment of the information system**
 - Varying level of capacities for information generation and analysis
 - Unavailability of updated data (e.g. most comparable national surveys available are ten years old)
- **Lessons/ points for consideration for RESOGEST**
- Regional value added function related to information system:
- Developing and establishing “performance standard” drawn from key indicators in the information system
 - Monitoring and evaluating national food reserve systems based on agreed performance standard
 - Providing incentives / disincentives