



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 4.

Memorandum of Understanding

Stephen Catchpole LA International Cooperation

What does the memorandum of understanding include?

- Protocols for the operationalisation of the FSR
- Bilateral and/or multilateral agreements
- Roles and responsibilities
- Withdrawals and replenishments
- Monitoring and reporting



General Provisions – the mechanisms and purpose of the FSR Article 1

- 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.



Objectives and Agreements



Article 3

1. to ensure the food security of OIC Member States in _____ through coordination of national food stock policies and national food reserve;
2. 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 5

1. MS shall conclude **bilateral and/or multilateral long-term mutual agreements** on FSR cooperation
2. **Short-term agreements (STA)** specify quantities, terms and conditions of payment for deliveries
3. Terms of payment (STA) may be cash, instalments or grants.
4. **Country or local-level emergencies be declared by the recipient MS Government** or by the United Nations.
5. Emergencies may be predictable or unpredictable.
6. **MS share the data available** for the quantities of cereals and other reserved products available in the country, including private sector and private supply chain.

The Reserve:

Article IV



1. **Consist of cereals** (wheat, rice, maize, sorghum, teff, etc.) or principal food product or a combination thereof, ('foodgrains') earmarked by MS exclusively

.....**remain the property of the MS** /included in any national reserve / maintained by that MS;

2.undertake to **earmark share** in the Schedule (tonnage/ financial equivalent)

3. schedule **under review/amended** in light of operating experience

4. MS may **voluntarily exceed earmark** amount and:

5. only **withdraw an amount in excess of allocation-six months** advance written notice to the Steering Committee (SC).

6. quality foodgrains **current standards in country of storage** approved by SC - minimum standard set by SC/agreed with MS



And.....

7. **MS share data available** – quantities- commodities and main products available - private sector and private supply chain

8. **MS provide/comply with adequate storage facilities/** periodically inspect /apply standard quality control measures, turnover of the foodgrains, ensure quality standards all times; replace if standards (SC recommend) not met

9. **MS optionally provide equivalent** to that stated at 7 in an amount or part of reserves in **financial form** (cash deposits in Islamic Development Bank) equivalent to up to **30% of the reserve.**

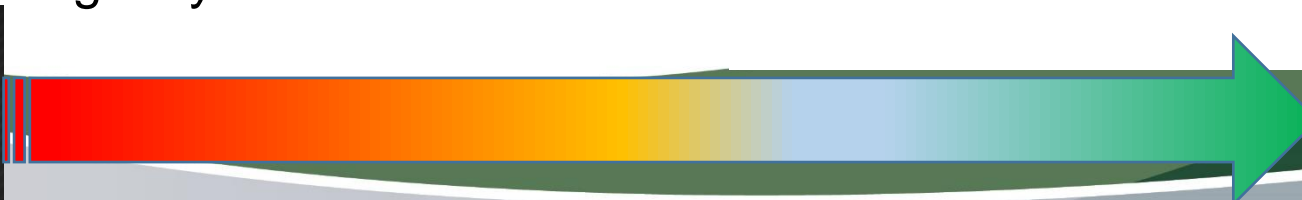
10. Other countries, international organizations, other donors may make contribution to the reserves instead or behalf of a country.

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

Withdrawal of Reserves in an Emergency – Article VII

1. **Emergency means** - 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,
2.when a **State is unable to cope** with the situation by using its national reserves and normal trading transactions
3. **MS entitled, draw on foodgrains** forming part of the Reserve on the conditions/ procedures (ArtV and VIII),
4. MS directly **notify other Member State or States** of the emergency and amount

5. MS(s) undertake **immediate measures /deliveries** subject to availability
6. **Prices, terms/conditions of payment, standards subject to direct negotiations** between MSs concerned.
7. **MS inform Steering Committee** of requests
8. **SC provide support** to recipient- assessment of level and period of assistance, negotiation and implementation
9. **Representatives SC participate** in stages of negotiations on the use of Reserves.



Changes to the Reserve- Article XIII

1. MS in need entitled to withdraw stocks from its own share
 2. MS release all or part of the national stocks notify the SC and recovery (replenish) date
3. MS inform MS (in group) and SC of withdrawal.
4. MS replenish as soon as practicable and, in any event, not later than one calendar year following the date of release.

100% ~~XX~~%



Humanitarian Reserve – Article VI

To fund/create a Humanitarian Reserve, administered by the Steering Committee.

- Activities of HR comprise :

Humanitarian assistance in **extreme emergency situations**, 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
- **Private Sector, philanthropists and net-worth individuals encouraged to contribute** to the Fund, including the utilization of endowment funds (Wakf) under the Islamic Social Finance.


The Steering Committee of the OIC Food Security Reserve Article IX

1. Supervision and coordination OIC FSR
2. One representative delegated from each Member State.
3. Elect a Chairperson and Vice-Chairperson based rotation / terms of office two years.
4. Rules of Procedure for the meetings as for OIC meetings.
5. Secretariat - executive body of the Steering Committee
6. Meet periodically, at least twice (2) per year, and extraordinarily at other times (e.g. in an unprecedented crisis).
7. Decisions unanimous/ absolute majority, or in the case equal, Chairperson has casting vote.

Functions of the Steering Committee –Article X



1. Periodic review/assessment of food situation and prospects in the region including factors: production, consumption, trade, prices, quality and stocks of foodgrains.

2. Reports disseminated to all member states; - 

3. Submit annual report to OIC Council of Foreign Ministers on discharging its functions in accordance with the OIC resolutions.

Examine:

a) immediate, ST and LT policy actions, adequacy supplies of basic food commodities in regions / submit recommendations for action to concerned MS;

b) implementation of the provisions of the Memorandum, information from MS on effective administration

c) guidelines on technical matters - maintenance of stocks, storage conditions and quality control;

d) Monitoring the establishment/change to Reserves and Humanitarian Reserves

e) M&E Secretariat's activities in accordance with the Steering Committee's directives

f) Amendment to the Memorandum, in accordance with the procedure specified in Article XII.

Functions of the Secretariat – Article XI

- 1 The SC assisted by its own Secretariat. Located HQ of the IOFS.
- 3. The Head of Secretariat appointed by Chairperson of SC
- 4. HoS reports to/coordinate with Chairperson of the SC and Secretary General OIC on issues related - implementation of SC decisions.
- 5. Monitoring the management/ release of Reserve, convene/administer meetings of the SC
- 6. Inspect food reserves included by countries
- 7. Inspect situation and/or reserve when requested by recipient country with consent or request of the donor country
- 8. Inspect financial expenditures paid by the recipient or donor country or by a third party.
- 9. Inspection mandatory for the provision of assistance from humanitarian reserves.
- 10. Independent sociological survey following distribution from HR, amongst population of recipient country to assess effectiveness
- 11. Procurements for HR made in OIC countries to support OIC farmers. Locations for procurement, storage, standards, products are determined by the recipient country (to reduce costs).
- 12. Financed from membership fees / determined & approved by Steering Committee. Secretariat remuneration for HR management based on 'Vakalatul Istismar', regardless gains or losses of the HR.
- 13. Report annually to SC - results of independent audit of the financial statements of the Secretariat. Reports published - public domain



Early Warning System

Secretariat's Food Reserve Management Committee - main functions of the system

- develop, establish and maintain 'early warning' information/ analytical system - assess and monitor food security in preventing food-crisis
- provide a database of indicators: production, import/ consumption, pricing, factors affecting food supply (climate, natural disasters, political and military events, decisions of governments, etc.), outbreaks - diseases or pest infestations, supply or storage of food
- data OIC member countries and WFP, FAO, CRED, USDA, WTO, etc.
- monitoring of risks /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 from donors



Next Steps – the way forward

- Thank you for your contributions
- Report / summary on conclusions and resolutions
- Programme/ project plan for design and implementation with participating Member States