

**NEAT Working Group on
Enhancing the East Asian Food Security Mechanism:
APTERR's contribution to Food Security and Disaster Prevention**

Final Report

**Tokyo
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1. Background

In East Asia, regional cooperation and integration has been advancing in the areas of economy, money and education since the start of the ASEAN Plus Three (APT) cooperation in 1997. The high growth of production, income and trade has continued and amplified the interdependence of regional economies. Such economic growth and integration, however, masks the existence of common challenges and negative side effects. The region is increasingly prone to natural disasters and climate changes. Poverty and hunger is still persisting among the lower tier of the society. The widening disparities of economic conditions among different social strata are undermining the national cohesion and social stability. Many concerns that the sustainable growth and the secure life of the region is being challenged.

A typical area of common concern has been the stable supply of food and food security. After the World Food Summit in 1996, the cooperation for food security was intensively discussed among the East Asian countries and the ASEAN Food Security Information System (AFSIS) was established at the APT Ministerial Meeting on Agriculture and Forestry (AMAF+3) in 2001-2002, followed by the creation of the pilot project of East Asia Emergency Rice Reserve (EAERR) in 2004. The world food crisis in 2007-8 proved that world food market was still vulnerable against unexpected shocks and speculations, which paved the way to the establishment of the ASEAN plus Three Emergency Rice Reserve (APTERR) and made the AFSIS a permanent mechanism in 2012.

The APTERR is a unique program materialized under the APT cooperation. It aims at strengthening the food security and poverty reduction in the APT countries, mainly through the specific rice reserve mechanisms to prepare for large scale disasters or other emergency cases. Since its establishment in 2012, a considerable amount of rice was released from the APTERR stockpiled emergency reserves to the areas damaged by the typhoon, drought and other emergencies.

Nevertheless, these cooperation mechanisms for food security, in particular APTERR, have many limitations and challenges to address more effectively and swiftly the complex issues of food security and poverty reduction in the APT region.

2. Objective

This WG has been set up to review the current food security cooperation mechanisms in the APT region with a particular focus on the improvement of APTERR's framework and operations so that all parties share the need for, and the benefit of, such collective regional food security mechanism. The WG was expected to identify the major challenges, examine possible areas to improve or further develop and prepare recommendations to the APT Summit from the standpoint of Track II diplomacy.

3. Challenges

Food security has long been a high priority agenda in the national policy of populous East Asia. The situation has little changed even after the decades of economic success because supply of sufficient food at reasonable prices is critical for the socio-political stability. However, region's food security is now being challenged by two new world trends. Inward-looking policies taken by world leading countries are making international food supply more unpredictable and unreliable. Climate change seems to be causing more frequent floods, drought, and heat damages to crops and animals in a much larger scale.

Food security in the APT countries could be better achieved through the collective and concerted actions, and more ideally, by the creation of a common agricultural policy. In this context, the foundation of the APTERR program and the AFSIS mechanism was a tiny but important first step towards that goal.

In the APT region, the stable supply of rice, which is the common staple food, is key to food security and thus APTERR's efforts center on rice reserves. All parties committed to earmarking certain quantity of rice to meet emergency requirements of APT members totaling 787,000 tons. Since its inception, nearly 19,000 tons of stockpiled reserve rice have been made available for emergencies under the Tier 3 mechanism. Although being greatly appreciated by the recipients, the current program has many challenges to be one of the most important and effective mechanisms of regional cooperation for food security.

First is to enhance the awareness of the program and fetch full support from general public, international communities and policy makers. By nature, international

emergency food reserves hardly attract people's attention at normal times. But at a time of global food shortages such as in 2007-8, regional reserves can work as a social safety net by assuring a supply of pledged food and reducing the pressure of rising prices. Despite that the APTERR is a unique inter-governmental mechanism pledging quantitative contribution to food security and has delivered a considerable amount of rice in number of emergency cases, it is not well known by ordinary citizens and policy makers. Efforts should be made to let the important role of, and necessity for, such emergency reserves broadly acknowledged.

Second challenge concerns the earmarked reserves which are the core of the APTERR program. The earmarked reserve and its use (Tier 1 and Tier 2) constitutes a central part of food security mechanism in the APTERR. It is a powerful tool to physically tackle food insecurity and the existence of such reserves itself should exert considerable tranquilizing effects on politics and markets. However, the actual use has been so far very limited. This may be largely the reflection that no serious food shortages emerged during this period but may be partly attributable to the rules and conditions stipulated in the program. It may be worth reviewing the current rules and conditions from the standpoint of recipients so that the earmarked reserve can be readily utilized by the countries in need.

Third challenge is to use the undelivered stockpiled rice (Tier 3 rice) for broader purposes. The APTERR has a mechanism to contribute to poverty reduction through the use of undelivered stockpiled rice after the laps of the reserve period. The use for the Food for Work (FFW) program or school lunch program was a good example. But the undelivered rice may be used for other purposes, at other occasions or in different frameworks. Because the APTERR is mostly used in the event of disasters, the APTERR mechanism can be associated with training and education that will help people prepare for and manage various disasters such as tsunami, flood and typhoon, and it could also be considered to be used in wider areas or for other international cooperation frameworks.

4. Discussions at the Working Group meeting

Twenty experts from APT countries, the APTERR secretariat and the sponsoring organization, the Japan Forum on International Relations (JFIR), participated in a working group meeting which was held in Tokyo on 26-27 July 2018. Discussions were made in three consecutive sessions highlighting the experiences and challenges of APTERR from the

perspective of supplying countries, those of recipient countries and APTERR's future including the utilization of stockpiled rice in post reservation period.

Following the opening remarks of the Vice President of JFIR, in Session I the WG discussed major concerns that the APTERR system has to tackle with, while admitting its valuable role in regional food security. They pointed to the limited awareness among general public and stakeholders and suggested the awareness should be raised through all possible channels in particular through the improved web-site information on its activities, rules/procedures and performances. The group addressed the concerns that earmarked rice reserves under Tier 1 and 2 had been seldom utilized and discussed about alternative pricing and funding mechanisms such as flexible interpretation of current prices, repayment in kind, use of stand-by concessional loans. Regarding the use of undelivered stockpiled rice, it was suggested that wider coordination with ministries, private sectors and related complementary projects would resolve these problems. In this regard, the Introduction of "Tier 3 guild book" was thought to be very helpful.

In Session II, recipient countries appreciated the support from the APTERR especially for donating reserved rice to disaster-hit areas. The Session discussed on a wide range of issues arising in the implementation stage of stockpiled reserve based on the past experiences. They include insufficient quantity for emergency relief, delayed delivery due to slow office procedures, deterioration in rice quality during preservation, difficulty in delivery due to poor infrastructure and limited fund for logistical support. It was repeated that wider coordination among different institutions would be the key for smooth and timely delivery. Suggestions were made including streamlining office procedures, proactive rather than reactive commitments, technical assistance on rice storage, and storing rice partly in the form of processed products or 'ready-to-eat'. Some members also suggested the necessity for the changes in relevant rules.

Session III discussed the future of APTERR including the use of Tier 3 rice after reservation period and regional cooperation for food security. Experts proposed to broaden the mode and scope of utilizing undelivered Tier 3 rice to such activities as school lunch, dietary/nutrition education, food for work, and training for disaster management. Experts asked if Tier 3 rice, after the laps of reserve period, could be 'monetarized' (cashed) in the market so as to mobilize it more effectively for these broader purposes. Other experts hinted that part of Tier 3 rice could be 'fortified' with vitamins and released to schools or people suffering from malnutrition. They considered that full collaboration with various

local and international agencies would be required. Finally, they all agreed that the APTERR's mechanism, though currently not well acknowledged, is an important step for regional food security cooperation which is supported by mutual trust by members. It was also suggested it could play a pioneering role in designing common food security policies.

5. Policy Recommendations

Based on the discussions above, the Working Group on "Enhancing the East Asian Food Security Mechanism: APTERR's contribution to Food Security and Disaster Prevention" summarized the following policy recommendations:

1. (Enhancing awareness)

Make all possible efforts to raise the awareness of the APTERR and its role among the concerned people and gain their full support for its programs by disseminating a wide range of information through all possible channels including its unique intergovernmental collaboration mechanisms focusing on rice, past performances and positive impact on regional food security, as well as its rules, operations and related statistics.

2. (Coordination with other agencies and groups)

Strengthen the coordination with other national and international agencies, NGOs and private sectors that are also conducting various activities that enhance food security in East Asia. The APTERR, in close collaboration with AFSIS, can play a leading role in the area of collecting, analyzing and disseminating information on rice stocks, reserves, and emergency food deliveries by extending its activities to the ones that are required at normal times.

3. (More use of earmarked reserves under Tier 1 and 2)

Encourage the use of Tier 1 and Tier 2 reserves by finding appropriate measures to reduce/detour bottlenecks including flexible pricing mechanisms which are more attractive for both supplying and demanding countries and at the same time will not disturb regional and international rice markets.

4. (Strengthen Tier 3 mechanism)

Improve the quality and quantity of Tier 3 rice stockpiles to be ready for increasing number and degree of emergencies, and expand the scope of their use after the laps of reserve period for a wide range of activities for reducing poverty and malnutrition. Technical assistance and collaboration with local experts should help improve reserved rice quality and expand applicable activities. Examine the change of operational rules regarding the partial encashment of stock piled rice after reserve period so that various activities can be implemented more effectively.

5. (Contribution to disaster prevention and management)

Plan and store partly the stockpiled rice reserves in a manner that can meet both requirements for emergency release and for the use of post reserve period. The storage of pre-cooked rice products would enable immediate consumption by people in disaster hit areas and after the laps of reserve period they can be utilized for disaster management training or dietary education.

6. (Steps forward to common regional policies)

In the light of amplifying cross border economic activities and deepening interdependence including food and agriculture, accelerate discussions among all stakeholders how to reach a more collective and inclusive food security policy in the APT region. The APTERR is a rare case that all parties commit in substance to a common security issue based on mutual trust. However tiny, its experience and institutional setting would help conceptualize and formulate broader common food security policies as the European Union eventually established.

[END]

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