

AGREEMENT ON ESTABLISHING THE SAARC FOOD SECURITY RESERVE

Preamble

The Governments of Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka;

Recalling the Declaration on South Asian Regional Cooperation signed in New Delhi in August 1983, which called for cooperative action with a view to promoting economic and social development in South Asia;

Reaffirming their commitment to the realization of this objective by joining together in the establishment of the South Asian Association for Regional Cooperation and adopting a Charter in Dhaka in December 1985;

Recognizing the importance of regional and sub-regional collective self-reliance with respect to food security as a means of combating the adverse effect of natural and man-made calamities;

Recognizing further that the establishment of an emergency food security reserve by Member Countries of the South Asian Association for Regional Cooperation based on the principle of collective self-reliance would improve their food security;

NOW THEREFORE, in a spirit of solidarity and mutual cooperation, have agreed as follows:

Article I

Establishment of the SAARC Food Security Reserve

1. The Member Countries hereby agree to establish a SAARC Food Security Reserve (hereinafter referred to as "the Reserve") on the conditions and for the purpose described in this Agreement.

2. The Reserve shall be administered by the SAARC Food Security Reserve Board (hereinafter referred to as “the Board”) provided for in Article VII

Article II **The Reserve**

1. The Reserve shall consist of wheat or rice or a combination thereof, (hereinafter referred to as “foodgrains”) earmarked by the Member Countries exclusively for the purpose described in Article III.

The foodgrains forming part of the Reserve shall remain the property of the Member Country that has earmarked them and shall be in addition to any national reserve that may be maintained by that Member Country.

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

3. The Member Countries 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 XI

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

5. The quality of all foodgrains earmarked by the Member Countries shall be at least of “fair average quality”, or comply with any other quality standards laid down by the Board.

6. The Member Countries undertake to provide adequate storage facilities for the foodgrains that they have earmarked; to

inspect the food grains periodically and to apply appropriate 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 Countries agree to make every effort to comply with any guidelines on storage methods or quality control measures adopted by the Board.

Article III **Withdrawal of Foodgrains in an Emergency**

Each Member Country shall be entitled, on the conditions and in accordance with the procedures laid down in Article IV and/or Article VI, to draw on foodgrains forming part of the Reserve in the event of an emergency. An emergency shall mean a state or condition in which a Member Country, having suffered a severe and unexpected natural or man-made calamity, is unable to cope with such a state or condition by using its national reserve and is unable to procure the foodgrains it requires through normal trading transactions on account of balance of payments constraints.

Article IV **Procedure for the Release of Foodgrains from the Reserve**

1. The Member Country in need shall directly notify the other Member Country or countries of the emergency it is facing and the amount of foodgrains required.
2. The other Member Country or countries on being so requested shall take immediate steps to make necessary arrangements to ensure immediate and speedy release of the required foodgrains, subject to availability in the combination requested.
3. The prices, terms and conditions of payment in kind or otherwise in respect of the foodgrains so released shall be the

subject of direct negotiations between the Member Countries concerned.

4. The requesting Member Country shall at the same time inform the Board of its request to the other Member Country or countries.

Article V **Replenishment of the Reserve**

1. A Member Country that has released all or part of the foodgrains forming its share of the Reserve shall replace such foodgrains as soon as practicable and, in any event, not later than one calendar year following the date on which the release of the foodgrains took place.

2. A Member Country that has released all or part of the foodgrains forming its share of the Reserve shall notify the Board of such release, of the terms and conditions on which it was effected, and the date on which the foodgrains that had been released were replaced.

Article VI **Procedure for the Withdrawal of Foodgrains by a Member Country from its Own Share of the Reserve**

1. A Member Country in need shall be entitled to withdraw foodgrains from its own share of the Reserve.

2. In doing so it shall inform the Member Countries and the Board of such withdrawal.

3. It shall replace such foodgrains as soon as practicable and in any event not later than two calendar years following the date on which the release of the foodgrains took place.

Article VII
The SAARC Food Security Board

1. There shall be a Board of which each Member Country shall be a member.
2. Decisions of the Board shall be taken on the basis of unanimity.
3. The Board shall elect a Chairman and Vice-Chairman based on the principle of rotation among Member Countries whose terms of office shall be two years. Rules of Procedure for the meetings of the Board shall be the same as for other SAARC meetings.
4. The Board shall meet at least once a year.
5. The Board shall normally meet at the same place and time as the Standing Committee, preceding the annual Summit.

Article VIII
Functions of the Board

The function of the Board shall include:

1. 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. These periodic assessment reports shall be disseminated to all the Member Countries.
2. 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 Council of Ministers.
3. Reviewing implementation of the provisions of the agreement, calling for such information from Member Countries as may be necessary for the effective administration of the Reserve ad

issuing of guidelines of technical matters such as maintenance of stocks, storage conditions and quality control.

4. Keeping the Schedule to this Agreement under review.
5. Suggesting amendment to the Agreement, as and when considered necessary, in accordance with the procedure specified in article XI.

Article IX **Secretariat**

The Board shall be assisted by the SAARC Secretariat. The Secretariat's responsibilities shall include monitoring all matters relating to the release of foodgrains from the Reserve and convening and servicing meetings of the Board.

Article X **Entry into Force**

This Agreement shall enter into force on a date to be determined by the Council of Ministers provided that the Member Countries have collectively earmarked at least one hundred and twenty-five thousand metric tons of foodgrains on that date for the purpose of this Agreement.

Article XI **Amendment**

1. A Member Country may propose any amendment to this Agreement by submitting the proposed amendment to the Board through SAARC Secretariat.
2. The Board may enclose the proposed amendment and submit it to the Council of Ministers for approval. Unless otherwise specifies, amendments shall enter into force as from the date of their approval by the Council of Ministers.

Article XII
Depositary

1. An original of this Agreement shall be deposited in the SAARC Secretariat.
2. The Secretary-General shall be the depositary of this Agreement and amendments thereto.

IN WITNESS WHEREOF, the undersigned plenipotentiaries being duly authorized thereto have signed this Agreement.

SIGNED at Kathmandu on the Fourth Day of November One Thousand Nine Hundred and Eighty Seven in Eight originals in the English language.

HUMAYUN RASHEED CHOUDHURY
Minister of Foreign Affairs
People's Republic of Bangladesh

DAWA TSERING
Minister of Foreign Affairs
Kingdom of Bhutan

K. NATWAR-SINGH
Minister of State for External Affairs
Republic of India

FATHULLA JAMEEL
Minister of Foreign Affairs
Republic of Maldives

SHAILENDRA KUMAR UPADHYAYA
Minister for Foreign Affairs & Land
Reforms
His Majesty's Government of Nepal

ZAIN NOORANI
Minister of State for Foreign Affairs
Islamic Republic of Pakistan

A.C. SHAHUL HAMEED
Minister of Foreign Affairs
Democratic Socialist Republic of Sri Lanka

SCHEDULE

<u>Country</u>	<u>Share of the Reserve in metric tons</u>
Bangladesh	21,000
Bhutan	180
India	1,53,200
Maldives	20
Nepal	3,600
Pakistan	19,000
Sri Lanka	2,800
Total:	<u>1,99,800</u>

SAARC FOOD SECURITY RESERVE Position of the Reserve as on 1st January, 2002

<u>Country</u>	<u>Share of the Reserve in metric tons</u>
Bangladesh	40,000
Bhutan	180

India	1,53,200
Maldives	200
Nepal	4,000
Pakistan	40,000
Sri Lanka	4,000
Total:	<u>2,41,580</u>

ADDENDUM

Amendment to Article III of the Agreement

The SAARC Council of Ministers at its Twenty-second session held in Kathmandu, Nepal, on 2-3 January 2002, approved the amendment to Article III of the Agreement on Establishing the SAARC Food Security Reserve with immediate effect.

The amended Article now reads as follows:

Article III **Withdrawal of Foodgrains in an Emergency**

Each Member Country shall be entitled, on the conditions and in accordance with the procedures laid down in Article IV and/or Article VI, to draw on foodgrains forming part of the Reserve in the event of an emergency. An emergency shall mean a state or condition in which a Member Country, having suffered a severe and unexpected natural or man-made calamity, is unable to cope with such a state or condition by using its national reserve.

