

COMISSÃO DA CEDEAO

ECOWAS COMMISSION



COMMISSION DE LA CEDEAO

Regional Food Security Reserve Strategy

Task Force Meeting

Ouagadougou (Burkina Faso) – 5-7 March, 2012

Summary of conclusions and recommendations

I. Introduction

1. At the invitation of the ECOWAS Commission, a 3-day Regional Food Security Reserve Task Force Meeting was held at the Palm Beach Hotel, in Ouagadougou, from 5 to 7 March, 2012.
2. The overall objective of the meeting was to provide technical support for the implementation of the ECOWAS food reserve roadmap adopted on 5th October 2011 in Dakar.
3. The three results expected from the deliberations were as follows :
 - i. The Task Force to support ECOWAS in developing its strategic policy framework on storage and in designing a detailed technical proposal is established on a permanent basis;
 - ii. The overall ECOWAS integrated storage policy (in its two dimensions i.e. market regulation and emergency food reserve/ safety nets) is internalised and the strategic policy framework for the design of the regional food security reserve is made available to serve as a guide for the design of the technical proposal;
 - iii. Technical discussions, based on the experience and expertise of the participants as a means of guiding the preparation of the terms of reference of the detailed technical study and providing inputs in terms of content.
4. The meeting brought together: (i) representatives of national agencies in charge of managing security stocks, (ii) officials in charge of stocks or networks of proximity (locally-held) stocks; (iii) representatives of networks of agricultural producers, herder and pastoralists' organisations (ROPPA, RBM and APESS), (iv) the representative of Burkina Faso Cereals inter-professional Association, (v) experts and representatives of regional institutions, (vi) experts and representatives of international institutions, (vii) experts from NGOs.
5. The meeting was chaired by Dr. Rui Silva, Director of Agriculture and Rural Development at the ECOWAS Commission. The preparation of the report was entrusted to Intendant Colonel Issa Seye (CSA Senegal), Mr. Oke James Olusegun (NFSA Nigeria), Mr. Salifou Traore (ECOWAS), assisted by Roger Blein (resource person, mobilized by the Rural Hub). The role of moderator was assigned to Dr. Yamar Mbodj, Executive Director of Rural Hub.

II. Organisation of discussions

6. The work was based on :
 - i. Presentation of the composition, mission and organisation of the task force;
 - ii. Presentation of ECOWAS overall and integrated storage policy and Strategic Policy Framework for the design of the regional food security reserve, by the ECOWAS Commission;
 - iii. Presentation on the initiatives of the various regional and international institutions;
 - iv. Discussion on the experiences of national entities and proximity stocks networks;
 - v. Open discussions based on a discussion guide on the key issues and technical dimensions of the food security reserve.

III. Conclusions and recommendations

3.1. Composition and mission of the Task Force

7. The Task Force was formally established and its composition is as follows :
 - i. Officials from national agencies in charge of management of security stocks, members of RESOGEST: OPAM/CSA Mali, SONAGESS Burkina Faso, OPVN Niger, ONASA Benin, NFSA Nigeria, CSA Senegal and NAFCO Ghana
 - ii. Managers of proximity (local level) stocks: GSA/FNGN Burkina Faso; MOORIBEN Niger;
 - iii. Regional Networks of farmers, herders and fishermen organisations: ROPPA, RBM, APSS, REPAO;
 - iv. Managers of NGOs working in support of proximity stocks: OXFAM, Afrique Verte International, CRS;
 - v. Regional Institutions and experts: ECOWAS, UEMOA, CILSS, RESSAKS, Rural Hub, REPAO;
 - vi. International organisations: WFP, FAO, SWAC, NPCA/NEPAD;
 - vii. External and supporting expertise.
8. Depending on the needs, resource persons or representatives of specialised institutions will be invited to participate in the discussions on an ad hoc basis.
9. The Task Force is chaired by ECOWAS and the process facilitation is entrusted to the Rural Hub.
10. The Task Force has two missions to accomplish:
 - i. Prepare and propose the strategic policy framework for the design of the regional food security reserve;
 - ii. Manage the feasibility study of the regional food security reserve and provide inputs towards its realisation.

3.2. Internalisation of the overall and integrated reserve strategy

11. The ECOWAS overall and integrated strategy presents the ECOWAP/CAADP storage guidelines. The regional policy falls within a three-pronged objective :
 - i. Contribute to market regulation and reduction in price volatility of major food crops and ensure effective integration of producers into the market via institutional purchasing contracts;
 - ii. Be equipped with security stocks, that can be mobilised in the event of shocks and food crises;
 - iii. Provide food for the implementation of safety net programmes targeted at the vulnerable populations.
12. The presentation of the overall and integrated regional reserve policy gave rise to discussions around the subject matter, the scope of the strategy and its components.
13. The Task Force agreed that the food security objective was based on the two joint dimensions of the strategy :
 - i. The market regulation of the major food crops;
 - ii. The establishment of an emergency food reserve and the promotion of food safety nets.

14. The overall and integrated strategy is structured around these two dimensions and must address the interrelationships between the two components:
- i. The “market regulation” component comprises three segments :
 - i. The organisation of cross-border markets and the operation of the regional internal market;
 - ii. Intervention stocks;
 - iii. The trade policy at the borders and the control of imported goods price volatility;
 - ii. The “emergency food reserve” comprises four aspects:
 - i. Support for the design of national and regional contingency plans;
 - ii. Building and developing security storage capacity at the various levels of governance (local, national and regional)¹ and establishment of the regional stock;
 - iii. Establishment of a mechanism for risk-sharing and solidarity;
 - iv. Consolidation of information, early warning and decision-making systems.
15. The interactions between the two components centre mainly on (i) the effects of food supply, purchasing, marketing and food aid strategies on market prices; (ii) transfers from one category of stock to the other; (iii) the driving effect on production , via purchasing contracts; (iv) the impact on food security (improvement in economic and physical food access through price regulation as part of crisis prevention and through stock releases from the security reserve in the event of shocks experienced by vulnerable persons), etc.

3.3. Analysis and discussion of the strategic policy framework for the design of the regional food security reserve

16. The participants agreed that the strategic policy framework is the operational setting for the design of the regional reserve.
17. The task force exchanged points of view based on the experiences and expertise of the participants on the main technical aspects to be researched into as part of the detailed feasibility study to be conducted.

a. Linkages and complementarities at the different levels of governance

18. The regional strategy considers several lines of defence: proximity or locally-held stocks; national food security stocks and the regional security reserve.
19. The discussion brought into focus:
- i. The strong interactions existing between the different levels of stocks and the positive and negative interferences of the modes of management of national and local stocks;

¹ Including stakeholder capacity building

- ii. The need to support these different defence lines in a more balanced manner;
- iii. The implementation of the principle of subsidiarity leading to prioritising two levels of linkages: between proximity stocks and national stocks coming under national responsibility, and between national stocks and regional stocks, with the regional level being responsible for;
- iv. The issue of (i) networking of proximity stocks; (ii) the need to consolidate them as they are the mode of intervention that is closest to the population and the one that can be quickly mobilised; (iii) the need to share the risks confronting them when these risks are likely to undermine them (erosion of working capital). The region can, in collaboration with the States, develop mechanisms in this area (risk-sharing funds);
- v. The national food security strategies are based on different approaches and tools (private and public stocks that can be virtual, physical or financial stocks). The countries are sovereign in determining their approaches and tools. Capitalising on different experiences is important to help countries that do not have food security stocks to acquire them in whatever way they want it;
- vi. The responsibility of countries, with the support of the region, to arrange for the inception of national security stocks and national agencies responsible for this mission;
- vii. The importance of having clear procedure manuals to help promote sustainability and durability of stocks by marking out their objectives and procedures governing their management;
- viii. The inclusion of herders helps to complement the different levels of governance through an additional level of intervention adapted to mobility (transit zones, transhumance areas);

b. Coverage of food risks

20. The Task Force expressed support for the following aspects :

- i. Wide coverage of risks: climate, socio-economic, even political and security risks (displacement of people). The regional reserve intervention depends much more on the magnitude of the shock than on its nature or origin;
- ii. Combination of internal and external risks (upsurge in prices at the global level, disruptions in supply);
- iii. The inclusion of three types of needs :
 - i. Needs in terms of food aid to the people and communities ;
 - ii. Needs related to the preservation of livelihoods; and in this context, specific needs related to the preservation of livestock, through the supply of animal feed (food aid to animals);
 - iii. Needs related to the promotion of social protection or food safety nets (school canteens, social protection programmes / vouchers targeting the most vulnerable people, etc.).

c. Choice of tools or reserve components

21. The discussion led to the selection of the following elements:

- i. The relevance of each of the three tools (physical reserve, financial reserve and virtual stocks /purchasing options) must be examined in the feasibility study;
- ii. The balance between the three tools will take into account lessons learnt from previous experience in terms of food crisis management and will be carried out along the following lines: (i) effective security (availability of the instrument for intervention), (ii) speedy mobilisation, (iii) availability of infrastructure; (iv) the cost of mobilisation, maintenance, and restocking.

d. Sizing of the stock

22. Sizing the stock is one of the most delicate issues. Its determination is based on several parameters:

- i. The assessment of needs once the local and national defence lines are exhausted: this assessment must be supported by historical analyses, probabilistic analyses (systemic or non systemic nature of risks, regional and international price series analyses, etc.);
- ii. Existing storage capacity of products;
- iii. The financial capacity of the region and the capacity to mobilise additional international resources;

23. The feasibility study must propose a series of assumptions according to different approaches.

e. Choice of products

24. The choice of products must take into account a lot of objectives. It must :

- i. Correspond to the eating habits of the major communities in risk zones;
- ii. Correspond to the supply capability (regional/international market);
- iii. Address three types of needs (cf. item b.) and ensure:
 - i. The provision of balanced basic rations (cereals, maize, rice, sorghum, millet, legumes, oils, fish, processed meat) ;
 - ii. The provision of nutritional products ;
 - iii. The coverage of the requirements in terms of animal feed assistance (SPAI, etc.)
- iv. The choice should also be based on the following:
 - i. The spillover effects of the reserve on production and development of the food processing sectors (fish, meat, processed cereals, infant cereals, etc.) via supply contracts;
 - ii. Cost analyses;
 - iii. Storability of products and loss rates.

f. Origin of supply

25. The discussion led to the proposal of several principles:

- i. The preferred source of supply for the reserve is the local one, but the procurement strategy may also depend on the market conditions, to avoid the inflationary effects of purchases. For example, when there is a shortfall in the regional market, it is advisable to turn to the international market while working to ensure smooth flow in the market and ease trade between areas where there is excess supply and areas where there is a shortfall;
- ii. The importance of taking advantage of the years of abundant crop production to build supplies and achieve inter-annual storage;
- iii. The need to ensure that the regional reserve assumes a driving role for production and a learning process for standardised marketing of products by producer organisations.

g. Warehousing and product storage

26. The discussions highlighted the following recommendations :

- i. The feasibility study should include a detailed and comprehensive assessment of storage capacity, mainly of national public entities, their storage capacity of the different products under optimal conditions and the possibility of undertaking rehabilitation. This work could be focused on extending the mapping carried out by

- RESOGEST/CILSS in seven member States of UEMOA to include all the other countries and eventually come up with a map that shows linkages between available facilities and: (i) the most vulnerable zones identified based on the analyses of crises that had occurred over the last ten years, (ii) the zones where surpluses can be mobilised; (iii) the cross-border areas ; (iv) the assembly or wholesale markets;
- ii. Ideally, this assessment should include the major private warehouses or those held by humanitarian agencies (NGOs, WFP for example);
 - iii. The participants consider that the region must rely primarily on contracting with national entities endowed with the requisite expertise, proven competence and available storage capacity for stock warehousing and maintenance services. To this end, the study will take into account the costs of services charged by these entities;
 - iv. This option for decentralisation and delegation of authority for the management of the physical stock does not rule out the assumption of investment by the region in storage infrastructure. A first humanitarian storage facility is due to be sited in Bamako in line with a decision taken by ECOWAS;
 - v. At first sight, the stocks should be pre-positioned, based on a cost analysis and speed of response, in:
 - i. Production areas;
 - ii. Cross-border zones;
 - iii. Ports and airports;
 - iv. Areas most at risk.

h. Triggering the reserve mobilisation

27. The discussion enabled the participants to shed light on several aspects :

- i. The relationship between the type of risks covered, warning indicators followed by the information systems and the triggering procedures for mobilising the regional reserve;
- ii. The difficulty in putting in place a system which would create an automatic trigger according to indicators and selected thresholds ahead of time, due to (i) the combination of several risk factors, (ii) the quality, availability and reliability of information, (iii) the qualitative parameters taken into account in the region for assessing the food situation in support of the qualitative data and indicators and finally, (iv) the importance ascribed by the region to multi-stakeholder dialogue and consensus on the diagnosis and intervention modalities;
- iii. The need to move speedily into systematic implementation of the harmonised framework for vulnerability analysis, which helps to harmonise collected data and their analysis with the view to ensuring regional consolidation;
- iv. The feasibility study must propose a triggering system which takes due cognisance of :
 - i. The availability of information;
 - ii. The analytical framework of vulnerability and needs;
 - iii. The purpose of the reserve and its intervention methods (loan, free or onerous transfer of products taken care of by regional solidarity);

i. Beneficiaries of the reserve

28. The discussion centred on the following items :

- i. The regional reserve is accessible to all Member States of the region. The issue of access by other humanitarian organisations must be examined under the feasibility study;

- ii. Access to the reserve must be equitable. This issue may be quite different in respect of whether the countries are borrowing from the reserve or are requesting to take advantage of the regional solidarity (gift). This issue of equity will be clarified by establishing linkages among the various intervention methods or mobilisation of the reserve in relation to the discussion on the triggering elements;
- iii. The notion of equity must be complemented by the notion of solidarity, which can introduce the different forms of differentiation of access to the reserve depending on the various kinds of criteria (GDP, the proportion of vulnerable population, etc.).

j. Financing

29. The discussion highlighted several aspects :

- i. The distinction between different categories of costs :
 - i. Cost of creating the initial physical and financial stock;
 - ii. Cost of stock maintenance;
 - iii. Cost of restocking or financing the interventions carried out under the regional solidarity;
 - iv. Cost of running the mechanism;
 - v. And where necessary, investment costs of infrastructure.
- ii. The permanence of the reserve is linked to :
 - i. The security of the replenishment mechanism;
 - ii. The existence of a risk-sharing system;
 - iii. Strict technical and financial management (manual of procedures);
 - iv. Transparency of the system and lack of interferences, which would move the reserve far from its mission.
- iii. The importance of regional sovereignty which leads to basing the financing of the reserve primarily on the resources of the region, by combining:
 - i. ECOWAS and UEMOA resources;
 - ii. Contributions from banks such as: BOAD, ADB, EBID, ECOBANK, etc. ;
 - iii. Contributions from States and stakeholders;
- iv. The importance of channelling resources without affecting the overall consistency of the regional strategy. The involvement of financial partners should not lead to stalemates encountered in certain countries in the management of NSS;
- v. Ensuring the safety of resource utilisation, be they regional or international, which will then not be based on co-management and co-decision mechanisms but on a strong consensus regarding the purpose, the objectives, the intervention thresholds, the technical and financial modalities for management and on the transparency of the arrangement.

30. The Task Force requested that an effective and in-depth cost-benefit analysis be undertaken in order to shed light on the decision and provide inputs into the advocacy among the national, regional and international authorities.

k. Governance

31. The discussion brought out several principles that need to be fine-tuned :

- i. The priority development of the system being put in place within the framework of ECOWAP operationalization, together with its advisory and mediation bodies within the Commission, its implementation organs (Regional Agency for Food and Agriculture), its financing mechanism (ECOWADF/EBID) and its monitoring-evaluation mechanism;

- ii. The development of other regional (RESOGEST) and national systems, through the delegation of technical functions and missions;
- iii. The establishment of a mechanism which distinguishes:
 - i. The information and decision-making mechanism, integrated into ECOAGRIS (encompassing all the different national and regional information systems);
 - ii. The decision-making organ which must combine two characteristics that are difficult to reconcile: involvement of the different categories of stakeholders and quick decision-making;
 - iii. The technical management body of the regional reserve and its different components.

3.4. Integration of regional initiatives

- 32. The ECOWAS regional reserve strategy is the benchmark and convergence framework for storage initiatives. It is part of the vision of Heads of State and Government as part of the regional integration process.
- 33. It must promote all regional initiatives (e.g. RESOGEST, UEMOA initiative, PREPARE/G20). It seeks to support and reinforce proximity stocks in order to develop their capacity to contribute to the national security stock strategy, and eventually, to the regional strategy.
- 34. This policy framework, according to the Regional Partnership Compact for the Implementation of the ECOWAP and in reference to the Charter for the Prevention and Management of Food Crises, must be the intervention framework for external partners.
- 35. To that end, ECOWAS will strive to improve its inter-institutional dialogue as part of the process of designing the feasibility study, and then during the implementation phase.

IV. Roadmap

- 36. The Task Force falls within the context of validation of the feasibility study of the regional food security reserve.
- 37. In this context, the following stages were agreed upon :
 - i. Drafting of the terms of reference of the feasibility study and mobilisation of expertise: March 2012 ;
 - ii. Study on mapping of available storage infrastructural facilities: April 2012;
 - iii. Execution of the feasibility study: April- May, 2012;
 - iv. Spontaneous contribution, or upon request by the Task Force Members, to the work of the team of Experts : March-May, 2012;
 - v. Meeting of the Task Force for consideration, discussion, amendments of the detailed feasibility study : End of May, 2012 ;
 - vi. Meeting of the ECOWAS Ministerial Technical Committee for Agriculture, Environment and Water Resources (at Experts level and at Ministerial level) of the Member States (experts, technical and financial partners, Ministers) for discussion and validation of the detailed study: End of June, 2012.