

**SUMMARY REPORT
OF
THE 5th MEETING OF ASEAN PLUS THREE EMERGENCY RICE RESERVE (APTERR)
COUNCIL**

3-4 May 2017, Bali, Indonesia

INTRODUCTION

1. The 5th Meeting of ASEAN Plus Three Emergency Rice Reserve (APTERR) Council was held on 3-4 May 2017 in Bali, Indonesia. The Meeting was organised by the APTERR Secretariat and hosted by the Ministry of Agriculture of the Republic of Indonesia.
2. The Meeting was attended by the members of the APTERR Council and the delegates from ASEAN Plus Three countries except Lao PDR and Viet Nam due to an unforeseen circumstance. Representatives of the ASEAN Food Security Reserve Board (AFSRB) Secretariat and the APTERR Secretariat were also present at the Meeting. The list of delegates appears in **ANNEX 1**.
3. The Meeting was co-chaired by Dr. Gardjita Budi, Special Advisor to Minister of Agriculture on Bio-industry Development, Indonesia and Ms. Mi-Sun Yoo, Director of Ministry of Agriculture, Food and Rural Affairs, the Republic of Korea.

OPENING SESSION

4. Dr. Budi expressed his sincere welcome to all delegates for the 5th Meeting of APTERR Council in Bali, Indonesia. He expressed his concern in the increasing of population that will increase the demand of food. It means that ASEAN member states have to think of various technologies that could boost food production. He presumed that food security is the main task of each country that could be established on national, region and global level. As a group of ASEAN, each member country could not avoid global food situation. Every ASEAN member states should respond to this dynamic challenge and also need to respond it. He was aware that every member countries have different capacities, capabilities, and levels of development in terms of rice production. Considering this situation, the existence of APTERR is important to help member countries to increase the access of food, especially rice. The important things that if some countries in the emergency situation, then the existence of APTERR is crucial. He also extended his special thanks for Japan, Korea and China as well as ASEAN member states for their continuous support in APTERR activities and wishing the meeting a success and could be used effectively in discussing the mechanism. His Opening Remarks appears in **ANNEX 2**.

CLOSED SESSION

**Agenda Item 1: OPENING STATEMENT BY THE OUTGOING CO-CHAIR OF
APTERR COUNCIL OF 2016**

5. Ms. Chan Phaloeun, a Co-Chair from Cambodia as an outgoing Co-Chair of the 4th Meeting of APTERR Council, expressed her deeply sincere thanks to the APTERR Secretariat

for organising the event as well as the Indonesia team for a nice arrangement and the warmest greeting. Her thanks also extended to all ASEAN Plus Three member countries for giving efforts and cooperation to make a success of the APTERR programmes. She emphasised on Cambodia's intention to continue the APTERR programmes. With all member countries' joint efforts, she believed that it will evolve the APTERR programmes into more functional and mutual-beneficial for strengthening food security in APTERR Countries as well as a global wide. Meanwhile, she expressed Cambodia's gratefulness for the release of 210 MT of rice donated by Japan to help people affected by drought in Cambodia. In her conclusion, she reiterated on an essential of regional cooperation for the ASEAN Plus Three countries to manage a food crisis caused by climate change impacts. She hoped that APTERR's concerted efforts will continue to take root in fighting food security challenges in the region. Her opening statement appears in **ANNEX 3**.

Agenda Item 2: REMARKS BY THE CO-CHAIR OF THE APTERR COUNCIL 2017

6. Ms. Yoo, a Co-Chair from Korea, expressed her sincere thanks to all distinguished delegates and the APTERR Secretariat for attending the meeting. She also expressed her appreciation to the Co-Chair from of Indonesia for putting such a meaningful meeting together in Bali. Since the APTERR was officially launched in 2013, APTERR conducted a range of activities in responding to food emergency situations caused by natural disasters and crises and to alleviate regional poverty. Regarding to her, the efforts made by the APTERR members seem to be as the APTERR has grown into one of the internationally recognised regional schemes. As a responsible member of ASEAN Plus Three, the Republic of Korea has started to actively participate in the APTERR activities. This will help fulfil its roles and responsibilities in the international community. She ended her remarks by expressing Korea's commitment to make the utmost efforts to promote regional food security, improve nutrition for the poor, and alleviating poverty. Her Remarks appears in **ANNEX 4**.

7. Dr. Budi, a Co-Chair from Indonesia, also gave his short remarks to the Meeting. At first, he welcomed all APTERR Council and delegates to the Meeting. He then provided brief information about the agenda which would be discussed at the Meeting. He encouraged all delegates to actively participate in this timely and significant APTERR Council Meeting as the result of discussion will bring the fruitful discussion to improve the APTERR activities in the future.

Agenda Item 3: ADOPTION OF AGENDA

8. The Meeting adopted the agenda which appears in **ANNEX 5**.

Agenda Item 4: BUSINESS ARRANGEMENT

9. The Meeting was held in plenary. The delegates were given a brief summary on the meeting programme and other arrangements for the Meeting.

**Agenda Item 5: UPDATE ON THE CONTRIBUTIONS FOR ENDOWMENT FUND
AND OPERATIONAL COST**

10. The APTERR Secretariat reported on the update on the contribution for the

Endowment Fund (EF) and the annual contribution to the Operational Cost (OC). The document and presentation appear in **ANNEX 6** and **ANNEX 7**.

11. The Meeting reaffirmed their commitment to fulfil the contribution to the APTERR Fund as set out in the APTERR Agreement.

12. The Meeting took note of the recommendations from the APTERR Secretariat to avoid the deduction of the fund transfer by filling out the bank's remittance application with '**guarantee our**' to ensure that all contribution will be transferred at a full amount of money and all fees will be shouldered by the member country

13. The Meeting suggested the APTERR Secretariat to send an official letter to request for the settlement of the contribution shortfall of concerned member countries caused by the transfer fee deduction.

14. The representatives from Brunei Darussalam, Indonesia, China, and Japan informed the Meeting that their contribution to the APTERR Fund of the year 2017 would be transferred as soon as the government's approval is granted in order to comply with the APTERR Agreement.

Agenda Item 6: REPORT ON REALISATION OF WORK PLAN AND BUDGET PLAN FOR FISCAL YEAR 2016

15. The APTERR Secretariat reported on the Realisation of Work Plan and Budget Plan for FISCAL YEAR 2016. The documents and presentations appear in **ANNEX 8** and **ANNEX 9**.

16. The Meeting endorsed the Realisation of Work Plan and Budget Plan for fiscal year 2016.

17. The APTERR Secretariat informed the Meeting that Viet Nam submitted the official letter to the APTERR Secretariat to express her intention to participate in the Tier 1 Programme as the supplying country.

18. The Meeting acknowledged the efforts by the APTERR Secretariat to conduct the Technical Working Meeting on Strengthening the Rice Reserve Implementation and the Subsidiary Regulations of the APTERR held on 26 – 27 July 2016 in Pattaya, Thailand.

19. The Meeting expressed their gratitude to the government of Thailand for the acquisition of the legal personality of the APTERR Secretariat under the Thailand's national laws.

20. The Meeting expressed their appreciation for the saving measures implemented by the APTERR Secretariat to reduce the overall expenditures of fiscal year 2016 while maintaining the efficiency and effectiveness of the APTERR operations.

Agenda Item 7: WORK PLAN AND ANNUAL OPERATIONAL BUDGET FOR FISCAL YEAR 2017

21. The APTERR Secretariat presented the work plan and annual operational budget for fiscal year 2017. The documents and presentations appear in **ANNEX 10** and **ANNEX 11**.

22. The Meeting endorsed the Work Plan and Annual Operational Budget for FISCAL YEAR 2017.

23. The Meeting suggested the APTERR Secretariat to look into the possibility of conducting the APTERR Council Meeting prior to the financial year of APTERR so the work plan and annual operational budget could be endorsed prior to the commencing year.

24. The Meeting acknowledged that a pilot project for the implementation of Tier 1 programme is crucial to the development of Tier 1 programme.

25. The Meeting agreed for the APTERR Secretariat to transfer the remaining balance of the operational cost at the end of each fiscal year to fixed account to obtain higher interest rates.

Agenda Item 8: THE REMEDIED FINANCIAL MANAGEMENT PLAN OF THE APTERRSECRETARIAT (2018-2022)

26. The APTERR Secretariat presented the 'Remedied Financial Management Plan of the APTERR Secretariat (2018-2022).' The document and presentation appear in **ANNEX 12** and **ANNEX 13**.

27. The Meeting agreed with the option 1 of the Remedied Financial Management Plan of the APTERR Secretariat (2018-2022) to extend the financial contribution to the OC without additional to the EF for 5 years as recommended by the Working Meeting held in Bangkok on 15-16 March 2017.

28. The Meeting agreed to continue their internal legal consultation to determine the necessity of the amendment to the APTERR Agreement and its attachments toward the option 1 of the Remedied Financial Management Plan of the APTERR Secretariat (2018 – 2022).

29. The Meeting requested the APTERR Secretariat to coordinate with the ASEAN Secretariat to consult on the legal issues of this matter and inform the APTERR Council in due course.

30. The Meeting agreed with the proposal by the APTERR Secretariat to transfer the OC deposited currency from USD to THB in order to acquire higher interest rate and obtain protection under the Thailand's national laws.

Agenda Item 9: REPORT ON APTERR TIER 3 PROGRAMMES UNDER JAPAN'S FISCAL YEAR 2014 CONTRIBUTIONS

31. The representatives from Cambodia and the Philippines reported on the Tier 3 programme implementation in their country under Japan's Fiscal Year 2014 contribution. 210 metric tons of donated rice was distributed to people affected by drought and poverty alleviation in Cambodia while 240 metric tons of donated rice provided for people affected by

typhoon Melor (Nona) in the Philippines. The presentations appear in **ANNEX 14** and **ANNEX 15**.

32. The Meeting took note of the reports on the Tier 3 programme. The representatives from Cambodia and the Philippines extended deep appreciation to Japan for its generous contributions for Fiscal Year 2014.

Agenda Item 10: PROGRESS ON THE APTERR TIER 3 PROGRAMMES UNDER FISCAL YEAR 2015-2016 CONTRIBUTIONS

33. The APTERR Secretariat updated the Meeting on the progress in the APTERR Tier 3 programmes under Fiscal Year 2015-2016. The documents and presentations appear in **ANNEX 16** and **ANNEX 17**.

34. The Meeting took note of the progress in the APTERR Tier 3 programme under Fiscal Year 2015-2016. Under Japan's Fiscal Year 2015 contribution covering Tier 3 programme, the rice has been allocated to be stored in Lao PDR and the Philippines for 225 metric tons each. The donated rice is expected to reach those countries in early May 2017. Meanwhile, the Tier 3 programme under Japan's Fiscal Year 2016 contribution, 500 metric ton will be stored in Myanmar in order to prepare for the emergency situation. Also, there are the Tier 3 programmes implemented in Cambodia and Myanmar under Korea's Fiscal Year 2016 contributions for 250 and 500 metric tons respectively. The Meeting was informed that the APTERR Secretariat has been cooperating with the host countries to prepare and sign the Memorandum of Agreement to ensure the smooth and effective implementation in compliance with the Rules and Procedures of Release and Replenishment of Rice Reserves.

35. The representative from Japan informed the Meeting on Japan's intention to continue its contribution to APTERR Tier 3 programme. He also asked the APTERR Secretariat for a close cooperation on the implementation of the programme.

36. The representative from Myanmar expressed his thanks to Japan and Korea for their contributions on Tier 3 programme. Currently, Myanmar is preparing for storage of rice coming from Japan and Korea. The Philippines likewise expressed profound gratitude to Japan and informed the APTERR Council that Japan's contribution of 225 metric tons arrived in Manila on 1 May 2017.

37. The representative from Korea informed the Meeting on their readiness to commence the Tier 3 programme in Cambodia and Myanmar. Korea will closely coordinate with those countries as well as the APTERR Secretariat on the programme implementation. The delivery of rice is expected to be taken place at the third week of May 2017. Meanwhile, Korea reaffirmed on their willingness to continue to participate in APTERR programmes including Tier 1 programme.

Agenda Item 11: OTHER MATTERS

38. The APTERR Secretariat presented the outputs of the ADB TA 8693-REG: Food Security and Resilience of the ASEAN Member States to Food Price Volatility. The document and presentation appear in **ANNEX 18** and **ANNEX 19**.

39. The Meeting suggested the APTERR Secretariat to conduct a further study on the feasibility of the establishment of the APTERR regional warehouse, and on an increase in the amount of the automatic trigger mechanism based on the ADB TA 8693 outputs.

Agenda Item 12: DATE AND VENUE OF THE 6th MEETING OF APTERR COUNCIL

40. The Meeting was informed by the APTERR Secretariat that due to the unforeseen circumstances, Lao PDR could not attend the Meeting. However, Lao PDR confirmed the hosting of the 6th Meeting of the APTERR Council in 2018. The APTERR Secretariat will cooperate with Lao PDR to announce the date and venue of the meeting in due course.

ACKNOWLEDGEMENTS

41. The Meeting was held in the spirit of the ASEAN Plus Three co-operation and cordiality.

4 May 2017, Bali, Indonesia