

**SUMMARY REPORT
OF
THE 4th MEETING OF ASEAN PLUS THREE EMERGENCY RICE RESERVE
(APTERR) COUNCIL**

5-6 May 2016, Siem Reap, Cambodia

INTRODUCTION

1. The 4th Meeting of ASEAN Plus Three Emergency Rice Reserve (APTERR) Council was held on 5-6 May 2016 in Siem Reap, Cambodia. The Meeting was organised by the APTERR Secretariat and hosted by the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Cambodia.
2. The Meeting was attended by the members of the APTERR Council and the delegates from ASEAN Plus Three countries except Brunei Darussalam due to an unforeseen circumstance. Representatives of the ASEAN Food Security Information System (AFSIS) Secretariat, the Asian Development Bank (ADB) 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 Ms. Chan Phaloeun, Deputy Director General of the General Directorate of Agriculture (GDA), the MAFF Cambodia and Mr. Yoshihiro Kuraya, Deputy Director of Grain Trade and Operation Division, the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan acting on behalf of Mr. Akira Karasawa, Director General of the Crop Production Bureau, the MAFF of Japan.

OPENING SESSION

4. H.E. So Khan Rithykun, Director General of the GDA of the MAFF Cambodia, expressed his sincere and warmest welcome to all delegates to the 4th Meeting of APTERR Council. He thanked the APTERR Council, especially Japan for support of the Tier 3 programme implemented in ASEAN countries. He also extended his thanks to the organising committee for the wonderful arrangement. Recalling to the establishment of the APTERR, the assurance of food security in the ASEAN Plus Three Countries is a common goal of all members. The establishment of rice reserve among ASEAN Plus Three countries based on the principle of collective self-reliance will contribute to the strengthening of the respective national economic resilience as well as the regional economic resilience and solidarity of the ASEAN Plus Three countries. Then, he highlighted a concern on the impact of climate change to an agricultural sector. In addition to this, he informed about the drought situation in Cambodia. The Government of Cambodia has tried to do their best through existing policies and framework as well as providing ad hoc assistance to the affected people throughout the country. In this time of such crisis, he reiterated that it is necessary to have the APTERR to work together in addressing this challenge. Cambodia reaffirmed its commitment in contributing in-kind and in-cash assistance in the forms of earmarked rice reserve and stockpiled rice reserve for APTERR to help affected people. He concluded his remarks by wishing the meeting a success and all delegates have a wonderful time staying in Siem Reap, Cambodia. His Opening Remarks appears in **ANNEX 2**.

CLOSED SESSION

Agenda Item 1: OPENING STATEMENT BY OUTGOING CO-CHAIR REPRESENTING THE HOST COUNTRY OF THE 3rd MEETING OF APTERR COUNCIL

5. Due to the absence of the APTERR Council from Brunei Darussalam as an outgoing Co-Chair of the 3rd Meeting of APTERR Council, Mr. Tang Zhishao, Director of Foreign Economic Cooperation Center, the Ministry of Agriculture of China representing the APTERR Council from China, as the Co-Chair of the 3rd Meeting of APTERR Council, expressed his sincere appreciation to the APTERR Secretariat for organising the Meeting and to Cambodia, host country of the Meeting, for their hospitality. He reaffirmed that China will continually lend her support to the APTERR programme. He believed that with all member countries' joint efforts, APTERR will evolve into a more functional and more beneficial programme that would be recognised in East Asia and globally. China looked forward to more opportunities to work with the APTERR. In his conclusion, he invited the Meeting to participate in the coming 7th ASEAN Plus Three Roundtable on Food Security Cooperation Strategy hosted by China in Beijing on 28 June 2016. His opening statement appears in **ANNEX 3.**

Agenda Item 2: REMARKS BY THE CO-CHAIR REPRESENTING THE HOST COUNTRY OF THE 4th MEETING OF THE APTERR COUNCIL

6. Ms. Chan Phaloeun, a Co-Chair from Cambodia, thanked all distinguished delegates for joining the Meeting. She expressed her appreciation to the great efforts of the APTERR Secretariat in supporting the APTERR Council. She also extended her appreciation to all APTERR members for their support and resources they have contributed in implementing the APTERR activities during the past year. In relation to this, she expressed her appreciation to the Government of Japan for their continued support in the Tier 3 programme in the region. On behalf of the Royal Government of Cambodia, she was grateful for a contribution of 210 MT of milled rice under Tier 3 programme contributed by Japan. She strongly believed that regional cooperation is essential for ASEAN Plus Three to manage a food crisis caused by climate change impact. In conclusion, she wished for a successful meeting and all participants to have a pleasant stay in Siem Reap, Cambodia. Her remarks appears in **ANNEX 4.**

7. Mr. Akira Karasawa, a Co-Chair from Japan, also gave his remarks to the Meeting. He expressed his sincere appreciation for the heartfelt condolences extended by many member countries to Japan on to the Kumamoto Earthquake that occurred in April 2016. He highlighted that the APTERR activities is attracting much attention from the international society as a regional scheme for food security and reiterated that it is necessary for the APTERR members to develop APTERR scheme further in order to demonstrate a good practice for other countries which may wish to follow the APTERR's path. He also reemphasised that Japan has prepared to work with all member countries for a further development of APTERR activities. As a head of Japanese delegates as well as the Co-Chair of the Meeting, he asked the Meeting to allow him to assign Mr. Yoshihiro Kuraya, Deputy Director of Grain Trade and Operation Division, MAFF Japan to take his Co-Chair's duty. Finally, he wished the Meeting to be a fruitful one for all participants. His remarks appears in **ANNEX 5.**

Agenda Item 3: ADOPTION OF AGENDA

8. The Meeting had no objection to a request from the APTERR Secretariat for adding a sub-Agenda of the Work Plan and Budget Plan for FY 2016 (1 January-31 May 2016) to Agenda 7 on the realisation of Work Plan and Budget Plan for fiscal year 2015.

9. The Meeting adopted the agenda as amended, which appears in **ANNEX 6**.

Agenda Item 4: BUSINESS ARRANGEMENT

10. 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: REPORT ON THE RECRUITMENT OF THE GENERAL MANAGER (GM)

11. The APTERR Secretariat presented the result of the recruitment of the GM to the Meeting for endorsement. The document and presentation appear in **ANNEX 7** and **ANNEX 8**.

12. The Meeting endorsed the result of the recruitment of the GM and the Contract Agreement. The Meeting also congratulated to Mr. Chanpithya Shimphee as the newly appointed GM.

13. The Meeting thanked the Office of Agricultural Economics, Ministry of Agriculture and Cooperatives of Thailand for providing an in-kind contribution by offering Ms. Nongnooch Deetae, an Expert of Agricultural Statistics System, to be the Acting GM of the APTERR Secretariat in order to maintain a smooth operation of the APTERR Secretariat during the leadership vacuum.

14. The Meeting emphasised the need for the Contract Agreement of the GM to be aligned and in compliance with the Administrative Regulations. The Contract Agreement of the GM appears in **ANNEX 9**.

Agenda Item 6: UPDATE ON THE CONTRIBUTION FOR ENDOWMENT FUND AND OPERATIONAL COST

15. The APTERR Secretariat reported on the contribution for the Endowment Fund (EF) and the annual contribution to the Operational Cost (OC). The document and presentation appear in **ANNEX 10** and **ANNEX 11**.

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

17. The Meeting recommended the APTERR Secretariat to send a notice of the transfer of the contribution to the member countries in the first month of the year.

18. The Meeting recommended the APTERR Secretariat to propose solution to resolve the issue on the shortfall that arose due to the bank charges imposed by the bank in Thailand.

19. The Meeting took note of the recommendations from the APTERR Secretariat to avoid

the deduction of the fund transfer as follows:

- Inform or fill out the bank's remittance application that you will '**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
- To ensure the '**guarantee our**' is correctly selected, the member country shall ask the bank for a SWIFT message (MT103), a wire transfer payment verification, to check the information of the transfer.
- Add transfer fees to the committed amount of contribution or consult with a local bank to confirm about the bank fees.

20. The representatives from Vietnam, and the Republic of Korea informed the Meeting that their contribution to the APTERR Fund would be transferred soon.

Agenda Item 7: REPORT ON REALISATION OF WORK PLAN AND BUDGET PLAN FOR FISCAL YEAR 2015

21. The APTERR Secretariat presented the report on the Realisation of Work Plan and Budget Plan for FY 2015 and the Work Plan and Budget Plan for FY 2016 (1 January-31 May 2016). The documents and presentations appear in **ANNEX 12** to **ANNEX 13**.

22. The Meeting endorsed the realisation of Work Plan and Budget Plan for fiscal year 2015 and the Work Plan and Budget Plan for FY 2016 (1 January-31 May 2016).

23. The Meeting noted on the APTERR Secretariat's clarification to a concern raised by Japan on the delay of Tier 3 programme implementation for FY 2015. The Meeting noted that the APTERR Secretariat has been reviewing and refining the process to resolve challenges encountered in the implementation of the FY2014 Tier 3 programmes.

Agenda Item 8: PROPOSED 3-YEAR WORK PLAN (2016-2018) OF THE NEWLY APPOINTED GM

24. The newly appointed GM presented his proposed 3-year Work Plan for fiscal year 2016-2018. The document and presentation appear in **ANNEX 14** and **ANNEX 15**.

25. The Meeting endorsed the newly appointed GM's Work Plan for fiscal year 2016-2018.

26. Regarding to the newly appointed GM's work plan, the Meeting agreed that the APTERR Secretariat should conduct a study prior a commencement of Tier 1. Meanwhile, for Tier 3 programme, the Meeting recommended that the procedures of Tier 3 programme shall be simplified and expedite the implementation in order to provide a timely assistance to the people during the emergency situation.

27. The Meeting expressed the concern on the timeframe for the feasibility study on increasing of both earmarked and stockpiled rice reserves, and the study to propose the remedied financial management plan for 2018 – 2022 to the APTERR Council in 2017. The Meeting recommended the newly appointed GM to expedite the review and take into consideration that APTERR Parties would require time to seek domestic clearance on these

matters,

Agenda Item 9: PROGRESS ON APTERR TIER 3 PROGRAMME DONATED BY JAPAN

28. The APTERR Secretariat presented the brief background and information on the Tier 3 programme under Japan's contribution for FY 2014 and 2015. The document and presentation appear as **ANNEX 16** and **ANNEX 17**.

29. The representative from Cambodia presented an update on 210 MT of APTERR stockpiled rice under Tier 3 programme for Japan's FY 2014 contribution stored in Cambodia. The presentation appears in **ANNEX 18**.

30. The Meeting took note of the report on the implementation of Tier 3 programme in Cambodia. The Meeting was informed that Cambodia is planning to submit a proposal for 250-MT stockpiled rice reserve under Tier 3 programme for FY 2016-17.

31. The representative from the Philippines presented the update on 240 MT of APTERR stockpiled rice under Tier 3 programme for Japan's FY 2014 contribution. The presentation appears in **ANNEX 19**.

32. The Meeting took note of the report on the implementation of Tier 3 programme in the Philippines. The Government of the Philippines, with support from the ADB-Technical Assistance (ADB-TA) consultant under the project ADB TA 8693: Food Security and resilience of the Association of Southeast Asian Nations Member States to Food Price Volatility, has been working on the development of an inter-agency Memorandum of Agreement (MOA) to improve efficiency of Tier 3 implementation in the Philippines.

Agenda Item 10: REPORT ON AN OUTCOME OF DISCUSSION ON SUBSUMING THE AFSIS INTO THE APTERR

33. The AFSIS Secretariat presented the outcome of discussion on subsuming the AFSIS into the APTERR. The document and presentation appear in **ANNEX 20** and **ANNEX 21**.

34. The Meeting took note of the report made by the AFSIS Secretariat and agreed that APTERR and AFSIS should be separate entities and the development of capabilities should be independent.

Agenda Item 11: OTHER MATTERS

35. The ASEAN Secretariat, as an implementing agency of the ADB-TA, assigned ADB-TA consultant to report the output of the ADB-TA on a feasibility study of establishing a preposition system for APTERR Tier 3 rice stocks and updated the progress on ADB-TA for improving the implementation of Food Emergency Monitoring and information (FEMI), Tier 1 and Tier 3. The document and presentation appear in **ANNEX 22** and **ANNEX 23**.

36. The Meeting noted the report of the feasibility study of establishing a preposition system

for APTERR Tier 3 rice stocks and the progress of the ADB-TA for improving the implementation of FEMI, Tier 1 and Tier 3. The APTERR Secretariat in consultation with ADB-TA consultant would have a small group discussion between the APTERR Secretariat and the ADB before convening a working meeting with APTERR Parties.

37. The APTERR Secretariat updated on the progress on development of the Subsidiary Regulations. The document and presentation appear in **ANNEX 24** and **ANNEX 25**.

38. The Meeting took note that at the 3rd Meeting of APTERR Council in 2015, the APTERR Secretariat was tasked to convene a working meeting to finalise the Subsidiary Regulations concerning the Administrative Regulations and the Rules and Procedures of Financial Management of the APTERR Secretariat. The Meeting took note of the APTERR Secretariat proposal to convene the working meeting in July 2016.

39. The Meeting was informed that, following the Administrative Regulations, the APTERR Secretariat developed the Secondment Agreement to standardise the future secondment of experts from APTERR Parties or relevant organisations to the APTERR Secretariat. The draft Secondment Agreement template was circulated and finalised by the APTERR Council on 18 April 2016. The endorsed Secondment Agreement template appears in **ANNEX 26**.

40. The Meeting was informed that the MAFF Japan declared the intention to dispatch an expert to the APTERR Secretariat on 29 January 2016. The Meeting endorsed the secondment of the dispatched expert from the MAFF Japan to the APTERR Secretariat for the implementation of Tier 3 programme contributed by Japan. The document and presentation appear in **ANNEX 27** and **ANNEX 28**.

41. The MAFF Japan updated the Meeting on the outcomes of the 10th WTO Ministerial Conference in Nairobi on 15-18 December 2015. The Meeting reaffirmed the nature of the APTERR as a regional rice reserve mechanism was aimed at strengthening regional food security. The Meeting shared the common view that the APTERR's activities do not fall under the notion of international food aids assumed in the WTO Ministerial Decision in Nairobi.

Agenda Item 12: DATE AND VENUE OF THE 5th MEETING OF APTERR COUNCIL

42. The Meeting noted that the 5th Meeting of APTERR Council would be hosted by the Government of Indonesia. The representatives from Indonesia informed the Meeting that the next meeting would be held in Bali, Indonesia at the beginning of May 2017. The APTERR Secretariat in collaboration with Indonesia would confirm the date and venue of the meeting in due course.

ACKNOWLEDGEMENTS

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

6 May 2016, Siem Reap, Cambodia