

# SAARC FOOD BANK: When Will It Kick Off Business

## FORMATION OF SAARC FOOD BANK

Right to food is a basic human right. But unimpeded access to food is not always an easy task, especially at the time of food crisis that a nation may face resulting from production shortfall or hard hit by natural calamities. From this specific background of a common approach to collective food security the SAARC Food Bank has been established following the 14<sup>th</sup> Delhi summit of the eight member regional block in April 2007 which approved the move. Previously the South Asian group had established the SAARC Food Security Reserve in 1988 but it failed to meet the people's expectations due to structural flaws, procedural shortcomings and on top of it, in absence of political good will, especially of the biggest partner of the group as the insiders say. The SAARC Food Bank has been put in place in 2008 at a time when the regional group reaffirmed its commitment again to a common "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," as the preamble of the Food Bank agreement said. But three years have already passed since the SAARC Food Bank has made the debut, however without going into functioning. Why it is so is a big question and observers here believe the Food Bank should take lessons from the failed Food Security Reserve approach to clear its way to real functioning. In this background the two-day 4<sup>th</sup> meeting of the board of governors of SAARC Food Bank is taking place in the capital here from tomorrow ( October 27) after three previous meetings of the board held on October 15-16, 2008 and February 12-13, 2009 in Colombo and the last one in Kabul on November 8 -9, 2009. But critics already sound skeptical as to why there is slow progress in putting the Food Bank to practical functioning and they blame lack of political will again as an impediment to reaching the stated target. They say meetings of the board of governors alone is not enough, mere talk does not cook the rice, they must produce results to justify such meeting by clearing the cloud.

## FAILURE OF AFGHAN RATIFICATION

It is learnt that the SAARC Food Bank is visibly facing setback this time from the absence of ratification of the agreement by the Afghan government. Its slow move in this respect has stalled the entire process at a time when all remaining seven members comprising the group have already ratified it. Why Afghanistan is slow need to be cleared. Is it working on its own or working as a proxy of some third party interest is yet another question. Critics say, the SAARC system may call for a new thinking to salvage it from the need for compulsory ratification of agreements as a precondition to adaptation of a decision. In certain cases relating to purely food and humanitarian issues, the requirement may be relaxed; they say to allow moves like the Food Bank to start functioning with approval of the majority of the member states. This is what the UNO is pursuing in case of putting into affect agreements on common

good issues. Lack of enthusiasm of a single country like Afghanistan which is through a long drawn civil war can't and should not delay others efforts, many people in SAARC capitals argue.

## FOOD BANK FOR SOUTH ASIAN HUNGRY PEOPLE

Common food security for South Asian nations has a great implication for ordinary people, especially for the hungry people living under the poverty line in this region . They are the people who get hard hit as soon as a natural calamity hits the population. They are also the people to become easy target once a country faces repeated crop failure due to draught, flood or such other impacts resulting from global warming. SAARC Food Bank has therefore two distinctly defined situations in which a member state may call for emergency supply to strengthen national effort to beef up local stock and reach the food to affected people. The food Bank strategy has been exclusively designed to provide emergency supply in the event of food emergency and/or shortage. It said, "a food emergency shall mean a state or condition in which a member state, having suffered a severe and unexpected natural or man-made calamity, is unable to cope with such a state of condition by using its national reserve." It further said, "a food shortage shall mean a state or condition in which a member country has suffered a production shortfall and/or storage shortfall and find it difficult to cope with such a state or condition by using its national reserve." The production shortfall to justify emergency supply from the Food Bank has been defined as a situation in which "production of food grains in the current year is lower than the average of the production of the previous three years by 8.0 percent." However, a member country may also "initiate a request on seasonal basis considering the impact of such seasonal shortfall on annual production." The board of governors of the SAARC Food Bank may review and relax the minimum qualifying standards as also some other qualifying criteria to bring adjustment to rules of business to make them compatible with the reality in the ground. SARC Food Bank has therefore two distinct objectives:

(a) to work as a regional reserve for food security during emergency and (b) to develop a common response under joint initiative to combat food shortfall in a member country collectively. It will have a total dedicated stock of 2,41,580 metric tones under existing agreement. Out of it, India will contribute 1,53,200 metric tones, Bangladesh and Pakistan to contribute 40,000 tones each, Nepal and Sri Lanka 4,000 tones each and Afghanistan, Maldives and Bhutan 1420 tones, 200 tones and 180 tones respectively.

There is a growing belief that the stock that the SAARC Food Bank is currently authorized to deal with is quite small and should be phenomenally increased to bring more food security coverage to wider segment of the people of the region. There is a pending proposal in this respect with the suggestion to double the amount to 4,86,000 metric tones. We believe that all parties must take the issue seriously attempt must be made to further increase the stock to at least 1.0 million tones in near future. In fact SAARC countries should commit to dedicate their entire crop to develop a joint food security umbrella for the entire population of the region within the nation and across the border. This is what a hunger free South Asia looks forward and people expect that their leadership would work to achieve the goal in phases.

## **GLOBAL COMMODITY MARKET**

Global food and commodity market, as dominated by several multinational oligarchies, has become a vital weapon of exploitation these days, no matter it aggravates the suffering of the nations in supply crisis. It especially pushes the poor in this situation to starvation in absence of either an adequate supply in the network or due to its exorbitant price beyond the affordability of the common people. South Asia has several rice producing nations close to its border like Myanmar, Thailand, Vietnam or Cambodia. But buying of stock is not always an easy task conditioned by bulk order and forward booking of harvest by big parties like China or for exorbitant price that sellers may charge to exploit the emergency situation. Bangladesh and many countries of the globe experienced the situation only two years ago. Thus a common regional approach to food security can only save the nations in supply crisis and the SAARC leadership should prove that they can do it keeping beyond their parochial politics.

## **SAARC FOOD BANK STOCK**

Critics say SAARC Food Bank delivery mechanism and inter-governmental contact procedure should be efficiently built so that stock can be quickly transferred to the aggrieved nation from a closer distance and at an economic cost. Member states have therefore the responsibility to earmark the stock and notify the storage in closer locations across the border from where supply can be quickly delivered to the country hit by an emergency. Under the existing arrangement Bangladesh is maintaining its stocks in three locations at Khulna, Chittagong and at several godowns in the Dinajpur districts. So also India, Pakistan and other member states are maintaining their dedicated stock in convenient locations and routinely notifying it to one another through the SAARC Secretariat and through the nodal points which is authorized by every government to deal with Food Bank related matters.

## **NEED FOR POLITICAL WILL**

SAARC Food Bank's functioning is quite vulnerable to several procedural issues, in addition to parochial mindset problems. Lack of political will as mentioned above may always remain the biggest impediment to quick execution of decisions at a time when a member state may be looking for emergency supply. Again cooperation by the bureaucracy in member states is equally significant to implement political decisions of their government. These are the identified problems that every one understands and talks about but its remedy rests on the slow recovery from the parochial mindset of the people in charge of politics and bureaucracy in the South Asian nations. Though the SAARC Food Security Reserve was established in 1988 it never came to the rescue of an aggrieved nation. Bangladesh has several devastating floods and calamities in the meantime, but regional food security umbrella is yet to make its presence. The country experienced a severe flood in 1988, a devastating cyclone in 1999 and yet another severe flood in 1998 when the SAARC Food Security Reserve was formally in place but practically out of business. Now the SAARC Food Bank has been established since three years and it is yet to prove its worth. Bangladesh suffered from two devastating calamities in the meantime from Cyclone Sidr in 2008 and Aila in 2009 but the SAARC Food Bank window remained closed as it was in the past. In the aftermath of cyclone Sidr Bangladesh tried to secure half a million tons of food grains from India but the attempt largely failed although the commitment came from the highest authority of the Indian government. The Food Bank remained a helpless witness in the

process. Now Pakistan is facing the same critical situation from severely being devastated by an unprecedented flood of the century. This country has lost about half a million tons of food grains stock to the gushing water, in addition to loss of about 20 percent standing crops in the field. This country is now frantically trying to secure fresh supply but ironically the SAARC Food Bank is remaining only a witness to all such troubles that member states are facing. Many critics wonder what is the use of having such a window in place if it can not extend the helping hand to an aggrieved nation. All impediments on its way need to be solved quickly, they emphasized.

## **PROCEDURAL FLAWS**

This organization has as many procedural and structural problems that can be however resolved once it will start functioning. One such problem is related to price fixation mechanism. We believe that the price fixation for food grains to be traded under the SAARC Food Bank should be further rationalized. It can be seen that a member state in need of emergency supply may buy food grains from the open market of another country, like the biggest Indian market at a lower price if it can do so. But a food supply under the Food Bank umbrella has to be secured from the government stock which is always costlier because it may have elements of higher price support to farmers, in addition to cost of many other economic inefficiencies in maintaining the stock and its handling. The cost of inefficiency thus remains a bigger burden that buyers have to pay. But it is also impossible to buy from other's domestic market and make quick transfer of food grains to an emergency hit nation.

## **PRICE FORMULA TO BE RATIONALIZED**

So the SAARC Food Bank should agree to a price mechanism which would offer reasonable, humane and confidential price, closer to open market price without passing the overload of economic inefficiencies on the recipient side. Harmonization of quality is also a big challenge. Another problem may create impediment relating to food statistics. For instance, the government here always manipulates statistical data to show a steadily higher food grains production every year over the previous year as part of the success story of the party in power. These manipulated figures are posted in printing materials and maintained in official dossiers. Now if the country suffers a production setback in a particular year, its official statistics of the earlier two years may not be able to corroborate the fact and it may miss the case of placing a request for emergency supply. Some other problems causing slow pace to the Food Bank development is the lengthy inter-government mechanism to end up with a decision making. For instance, the board of governors of the SAARC Food Bank can only discuss an issue and put recommendations to its next higher body namely Technical Committee on Agriculture and Rural Development. This committee again has the business only to hold further discussion on it and forward the case to SARRC Standing Committee at Foreign Secretary Level. SAARC Council of Ministers is the ultimate authority to give a decision thus making the system quite lengthy. The terms of reference of the Food Bank and the authority of its board of governors may also be made more pragmatic to produce quick results in short time. The operational procedure of the Food Bank may be further simplified.

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