

# **AGREEMENT ON ESTABLISHING THE SAARC FOOD BANK**

## **PREAMBLE**

The Governments of the SAARC (South Asian Association for Regional Cooperation) Member States comprising Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka hereinafter referred to as “Member Countries”;

**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 a regional food reserve by Member Countries 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 Bank**

1. The Member Countries hereby agree to establish a SAARC Food Bank (hereinafter referred to as “the Food Bank”) for the purposes and on the conditions described in this Agreement.
2. The Food Bank shall be administered by the SAARC Food Bank Board (hereinafter referred to as “the Board”), as provided for in **Article X**.

## **ARTICLE II**

### **Objectives**

The objectives of the Food Bank shall be:

- a. to act as a regional food security reserve for the SAARC Member Countries during normal time food shortages and emergencies; and
- b. to provide regional support to national food security efforts; foster inter-country partnerships and regional integration, and solve regional food shortages through collective action.

## **ARTICLE III**

### **The Reserve**

1. The Reserve, to be maintained under the Food Bank (hereinafter referred to as “the Reserve”), shall consist of wheat or rice or a combination thereof (hereinafter referred to as “food grains”) earmarked by the Member Countries exclusively for the purpose described in **Article V**.

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

3. Each Member Country undertakes to earmark as its assessed share of the Reserve the amount of food grains allocated to it in the **Schedule-I** of this Agreement and to keep the Board informed of the quantum of its reserve with locations of the designated godowns.

4. The Member Countries shall keep the **Schedule-I** under review and may amend it in the light of operating experience in accordance with the procedure laid down in **Article XV**.

5. A Member Country may, at any time, voluntarily earmark for the purpose provided for in this Agreement food grains exceeding the amount allocated to it in the **Schedule-I**.

## **ARTICLE-IV**

### **Quality of the Reserve**

1. The quality of all earmarked food grains shall be of “fair average quality”, or comply with any other quality standards laid down by the Board. Each Member Country undertakes to maintain its reserve as per specifications in the **Schedule-II** of this Agreement. The Board shall review the specifications periodically.

2. Each Member Country undertakes to: (a) provide adequate storage facilities for the food grains that it has earmarked; (b) inspect the food grains periodically; (c) apply appropriate quality control measures, including turnover of the food grains, if necessary, with a view to ensuring that all times the food grains satisfy the required quality standards; and (d) replace forthwith any food grains that do not satisfy the said standards. In addition, each Member Country agrees to undertake every effort to comply with any guidelines on storage methods or quality control measures adopted by the Board.

## **ARTICLE V**

### **Withdrawal of Food Grains**

1. Each Member Country shall be entitled, on the conditions and in accordance with the procedures laid down in Article III, Article VI and/or Article VIII, to draw on food grains forming part of the Reserve in the event of a food emergency and/or shortage.

2. A food 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 of condition by using its national reserve.

3. A food shortage shall mean a state or condition in which a Member Country has suffered a production shortfall and /or storage shortfall, and finds it difficult to cope with such a state or condition by using its national reserve, provided that the production of food grains in the current year is lower than the average of the production of the previous three years by 8 percent. However, on specific cases a Member Country may initiate a request on seasonal basis considering the impact of such seasonal shortfall on annual production.

4. The Board, based on the experiences of operations of the Food Bank, shall periodically review the minimum agreed percentage of shortfall as mentioned in Paragraph 3 of this Article.

## **ARTICLE VI**

### **Procedure for the Release of Food Grains from the Reserve**

1. The Member Country in need shall directly notify, through its designated Nodal Point(s), the other Member Country or countries of the food emergency or shortage it is facing and the amount of food grains 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 food grains, subject to availability in the combination requested.

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

**ARTICLE VII**  
**Replenishment of the Reserve**

1. A Member Country that has released all or part of the food grains forming its share of the Reserve shall replace such food grains as soon as practicable and, in any event, not later than one calendar year following the date on which the release of the food grains took place.
2. A Member Country that has released all or part of the food grains forming its share of the Reserve shall at an early date notify the Board of such release, of the terms and conditions on which it was effected, and the date on which the food grains that had been released were replaced.

**ARTICLE VIII**  
**Procedure for the Withdrawal of Food Grains by a Member Country  
from its Own Share of the Reserve**

1. A Member Country in need shall be entitled to immediate withdrawal of food grains from its assessed reserve in case of emergencies under intimation to the Member Countries and the Board, and in any other cases by giving three months' advance notice to the Member Countries and the Board of such withdrawal.
2. It shall replace such food grains as soon as practicable and in any event not later than two years following the date on which the release of the food grains took place.
3. A Member Country in need shall be entitled to immediate withdrawal of food grains from its voluntary reserve in case of emergencies under intimation to the Member Countries and the Board, and in other cases by giving at least one month's advance written notice to the Member Countries and the Board.

**ARTICLE- IX**  
**Determination of Price**

1. The prices, terms and conditions of payment, in kind or otherwise, in respect of the food grains so released shall be the subject of direct negotiations between the Member Countries concerned, based on the guidelines to be approved by the Board for determination of price, which shall be reviewed periodically.
2. The requesting Member Country shall specify the need (i.e. food shortage or emergency) while making the request. In the case of emergency, the humanitarian aspects would be given due importance while determining prices.

3. The determination of prices shall be done in accordance with the following broad principles:
  - a. Price quoted, in general, shall be lower than prices generally charged or quoted for countries beyond the region;
  - b. Price shall be representative of the market, both domestic and international, and may be adjusted suitably to reflect seasonal variations and the price movements in the recent past; and
  - c. A responding Member Country shall endeavour to accord, as far as possible, national treatment in respect of calculating the cost components such as the ones related to storage, internal freight, interests, insurance and overhead charges, margin of losses etc., while maintaining its reserve and making releases.

## **ARTICLE X**

### **Institutional Arrangements**

1. There shall be a Board, of which each Member Country shall be a member, to administer functioning of the Food Bank and for its policy making.
2. Rules of Procedure for the meetings of the Board shall be the same as for other SAARC meetings.
3. Decisions and recommendations of the Board shall be taken on the basis of unanimity.
4. The Board shall elect a Chairperson based on the principle of rotation among Member Countries whose terms of office shall be the duration from one annual meeting to the next annual meeting.
5. The Board shall meet at least once a year or more often as considered necessary.
6. Each Member country shall designate Nodal Point(s), responsible for transacting all business at the national level related to operations of the Food Bank.
7. Private sector importer(s) in a Member Country in need may apply to the designated Nodal Point(s) of that country, who shall transact all activities on behalf of the private sector importer(s) and shall be responsible for the transaction(s). The Member Countries may develop appropriate guidelines for involving the private sector, in conformity with its national legislations, procedures and requirements.

## **ARTICLE XI**

### **Functions of the Board**

The functions 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 food grains. 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 food grains 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 Food Bank and issuing of guidelines on technical matters, such as maintenance of stocks, storage conditions, quality control and price.
4. Assessing the demands of food grains and identification of institutions and organizations in Member Countries that are to be contacted in case of release and withdrawal from its Reserves.
5. Devising appropriate mechanism(s) to collect, compile, generate, analyse, and disseminate information to facilitate its own work.
6. Resolving any dispute or difference regarding the interpretation and application of the provisions of this Agreement and functioning of the Food Bank.
7. Keeping the Schedules to this Agreement under review.
8. Recommending amendment(s) to the Agreement, as and when considered necessary, in accordance with the procedure specified in **Article XV**.

## **ARTICLE-XII**

### **Miscellaneous**

1. **Schedule-I** and **Schedule-II** shall be integral parts of this Agreement.
2. Expenditures relating to the functioning of the Food Bank shall be borne by the Member Countries proportionately as part of the SAARC Secretariat budget.

**ARTICLE XIII**  
**Secretariat**

1. The Board shall be assisted by the SAARC Secretariat, which shall coordinate the work of the Board, monitor all matters relating to the release of food grains, and convene and service meetings of the Board.
2. The establishment of a Permanent Headquarters of the Food Bank with dedicated staff may be considered by the Council of Ministers at a future date, in the event of such a request made by the Board based on the experiences of operations of the Food Bank.

**ARTICLE XIV**  
**Entry into Force**

1. This Agreement shall enter into force on a date to be determined by the Council of Ministers upon completion of all requisite formalities, including ratification by all the Member Countries and issuance of a notification thereof by the Secretary General of SAARC.
2. This Agreement shall supersede the Agreement on Establishing the SAARC Food Security Reserve.

**ARTICLE XV**  
**Amendment**

1. A Member Country may propose any amendment to this Agreement by submitting the proposed amendment to the Board through the SAARC Secretariat.
2. The Board may examine the proposed amendment and submit its recommendation(s) to the Council of Ministers for consideration. Unless otherwise specified, amendments shall enter into force as from the date of their approval by the Council of Ministers.

**ARTICLE XVI**  
**Depositary**

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

**IN WITNESS WHEREOF**, the undersigned being duly authorized thereto by their respective Governments have signed this Agreement.

**SIGNED** at New Delhi on the Fourth Day of April Two Thousand and Seven in Nine originals in the English language.

**Rangin Dadfar Spanta**  
**Minister of Foreign Affairs**  
**The Islamic Republic of Afghanistan**

**Iftekhar Ahmed Chowdhury**  
**Adviser for Foreign Affairs**  
**(Foreign Minister)**  
**People's Republic of Bangladesh**

**Ugyen Tshering**  
**Minister for Labour and**  
**Human Resources**  
**Kingdom of Bhutan**

**Pranab Mukherjee**  
**Minister for External Affairs**  
**Republic of India**

**Ahmed Shaheed**  
**Minister of Foreign Affairs**  
**Republic of Maldives**

**Sahana Pradhan**  
**Minister for Foreign Affairs**  
**Nepal**

**Khurshid M. Kasuri**  
**Minister for Foreign Affairs**  
**Islamic Republic of Pakistan**

**Rohitha Bogollagama**  
**Minister of Foreign Affairs**  
**Democratic Socialist Republic of**  
**Sri Lanka**



**SCHEDULE-I**

**THE SAARC FOOD BANK**

**Assessed Shares of Food Grains for the Reserve  
(In Metric Tons)**

Afghanistan	-----*
Bangladesh	40,000
Bhutan	180
India	1,53,200
Maldives	200
Nepal	4,000
Pakistan	40,000
Sri Lanka	4,000
<b>Total:</b>	<b>2,41,580*</b>

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\* Assessed share of Afghanistan is to be decided by the First Meeting of the SAARC Food Bank Board and reflected accordingly in this Schedule

## **SCHEDULE- II**

### **THE SAARC FOOD BANK**

#### **Specifications<sup>1</sup> of Food Grains (wheat and rice)**

##### **Wheat**

<b>Quality Grade Factors</b>	<b>Grade II FAQ*</b>	<b>Recommended specification</b>
Moisture content, % (maximum)	9.0 - 10.0	13.5
Test weight Kg/Hecto-Litre (minimum)	74.1 - 75	75.0
Foreign matter, % (maximum)	0.5 - 1.0	1.0
Broken and shriveled, % (maximum)	2.0 - 3.0	7.0
Other food grains, % (maximum)	1.5 - 3.0	3.0
Damaged grains, % (maximum)	0.5 - 1.0	2.0
Gluten (wet), % (minimum)	26 - 27	26.0
Protein, % (minimum)	10.0 - 11.0	10.0

\*Fair Average Quality

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<sup>1</sup> Definitions are contained at the Annex

### Rice

<b>Quality Grade Factors</b>	<b>Grade II for Coarse Rice</b>	<b>Recommendation (for par-boiled rice)</b>	<b>Recommendation (for non-parboiled rice)</b>
Moisture content, % (maximum)	14.0	14.0	14.0
Damaged shriveled and yellow, % (maximum)	2.5	4.0	3.0
Broken grains, % (maximum)	10.0	16.0	25.0
Chalky grains, % (maximum)	6.0	Not applicable	6.0
Foreign matter, % (maximum)	0.8	0.8	0.8
Paddy grains, % (maximum)	0.4	0.4	0.4
Red stripped grains, % (maximum)	2.5	3.0	3.0
Under-milled (de-husked), % (maximum)	-	12.0	12.0

**Definitions of Refractions for Raw and Parboiled Rice**

**Foreign Matter**

Includes organic and inorganic matters. The inorganic matter shall include sand, gravel, dirt, pebbles, stones, lumps of earth, clay and mud, glass and metallic pieces. The organic matter shall include chaff, weed seeds, straw and inedible grains.

**Brokens**

**a. Small Broken**

Pieces of kernels that are broken up to one fourth of the size of full kernel

**b. Big Broken**

Pieces of kernels that are broken above one fourth of the size and less than three fourth of the size of the full kernel

**Slightly damaged grains**

Kernels or pieces of kernels that are damaged or discoloured superficially so as not to affect the quality of the material

**Damaged grains**

Kernels or pieces of kernels that are sprouted or internally damaged as a result of heat, microbes, moisture or weather

**De-husked grain (under-milled grains)**

Shall be the rice kernels, whole or broken, which have more than one fourth of the surface covered with bran

**Chalky grains**

Kernels or pieces of kernel of which at least half the portion is opaque, milky white colour and brittle in nature

**Discoloured grain**

Kernels or pieces of kernels that have changed the colour as a result of deteriorative changes

**Red grain**

Kernels or pieces of kernel having more than one fourth of the surface covered with red cuticle

**Degree of milling**

The reasonably well milled means milling of paddy from which the husk, the germ, the outer bran layers and the greater part of the inner bran layers have been removed, part of the lengthwise streaks of the bran layers may still be present on not more than 30 percent of the kernels.

## **Definitions of Refractions for Wheat**

### **Foreign Matter**

Includes organic and inorganic matters. The inorganic matter shall include sand, gravel, dirt, pebbles, stones, lumps of earth, clay and mud, glass and metallic pieces. The organic matter shall include chaff, weed seeds, straw and inedible grains.

### **Shrivelled Grains**

Kernels or pieces of kernels that are not fully developed

### **Brokens**

Pieces of kernels that are less than three fourth of the size of full kernel

### **Weevilled grains**

Kernels that are partially or wholly bored

### **Slightly damaged grains**

Kernels or pieces of kernels that are damaged or discoloured superficially so as not to affect the quality of the material

### **Damaged grains**

Kernels or pieces of kernels that are sprouted or internally damaged as a result of heat, microbes, moisture or weather

### **Other Food grains**

Any food grains other than wheat

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