



Regional: Food Security and Resilience of the Association of Southeast Asian Nations Member States to Food Price Volatility

Project Name	Food Security and Resilience of the Association of Southeast Asian Nations Member States to Food Price Volatility
Project Number	47208-001
Country	Regional
Project Status	Closed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 8693-REG: Food Security and Resilience of the Association of Southeast Asian Nations Member States to Food Price Volatility Japan Fund for Poverty Reduction US\$ 800,000.00
Strategic Agendas	Inclusive economic growth Regional integration
Drivers of Change	Partnerships
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development
Gender Equity and Mainstreaming	No gender elements
Description	The proposed regional research and development technical assistance (R-RDTA) aims to strengthen the regional public goods and services that Association of Southeast Asian Nation (ASEAN) provides, especially toward improving the resilience of the rice and food value chain markets to natural and economic shocks and ensuring the region's sustainable and inclusive food security. The R-RDTA will focus on three regional public goods and services: (i) the regional rice reserve system, (ii) rice/food trade policies, and (iii) the regional food market information system. There is a pressing need to reinforce these regional public goods and services especially for the benefit of the region's poor. Otherwise, the ASEAN food security situation will remain highly vulnerable to natural and economic shocks while the ASEAN Member State (AMS) distrust in trade intensifies, further spurring unilateral restrictive policies, fiscally expensive self-sufficiency programs, and non-transparency in sharing information. These would result in a beggar-thy-neighbor policy and a virtuous cycle of thin rice trade that can contribute significantly to a poverty trap.

Project Rationale and Linkage to Country/Regional Strategy	<p>ASEAN' regional public goods and services are aimed in the right direction but need to be strengthened further to boost the resilience of ASEAN member states to volatility in rice prices. More specifically, improvements are necessary in ASEAN's (i) regional rice reserve system, (ii) rice and food trade policies, and (iii) regional food market information system.</p> <p>Although implementation of the APTERR protocol arrangements since the reserve became operational in 2012 has been adequate and its response has been fairly quick, the APTERR is still in its infancy and key issues need to be addressed. The first involves the need to identify the appropriate size of both the total reserve and individual country pledges. The second relates to the as yet unmet need for the APTERR to harness the untapped potential of the private sector and civil society to expand and sustain the reserves, or to involve organizations such as the World Food Programme to strengthen the APTERR. A third issue relates to harnessing the role of regional reserves in assisting ASEAN member states that are in distress by complementing their national reserves.</p> <p>Building confidence in rice trade remains a major challenge especially as the 2015 launch of the ASEAN Economic Community (AEC) draws closer. Subsequent decisions of the ASEAN on trade-restrictive policies will have important implications on the integrity of the AEC. Aside from rice, other food trade policies in ASEAN will need to be seriously assessed as this impact on the development of food value chains and building a dynamic AEC. There is a need to expand the Rice Trade Forum into other food commodities and broaden regional cooperation to strengthen sound and evidence-based policy analyses. Procedures will need to be developed and the ASEAN Food SEcurity Reserve Board (AFSRB) will have to be strengthened to serve as the fulcrum for elevating the evidence-based results and forum recommendations to ASEAN policymakers e.g., senior officials meeting - ASEAN ministers on agriculture and forestry (SOM-AMAF).</p> <p>Abnormal market behaviors that led to the 2007 -2008 crisis (e.g., hoarding of stocks at the household level, outsized import tenders, and export bans) were likewise triggered by the absence of accurate and timely information. In this regard, the establishment of network centers by the ASEAN Food Security Information System (AFSIS) beginning 2013 to strengthen its capacity as a food information service provider to the ASEAN Plus Three governments is a step in the right direction. However, rice market players need more than just information. They also need market intelligence to keep abreast with the latest rice and food value chain developments, emerging issues, and market directions in the short and medium term, such as on-going or planned policy changes, harvest forecasts, and logistical bottlenecks. The development of a regional information system is necessary in the implementation of an efficient and effective regional rice reserve system and also for policy analysis.</p>
Impact	Reduced food price volatility in the ASEAN region

Project Outcome

Description of Outcome	Resilience of food trade to natural and economic shocks improved
Progress Toward Outcome	

Implementation Progress

Description of Project Outputs	<p>Regional rice reserve system strengthened</p> <p>Policies that will increase ASEAN rice and food trade and investments developed</p> <p>Market intelligence capacity of AFSIS developed</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Output 1: The pilot forward contract under Tier 1 program has been approved and arrangements are being worked out between the demanding and supplying countries. For Tier 3 program (humanitarian assistance), implementation arrangements for prepositioned rice stocks through warehouse systems are being explored. The TA is supporting both programs, including the implementation of food emergency monitoring information system. Consultants' report will be presented in a technical workshop with APTERR.</p> <p>Output 2: The ASEAN Food Trade Forum: Food Security and the ASEAN Economic Community was held in November 2015 to examine the implications of AEC on food trade and food security in the ASEAN region and identify policy options that deepen and diversify food trade consistent with the AEC framework. The 2-day forum had six sessions: (i) situation, outlook, and policy scenarios of the food sector in ASEAN region; (ii) overview of the food and agriculture sector in the AEC; (iii) deepening ASEAN trade in rice and key food items; (iv) product standards; (v) small and medium enterprises (SMEs) in global value chains; and (vi) policy options for improving food trade and food security.</p> <p>Output 3: Participants to the 8th AFSIS DG Meeting held in Bangkok in June 2015 have agreed to seek the guidance of SOM AMAF, particularly on the instrument that will be used to establish AFSIS as a permanent mechanism and the financial modality to make AFSIS self-sustaining. Recruitment of two consultants to develop a short-term rice market model and to produce the ASEAN Food Security Analysis Report is in process. Discussion on the TA support for remote sensing is ongoing.</p>

Geographical Location	
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Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	

Stakeholder Communication, Participation, and Consultation

During Project Design	The ASEAN member countries were consulted during the project design and the TA was discussed at the 33rd Meeting of the ASEAN Food Security Reserve Board (AFSRB) held in Yogyakarta, Indonesia on 6-7 June 2013. The members of the AFSRB endorsed the TA.
During Project Implementation	The ASEAN Secretariat will be the implementing agency for the RDTA. There will be several players that will disseminate the knowledge products: the ASEAN Secretariat; the three ASEAN food security organizations APTERR, AFSRB, and AFSIS and their government counterparts; and ADB.

Business Opportunities

Consulting Services	The TA requires 30 person-months of international consulting services in the fields of food security economist, community-based reserve expert, food trade expert, economist modeler, food market expert, and remote sensing. It also requires 24 person-months of national consulting services for project coordinator, project facilitator, and editor. In view of the TA's diverse activities and needs, consultants will be selected on an individual basis.
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Responsible Staff

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Timetable

Concept Clearance	15 Aug 2013
Fact Finding	-
MRM	-
Approval	11 Jul 2014
Last Review Mission	-
Last PDS Update	30 Sep 2016

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Jul 2014	-	11 Jul 2014	30 Sep 2016	-	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	800,000.00	0.00	0.00	0.00	0.00	800,000.00	11 Jul 2014	331,756.25

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