

**ORGANIZATION OF
AFRICAN UNITY
SECRETARIAT
P. O. Box 3243**

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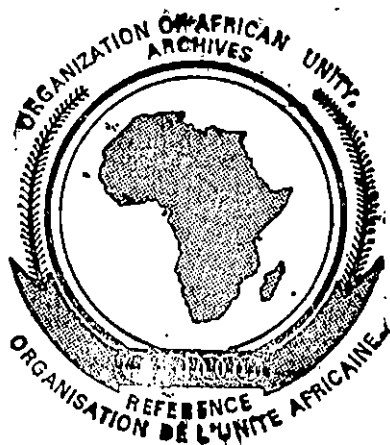
**ORGANISATION DE L'UNITE
AFRICAIN
SECRETARIAT
B. P. 3243**

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ESTABLISHMENT OF REGIONAL STOCKS
OF FOOD GRAINS IN AFRICA

PROGRESS REPORT



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PROGRESS REPORT

Introduction:

1. In its resolution No. CM/Res.112(IX), which was adopted by the Council of Ministers and approved by the Assembly of Heads of State and Government in September, 1967, in Kinshasa, the OAU accepted in principle "the proposal to establish regional stocks of food in Africa". The position that led to that resolution being approved still exists at the present in that some Member States have to import staple foods from outside in order to meet their normal food requirements. During abnormal times, some other Members had previously had to obtain staple foods from outside Africa. In both cases, sometimes it happened that there was not sufficient foreign currency available to enable a given State in need to purchase its requirements in the open food market. In cases of that kind, begging would be resorted to - i.e. requests for grants in food. It was noted in the resolution under reference, that all these events were taking place when "Africa as a whole can grow enough food to feed more than its present population". Consequently, it was resolved to establish strategic regional food reserves of staple foods as an insurance against food shortages in Africa. The proposed strategic reserves would be not only accessible to the participating States in that region, but also would be available to other African States which may be in need of external food supplies to supplement local supplies. Thus, inter-African trade, especially in foods, would be facilitated and easily promoted. Still in a wider context, the food reserves could be exported to countries outside Africa. Such regional reserves would be additional to individual national food reserves that there may be, or which may be established.

2. In the same resolution, Member States were urged "to begin as soon as possible bilateral or regional negotiations with a view to establishing the stocks of food".

Outline of the proposed regional reserves of food grains:

3. As previously conceived two or more Member States would need to agree to establish strategic reserves of staple foods jointly. For the present such reserves would be limited to either maize, wheat, rice or millets and sorghums - both of which are consumed extensively as staple foods in Africa, and can be stored for comparatively long periods. Due to the present scarcity of financial and intellectual resources in Africa, it is envisaged that external sources of these resources would have to be tapped to supplement local means and efforts in establishing the proposed food reserves. Consequently, it is envisaged that the establishment of the required regional food reserves will require a co-operative effort between Member States, the OAU and some of the U.N. Specialized Agencies such as FAO, World Food Programme, UNICEF, as well as with sources of finance such as the African Development Bank, the UNDP, World Bank and even with bilateral sources.

4. In order to reduce to the minimum the expenditure of scarce foreign currency, it is envisaged that within the participating States, the initial fill-up and replenishment of the respective quotas within the regional food reserves will be in actual grains concerned. This would also stimulate and promote increasing agricultural production and productivity of food crops. However, the transfer of food outside such a region would be under normal commercial transactions.

Actions taken so far in implementing the programme:

(a) By Member States:

5. The General Secretariat formally notified Member States of their obligations under the resolution under reference in a Note Ref. No. CS/FD/1 of 20th October, 1967. Subsequently, the General Secretariat made informal contacts with some Member States with a view to finding out what action was being taken, planned or envisaged towards the

implementation of the resolution on strategic regional food reserves. With one exception, all the States concerned were in the course of holding inter-Ministerial or inter-departmental consultations before charting an agreed national plan on the programme.

6. The one exception was the three Member States of the East African Community, i.e. Kenya, Tanzania and Uganda, which individually indicated that a meeting between them could reveal the best line of action to be taken in this connection. Accordingly, such a meeting was convened by the General Secretariat in Arusha (the Headquarters of the East African Community) on 29th July 1968. The meeting was attended by their Excellencies Mr. Bruce McKenzie, Mr. Derek Bryceson and Mr. John Kakonge - the Ministers of Agriculture of Kenya, Tanzania and Uganda respectively - and their advisers. The General Secretariat was represented by Mr. J.D. Buliro - an Assistant Secretary General.

7. The three Ministers firstly reviewed their country's individual food production and storage capacities. It was accepted that individually, Kenya, Tanzania and Uganda, had in existence adequate storage capacity, or planned to build it in the immediate future to a level that would make each one of them self-sufficient as far as staple foods are concerned. As for production of staple foods, it was observed that the three States were individually entering rapidly into surplus production. However, in the event of food shortages in one of them there already existed amicable and smooth machinery whereby the remaining two would come to the timely rescue of the needy State. Provided these conditions continued to obtain, (and no evidences were given to the contrary) the objectives of the proposed regional food reserves would continue to be achieved under present machinery. Consequently, if the proposed strategic regional food reserves were to be set up within the three states of Kenya, Tanzania and Uganda, they could only be for pan-African or extra-African use.

8. The establishment of strategic food reserves on this basis would raise a number of thorny problems which would require concerted action from all concerned and prior satisfactory arrangements, before the reserves could be set up. One of such problems is that of finance

for constructing the stores, for buying, storing, administering and moving the grains that would be involved. There is also the question of control; which while accommodating the position of the host country, would need to be international in nature so as to ensure among other things, insulation against any inter-State differences.

9. The three States nevertheless expressed an interest in the OAU scheme on strategic food reserves for pan-African and extra-African use and also in so far as it would help promote inter-African trade. They considered that a meeting between them, and relevant international organizations, such as the FAO, the World Food Programme, the African Development Bank, UNDP, UNICEF, the World Bank and ECA, could help in indicating the best arrangements under which such food reserves could be established. Discussions could also be held on the problems that would be indentified, and, perhaps, agreement may be reached on how best to solve or cater for such problems. The meeting could also décide on what would be the next step to take in this connection. Accordingly, the General Secretariat is planning to convene such a meeting before the end of this year, with the agreement of all the expected participants. Some positive action has therefore been taken, thanks to Kenya, Tanzania and Uganda, to translate the OAU proposal of establishing Strategic reserves of staple foods in Africa into reality.

10. Besides these three States, an exchange of correspondence has been had between the General Secretariat and some other Member States which have shown desire to examine closely the problems that would be raised by establishing the proposed strategic reserves of staple foods. As more discussions are held on this subject, it is hoped to be able to discover common grounds between neighbouring States, which would allow for positive action towards the establishment of the proposed strategic reserves of staple foods in their region. Therefore, these exchanges of communications and of information will be pursued, and discussions held as appropriate, to prepare the grounds for the actual building up of the food reserves that Africa needs so very much.

(b) Contacts established:

11. From the very outset, the General Secretariat accepted that, on the available evidences, most Member States will require external financial and technical aid to implement the OAU's programme of establishing strategic reserves of staple foods. Following this, several contacts had to be made. The first ones were with the FAO and the World Food Programme. Very useful discussions were held between these organizations and the General Secretariat, and it is gratifying to report that areas of initial common grounds for action have been defined. These include technical assistance and advice, and also eventualities when food grants could be made for the proposed strategic reserves of staple foods (particularly of maize, wheat and millets and sorghums). Similarly the joint FAO/FEA Agricultural Unit, has agreed to co-operate on a technical level.

12. The problem of obtaining adequate finance for this programme is perhaps the key to its early and correct execution. Even with their meagre resources, Member States are expected to contribute something so as to demonstrate their spirit of self-reliance and self-help individually and collectively. After all, the proposed strategic reserves of staple foods are basically aimed at ensuring that their citizens do not experience food shortages or famines.

13. To supplement the financial resources of Member States, it would be necessary to obtain cheap loans for the programme. If financial grants can be obtained, the better. As for the loans, the African Development Bank was approached to see what it can do to assist. It is very gratifying to report that the financing of the proposed food reserves is not only within the Bank's terms of reference, but also that the Bank has accepted, within its overall policy and means, to examine financial requests for food storage plans which Member States may submit either individually or collectively. It is now left to Member States to start the ball-rolling with a view to establishing the required strategic reserves of staple foods.

14. The General Secretariat wishes to express once again, its gratitude to the ADB, FAO, WFP and ECA for readily accepting to co-operate variously with the OAU, and with Member States in establishing the required food reserves. The positive response of these organizations speaks for the soundness of the OAU programme and of the urgent need to do something soon, about building adequate food reserves in Africa for the needs of the Africans. It is intended to establish appropriate contacts with other organizations such as the World Bank, UNDP and UNICEF, which may be in a position to participate or assist in any way in this programme.

15. The above brief information on the implementation of resolution No. CM/Res.112(IX) is presented here in accordance with the instructions in the resolution to the Administrative Secretary-General that he should "keep the Council of Ministers informed of the progress achieved."

Next Actions:

16. After stating the above, only a brief summary statement appears necessary concerning the steps to be taken in the immediate future.

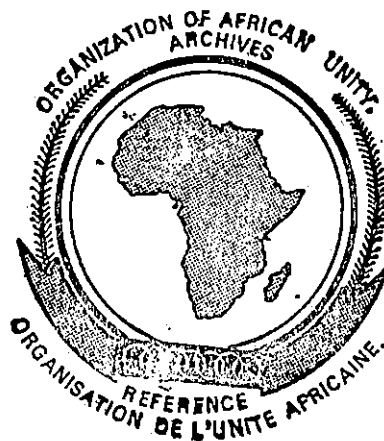
These are:

- (a) To hold, with as wide a participation as possible, the meeting suggested by the Ministers of Agriculture of Kenya, Tanzania and Uganda, which would examine possibilities of establishing in East Africa, strategic reserves of staple foods for pan-African and extra-African use.
- (b) To hold discussions with the other Member States with a view to establishing common grounds that would lead to the building of the required food reserves as soon as possible within other regions in Africa.
- (c) To establish additional contacts with international organizations which may be in a position to give financial and technical aid to Member States in this programme.

17. It is the hope of the General Secretariat that an early decision to establish the required food reserves in any region in Africa, will afford the OAU a chance to have a pilot project, from which to gain experience and expertise for the rest of the programme. In view of the time required to undertake the tasks involved in implementing this programme, it is suggested that, unless circumstances warrant it, the next progress report should be made to the session of the Council of Ministers next year, which will prepare for that year's ordinary session of the Assembly of Heads of State and Government.

18. The Council of Ministers is therefore invited:

- (i) to take note of the progress made in implementing the resolution on the establishment of strategic regional reserves of staple foods in Africa; and
- (ii) To take note of the proposed set of activities for the immediate future, within the implementation of that resolution.



AUGUST 1968.

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Establishment of regional stocks of food grains in Africa

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