

Elaboration of Japan's Negotiating Proposal:

A new framework for
international food stockholding*(Proposal in December 2000[G/AG/NG/W/91])**41. The idea of a possible framework for international food stockholding should be examined, in order to complement existing bilateral and multilateral food aid schemes and to enable loan of food in the case of temporary shortage.**(Elaboration)*1 . Background

As is pointed out in the Marrakesh Decision, developing countries, especially LDCs and NFIDCs, often face difficulty in obtaining basic foodstuffs through commercial trade, in case of temporary food shortages caused by natural disasters and so forth. At the same time, the prospect of achieving the target set by world leaders at the 1996 World Food Summit, to reduce by half the number of people under malnutrition in the world by 2015, seems to have become difficult.

In order to assist these developing countries facing food shortage, food aid programs have been implemented through bilateral and multilateral schemes supported mainly by developed countries. These existing food aid schemes, however, have not provided sufficient amount of basic foodstuffs to people suffering from hunger and malnutrition. Such shortcomings may have been the results of various factors such as the instability of the quantity of food aid due to supply/demand balance in exporting countries and international price fluctuations as well as various considerations given to food aid programs on donors' side.

Against such backdrop, a new framework of the international food stockholding is proposed, aiming at ensuring food security for developing countries, especially LDCs and NFIDCs, through alleviating temporary and large-scale food shortage problems that cannot be addressed by the current approach taken by the WTO in promoting trade liberalisation. The proposed scheme would ensure the international stockholdings of basic foodstuffs and contribute to more effective implementation of food aid.

2 . Mechanism

(1) Commodities covered by the scheme

Commodities will be selected from basic foodstuffs, taking into account different food consumption patterns of recipient countries/regions as well as feasibility of stockholding by the countries/regions participating in the scheme.

(2) Size

The size of the international stockholding will be determined taking into account the recent records of emergency food aid provided for disasters, as well as the quantity of existing stocks in participating countries.

(3) Implementation

The international stockholding will be provided mainly by developed countries, but developing countries that have attained food self-sufficiency may also participate in the scheme.

The basic mechanism of the framework is to earmark a part of the stock that participating countries normally keep. Flexibility will be allowed for details in such areas as the location and the form of stock, so as to ensure timely shipment of aid and cost efficiency of the scheme.

(4) Utilization of stockholding

Food aid through international stockholding should be provided in addition to the minimum quantity of aid pledged annually by each donor country under the Food Aid Convention.

The use of the international stockholding will be subject to the following conditions.

Priority should be given to situations concerning temporary food shortage caused by disasters and so forth.

Priority should be given to LDCs and NFIDCs.

The stockholding should be used under the concessional terms.

When utilizing this stockholding, adequate consideration will be given so

that its use should not adversely affect production, harvesting and marketing of basic foodstuffs in the recipient countries, thus promoting their long-term food production capacity.

(5) Management and monitoring

In order to ensure proper and smooth operation of the international stockholding, plans and results will be notified to appropriate international organisations by each participating country and may be monitored by third-party institutions.