

Financial framework 2007-2013: Emergency Aid Reserve in 2008 (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

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PURPOSE: to amend Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management in order to increase the amount provided under in this Agreement as regards the Emergency Aid Reserve.

PROPOSED ACT: Interinstitutional Agreement.

CONTENT: the recent developments in food and commodity prices have raised concerns especially as regards their impact for developing countries. The Commission proposed to create a new facility for rapid response to soaring food prices in developing countries ([COD/2008/0149](#)).

Having examined the scope for reallocating expenditure within Heading 4 as well as the possible use of all other available instruments (the Instrument for Stability, the Flexibility instrument), the **Emergency Aid Reserve** was identified as one of the suitable instruments for financing the facility.

Since the remaining amount of the Emergency Aid Reserve for the year 2008 is insufficient to cover the needs of the food facility, an increase is necessary in order to enable the Reserve to contribute to the food facility financing.

The annual amount of the Emergency Aid Reserve is fixed at EUR 221 million in constant prices for the duration of the financial framework.

The Council and the European Parliament agreed that it shall be increased to EUR 479.218 million (in current prices), uniquely and exceptionally for the year 2008.

Therefore, the Interinstitutional Agreement setting the annual amount of the Emergency Aid Reserve shall be amended accordingly.