

Amendment of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management

2008/2325(INI) - 18/12/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 543 votes to 16 with 17 abstentions, a resolution approving the draft amendment of the Interinstitutional Agreement ([IIA](#)) of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

The own-initiative report had been tabled for consideration in plenary by Reimer **BÖGE** (EPP-ED, DE) on behalf of the Committee on Budgets.

To recall, the amendment aims to include a sentence in the IIA stipulating that the amount of the Emergency Aid Reserve shall be exceptionally increased to **EUR 479.218 million** for the year 2008 in current prices. This amount will cover the needs of the new [Food Facility](#) for rapid response to soaring prices in developing countries.

This Decision aims to amend the IIA following the agreement reached at the conciliation meeting of 21 November 2008 (see the amended draft budget [BUD/2008/2026](#)) where the two branches of the budgetary authority finally agreed to finance the "Food Facility" through an optimal combination of the Instrument of Flexibility, the Emergency Aid Reserve and redeployment within heading 4 from the Instrument for Stability.

This agreement foresees that the Emergency Aid Reserve will contribute to the financing of the "Food Facility" with a total of EUR 340 millions, of which 22 millions from the appropriations still available in the 2008 budget, 78 million from the appropriations budgeted for 2009 and **EUR 240 million** through a one-off increase in the amount of the Emergency Aid Reserve to be budgeted in 2008.

The resolution welcomes this agreement and approve the amendment of the IIA in order to increase the funds available in the Emergency Aid Reserve for 2008 to **EUR 479.218 million** (in current prices) to fund the Food Facility. However, Parliament reiterates its concern about the fact that heading 4 has been under permanent pressure due to its limited available margin, which necessitates repeated mobilisation of flexibility mechanisms under this heading in order to respond to urgent unforeseen situations. They call for a thorough evaluation of the necessity to increase the amounts available under this heading in order to allow for the smooth development of long-term programmable activities in this area and secure the Union's capacity to fully play its role as a global actor in the international sphere.