Mobilisation of the Flexibility Instrument: facility for a rapid response to soaring food prices in developing countries

2008/2321(ACI) - 18/12/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 540 votes to 16 with 13 abstentions, a resolution approving the proposal for a decision to mobilise the Flexibility Instrument to finance a new facility for rapid response to soaring food prices in developing countries.

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

To recall, this facility was initially envisaged to be financed from the margin of heading 2 of the Multiannual Financial Framework (MFF), however, this approach was rejected both by the European Parliament and the Council.

At the conciliation meeting of 21 November 2008 (see the amended draft budget BUD/2008/2026), 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. The Flexibility Instrument should be mobilised for an amount of EUR 420 million in 2009.

In parallel, MEPs regret the near systematic mobilisation of this instrument to finance additional needs in heading 4 of the financial perspectives (twice in three years of the implementation of the IIA). This shows that the there is a persistent problem of the funds available under the ceilings of certain headings in the MFF being insufficient, notably in heading 4. This shows that the insistence of the European Parliament on having this kind of instrument with such characteristics as it has - notably the possibility of "carry over" of non-utilised funds - in the IIA was well founded, despite the resistance of several Member States.

Parliament therefore welcomes the agreement reached during the conciliation on **the use of the Flexibility Instrument in favour of the "Food Facility" for a total amount of EUR 420 million for the budget 2009**. However, Parliament does stress its concerns 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. It calls 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.