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

2008/2320(ACI) - 18/12/2008 - Final act

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.

ACT: Amendment of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

CONTENT: this amendment to the Institutional Agreement provides that the annual amount of the Emergency Aid Reserve shall be increased to **EUR 479.218 million** (in current prices), uniquely and exceptionally for the year 2008.

The increase is due to the fact that the recent developments in food and commodity prices have raised concerns especially as regards their impact for developing countries. The Commission had proposed the creation of a new facility for rapid response to soaring food prices in developing countries and the two arms of budgetary authority, at the conciliation meeting of 21 November 2008, agreed to provide part of the financing for this facility from the Emergency Aid Reserve. However, the remaining amount of the Emergency Aid Reserve for the year 2008 was insufficient to cover the needs of the food facility. Accordingly, an increase was necessary in order to enable the Reserve to contribute to the food facility financing. Previously, the annual amount of the Emergency Aid Reserve was fixed at EUR 221 million in constant prices for the duration of the financial framework.

It should be noted that this modification has been directly integrated into the 2008 budget (see BUD/2007/2019).