

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

**European Parliament resolution of 18 December 2008 on the proposal for a decision of the European Parliament and of the Council on mobilisation of the Flexibility Instrument, in accordance with point 27 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (COM(2008)0833 – C6-0466/2008 – 2008/2321(ACI))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0833 – C6-0466/2008),
  - having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>1</sup> (IIA), and in particular point 27 thereof,
  - having regard to the conclusions of the European Council of 19 and 20 June 2008,
  - having regard to the results of the trialogue of 4 December 2008,
  - having regard to the report of the Committee on Budgets (A6-0493/2008),
- A. whereas the European Parliament firmly supports the initiative of the Commission to create a new facility for rapid response to soaring food prices in developing countries (the "Food Facility"), the idea of which had also been endorsed by the European Council of 19 and 20 June 2008,
- B. whereas the European Parliament and the Council, at the conciliation meeting of 21 November 2008, agreed on the financing for the "Food Facility" for a total amount of EUR 1 billion over three years,
- C. whereas the initial proposal of the Commission envisaged financing the "Food Facility" from the margin of heading 2 of the Multiannual Financial Framework (MFF), but this approach was rejected both by the European Parliament and the Council,
- D. whereas the European Parliament considered that the most appropriate solution would be the revision of the ceiling of heading 4 of the MFF but the Council rejected this option,
- E. whereas 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,
- F. whereas both branches of the budgetary authority agreed that the Flexibility Instrument shall contribute to financing the "Food Facility" through the mobilisation of a total of EUR

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<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

420 million for the 2009 budget, out of the EUR 730 million available under this instrument,

- G. whereas this is the second consecutive year that this instrument has been used out of the three years of the IIA's legal existence,
- H. whereas 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,
- I. whereas it also shows - as does the recurrent need to utilise other exceptional mechanisms to deal with urgent unforeseen situations - that there is a persistent problem of the funds available under the ceilings of certain headings in the MFF being insufficient, notably in heading 4,
  - 1. 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;
  - 2. Approves the decision annexed to this resolution;
  - 3. Reiterates, however, 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; 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;
  - 4. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the Official Journal of the European Union;
  - 5. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**of 18 December 2008**

**on mobilisation of the Flexibility Instrument in accordance with point 27 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>1</sup>, and in particular the fifth paragraph of point 27 thereof,

having regard to the proposal from the Commission,

Whereas, at the conciliation meeting on 21 November 2008, the two arms of the budgetary authority agreed to mobilise the Flexibility Instrument to complement the financing in the 2009 budget, beyond the ceilings of heading 4, of EUR 420 million towards the financing of the facility for a rapid response to soaring food prices in developing countries.

HAVE DECIDED AS FOLLOWS:

*Article 1*

For the general budget of the European Union for the financial year 2009, the Flexibility Instrument shall be used to provide the sum of EUR 420 million in commitment appropriations. That amount shall be used to complement the financing of the facility for a rapid response to soaring food prices in developing countries in heading 4.

*Article 2*

This decision shall be published in the *Official Journal of the European Union*.

Done at Strasbourg, 18 December 2008.

*For the European Parliament*  
The President

*For the Council*  
The President

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<sup>1</sup> OJ C 139, 14.6.2006, p. 1.