



2008 budget: decision on €1 billion food aid for developing countries postponed

Members of the Budgets Committee decided on Monday to postpone their vote on the financing of €1 billion in food aid for the developing countries planned for 2008, a move that would have required an amendment to this year's budget. They instead accepted a proposal by the Council presidency to "seek an overall solution", not restricted to 2008. This will be the subject of negotiations between the two arms of the budgetary authority on 21 November.

Last July the Commission put forward a proposal for extra farm aid to developing countries to help offset the adverse effects of food price rises in these countries. The proposed €1 billion was to be provided in two tranches: €750 million under the 2008 budget and €250 million under the 2009 budget.

However, the source of this funding is uncertain. In adopting a report by Reimer Böge (EPP-ED, DE) on 22 September, Parliament's Budgets Committee took the view that Heading 4 of the financial perspective ("The EU as a global actor") was the most appropriate source. The European Commission, for its part, had proposed using the remaining funds from an unused margin in Heading 2 ("Preservation and management of natural resources"), which includes agriculture. This funding mechanism was judged inappropriate by MEPs and the rapporteur. The Council has not come up with a proposal, owing to a lack of consensus among Member States.

MEPs are nonetheless keen to provide aid swiftly. They were due to vote last night, Monday, on a report by Kyösti Virrankoski (ALDE, FI) calling for the creation of a new heading in the 2008 budget titled "Rapid response to the food price rises in developing countries". This would have been allocated €750 million in commitment appropriations placed in the reserve pending the adoption of a legal basis. At all events, a decision would not have been taken before the end of 2008, so no payment appropriations could have been envisaged for this year.

The representative of the French Presidency, appearing before the Budgets Committee, proposed seeking an overall solution for all the food aid rather than sticking to the original plan of splitting the amount in question over the two years, 2008 and 2009. On 8 October, during the vote on the 2009 draft budget, MEPs had already included in the negotiation package the question of funding this aid for next year.

Following the decision by the Budgets Committee to postpone its vote on amending the 2008 budget and to negotiate on the question of food aid at the budget conciliation meeting on 21 November, this matter cannot be resolved until December, when Parliament votes at second reading on the 2009 budget.

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