

# Amending budget 3/2021: Brexit Adjustment Reserve

2021/0022(BUD) - 22/01/2021 - Commission draft budget

**PURPOSE:** presentation of the Draft Amending Budget (DAB) No 1 to the 2021 budget in order to enter in the EU budget the budgetary impact of the Brexit adjustment reserve.

**CONTENT:** the [proposal for a Regulation](#) of the European Parliament and of the Council establishing the Brexit Adjustment Reserve (the Reserve) on 25 December 2020 provides for the establishment of a Reserve within the thematic special instruments outside of the EU budget ceilings of the multiannual financial framework 'to counter unforeseen and adverse consequences in Member States and sectors that are worst affected' by the adverse consequences of the withdrawal of the United Kingdom (UK) from the Union, mitigating thus its impact on the economic, social and territorial cohesion.

Following the adoption of the proposed Regulation, this DAB proposes to enter the budgetary impact of this reserve in the EU budget for 2021.

## ***Amount to be entered in the 2021 budget***

The purpose of Draft Amending Budget (DAB) No 1 for the year 2021 is to enter in the Union annual budget 2021 EUR 4 244 832 000 in current prices (EUR 4 000 000 000 in 2018 prices), both in commitment and in payment appropriations, to meet the pre-financing needs resulting from the implementation of the Brexit Adjustment Reserve in 2021.

The maximum resources for the implementation of the Reserve amount to EUR 5 000 000 000 in 2018 prices (EUR 5 370 994 000 in current prices)

## ***Implementation***

Upon adoption of the Regulation, the support should be disbursed in two allocation rounds:

- the first round (covered by this DAB) should be paid in 2021 in the form of pre-financing whereby an amount per Member State has been set based on an allocation key taking into account the relative degree of economic integration with the UK, including trade in goods and services, and the negative implications on the EU fisheries sector;

- the second round should be activated in 2024 following the clearance of the pre-financing and calculation of the additional amounts due to Member States from the Reserve, where eligible. The corresponding appropriations should be added to the Reserve in the context of the 2024 draft budget.

## ***Funding***

The Brexit adjustment reserve is one of the special thematic instruments foreseen in the MFF regulation for 2021-2027. The corresponding appropriations are therefore entered in the budget over and above the expenditure ceilings of the MFF 2021-2027.