Brexit Adjustment Reserve

2025/0289(COD) - 24/09/2025 - Legislative proposal

PURPOSE: to reduce the resources provisionally allocated to the Brexit adjustment reserve.

PROPOSED ACT: Regulation of the European Parliament and Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: as part of the package on the current 2021-2027 Multiannual Financial Framework (MFF), the EU legislator established a Brexit Adjustment Reserve (BAR) with a budget of EUR 5 billion. The BAR is a temporary and targeted instrument designed to provide swift support to Member States to counter the adverse economic, social, territorial and, where appropriate, environmental consequences of the withdrawal of the United Kingdom from the Union in Member States.

Regulation (EU) 2021/1755 on the BAR entered into force on 9 October 2021. Support from the reserve can be used for national measures specifically taken between January 2020 and December 2023. The BAR Regulation came into force on 9 October 2021.

In view of pressing crises (energy crisis and post-pandemic recovery), the possibility of transfers from the BAR to the Recovery and Resilience Facility (RRF) was introduced by the EU co-legislators in the REPowerEU Regulation amending inter alia the RRF and the BAR Regulations. Member States had to notify this transfer to the European Commission by 1 March 2023.

A total of 23 Member States requested a transfer, including 10 who requested a full transfer of resources, representing EUR 2.1 billion (38%) of the initial budget. The remaining reserve of EUR 3.4 billion included EUR 584 million to be paid in 2025, subject to supporting documents for eligible expenditure.

On 20 June 2023, the Commission adopted a proposal for the mid-term revision of the MFF aiming at reinforcing the EU’s long-term budget to increase the Union’s resilience and leadership in the most urgent priorities and needs, notably strengthening the EU support to Ukraine. This proposal resulted in the adoption of Regulation (EU, Euratom) 2024/765, amending Regulation (EU, Euratom) 2020/2093 laying down the MFF for the years 2021 to 2027.

This text reduces the maximum resources of the BAR by EUR 584 264 090, an amount corresponding to the outstanding BAR allocation after the pre-financing paid to the Member States and the transfers to REPowerEU decided by the Member States.

It is therefore appropriate to reduce the maximum resources of the Brexit adjustment reserve, as provided for in Regulation (EU) 2021/1755.

CONTENT: the proposal for a modification of the BAR aims to reduce the resources provisionally allocated to the BAR by an amount of EUR 584 264 090, which is redeployed for other purposes. The above reduction is expressed in current prices.

To ensure effective use of the resources already paid to the Member States under the BAR and to avoid jeopardising the implementation of the RRF in the Member States, the reduction should not affect the resources already paid to Member States as pre-financing and the resources which Member States requested to be transferred to the RRF.