



Council of the  
European Union

068055/EU XXVII. GP  
Eingelangt am 07/07/21

Brussels, 7 July 2021  
(OR. en)

10509/21

---

---

**Interinstitutional File:  
2021/0022(BUD)**

---

---

**FIN 566  
PE-L 19**

#### 'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. Cion doc.:	5565/21 + REV 1 (en) (COM(2021) 30 final + final/2 (en))
Subject:	Council position on draft amending budget No 1 to the general budget for 2021: Brexit Adjustment Reserve – <i>Adoption</i>

1. On 22 January 2021, the Commission submitted to the Council draft amending budget (DAB) No 1 to the general budget for 2021 concerning the Brexit Adjustment Reserve (BAR).

The purpose of DAB No 1/2021 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 (c/a) and in payment appropriations (p/a), to meet the pre-financing needs resulting from the implementation of the BAR in 2021. The maximum resources for the implementation of the BAR amount to EUR 5 370 994 000 in current prices (EUR 5 000 000 000 in 2018 prices).

2. The Budget Committee examined DAB No 1/2021 at its meeting on 28 January 2021 and agreed that it would come back to DAB No 1/2021 once the BAR Regulation had been politically agreed with the European Parliament and that a modification of DAB No 1/2021 could be required depending on the outcome of that agreement.
3. On 28 June 2021, the Permanent Representatives Committee endorsed the political agreement reached on the BAR Regulation at the trilogue on 17 June 2021, according to which the pre-financing amount for 2021 was agreed to be EUR 1 600 000 000 in 2018 prices<sup>1</sup>.
4. On 29 June 2021, the Budget Committee agreed to modify the p/a requested in DAB No 1/2021 to take into account the amendments introduced in the BAR Regulation and also to adjust the figures in the political agreement (in 2018 prices) to current prices.
5. Therefore, the Permanent Representatives Committee is suggested to advise the Council to:
  - adopt the Council's position on DAB No 1/2021 as set out in ANNEX 1,
  - instruct the Presidency to prepare the budgetary documents to be sent to the European Parliament and to approve the draft letter in ANNEX 2 to that effect, and
  - have the Council Decision adopting the Council's position on draft amending budget No 1 of the European Union for the financial year 2021, as set out in document 10510/21, published in the *Official Journal of the European Union*.

---

<sup>1</sup> Doc. 10009/1/21 REV 1.

**COUNCIL POSITION ON DAB No 1/2021 (BAR)****OVERVIEW TABLE BY MFF HEADING**

(EUR, in current prices)

		Budget 2021 (incl. AB No 1/2021 <sup>2</sup> )		Council position on DAB No 1/2021		Budget 2021 (incl. AB No 1/2021 and Council position on DAB No 1/2021)	
		c/a	p/a	c/a	p/a	c/a	p/a
1.	<b>Single Market, Innovation and Digital</b>	20 816 559 767	17 191 887 232			20 816 559 767	17 191 887 232
	<i>Ceiling</i>	20 919 000 000				20 919 000 000	
	<i>Margin</i>	102 440 233				102 440 233	
2.	<b>Cohesion, Resilience and Values</b>	53 077 938 534	66 361 525 904			53 077 938 534	66 361 525 904
	<i>Of which under Flexibility Instrument</i>	292 422 534				292 422 534	
	<i>Ceiling</i>	52 786 000 000				52 786 000 000	
	<i>Margin</i>	484 000				484 000	
2a.	<b>Economic, social and territorial cohesion</b>	48 190 516 000	61 867 897 545			48 190 516 000	61 867 897 545
	<i>Ceiling</i>	48 191 000 000				48 191 000 000	
	<i>Margin</i>	484 000				484 000	
2b.	<b>Resilience and values</b>	4 887 422 534	4 493 628 359			4 887 422 534	4 493 628 359
	<i>Of which under Flexibility Instrument</i>	292 422 534				292 422 534	
	<i>Ceiling</i>	4 595 000 000				4 595 000 000	
	<i>Margin</i>						
3.	<b>Natural Resources and Environment</b>	58 570 566 908	56 806 203 452			58 570 566 908	56 806 203 452
	<i>Ceiling</i>	58 624 000 000				58 624 000 000	
	<i>Margin</i>	53 433 092				53 433 092	
	<b>Of which: Market related expenditure and direct payments</b>	40 367 954 000	40 353 742 883			40 367 954 000	40 353 742 883
	<i>EAGF sub-ceiling</i>	40 925 000 000				40 925 000 000	
	<i>Rounding difference excluded for calculating the sub-margin</i>						
	<i>Net transfers between EAGF and EAFRD</i>	557 046 000				557 046 000	
	<i>Net balance available for EAGF expenditure (sub-ceiling corrected by transfers between EAGF and EAFRD)</i>	40 367 954 000				40 367 954 000	
	<i>EAGF sub-margin</i>						
4.	<b>Migration and Border Management</b>	2 278 829 759	2 686 245 978			2 278 829 759	2 686 245 978
	<i>Ceiling</i>	2 467 000 000				2 467 000 000	
	<i>Margin</i>	188 170 241				188 170 241	
5.	<b>Security and Defence</b>	1 709 261 441	670 628 243			1 709 261 441	670 628 243
	<i>Ceiling</i>	1 805 000 000				1 805 000 000	
	<i>Margin</i>	95 738 559				95 738 559	
6.	<b>Neighbourhood and the World</b>	16 097 356 204	10 811 039 356			16 097 356 204	10 811 039 356
	<i>Ceiling</i>	16 247 000 000				16 247 000 000	
	<i>Margin</i>	149 643 796				149 643 796	

<sup>2</sup> AB No 1/2021 has been presented by the Commission as DAB No 2/2021.

7.	European Public Administration	10 442 813 002	10 444 088 091			10 442 813 002	10 444 088 091
	<i>Ceiling</i>	10 635 000 000				10 635 000 000	
	<i>Margin</i>	192 186 998				192 186 998	
	of which: Administrative expenditure of the institutions	8 030 324 720	8 031 599 809			8 030 324 720	8 031 599 809
	<i>Sub-ceiling</i>	8 216 000 000				8 216 000 000	
	<i>Sub-margin</i>	185 675 280				185 675 280	
	Appropriations for headings	162.993.325.615	164 971 618 256			162 993 325 615	164 971 618 256
	<i>Ceiling</i>	163 483 000 000	166 140 000 000			163 483 000 000	166 140 000 000
	<i>Of which under Flexibility Instrument</i>	292 422 534	836 562 086			292 422 534	836 562 086
	<i>Margin</i>	782 096 919	2 004 943 830			782 096 919	2 004 943 830
	Thematic special instruments	1 518 816 598	1 341 431 598	1 697 933 000	1 697 933 000	3 216 749 598	3 039 364 598
	Total appropriations	164.512.142.213	166 313 049 854	1 697 933 000	1 697 933 000	166 210 075 213	168 010 982 854

# BUDGETARY ANNEX

## VOLUME 1 - TOTAL REVENUE

The technical adjustments arising from the changes made to expenditure in the Council's position on DAB No 1/2021 will be done later.

## VOLUME III - SECTION III — COMMISSION

### EXPENDITURE

*Figures*

Title	Heading	Budget 2021		Council position on DAB No 1/2021		New amount	
		c/a	p/a	c/a	p/a	c/a	p/a
01	Research and Innovation	12 646 069 534	10 716 492 949			12 646 069 534	10 716 492 949
02	European Strategic Investments	5 236 934 445	3 954 691 493			5 236 934 445	3 954 691 493
03	Single Market	899 252 697	833 005 699			899 252 697	833 005 699
04	Space	2 034 303 091	1 687 697 091			2 034 303 091	1 687 697 091
05	Regional Development and Cohesion	35 410 370 000	45 755 416 812			35 410 370 000	45 755 416 812
06	Recovery and Resilience	1 059 937 421	1 028 986 793			1 059 937 421	1 028 986 793
07	Investing in People, Social Cohesion and Values	16 607 631 113	19 577 122 299			16 607 631 113	19 577 122 299
08	Agriculture and Maritime Policy Reserves(30 02 02)	56 565 951 003	56 302 994 194			56 565 951 003	56 302 994 194
		74 600 000	71 600 000			74 600 000	71 600 000
		56 640 551 003	56 374 594 194			56 640 551 003	56 374 594 194
09	Environment and Climate Action	1 930 015 905	431 609 258			1 930 015 905	431 609 258
10	Migration	1 011 065 714	1 439 158 714			1 011 065 714	1 439 158 714
11	Border Management	1 267 764 045	1 247 087 264			1 267 764 045	1 247 087 264
12	Security	536 501 243	527 390 243			536 501 243	527 390 243
13	Defence	1 172 760 198	143 238 000			1 172 760 198	143 238 000
14	External Action	14 195 917 731	8 928 643 283			14 195 917 731	8 928 643 283
15	Pre-accession Assistance	1 901 438 473	1 882 396 073			1 901 438 473	1 882 396 073
16	Expenditure outside the annual ceilings set out in the Multiannual Financial Framework	97 981 598	117 981 598			97 981 598	117 981 598
20	Administrative expenditure of the European Commission	3 724 183 236	3 725 458 325			3 724 183 236	3 725 458 325
21	European Schools and Pensions	2 411 594 399	2 411 594 399			2 411 594 399	2 411 594 399
30	Reserves	1 420 835 000	1 223 450 000	1 697 933 000	1 697 933 000	3 118 768 000	2 921 383 000
	<b>Total (excluding calculated reserves)</b>	<b>160 130 506 846</b>	<b>161 934 414 487</b>	<b>1 697 933 000</b>	<b>1 697 933 000</b>	<b>161 828 439 846</b>	<b>163 632 347 487</b>
	<b>Reserves (30 02 02)</b>	<b>74 600 000</b>	<b>71 600 000</b>			<b>74 600 000</b>	<b>71 600 000</b>

## TITLE 30 — RESERVES

### Figures

Title Chapter	Heading	FF	Budget 2021		Council position on DAB No 1/2021		New amount	
			c/a	p/a	c/a	p/a	c/a	p/a
30 01	Reserves for administrative expenditure	7	p.m.	p.m.			p.m.	p.m.
30 02	Reserves for operational expenditure		74 600 000	71 600 000			74 600 000	71 600 000
30 03	Negative reserve	O	p.m.	p.m.			p.m.	p.m.
30 04	Solidarity mechanisms (special instruments)	S	1 420 835 000	1 223 450 000	1 697 933 000	1 697 933 000	3 118 768 000	2 921 383 000
	<b>Title 30 — Total</b>		<b>1 495 435 000</b>	<b>1 295 050 000</b>	<b>1 697 933 000</b>	<b>1 697 933 000</b>	<b>3 193 368 000</b>	<b>2 992 983 000</b>

## Chapter 30 04 — Solidarity mechanisms (special instruments)

### Figures

Title Chapter Article Item	Heading	FF	Budget 2021		Council position on DAB No 1/2021		New amount	
			c/a	p/a	c/a	p/a	c/a	p/a
30 04	Solidarity mechanisms (special instruments)							
30 04 01	<i>Solidarity and Emergency Aid Reserve (SEAR)</i>	S	1 223 450 000	1 223 450 000			1 223 450 000	1 223 450 000
30 04 02	<i>Reserve for the European Globalisation Adjustment Fund (EGF)</i>	S	197 385 000	p.m.			197 385 000	p.m.
30 04 03	<i>Brexit Adjustment Reserve (BAR)</i>	S	p.m.	p.m.	1 697 933 000	1 697 933 000	1 697 933 000	1 697 933 000
	<b>Chapter 30 04 — Total</b>		<b>1 420 835 000</b>	<b>1 223 450 000</b>	<b>1 697 933 000</b>	<b>1 697 933 000</b>	<b>3 118 768 000</b>	<b>2 921 383 000</b>

## Article 30 04 03 — Brexit Adjustment Reserve (BAR)

### Figures

Budget 2021		Council position on DAB No 1/2021		New amount	
c/a	p/a	c/a	p/a	c/a	p/a
p.m.	p.m.	1 697 933 000	1 697 933 000	1 697 933 000	1 697 933 000

### Remarks

### New article

The aim of this reserve is to cover the Brexit Adjustment Reserve (BAR) that may be used to counter unforeseen and adverse consequences in Member States and sectors that are worst affected by the Brexit.

### Reference acts

Conclusions of the European Council of 21 July 2020 (EUCO 10/20) and in particular points A26 and 134.

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 25 December 2020, establishing the Brexit Adjustment Reserve (BAR) (COM(2020) 854 final).

**DRAFT LETTER**

from : Chair of the Permanent Representatives Committee

to : President of the European Parliament

Sir,

I am forwarding under separate cover the Council's position on draft amending budget No 1 for the financial year 2021, adopted by the Council on 19 July 2021.

(Complimentary close).

---