



Council of the
European Union

Brussels, 19 July 2021
(OR. en)

10945/21

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

BUDGET 26

EXPLANATORY MEMORANDUM

Subject: Draft amending budget No 1 to the general budget for 2021: Brexit
Adjustment Reserve: Council position of 19 July 2021

I. INTRODUCTION

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).

II. CONCLUSION

On 19 July 2021, the Council adopted its position on DAB No 1 to the general budget for 2021, adjusting the pre-financing amount for 2021 to EUR 1 697 933 000 in current prices (EUR 1 600 000 000 in 2018 prices) to take into account the amendments introduced in the BAR Regulation, as set out in the technical annex contained in the ANNEX to this explanatory memorandum.

TECHNICAL 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	56 565 951 003	56 302 994 194			56 565 951 003	56 302 994 194
	Reserves(30 02 02)	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
	Total (excluding calculated reserves)	160 130 506 846	161 934 414 487	1 697 933 000	1 697 933 000	161 828 439 846	163 632 347 487
	Reserves (30 02 02)	74 600 000	71 600 000			74 600 000	71 600 000

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
Title 30 — Total			1 495 435 000	1 295 050 000	1 697 933 000	1 697 933 000	3 193 368 000	2 992 983 000

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
Chapter 30 04 — Total			1 420 835 000	1 223 450 000	1 697 933 000	1 697 933 000	3 118 768 000	2 921 383 000

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).