

Deal reached on EU fund to help regions and businesses adapt to Brexit

- Support focused on countries, regions and sectors worst affected by Brexit
- Funds will cover investments made from 1 January 2020 to 31 December 2023
- Specific commitment to help fisheries and local and regional coastal communities

EU legislators reached a political agreement on Thursday on the 5 billion euro Brexit Adjustment Reserve, paving the way for a first payment by December.

With a budget of 5 billion euro (in 2018 prices - 5.4 billion euro in current prices), the Brexit Adjustment Reserve (BAR) will focus on countries and sectors worst affected by the UK's withdrawal from the EU.

A first instalment of 1.6 billion euro in pre-financing will be available by December 2021. Two other pre-financing tranches of 1.2 billion euro will be paid at the beginning of 2022 and 2023. The remaining 1 billion euro will be paid in 2025.

Allocation method According to the provisional agreement, three factors will be used to calculate how much money each EU country will receive from the BAR: the importance of trade with the UK, the importance of fisheries in the UK exclusive economic zone and the population living in maritime regions bordering the UK.

Ireland will be by far the largest beneficiary in absolute terms, followed by the Netherlands, France, Germany and Belgium.

Member states that depend significantly on fisheries will have to direct a specific percentage of their national allocation to small-scale coastal fisheries and local and regional communities dependent on fishing activities.

Eligibility of funds

Parliament agreed with Council on an extension of the eligibility period to cover expenditure incurred between 1 January 2020 and 31 December 2023 for measures specifically taken to mitigate the expected negative effects of Brexit. The Commission's proposal limited this period to between 1 July 2020 and 31 December 2022.

Measures supported by the BAR have to be specifically set up in relation to the UK's withdrawal from the EU. These may include:

- support to businesses (especially SMEs), the self-employed and local communities;
- investments in job creation and reintegration in the labour market, including short-term work programmes, retraining and training courses;
- support to help citizens returning from the UK as a consequence of Brexit to reintegrate;
- support to the functioning of border, customs, health, phytosanitary and security controls, fisheries controls, certification and licensing schemes.

Quotes

"The European Parliament has kept its promise. We wanted a quick European response and swift assistance to regions and businesses suffering from the negative effects of Brexit. That is what we have managed to do with today's agreement. We set out clear criteria for the allocation of the reserve, so that funding goes where it is actually needed. And we made sure the assistance can already be allocated from the end of this year", said lead MEP [Pascal Arimont](#) (EPP, BE).

Regional Development Committee Chair, [Younous Omarjee](#) (The Left, FR), said: "We needed to urgently respond to the multifaceted Brexit crisis, which we have done within an extremely short timeframe with the Brexit Adjustment Reserve. The BAR will be flexible and will help citizens, businesses and the sectors most affected. The requirements of the green pact are taken into account in the text, a minimum envelope dedicated to the fishing sector has been agreed, the regions and local authorities can be better involved, and we excluded financial services from receiving support from the fund".

Next steps

Parliament will vote on the provisional agreement in September.

Background

On 25 December 2020, the Commission presented its [proposal for the Brexit Adjustment Reserve](#), which will be set up as a special instrument outside of the 2021-2027 Multiannual Financial Framework (MFF) budget ceilings.

Further information

Press release following the adoption of the negotiating mandate by plenary (09.06.2021)

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