



The Brexit Adjustment Reserve

Meeting with Bodies Managing the Reserve
on reporting requirements

7 March 2024

Stefan Appel
*Head of Unit REGIO E1
European Commission*

Agenda - BAR Meeting

10:00 Opening the meeting

10:10 Commission presentation on the state of implementation and next steps

10:30 Questions and Answers on the reporting phase

12:00 Conclusions





State of play Implementation challenges and next steps

The Brexit Adjustment Reserve – Key features

To be eligible for the BAR support, each Member State need to prove:

- the **adverse consequences** of Brexit
- **direct link** between the measures carried out and negative consequences of Brexit
- fulfil the **eligibility criteria** set out by the Regulation



The Brexit Adjustment Reserve – Key domains

Key domains for which Member States consider support from the BAR:

- fisheries sector and coastal communities
- private and public businesses, in particular SMEs (inter alia advisory support), export sectors and trade promotion, tourism sector (as a controversial example)
- customs and border controls/ports (installations and construction/rental of buildings to accommodate the additional related inspection services (customs/veterinary/phytosanitary),
- job creation and protection, re-skilling and training

BAR Lifecycle

First allocation in the form of pre-financing

Commission pays the amounts upon notification by the Member States of the designated bodies' identity and confirmation that the MCS has been drawn up

2025 - Final payment by EC

The Commission decides on final amount accepted and decides on clearance of pre-financing, recoveries and additional amounts

2021

2023

2024

2025

1 January 2020 – 31 December 2023
Reference Period

Member States set up support measures, pay expenditure, monitor implementation and perform controls

By 30 September 2024

MS final applications, implementation reports and audit opinion
Single deadline for MS that have received pre-financing to send detailed **final application and implementation report** detailing the measures taken **and providing assurance** regarding the legality and regularity of expenditure


Assessment by the Commission

BAR distribution among the Member States (in EUR million, current prices)

| Member State | BAR INITIAL ALLOCATION | TRANFERS TO REPowerEU | Total Provisional allocation (after transfer) | Pre-financing already paid | Remaining BAR allocation for 2025 |
|-------------------|------------------------|-----------------------|---|----------------------------|-----------------------------------|
| BE - Belgium | 386,6 | 228,9 | 157,7 | 157,7 | - |
| BG - Bulgaria | 15,4 | 6,0 | 9,4 | 8,4 | 1,0 |
| DK - Denmark | 275,0 | 66,0 | 209,0 | 165,1 | 43,9 |
| DE - Germany | 646,6 | 219,7 | 426,9 | 354,2 | 72,6 |
| IE - Ireland | 1.165,2 | 150,0 | 1.015,2 | 802,0 | 213,2 |
| EL - Greece | 38,6 | 25,6 | 13,0 | 13,0 | - |
| ES - Spain | 272,4 | 58,0 | 214,4 | 169,4 | 45,0 |
| FR - France | 735,6 | 504,0 | 231,6 | 231,6 | - |
| IT - Italy | 146,8 | - | 146,8 | 116,0 | 30,8 |
| LT - Lithuania | 12,2 | 4,7 | 7,5 | 6,7 | 0,8 |
| HU - Hungary | 57,2 | - | 57,2 | 45,2 | 12,0 |
| MT - Malta | 44,3 | 40,0 | 4,3 | 4,3 | - |
| NL - Netherlands | 886,3 | 280,0 | 606,3 | 485,5 | 120,8 |
| AT - Austria | 27,7 | - | 27,7 | 21,9 | 5,8 |
| PL - Poland | 173,6 | - | 173,6 | 137,2 | 36,5 |
| FI - Finland | 23,2 | 14,2 | 9,0 | 7,1 | 1,9 |
| SE - Sweden | 137,4 | 66,0 | 71,4 | 71,4 | - |
| RO - Romania | 43,2 | 43,2 | - | - | - |
| SI - Slovenia | 5,3 | 5,3 | - | - | - |
| SK - Slovakia | 36,3 | 36,3 | - | - | - |
| CZ - Czechia | 54,9 | 54,9 | - | - | - |
| EE - Estonia | 6,6 | 6,6 | - | - | - |
| HR - Croatia | 7,2 | 7,2 | - | - | - |
| CY - Cyprus | 52,1 | 52,1 | - | - | - |
| LV - Latvia | 10,9 | 10,9 | - | - | - |
| LU - Luxembourg | 128,5 | 128,5 | - | - | - |
| PT - Portugal | 81,4 | 81,4 | - | - | - |
| EU27 total | 5.470,4 | 2.089,4 | 3.381,0 | 2.789,6 | 584,3 |



The Brexit Adjustment Reserve – Next steps



By April 2024 a possible redeployment of **EUR 584,3** from the 2025 BAR allocation to the benefit of the Flexibility Instrument

- **By June 2024**, the Commission shall inform the European Parliament and the Council on the state of play of the implementation process of this Regulation, based on available information [preparatory phase]
- **By 30 September 2024**, each MS shall submit an application to the Commission for a financial contribution from the Reserve; a single deadline for all to ensure equal treatment
- **The final balance will be paid in 2025**
- **By 30 June 2027**, the Commission shall carry out an evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the Reserve
- **By 30 June 2028**, the Commission shall submit to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions a **report on the implementation of the Reserve**

MS do not have to provide any additional information for all these COM reports - COM will prepare the reports based on available information as provided by the MS



Brexit Adjustment Reserve

Reporting requirements

Reporting documents

One single deadline applicable to all Member States for the submission of applications for a financial contribution from the Reserve - by **30 September 2024**

As part of **the application** for a financial contribution from the Reserve:

- 1. Quantitative assessment** - Annex II – on the total expenditure incurred and paid
- 2. Qualitative assessment** - Implementation report - providing more details on the actions financed
- 3. the elements of accounts**
- 4. a summary of the final audit reports and of controls carried out**
- 5. management declaration as well as an opinion of an independent audit body** drawn up in accordance with internationally accepted audit standards (e.g. INTOSAI, IFAC or IIA)

Quantitative assessment - application for a financial contribution (BAR Regulation)

ANNEX II

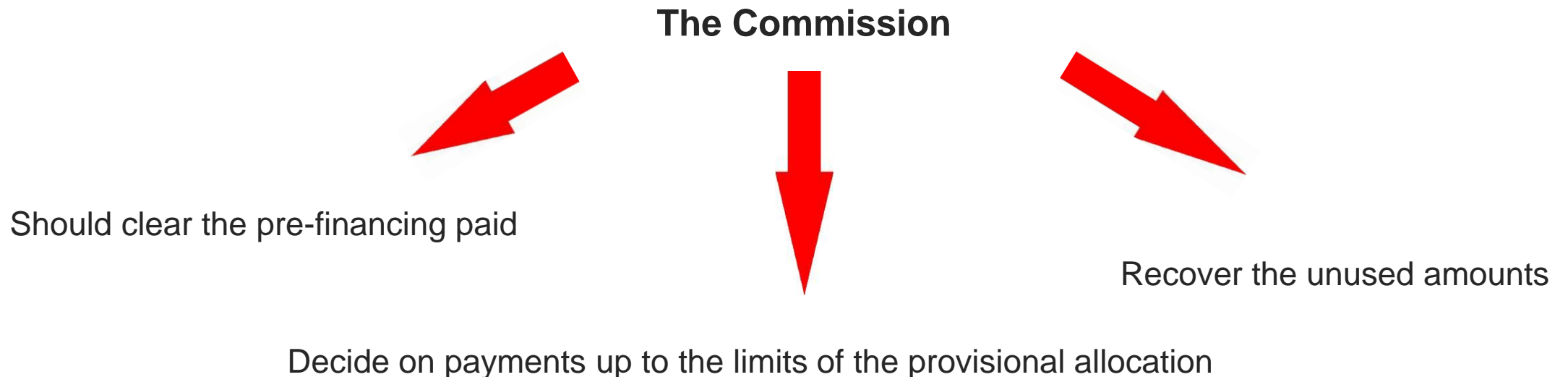
Template for an application for a financial contribution from the reserve, including elements related to the accounts

| | | | |
|-----|---|--|-----------|
| 1. | Member State | | |
| 2. | Date of application | | |
| 3. | Date of first expenditure | Date incurred | Date paid |
| 4. | Date of last expenditure | Date incurred | Date paid |
| 5. | Amount of pre-financing received (in EUR) | | |
| 6. | Body ⁽¹⁾ or bodies responsible for the management of the financial contribution from the Reserve Responsible person and function | | |
| 7. | Independent audit body Responsible person and function Contact details | | |
| 8. | Body or bodies to which tasks have been delegated, where applicable | | |
| 9. | Short description of the areas and sectors affected by the withdrawal of the United Kingdom from the Union and the response measures put in place | | |
| 10. | When carried out, a short description of the multi-level dialogue | | |
| 11. | Total expenditure incurred and paid before deductions | | |
| 12. | Amounts deducted by the Member State and the reasons for deduction | | |
| 13. | In particular, out of the amounts deducted under point 12., the amounts corrected as a result of audits of the measures financed | | |
| 14. | Total expenditure submitted for the financial contribution from the Reserve (EUR) (14 = 11 – 12) | | |
| 15. | In national currency (where applicable) | For Member States whose currency is not the euro: please convert all amounts into euro at monthly accounting exchange rates established by the Commission published at: https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en | |

Qualitative assessment - Implementation report

- Commission will assess the application **as a package**, in particular into the **eligibility and accuracy of the expenditure declared, direct link** and arrangements put in place to **avoid double funding under points a), b), c) and d) of the 2nd paragraph of Article 11**
- Commission should assess the **content of the implementation report** in a **proportionate manner**, taking into account the total expenditure included in the application (Annex II)

Upon assessment of the application for the financial contribution



Audit opinion and reporting

- **Template of the BAR Audit opinion** in Annex II of the BAR Regulation.
- **Annual summary of BAR final audit reports and controls** as per Article 11.3 and Art 63(5)b of the Financial Regulation
- Important to provide the **additional information** to enable smooth assessment process by Commission:
 - *IAB, its status and, staff experience*
 - *Other auditors used and supervision procedures*
 - *Main considerations of the audit strategy*
 - *System audits carried out, the main conclusions*
 - *Sampling methodology, reasoning for the key judgements*
 - *Reconciliation between the sample population and the declared expenditure*
 - *Results of the audits of operations; financial irregularities identified; corrections made by the managing body; Calculation sheets for TER and RTER*
 - *Treatment of systematic errors or suspected fraud*

Financial corrections

- **Financial corrections to be made by the Member States** [*Article 15.1 of BAR Regulation*], Cancelling the financial contribution and recovering any amount lost as result of irregularity detected by the MB and/or IAB
- **Financial correction by the Commission** [*Article 15.2 of BAR Regulation*] Exclusion the irregular amounts submitted to the Commission in the BAR application, and recovery of the amounts unduly paid if irregularities are subsequently identified
- Financial corrections on individual cases of identified irregularities and to take account of whether an irregularity is systemic.
- Flat rate or extrapolated financial correction can also be used for BAR, both by MS and the Commission.
- Respect of the **principle of proportionality**.
- Net financial corrections if no BAR overbooking audited by the IAB.



Questions & Answers

More information

BAR website:

https://ec.europa.eu/regional_policy/en/funding/brexit-adjustment-reserve/

[bar_generic_examples.pdf \(europa.eu\)](#)

[BAR_eligibility_of_expenditure.pdf \(europa.eu\)](#)

BAR functional mailbox:

REGIO-E1-BAR@ec.europa.eu



Thank you for your attention
BAR Team