

Press release

Minister Donohoe welcomes outcome of engagement with Commission on Brexit Adjustment Reserve (BAR)

From [Department of Public Expenditure, NDP Delivery and Reform \(/en/organisation/department-of-public-expenditure-and-reform/\)](#)

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The Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe, today (Wednesday 14 June) welcomed the publication of additional guidance by the EU Commission that will facilitate Ireland's application for Brexit Adjustment Reserve (BAR) Funding, and in particular the major upgrade works being undertaken in Rosslare Port.

Minister Donohoe also announced that Government has agreed to request the transfer of a further €60 million from the BAR to RePowerEU. The Minister is close to finalising proposals for projects under RePowerEU and will make recommendations to Government shortly.

Speaking today Minister Donohoe said:

“I welcome that the EU has provided additional guidance to assist us in making our BAR claim, and that will now ensure that the EU will be a significant part contributor to meet the costs arising in the upgrade for Rosslare Port. I have had extensive discussions with the EU Commission on this issue, to point out the importance of this project for Ireland. I have also stressed the importance for both Ireland and the EU that the EU would be visible in contributing to this major infrastructural project in the South East, and to secure the future of Rosslare Port as a vital hub in Ireland and EU trade. I want to thank my colleagues Commissioners Ferreira, Gentiloni and Hahn for their personal interest and support in this regard.”

The upgrade of Rosslare’s customs facilities is a major project. Following Brexit, the Port has now become a European border control post with an accompanying requirement of enhanced customs controls and procedures. A temporary facility was put in place immediately to allow the port to be compliant, while awaiting the implementation of permanent works. A contract has now been awarded and works have begun. This will be a major project, particularly given the need to ensure the works do not disrupt the activity of the Port. It is estimated that the project will be completed mid-2025.

While the cost of the Port works is a major Brexit impact on Ireland, the timeframe of the project does not align with the BAR regulation, which raised concerns in relation to the eligibility of costs.

The Commission has now addressed these concerns, in the form of additional published guidance, which will provide that a significant element of the costs relating to the permanent border control posts at Rosslare will be eligible for Brexit Adjustment Reserve. Officials from the Department of Public Expenditure, NDP Delivery and Reform are working with the OPW to establish the exact level of those costs.

The Minister has also received government approval to provide for a final transfer of BAR funding to RePowerEU. An earlier transfer of €150 million had previously been agreed in March of this year. At that time, the department advised the Commission that further transfers might be necessary depending on the outcome of discussions in respect of Rosslare costs.

Notes

The Brexit Adjustment Reserve (BAR) was established in 2021, by the EU, to support Member States in managing the impacts of Brexit.

Ireland, as the country clearly most affected by Brexit, was awarded the largest share, 20% of the entire fund.

The BAR regulations were published in October 2021, almost midway through the 4-year eligibility period. This meant that all departments had to look back at their past Brexit expenditure to identify spending on business support schemes and infrastructure projects, that could meet the BAR eligibility criteria.

The eligibility window for Brexit spending to include in Ireland's BAR claim, opened in January 2020 and will close at the end of this year.

The BAR regulations stated that spending on projects for inclusion in the BAR claim had to be paid before the end of the year, but the Commission also advised that projects had to be completed by the time of the submission of the Irish claim in September 2024. This advice caused serious issues for the inclusion of the Rosslare Europort upgrade works in the BAR claim.

The project has an expected completion date of July 2025, far outside the BAR eligibility timelines. At face value, it seemed then that none of the cost of Rosslare would be eligible for BAR funding and the full cost of the works undertaken to ensure compliance with EU Customs Codes, would fall to the Exchequer.

Background information

The Brexit Adjustment Reserve was created by the EU to support all member states to manage the impacts of Brexit. Ireland, as the Member State most affected, received the biggest allocation at a value of €1.165 billion. This support allows Ireland to allocate funding to projects to mitigate Brexit impacts, in a wide range of sectors, including fisheries, agriculture, enterprise customs and others. In order to secure this funding

Ireland will have to prepare a detailed claim by September 2024, setting out the projects undertaken, and how they have mitigated the impact of Brexit, along with other required information.

Make-up of the BAR claim

The government has made significant investments to mitigate Brexit impacts since the reference in the UK in 2016. However, the BAR regulation provides that only expenditure since 2020 is eligible for the purposes of BAR funding. Some €389 million was allocated over the course of Budgets 2022 and 2023. In addition, a look back exercise is underway in respect of funding spent in 2020 and 2021. This is estimated to be about €700 million.

The exact nature of the BAR claim will not be finalised until 2024. However, the bulk of the claim is expected to be around areas such as fisheries, agriculture, enterprise and customs.

Commission guidance

The Commission's recent publication on this issue is available.

(https://ec.europa.eu/regional_policy/funding/brexit-adjustment-reserve_en).

(Read the most recent advice note entitled BAR – eligibility of expenditure (NEW)).

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