

Bio-based Industries Joint Undertaking: financial contributions

2017/0024(NLE) - 22/02/2017 - Legislative proposal

PURPOSE: to amend Council Regulation (EU) No 560/2014 establishing the Bio-base Industries Joint Undertaking, in order to enable members of the Bio-based Industries Consortium to fulfil their obligation to contribute financially.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: the Council shall adopt the act after consulting the European Parliament but without being obliged to follow the opinion of the European Parliament.

BACKGROUND: The Bio-based Industries Joint Undertaking (BBI JU) was established by [Council Regulation \(EU\) No 560/2014](#) for the implementation of the Joint Technology Initiative on Bio-based Industries (the BBI JU initiative) until 31 December 2024. The BBI JU is a body responsible for the implementation of a public-private partnership whose members are, on the one hand, the Union, represented by the Commission, and, on the other hand, the Bio-based Industries consortium.

The statutes of the Bio-based industries Joint Undertaking stipulate that the financial contribution to operational costs of the members of the Bio-based Industries Joint Undertaking, other than the Union, shall be at least EUR 182 500 000 up to 31 December 2024.

The Bio-based Industries Consortium recognises its obligation to pay a financial contribution of at least EUR 182 500 000 before 31 December 2024, but it has **found difficulties with the delivery mode**.

Many members of the Bio-based Industries consortium believe that it is not commercially viable to make a financial contribution at the programme level because this method does not guarantee any profits in return and that this could benefit competitors participating in projects funded by the Bio-based Industries JU. As a result, the Bio-based Industries consortium proposed **a different method of payment of the financial contribution**, namely the possibility for its members to pay directly at the project level.

After assessing the Bio-based Industries Consortium's proposal, the Commission intends to adjust Council Regulation (EU) No 560/2014 in order to remedy the difficulties faced by the consortium in paying its financial contribution under the current arrangements. The proposed change would not affect the original objectives.

CONTENT: the Commission proposes to amend the Statutes of the Bio-based Industries Joint Undertaking by introducing **a new method of payment of the financial contribution** in addition to the existing method of payment.

Concretely, the proposal:

- introduces the possibility of making financial contributions in the following two ways: (i) transferring them from the consortium to the Bio-based Industries JU and / or (ii) **transferring them directly from a member of the Bio-based Industries Consortium to another project beneficiary**;

- broadens the category of parties that could provide the financial contribution: in addition to the Bio-based Industries Consortium individually, its "**constituent entities**" (i.e. members of the consortium) would also be entitled to contribute financial resources;
- maintains commitment to the overall financial objective of providing a financial contribution to operational costs of **EUR 182 500 000** up until 31 December 2024;
- allows members of the Bio-based Industries Consortium to declare through the latter the financial contributions they have made to the projects at the Bio-based Industries JU.

This solution is similar to that agreed for the [IMI2 Joint Undertaking](#) (Innovative Medicines Initiative), in which members other than the Union may make financial contributions either at the programme or project level.