2016 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2017/2183(DEC) - 19/09/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2016, together with the Joint Undertaking's replies.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit focused on the annual accounts of the **Bio-based Industries** Joint Undertaking. As a reminder, the objective of the BBI Joint Undertaking is to implement a programme of research and innovation activities in Europe that will assess the availability of renewable biological resources that can be used for the production of bio-based materials, and on that basis support the establishment of sustainable bio-based value chains. Those activities should be carried out through collaboration between stakeholders along the entire bio-based value chain, including primary production and processing industries, consumer brands, SMEs, research and technology centres, and universities.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Bio-based Industries JU, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016, and the results of its operations and its cash flows for the year then ended in accordance with the provisions of its financial rules and the rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2016 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **budgetary and financial management**: the Court noted that out of the EUR 975 million of contributions to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, by the end of 2016 industry members had reported in-kind contributions of EUR 15.4 million for operational activities, and the Governing Board had validated cash contributions by the members to the Joint Undertaking's administrative costs of EUR 3 million. The low level of in-kind contributions reflects the fact that most BBI projects were only in their preliminary stages in 2016. Out of the EUR 1.755 billion of industry members' contributions to be made to additional activities, EUR 294.8 million had been reported and certified by the end of 2016. By the end of 2016, the total contributions from the industry members amounted to EUR 313.2 million, compared to the EU's cash contribution of EUR 65 million. The significant

difference between the EU's and the industry members' contributions is explained by the fact that the **industry members had already declared a significant amount of in-kind contributions** to additional activities.

Joint Undertaking's reply: the Joint Undertaking stated that it has taken note of the Court's report.