2019 discharge: Bio-Based Industries Joint Undertaking (BBI JU)

2020/2185(DEC) - 28/04/2021 - Text adopted by Parliament, single reading

The European Parliament decided by 512 votes to 182, with 4 abstentions, to **grant discharge** to the Executive Director of the Bio-industries Joint Undertaking in respect of the implementation of its budget for the financial year 2019 and to approve the closure of the accounts of the Joint Undertaking.

Noting that the Court of Auditors was of the opinion that the annual accounts of the Joint Undertaking for the financial year 2019 present fairly the financial situation of the Joint Undertaking on 31 December 2019, as well as the results of its operations, Parliament adopted, by 624 votes to 66 with 1 abstention, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

The maximum EU contribution to the activities of the Joint Undertaking is EUR 975 000 000, to be funded from the budget allocated to Horizon 2020. The members representing industry in the Joint Undertaking must make a contribution in kind or in cash to the operational activities of the Joint Undertaking or for the implementation of additional activities of at least EUR 2 730 000 000.

Members noted that the Joint Undertaking has been successful in structuring the different strategic priorities of the biobased sector and in distributing it across different geographical areas, while ensuring a balanced participation of industry, academia and SMEs. However, they are concerned about the Joint Undertaking’s governance and transparency issues, as the participating private companies have exclusive control over the priorities of the partnership and privatise the results and data of publicly funded projects.

The Commission is invited to ensure that the Joint Undertaking's future activity programmes will in future respect the requirements and the targets provided by Union law as far as it concerns the mitigation of climate change and will follow the strategies in the domain elaborated by the Commission and industry.

Budgetary and financial management

The final budget available for the year 2019 was EUR 141 629 433 in commitment appropriations (of which EUR 133 608 895 from the EU budget) and EUR 182 118 821 in payment appropriations (of which EUR 145 833 500 from the Union budget). The overall utilisation rates for commitment and payment appropriations were 87.40% and 75.87% respectively. Members noted that the administrative budget included a relatively high surplus from unused appropriations carried over from previous years.

According to the Court's report, contributions in kind to additional activities totalled EUR 916 064 000 at the end of 2019, of which approximately EUR 216 000 000 was declared but could not be certified due to the COVID-19 pandemic. The resolution pointed out that participating companies have so far provided only 3.7% of their in-kind contributions and that these companies refuse to disclose data that would allow for a correct assessment of these in-kind contributions.

Parliament called for harmonisation of the calculation of in-kind contributions between the Joint Undertakings and for the establishment of an appropriate legal framework to ensure that the required financial contribution is reached by the end of the programme. It called on the Joint Undertaking to report

to the discharge authority on the use of the administrative budget, to review its procedures and conditions for calls for proposals and to identify potential shortcomings, in particular with regard to the relatively low implementation rate.

Members regretted that, of the minimum EUR 182 500 000 in cash contributions that industry members had to pay to cover the operational costs of the Joint Undertaking, only EUR 3 250 000 had been paid by the end of 2019.

Other observations

The resolution also contains a series of observations on performance, procurement and recruitment, internal audit, prevention, management of conflicts of interest and transparency.

In particular, it noted the following:

- the Joint Undertaking has a portfolio of 124 ongoing projects, involving a total of 1466 participants from 37 different countries, with a total grant value of EUR 717 million;

- it used key performance indicators and eight Joint Undertaking-specific key performance indicators set out in the Strategic Research and Innovation Agenda 2017;

- at the end of the 2019 financial year, the Joint Undertaking had 22 staff members out of the 23 budgeted; the Joint Undertaking has achieved a good gender balance in its various bodies;

- the Internal Audit Service (IAS) concluded that, in general, the Joint Undertaking had established an effective and efficient system of internal control, while making various recommendations;

- the Joint Undertaking should reassess and update the rules on conflicts of interest adopted in 2017.

Lastly, Parliament noted that negotiations and preparatory work are underway for the establishment of Circular Bio-based Europe (CBE) as a possible successor of the Joint Undertaking.