2020 discharge: Bio-Based Industries Joint Undertaking (BBI JU)

2021/2148(DEC) - 04/05/2022 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the Bio-based Industries Joint Undertaking (now the Circular Bio-based Europe Joint Undertaking) in respect of the implementation of the budget of the Joint Undertaking for the financial year 2020 and approve the closure of the Joint Undertaking's accounts.

Noting that the Court of Auditors was of the opinion that the annual accounts of the Joint Undertaking for the financial year 2020 present fairly the financial situation of the Joint Undertaking on 31 December 2020, as well as the results of its operations, Parliament adopted, by 569 votes to 67 with 5 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 Joint Undertaking operations, under Horizon 2020, is EUR 975 000 000. Members of the Joint Undertaking other than the Union are expected to make a total contribution of at least EUR 2 730 000 000 over the 10-year period of the duration of the Joint Undertaking, of which EUR 182 500 000 is the minimum financial contribution to operational costs. In-kind contributions of at least EUR 1 755 000 000 are to be made by the members other than the Union or their constituent entities consisting of the costs incurred by them in implementing additional activities outside the Joint Undertaking's annual work plan and contributing to its objectives.

Budgetary and financial management

The final available 2020 budget for implementation including re-entered unused appropriations of previous years, assigned revenues and reallocations to the following year includes commitment appropriations of EUR 111 733 166, of which EUR 67 604 259 from the Union budget, and payment appropriations of EUR 196 631 962, of which EUR 184 010 322 from the Union budget.

As regards the Joint Undertaking's 2020 budget available for Horizon 2020 projects, the implementations rates for commitment and payment appropriations were 100 % and 85 % respectively. Members noted that the administrative budget included a relatively high surplus from unused appropriations carried over from previous years.

The industry members total in-kind contributions to additional activities only achieved 53 % of the minimum amount of EUR 1 755 000 000. Parliament is concerned that there is a high risk that, by the end of the Horizon 2020 programme, the Joint Undertaking will not achieve the expected targets for its industry members' in-kind contributions and adopted annual work plans.

Once again, Parliament called for a harmonisation of the calculation of in-kind contributions to the Joint Undertaking.

Other observations

The resolution also contains a series of observations on performance, recruitment, internal audit and fraud prevention.

In particular, it noted the following:

- the Joint Undertaking project portfolio consists of 124 projects resulting from the 2014–2019 calls and 18 projects from the 2020 call are expected to the Joint Undertaking's project portfolio;

- the Joint Undertaking's efficient performance in core operations was confirmed, continuing the positive trends observed in previous years;

- by the end of 2020, the Joint Undertaking had 23 staff members from 10 Member States (26 % men and 74 % women);

- the Joint Undertaking has set up reliable ex ante control procedures and in February 2020, the IAS finalised its Strategic Internal Audit Plan covering the period 2021-2023;

- the European Anti-Fraud Office (OLAF) closed an investigation in the first half of 2020 that found evidence of irregularities and fraud in the activities of two beneficiaries involved in Horizon 2020 projects, including projects co-financed by the Joint Undertaking;

- the CVs of the members of its Governing Board should be published according to Parliament;

- permanent and robust training scheme should be set up for its employees, especially those working directly with calls for proposals and grants, in order to strengthen ethical standards and minimise the risk of unethical behaviour occurring, having a negative impact on sound financial management.