

2021 discharge: Circular Bio-based Europe Joint Undertaking (CBE JU)

2022/2125(DEC) - 10/05/2023 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the Circular Bio-based Europe (CBE) Joint Undertaking (before 30.11.2021 the Bio-based Industries Joint Undertaking) in respect of the implementation of the budget of the Joint Undertaking for the financial year 2021 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 2021 present fairly the financial situation of the Joint Undertaking on 31 December 2021, as well as the results of its operations, Parliament adopted, by 569 votes to 55 with 2 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

The Union financial contribution to the CBE Joint Undertaking, including EEA appropriations, is up to EUR 1 billion (of which up to EUR 23.5 million is for administrative costs). The members of the CBE Joint Undertaking other than the Union are to make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 1 billion, including up to EUR 23.5 million for administrative costs, over the 10-year period.

Budgetary and financial management

The governing board adopted the 2021 budget for the CBE Joint Undertaking for the global amount (adopted budget and reactivations) of EUR 5 215 066 in commitment appropriations and EUR 174 626 895 in payment appropriations and that there were no amendments. The implementation rate for the CBE Joint Undertaking's 2021 payment budget available for Horizon 2020 projects was only 71 %, due to external factors such as the COVID-19 pandemic, as well as the unexpected termination of a large Horizon 2020 project after the main beneficiary went bankrupt in 2021. The former BBI Joint Undertaking's budget included a surplus of unused budget from prior years (2018, 2019 and 2020), which included EUR 600 000 in administrative commitment appropriations and payment appropriations and on the operational side EUR 46 881.709 in payment appropriations.

At the end of 2021, the Union contributed EUR 728.228 million and the industry grouping contributed EUR 52.239 million in-kind validated, EUR 14.559 million in cash to administrative costs and EUR 3.250 million in cash to operational costs.

As regards the CBE Joint Undertaking's operational obligations at the end of 2021, the CBE Joint Undertaking had almost fully committed EUR 815.8 million of the maximum Union contribution for signed Horizon 2020 grant agreements. Around EUR 159.6 million (or 19.6 %) remains to be paid in the coming years.

Private members had legally committed to provide in-kind and financial contributions of EUR 266.5 million or 56 % of the indicative target of EUR 475.3 million set in the CBE Joint Undertaking's adopted annual working programmes.

At the end of 2021, the industry members reported total in-kind contributions to additional activities of EUR 1 646.5 million or 74 % of the target of EUR 2 225.4 million. Private members' commitment may

mitigate the CBE Joint Undertaking's risk of not achieving the target for in-kind contributions for additional activities by the end of the Horizon 2020 programme.

Other observations

The resolution also contains a series of observations on performance, procurement, staff and conflicts of interest.

In particular, it noted the following:

- a smooth transition from the BBI Joint Undertaking to the new CBE Joint Undertaking under the Horizon Europe Framework Programme was ensured;
- there were no open calls for proposals in 2021, the last call being implemented in 2020 and that the CBE Joint Undertaking continued to manage its portfolio of projects which resulted in the signature of 18 grant agreements, bringing the total number of projects in the CBE Joint Undertaking's portfolio to 142 (71 research and innovation actions, 39 demonstration actions, 14 flagships and 18 coordination and support actions) of which 96 were still ongoing at the end of 2021 and 46 finalised;
- by the end of 2021, the CBE Joint Undertaking programme office comprised 22 members of staff and that four recruitment procedures were launched in 2021. The gender balance was deemed adequate, with 64 % women at programme office level, 46 % in the States representatives group (including alternates), and 57 % in the scientific committees;
- the results of the 2021 internal control assessment confirm that the CBE Joint Undertaking's control system is present and functioning while some improvements are needed;
- persistent systemic errors for declared personnel costs were detected;
- regarding management of potential conflicts of interest, the CBE Joint Undertaking's programme office has developed a comprehensive set of rules and procedures that are effectively implemented across its entire governance structure.