Basic information

2016/2197(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	POCHE Miroslav (S&D)	28/09/2016
	Shadow rapporteur HAYES Brian (PPE) MARIAS Notis (ECR) GERBRANDY Gerben-Jan (ALDE) OMARJEE Younous (GUE/NGL) TARAND Indrek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
23/03/2017	Vote in committee		
29/03/2017	Committee report tabled for plenary	A8-0103/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0188/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2197(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07528

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.965	01/02/2017	
Amendments tabled in committee		PE599.869	06/03/2017	
Committee report tabled for plenary, single reading		A8-0103/2017	29/03/2017	Summary
Text adopted by Parliament, single reading		T8-0188/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05875/2017	07/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0143/2016 OJ C 473 16.12.2016, p. 0007	18/10/2016	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2017/1729 OJ L 252 29.09.2017, p. 0336	Summary

2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 18/10/2016 - 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 2015, 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 2015;
- 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 2015, 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 2015 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **presentation of the accounts**: the Court noted that by 31 January each year, the members of the BBI Joint Undertaking other than the Union are required to report to the Governing Board on the value of their in-kind contributions made in each of the previous financial years. On the basis of this information, and according to the guidance provided by the European Commission to the Joint Undertaking, the members' in-kind contributions should be entered in the Joint Undertaking's accounts. At the time the final accounts were being prepared, the Joint Undertaking had not received the required reports from its members. Consequently, the total amount of in-kind contributions for 2015 entered in the

accounts is based on estimates made by the Joint Undertaking of the costs incurred by members up to the end of 2015. The accounts issued by the BBI Joint Undertaking do not include the budget outturn account, nor the reconciliation table with the economic outturn account. **There is a clear need for JUs to be provided with clear Commission guidelines on budgetary reporting**.

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

2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 29/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Miroslav POCHE (S&D, CZ) on discharge in respect of the implementation of the budget of the bio-based industries (BBI) Joint Undertaking for the financial year 2015.

The committee called on the European Parliament to **grant the joint undertaking's Executive Director discharge** in respect of the implementation of the joint undertaking's budget for the financial year 2015.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2015, Members called on Parliament to **approve the closure of the joint undertaking's accounts**.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

General: Members noted that the Joint Undertaking as it reached operational capacity and financial autonomy on 26 October 2015 without any issues of a systemic nature during the first months. They welcomed the fact that the first projects funded by the Joint Undertaking leveraged a total contribution of EUR 71 million from private partners.

Financial management: the Joint Undertaking's annual accounts provide for the final 2015 budget available for implementation included commitment appropriations of EUR 209 422 797 and payment appropriations of EUR 21 075 192, the utilisation rates for commitment and payment appropriations of which were 87 % and 89 % respectively.

The total operational commitments in 2015 (namely, EUR 180 390 497) were made at a global level and related to two 2015 calls for proposals, for which the award procedures were ongoing on 31 December 2015.

No in-kind contributions were reported by members other than the Union to the Joint Undertaking by 31 December 2015. The report pointed out that private sector members face difficulties in presenting their accounts by the deadline of 31 January. Members feared that this risks becoming a recurring issue for most joint undertakings and goes against the general trend towards simplification.

Members welcomed the fact that the Commission presented clear guidelines for the budgetary reporting and financial management of BBI on 20 December 2016 following the Court's recommendation.

Other observations: the report also contained a series of observations on procurement and recruitment procedures, the legal framework and the prevention and management of conflicts of interests. The Joint Undertaking is invited to incorporate into its annual activity report a section on its anti-fraud strategy.

2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the **bio-based industries joint undertaking - BBI**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, **such as the EU agencies**.
- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the BBI, with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the bio-based industries joint undertaking - BBI.

The bio-based industries joint undertaking: the BBI, a Public-Private Partnership (PPP) set up in 2014 and located in Brussels (BE), was established in accordance with Council Regulation (EU) No 560/2014 establishing the Bio-based Industries Joint Undertaking. The BBI's main objective is to seek a more resource efficient and sustainable low-carbon economy and increase economic growth and employment, in particularly in rural areas, by developing sustainable and competitive bio-based industries in Europe based on advanced biorefineries that source their biomass sustainably.

As regards the BBI's accounts, these are presented in detail in the document published by the Joint Undertaking (please refer to the final accounts of the BBI).

2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to grant the bio-based industries (BBI) Joint Undertaking's Executive Director discharge in respect of the implementation of the joint undertaking's budget for the financial year 2015.

Based on the statement of assurance provided by the Court of Auditors concerning the reliability of the accounts and the legality and regularity of the underlying transactions, it decided to **approve the closure of the accounts** of the Joint Undertaking for the same financial year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Joint Undertaking's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 493 votes to 109 with 14 abstentions, a resolution containing a series of recommendations which form an integral part of the decision on discharge.

General: Parliament noted that the Joint Undertaking **reached operational capacity** and financial autonomy on 26 October 2015 without any issues of a systemic nature during the first months. It welcomed the fact that the first projects funded by the Joint Undertaking leveraged a total contribution of EUR 71 million from private partners.

Financial management: the Joint Undertaking's annual accounts provide for the final 2015 budget available for implementation included commitment appropriations of EUR 209 422 797 and payment appropriations of EUR 21 075 192, the **utilisation rates** for commitment and payment appropriations of which were **87 % and 89 % respectively**. Members also noted that:

- the total operational commitments in 2015 (namely, EUR 180 390 497) were made at a global level and related to two 2015 calls for proposals, for which the award procedures were ongoing on 31 December 2015; in the two months following the Joint Undertaking's financial autonomy, it dealt successfully with the ongoing projects of the 2014 call;
- no in-kind contributions were reported by members other than the Union to the Joint Undertaking by 31 December 2015;
- **private sector members face difficulties** in presenting their accounts by the deadline of 31 January. Members feared that this risks becoming a recurring issue for most joint undertakings and goes against the general trend towards simplification.

Members welcomed the fact that the Commission presented **clear guidelines** for the budgetary reporting and financial management of BBI on 20 December 2016 following the Court's recommendation.

Other observations: the resolution also contained a series of observations on procurement and recruitment procedures, the legal framework and the prevention and management of conflicts of interests. Parliament welcomed the fact that the Joint Undertaking proceeded with recruitment procedures in 2016. Lastly, the Joint Undertaking is invited to incorporate into its annual activity report a section on its anti-fraud strategy.

2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 27/04/2017 - Final act

PURPOSE: to grant discharge to the Bio-based Industries Joint Undertaking for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1729 of the European Parliament on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Bio-based Industries Joint Undertaking for the implementation of the latters budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliaments main observations in the resolution accompanying the discharge decision, the latter recalled that 2015 was an important year for the Joint Undertaking as it reached operational capacity and financial autonomy on 26 October 2015 and that the first months of the Joint Undertaking's autonomous existence did not entail any issues of a systemic nature.

It noted that the Joint Undertaking moved to its new premises in Brussels in April 2015.

Parliament also welcomed that the Joint Undertaking's interim executive director put in place internal management and control systems and procedures that ensure the implementation of the internal control framework.

The Joint Undertaking is called on to incorporate into its annual activity report a section on its anti-fraud strategy and to report to the discharge authority on the completion of the declarations of absence of a conflict of interest.

2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 07/02/2017 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the Bio-based Industries Joint Undertaking (BBI), as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2015, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2015.

The Council welcomed the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, the Council made the following observations:

- **financial programming**: the Council called on the Joint Undertaking to pay due attention to the proper programming and implementation of commitment and payment appropriations in the course of the budgetary year and to decommit unused appropriations if necessary;
- **in-kind contributions**: the Council regretted that the total amount entered into the accounts was based on value estimates and urged the Joint Undertaking to timely obtain from its members the reports on the value of their in-kind contributions;
- **conflicts of interest**: the Council invites the Joint Undertaking to incorporate in its procedures a declaration of absence of a conflict of interest as stated in the Commission's guidelines.