Basic information

2017/2183(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HAYES Brian (PPE)	20/09/2017
	Shadow rapporteur POCHE Miroslav (S&D) CZARNECKI Ryszard (ECR) DLABAJOVÁ Martina (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	OETTINGER Günther

Key events

Date	Event	Reference	Summary

26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
22/03/2018	Committee report tabled for plenary	A8-0071/2018	Summary
18/04/2018	Decision by Parliament	T8-0166/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2183(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10870

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.435	25/01/2018	
Amendments tabled in committee		PE618.276	01/03/2018	
Committee report tabled for plenary, single reading		A8-0071/2018	22/03/2018	Summary
Text adopted by Parliament, single reading		T8-0166/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05943/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0042/2018 OJ C 426 12.12.2017, p. 0008	19/09/2017	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2018/1436 OJ L 248 03.10.2018, p. 0350	Summary

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

2017/2183(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the Bio-based Industries Joint Undertaking for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1436 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 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Executive Director of the Bio-based Industries Joint Undertaking for the implementation of the latters budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament expressed serious concern about the fact 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, industry members had reported in-kind contributions of only 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. It regretted the low level of in-kind contributions which stems from the fact that most Joint Undertaking’s projects were only in their preliminary stages in 2016.

Parliament expressed satisfaction of the fact that the programme office achieved all the priority objectives set in the Annual Work Programme 2016 for the internal control systems. It also welcomed the fact that the human resources function continued to strengthen the legal framework paying particular attention to the application of the implementing rules of the Commission to the Joint Undertaking.

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

2017/2183(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, 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 2016.

No further comments were made as regards the accounts.

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

2017/2183(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 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.

This Commission document concerns the EU's consolidated accounts for the year 2016 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 report on financial and budgetary management of the BBI).

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

2017/2183(DEC) - 22/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Brian HAYES (EPP, IE) on discharge in respect of the implementation of the budget of the bio-based industries (BBI) Joint Undertaking for the financial year 2016.

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 2016.

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 2016, 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 maximum Union contribution to the activities of the Joint Undertaking is EUR 975 000 000, to be paid from Horizon 2020. The industry members of the Joint Undertaking are to contribute resources of at least EUR 2 730 000 000 over the period of the Joint Undertaking, consisting of at least EUR 975 000 000 of in-kind and cash contributions to the Joint Undertaking's operational activities and at least EUR 1 755 000 000 of in-kind contributions to the Joint Undertaking's additional activities.

They noted that 29 out of 65 retained proposals from Call 2016 were at the grant agreement preparation stage by the end of 2016. By early 2017, the Joint Undertaking programme will have a portfolio of 65 ongoing projects with a total of 729 participants from 30 countries with a total grant value of EUR 414 000 000.

Budget and financial management: the Joint Undertaking's annual accounts provide that the final 2016 budget is to be available for implementation and include commitment appropriations of EUR 194 295 870 and payment appropriations of EUR 67 196 187, the utilisation rates for commitment and payment appropriations of which were 97,1 % and 95,8 %, respectively.

Members expressed some concern that several industry members participating in Joint Undertaking's projects could not report their in-kind contributions by the given deadline, either because their own 2016 accounts were not yet closed, or because the projects had started close to the end of 2016.

They regretted that, by the end of 2016, the total contribution from the industry members amounted to EUR 313 200 000, compared to the Union's cash contribution of EUR 65 000 000 which stems from the fact that the industry members had already declared a significant amount of in-kind contributions to additional activities compared to the Union's input.

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.

By the end of 2016, the Joint Undertaking's staff was almost complete, with 20 posts filled out of a total of 22 posts allocated to the Joint Undertaking by the staff establishment plan. Members welcomed the fact that the target set in the 2016 annual work programme was fully achieved, with the recruitment of 13 temporary agents and 8 contract agents coming from 10 Members States.

Members noted with appreciation that in 2016 the human resources function continued to strengthen the legal framework paying particular attention to the application of the implementing rules of the Commission to the Joint Undertaking. They welcomed the fact that, in that respect, nine new implementing rules have been adopted by the governing board in 2016.

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

2017/2183(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the Bio-based Industries Joint Undertaking on the implementation of the budget of the Joint Undertaking for the financial year 2016 and to approve the closure of the accounts of the Joint Undertaking for the same exercise. Noting that the Court of Auditors considered that the annual accounts of the Joint Undertaking for the financial year 2016 accurately reflect the financial position of the Joint Undertaking as at 31 December 2016, as well as the results of its operations, Parliament adopted 562 votes in favor, 108 against and 29 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision:

General: Members noted that the maximum Union contribution to the activities of the Joint Undertaking is EUR 975 000 000, to be paid from Horizon 2020. The industry members of the Joint Undertaking are to contribute resources of at least EUR 2 730 000 000 over the period of the Joint Undertaking, consisting of at least EUR 975 000 000 of in-kind and cash contributions to the Joint Undertaking's operational activities and at least EUR 1 755 000 000 of in-kind contributions to the Joint Undertaking's additional activities.

They noted that 29 out of 65 retained proposals from Call 2016 were at the grant agreement preparation stage by the end of 2016. By early 2017, the Joint Undertaking programme will have a portfolio of 65 ongoing projects with a total of 729 participants from 30 countries with a total grant value of EUR 414 000 000.

Budget and financial management: the Joint Undertaking's annual accounts provide that the final 2016 budget is to be available for implementation and include commitment appropriations of EUR 194 295 870 and payment appropriations of EUR 67 196 187, the **utilisation rates for commitment and payment appropriations of which were 97.1 % and 95.8 %, respectively.**

Members expressed some concern that several industry members participating in Joint Undertaking's projects **could not report their in-kind contributions by the given deadline**, either because their own 2016 accounts were not yet closed, or because the projects had started close to the end of 2016.

They regretted that, by the end of 2016, the total contribution from the industry members amounted to EUR 313 200 000, compared to the Union's cash contribution of EUR 65 000 000 which stems from the fact that the industry members had already declared a significant amount of in-kind contributions to additional activities compared to the Union's input. The Joint Undertaking is invited to inform the discharge authority of developments in in-kind contributions and payments made.

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.

By the end of 2016, **the Joint Undertaking's staff was almost complete**, with 20 posts filled out of a total of 22 posts allocated to the Joint Undertaking by the staff establishment plan. Members welcomed the fact that the target set in the 2016 annual work programme was fully achieved, with the recruitment of 13 temporary agents and 8 contract agents coming from 10 Members States.

Members noted with appreciation that in 2016 the human resources function continued to **strengthen the legal framework** paying particular attention to the application of the implementing rules of the Commission to the Joint Undertaking. They welcomed the fact that, in that respect, the governing board has adopted nine new implementing rules in 2016. They also recognised the need for the Joint Undertaking to **communicate** with Union citizens concerning the significant research and collaboration that it is undertaking. The Commission was asked to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of the further simplification and harmonisation of joint undertakings.

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.