



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR RESEARCH & INNOVATION

Deputy Director-General responsible for Directorates E, F and J

Brussels,
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NOTE FOR THE ATTENTION OF MR [REDACTED], [REDACTED] OF THE BIOBASED INDUSTRIES CONSORTIUM AND [REDACTED] OF THE BIO-BASED INDUSTRIES JOINT UNDERTAKING GOVERNING BOARD

Subject: Reduction in the Union contribution to the Bio-based Industries Joint Undertaking operational costs for 2020

Under Article 4(1) of Council Regulation (EU) No 560/2014 establishing the Bio-based Industries Joint Undertaking (BBI JU), the total contribution to the BBI JU by the member other than the Union, i.e. the Biobased Industries Consortium (BIC) and its constituent entities, should be at least EUR 2 730 million. This amount should inter alia consist of at least EUR 182.5 million of cash contribution at operational level.

Looking at current data from the BBI JU Annual Activity Report 2017, it becomes clear that BIC's cash contribution to date is almost non-existent.

The Council Regulation had been amended to assist BIC by allowing cash contributions delivered at project level to be counted towards the minimum legal target as well. However, as you are aware, despite the amendment, BIC has come forward with only EUR 0.46 million in Call 2018 proposals, which amounts to a mere 3% of the initially expected amount. The Commission does not expect BIC to be able to deliver any significant amount neither at programme nor at project level in the last two BBI JU calls (2019-2020). This can also be deduced from the total absence of a financial contribution by BIC at programme level in the Draft Annual Work Plan 2019.

By virtue of Article 4(5) of the Council Regulation, the Commission may terminate, proportionally reduce or suspend the Union's financial contribution to the BBI JU or trigger the winding-up procedure if BIC does not contribute, contributes only partially or contributes late with regard to the above-mentioned contributions.






The most appropriate and proportionate action appears to be the reduction of the Union contribution to the BBI JU by EUR 140 million in 2020. Such a cut falls within the range of the estimated gap in BIC's cash contribution. At the same time, this approach prioritises the political importance of continuing investment in this sector in view of Horizon Europe, and still allows for a final BBI JU call in 2020 with a Union contribution of EUR 65 million, hence permitting to complete the mandate of the BBI JU.

Through this note, I would thus like to inform you that, in accordance with Article 4(5) of Council Regulation (EU) No 560/2014 establishing the BBI JU, the Commission has decided to take the necessary steps to proportionally reduce the planned Union contribution to the BBI JU operational costs in 2020 of EUR 205 million by EUR 140 million, leading to a contribution in 2020 of EUR 65 million (commitment appropriations, excl. EFTA). This decision will be reflected in the Commission's proposal for a draft budget 2020.

e-signed

Wolfgang Burtscher

c.c.:

J. E. Paquet, P. Child, J. Bell, P. Dröll, P. Fernández-Cañadas, 
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