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NOTE FOR THE ATTENTION OF
[REDACTED], [REDACTED] **OF THE BIOBASED INDUSTRIES CONSORTIUM,**
AND OF THE BBI JU [REDACTED]

Subject: Partial suspension of the Union contribution to the Bio-based Industries Joint Undertaking operational costs for 2018

Article 12.4 of the Statutes of the BBI JU, appended to Council Regulation 560/2014, sets out that BIC is expected to make a financial contribution to the operational costs of the BBI JU of EUR 182.5 million. The Commission proposal for the BBI JU¹ indicates that BIC was expected to deliver EUR 17.5 million of financial (in cash) commitment appropriations per year for the 2014 – 2016 period and an estimated amount of EUR 32.5 million in 2017. By end of 2017, an amount of only EUR 1.25 million will have been committed by BIC at programme level (EUR 0.75 million in 2016 and EUR 0.5 million in 2017), while around EUR 10.37 million will have been committed at project level (EUR 2.2 million through projects of Calls 2014 and 2015 and EUR 8.17 million through projects of Call 2016, where grant agreements are still in preparation). All of this results in a cumulated non-delivery of financial (in cash) contribution of at least EUR 70 million in total for the period 2014-2017. Taking into account the low levels of financial (in cash) contribution delivered by BIC over the period 2014 – 2016, on 11 January 2016 the Commission suspended the Union's contribution in commitment appropriations to the BBI JU operational costs in 2017 for an amount of EUR 50 million.

Through this note, I would like to inform you that, in accordance with Article 4.5 of Council Regulation 560/2014 establishing the BBI JU, the Commission has taken the necessary steps to suspend an additional amount of EUR 20 million out of the planned EUR 130 million Union contribution to the BBI JU operational costs in 2018 (commitment appropriations, excl. EFTA), leading to a EUR 110 million contribution in 2018. This decision will be reflected in the Commission's proposal for a draft budget 2018 and in the BBI JU Financing Decision for 2018.

This partial suspension and move of budget to later stages would leave BIC the possibility of still honoring its financial (in cash) commitments in the course of the

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013PC0496&qid=1455548705840&from=EN>

initiative and we expect BIC to come forward with concrete actions towards achieving this objective.

The European Commission reserves the right to proportionally reduce its contribution to the BBI JU at a later stage, pursuant to article 4.5 of Council Regulation 560/2014.



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