



EUROPEAN COMMISSION
 DIRECTORATE-GENERAL FOR RESEARCH & INNOVATION
 Deputy Director-General Research Programmes

Brussels, 15 MARS 2018
 rtd.ddg.f.2(2018)1566333

NOTE FOR THE ATTENTION OF MR [REDACTED],

[REDACTED] OF THE BIO-BASED INDUSTRIES CONSORTIUM

Subject: BBI JU beneficiaries' contribution to BIC's payment towards the BBI JU administrative costs

The Commission has been made aware of BIC's standard practice of soliciting from beneficiaries in grants (projects) funded by the BBI Joint Undertaking (BBI JU) a fixed percentage equal to 4% of the approved EU contribution to BBI JU grants as a contribution to the administrative costs of the BBI JU's Programme Office.

According to the information published on the BIC website¹,

- *"The Protected Project Contribution Account is the mechanism that has been put in place by BIC to finance the BBI Programme Office.*
- *All project participants are to contribute equally and fairly to the Programme Office's running costs.*
- *All beneficiaries of a BBI JU grant –both (associate) members and non-members of BIC –are obliged to contribute an amount calculated as the equivalent of 4% of the total sum granted.*
- *This contribution is paid in one lump sum upon receipt of the first pre-payment from the Programme Office. The coordinator sets of the payment of the project contribution against the transfer of the pre-payment of the grant".*

Considering that Council Regulation No 561/2014 of 6 May 2014 establishing the BBI JU, states in Art. 12 of its Annex that "*The administrative costs of the BBI JU shall [...] be divided equally between the Union and the members other than the Union*", there is clearly no legal basis for imposing such a contribution to the JU administrative costs to beneficiaries in BBI JU grants.

This practice, including the link to the pre-financing, could expose the BBI JU and the Commission to a serious reputational risk and give rise to political arguments against the continuation of such initiatives under the next Framework Programme. Questions on this practice have already been addressed to the Commission by national delegates and stakeholders.

¹ See the relevant section of the FAQ related to "*What is the 4% Project Contribution?*"
<http://biconsortium.eu/about/frequently-asked-questions>

To this end, the Commission has requested that this issue is discussed as a matter of priority in the next Governing Board meeting of 21 March 2018, at which I hope this serious issue can be resolved.



Signé Ratso