2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 08/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the agency’s budget for the financial year 2014.

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 2014, Members call on Parliament to approve the closure of the Agency’s accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Agency’s financial statements:** Members noted that the final budget of the European Chemicals Agency for the financial year 2014 was EUR 114 112 193 representing an increase of 6.37 % compared to 2013.

- **Budget and financial management:** Members noted that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 97.08 % and that the payment appropriations execution rate was 87.46 %.

- **Fees and management of biocide products:** Members recall that, as of 2012, the Agency was given the task of managing and carrying out technical, scientific and administrative aspects of Regulation (EU) No 528/2012 of the European Parliament and of the Council (Biocidal Products Regulation - BPR), as well as similar tasks related to the export and import of hazardous chemicals. They also recall that, with respect to the BPR Regulation, the Agency's activities are financed partially through fees paid by industry and partially through a Union subsidy. Ensuring transparency is thus of the utmost importance. They also acknowledge with concern that the Agency had to carry out its biocide activities **under severe budgetary and human resources restrictions in 2014**, because the biocide fees collected in 2014 were much lower (EUR 1.3 million) than estimated, and covered only 17% of biocide-related expenditure. As a result, the Agency's budgetary line was reinforced through budgetary transfer by the Commission. They also note the difficulties of the Agency to obtain additional subsidy in those years where the financial revenue from biocide fees will be lower than estimated which will make it extremely difficult for the Agency to continue to deliver on all its non-fee related obligations. They recall that, in accordance with the REACH Regulation, the Agency is financed through fees paid by industry for the registration of chemical substances, and that **in 2014, the Agency was fully financed through fee income** for its REACH and classification, labelling and packaging (CLP) operations.

Members also made a series of observations regarding commitments and carryovers, payments, contract award, recruitment and internal audit and control procedures.

As far as the issue of **preventing conflicts of interest** is concerned, Members note the Agency has four scientific committees set up by its founding regulation which issue formal opinions and recommendations.

Those committees consist of experts, almost all of whom are public officials, nominated or appointed by the Member States, while the stakeholders are only allowed to participate as observers. They acknowledge that the prevention of conflicts of interest for those committee members is strictly managed by the Agency’s procedure on the prevention and management of potential conflicts of interest, including annual declarations of interests and oral declarations at the start of each meeting.