

2016 discharge: European Chemicals Agency (ECHA)

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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 **European Chemicals Agency (ECHA)**.

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 **European Chemicals Agency (ECHA)**, 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 **ECHA**.

The European Chemicals Agency: the Agency, which is located in Helsinki (FI), was created by [Council Regulation \(EC\) No 1907/2006](#) to manage and steer the implementation of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation.

Main achievements in 2016: these include:

- further advancement in the integration of REACH and the Classification, Labelling and Packaging (CLP) regulation;
- publishing its second five years report on the operation of REACH providing input into the second review of the REACH Regulation;
- the fees and charges collected covered 46% of the Agency's expenditure including for the first time a high proportion of fees from authorisation applications. Managing the annual budget was more

challenging than in previous years, as the magnitude of the fee-based financing was difficult to foresee, particularly for the biocide applications;

- signing a delegation agreement with the Commission in December 2016 to build an **EU-wide observatory for nanomaterials** that aims at giving objective and reliable information on markets and safety aspects of nanomaterials in the EU market;
- maintaining an open dialogue with the EU institutions, in particular the European Parliament.

As regards the accounts, ECHA is financed through fees paid by industry and by an EU balancing subsidy.

Commitment appropriations:

- available: EUR 113 million;
- made: EUR 110 million.

Payment appropriations:

- available: EUR 124 million;
- paid: EUR 106 million.

For further details on expenditure, please refer to the [final accounts of the ECHA](#).