

# 2016 discharge: European Chemicals Agency (ECHA)

2017/2167(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Chemicals Agency (ECHA) in respect of the implementation of the Agency's budget for the financial year 2016, and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 564 votes to 128 with 7 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the [resolution on performance, financial management and control of EU agencies](#):

- **Agency's financial statements:** the final budget of the Agency for the financial year 2016 was EUR 110 840 957, representing a decrease of 7.82 % compared to 2015.
- **Budget and financial management:** budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97 %, representing a decrease of 1.48 %. In 2016, 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. Members called in this respect for safeguards to be built into the Agency's work so that it can remain independent vis-à-vis the industry, and, in particular, to retain a critical, independent attitude towards industry's own research.
- The Union regulatory agencies responsible for the risk assessment of regulated products, in particular the Agency and the European Food Safety Authority (EFSA), **do not have sufficient resources** to effectively fulfil certain responsibilities. The Agency and EFSA should therefore be granted sufficient resources in order to carry out their specific responsibilities.
- **Commitments and carry-overs:** carry-overs of committed appropriations remained high for REACH operational expenditure at **EUR 10.1 million**, i.e. 39 % (compared to EUR 7.3 million in 2015, i.e. 32 %) and are even higher for biocides operational expenditure at **EUR 1.3 million**, i.e. 68 % (compared to EUR 1.5 million in 2015, i.e. 74 %). Members drew attention to the Court of Auditors' comment advising the Agency to consider increasing the use of **differentiated budget appropriations** to better reflect the multi-annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments. The Agency has already created a differentiated budget line for 2017, which will reduce the nominal carry-over rate for 2017 and beyond.

**Staff policy and prevention of conflicts of interests:** Parliament noted with appreciation that by the number of posts occupied on 31 December 2016 gender balance has been met since the ratio is 53 % female to 47 % male. The Agency has implemented an approach that involves a **systematic check** for potential conflicts before assigning tasks to members of staff. However, Members insisted on the need to establish an independent body with sufficient budgetary resources to help whistleblowers to disclose information about possible irregularities affecting the Union's financial interests, while protecting their confidentiality.

**Performance:** Members highlighted that in December 2016 the Agency started together with European Food Safety Authority to draft guidance in identifying **chemicals with endocrine disrupting properties**.

Members called on the Commission to launch a policy debate with relevant stakeholders in order to review Union legislation related to risk assessment for food, chemicals and related products and the effectiveness of such legislation.

**Brexit:** the resolution stressed that a future decrease of the Agency's revenue resulting from the United Kingdom's decision to leave the Union is possible. It called on the Agency to report to the discharge authority on the **mitigating measures** that may be adopted.

Members noted that the United Kingdom's decision to leave the Union also poses **operational risks for the Agency** since the Union chemicals legislation which the Agency manages are also internal market regulatory laws. Reducing the jurisdiction to which these regulations apply to EU-27 will create an additional workload for providing advice and assistance to the United Kingdom's companies which will be in a 'third country' as well as a transitional workload caused by transferring regulatory work from the United Kingdom to the EU27.

The Agency was called on to proactively plan and prepare for any and all such potential losses.