2019 discharge: European Chemicals Agency (ECHA)

2020/2170(DEC) - 28/04/2021 - Text adopted by Parliament, single reading

The European Parliament decided by 607 votes to 87, with 6 abstentions, to **grant discharge** to the Executive Director of the European Chemicals Agency (ECHA) for the financial year 2019 and to approve the closure of the accounts for that year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurance that the Agency's annual accounts for the financial year 2019 are reliable and that the underlying transactions are legal and regular, Parliament adopted, by 603 votes to 84 with 3 abstentions, a resolution containing a series of recommendations which form an integral part of the discharge decision and which complement the general recommendations contained in the resolution on the performance, financial management and control of EU agencies.

Financial statements of the Agency

The Agency's final budget for the financial year 2019 was EUR 112 834 290, a decrease of 4.99% compared to 2018. Approximately 39.51% of the Agency's budget is financed by fees and charges and 57.61% by the Union and third countries.

Budgetary and financial management

Budget monitoring efforts in the 2019 financial year resulted in a budget execution rate of 98.79%, which is a decrease of 1.13% compared to 2018. Members are concerned that the payment appropriations implementation rate was 86.09%, which is a decrease of 0.95% compared to 2018.

Fees

Members recalled that the Agency is partly financed by the fees it collects from companies wishing to register chemical substances. The applicable fees depend on the size of the companies and the volume of chemical substances registered.

Through the Agency's system of ex-post verifications, it has found that some 50% of companies had incorrectly declared their size since the first registrations in 2009, resulting in lower fees. Over the years, the Agency has invoiced and collected fee corrections and administrative fees amounting to EUR 32.2 million. The workload related to the remaining verifications remains considerable.

Parliament called on the Agency to inform the discharge authority of its efforts and results, to continue to reduce the volume of verification work and to apply the fee corrections. It invited the Commission to propose measures to remedy this situation, in order to avoid fraudulent declarations as to the category of applicants and to allow the Agency to benefit from a more stable budget planning.

The resolution also stressed that a predictable balancing subsidy from the EU budget combined with the transfer of revenue from fees and charges to the Commission would ensure that the Agency has more predictable revenue, which is essential for it to fulfil its mandate.

Other observations

Members also made a series of observations concerning performance, staff policy, public procurement, conflicts of interest and internal controls.

In particular, they noted that:

- among regulatory authorities, the Agency is the driving force among regulatory authorities in implementing the Union's chemicals legislation for the benefit of human health and the environment as well as for innovation and competitiveness. It provides information on chemicals, helps companies comply with legislation and brings about advances in the safe use of chemicals;

- the Agency should significantly reduce its reliance on animal testing, contribute to international activities to promote alternative testing methods and regularly publish information on the use of alternative methods under REACH. Cooperation and exchange of best practice with other EU agencies should be continued to improve efficiency (human resources, building management, IT services and security);

- on 31 December 2019, 96.75% of the establishment plan was implemented, with 446 temporary agents appointed out of the 461 temporary agents authorised under the EU budget. There is a gender imbalance in senior management positions (71% men and 29% women) and in the Management Board;

- there is a need for adequate staffing levels that take into account the needs of the European Green Deal and the EU Chemicals Sustainability Strategy, the Circular Economy Action Plan and, in particular, the zero pollution ambition;

- the Agency has an exemplary system for monitoring and preventing conflicts of interest. It needs to improve the transparency and user-friendliness of its database and the interface between risk assessment and risk management monitoring, e.g. by providing a short note on the substances registered by the Agency in the database with regard to the compliance and evaluation status of the dossiers.