## Basic information

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|---|---|
| **2014/2116(DEC)**<br>DEC - Discharge procedure | Procedure completed |
| 2013 discharge: European Chemicals Agency (ECHA)<br>**Subject**<br>8.70.03.03 2013 discharge | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| CONT Budgetary Control | CZARNECKI Ryszard (ECR) | 09/10/2014 |
| | Shadow rapporteur<br>ZDECHOVSKÝ Tomáš (PPE)<br>VAUGHAN Derek (S&D)<br>ALI Nedzhmi (ALDE)<br>DE JONG Dennis (GUE/NGL)<br>JÁVOR Benedek (Verts/ALE)<br>VALLI Marco (EFDD) | |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| ENVI Environment, Public Health and Food Safety | LA VIA Giovanni (PPE) | 05/11/2014 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Budget | GEORGIEVA Kristalina |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 30/07/2014 | Non-legislative basic document published | COM(2014)0510 | Summary |
| 20/10/2014 | Committee referral announced in Parliament | | |

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|---|---|---|---|
| 23/03/2015 | Vote in committee | | |
| 30/03/2015 | Committee report tabled for plenary | A8-0073/2015 | Summary |
| 28/04/2015 | Debate in Parliament | | |
| 29/04/2015 | Decision by Parliament | T8-0140/2015 | Summary |
| 29/04/2015 | Results of vote in Parliament | | |
| 29/04/2015 | End of procedure in Parliament | | |
| 30/09/2015 | Final act published in Official Journal | | |

## Technical information

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|---|---|
| **Procedure reference** | 2014/2116(DEC) |
| **Procedure type** | DEC - Discharge procedure |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | CONT/8/01564 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE539.706 | 29/01/2015 | |
| Committee opinion | ENVI | PE541.500 | 03/02/2015 | |
| Amendments tabled in committee | | PE539.766 | 05/03/2015 | |
| Committee report tabled for plenary, single reading | | A8-0073/2015 | 30/03/2015 | Summary |
| Text adopted by Parliament, single reading | | T8-0140/2015 | 29/04/2015 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Document attached to the procedure | 05304/2015 | 30/01/2015 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | COM(2014)0510 | 30/07/2014 | Summary |

**Other institutions and bodies**

| Institution/body | Document type | Reference | Date | Summary |
|---|---|---|---|---|
| CofA | Court of Auditors: opinion, report | N8-0080/2014<br>OJ C 442 10.12.2014, p. 0132 | 01/07/2014 | Summary |

| Additional information | | |
|---|---|---|
| **Source** | **Document** | **Date** |
| European Commission | EUR-Lex | |

| Final act | |
|---|---|
| Budget 2015/1651<br>OJ L 255 30.09.2015, p. 0219 | Summary |

# 2013 discharge: European Chemicals Agency (ECHA)

2014/2116(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the European Chemicals Agency (ECHA) for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1651 of the European Parliament on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2013.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament’s main observations, the latter called on the Agency to continuously review its internal processes regarding **declarations of interests for its personnel** and further improve its policies in order to ensure the independence and transparency in all of the Agency's work areas.

# 2013 discharge: European Chemicals Agency (ECHA)

2014/2116(DEC) - 30/01/2015

Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 of the European Chemicals Agency (ECHA), and the report by the Court of Auditors on the annual accounts of the Agency for the financial year 2013, accompanied by the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2013.

The Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for that financial year are legal and regular.

Nevertheless, the Council made one observation concerning:

- **carry-overs**: the Council, while acknowledging the multiannual nature of operations, calls, once again, on the Agency to continue improving its financial programming and monitoring of the budget implementation in order to reduce the level of commitments carried over to the next financial year to the strict minimum, in line with the budgetary principle of annuality.

# 2013 discharge: European Chemicals Agency (ECHA)

2014/2116(DEC) - 01/07/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors’ report on the annual accounts of the European Chemicals Agency (ECHA) for the year 2013, together with the Agency’s reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the

annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Chemicals Agency (ECHA).

**Statement of assurance**: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

**Opinion on the reliability of the accounts**: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

**Opinion on the legality and regularity of the transactions underlying the accounts**: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

**The Court's observations**:

- **budgetary management**: as in 2012, the level of committed appropriations carried over to 2014 remained high for operational expenses at EUR 10.6 million (46 %), this mainly resulted from the multiannual nature of planned IT development projects (EUR 6.3 million), cost for translations ordered in 2013 but not received by the year end (EUR 1.3 million) and substance evaluations for which the regulatory deadline was February 2014 (EUR 1.7 million);
- **financial management**: in 2013, the ECHA's Executive Director confirmed reasonable assurance that resources have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. However, a reservation to this assurance was made since the mandate of the Agency does not include controls or inspections at national level and therefore **no confirmation could be given that only registered or authorised substances and products**, for which a fee has been paid to the Agency, **were circulating on the European Union market**.

**The Agency's reply**:

- **budgetary management**: ECHA will continue to be attentive to avoid any non-justified carry-over operations;
- **financial management**: the Agency recalled that the Executive Director of the European Chemicals Agency included the following text in his Declaration of Assurance for 2013: as regards the implementation of the European Union legislation and the fee regulations under the Agency' s remit, this assurance has to be limited to the field of competences of the Agency. Since the mandate of the European Chemicals Agency does not include controls or inspections at national level, it cannot be confirmed that only registered or authorised substances and products, for which a fee has been paid to the Agency, are circulating on the European Union market.

Lastly, the Court of Auditors' report contains **a summary of the Agency's activities in 2013**. This is focused on the following:

**Budget**: EUR 107.7 million.

**Activities**:

- number of dossiers processed: 14 839;
- number of confidentiality requests assessment completed: 662;
- number of enquiries received: 1 903;
- number of decisions issued on data-sharing disputes: 11;
- number of substances on which information made public (excluding confidential information): 10 561.

The Agency also:

- carried out evaluations for compliance checks;
- classified and labelled 6.1 million for over 125 000 substances;
- provided advice and assistance, including to institutions and EU bodies;
- established scientific IT tools to enable IT solution for Member States for single point of access to dossiers and substance data;
- ensured communication operations (including through its website);
- ensured international cooperation.

# 2013 discharge: European Chemicals Agency (ECHA)

2014/2116(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the **European Chemicals Agency (ECHA)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2013 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Chemicals Agency (ECHA).

The document contains the figures on which the discharge procedure is based.

**Discharge procedure of the EU agencies**: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

Each agency is subject to its own discharge procedure.

**ECHA**: in 2013, the tasks and budget of this agency were as follows:

- **description of ECHA's tasks**: ECHA, located in Helsinki, was set up by Regulation (EC) No 1907/2006 of the European Parliament and of the Council and its main tasks are to : (i) help businesses comply with the legislation in force; (ii) promote the safe use of chemicals; (iii) provide information on chemicals; (iv) assess hazardous substances;
- **ECHA's budget for the 2013 financial year**: the Agency's budget for 2013, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 108 million;

  - **paid** : EUR 106 million;

  - **carried-over** : 0.

  § **Payment appropriations** :

  - **committed** : EUR 123 million;

  - **paid** : EUR 106 million;

  - **carried-over** : EUR 14 million.

Please refer also to the final accounts of the ECHA.

# 2013 discharge: European Chemicals Agency (ECHA)

2014/2116(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2013.

It called 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 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the 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 Agency for the financial year 2013 was EUR 107 270 800. It received Union subsidies of EUR 7.632 from the Commission and the Instrument for Pre-Accession Assistance pre-financing amounting to EUR 103 524, as well as other contributions and funding from the Commission amounting to EUR 920 900.
- **Commitments and carry-overs**: Members noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 98.64% and that the payment appropriations execution rate was 86.18%. They noted with concern that the level of committed appropriations carried over to 2014 remained high at 46% mainly due to the multiannual nature of planned IT development projects.

Members also made a series of observations on procurement procedures, recruitment and internal control.

They also noted with concern that the Agency's Executive Director made a **reservation** regarding his declaration of assurance for the year 2013, since the Agency's mandate does not include controls or inspections at national level and therefore, no confirmation could be given that only registered or authorised substances and products, for which a fee was paid to the Agency, were circulating on the Union market. Lastly, they noted the appointment of a small and medium-sized enterprises (SMEs) ambassador who advocates the interest of smaller enterprises externally and internally within the Agency. Members noted furthermore that the **Agency's priority is to provide intensive support so that SMEs** will be able to comply with the requirements as well as the introduction of the authorisation process as part of the REACH Regulation, in order to encourage the substitution of the most hazardous chemicals and innovation by swapping them for safer alternatives.

# 2013 discharge: European Chemicals Agency (ECHA)

2014/2116(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 557 votes to 127, with 5 abstentions, a decision to grant discharge to the Executive Director of the European Chemicals Agency (ECHA) for the financial year 2013.

The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 577 votes to 105, with 7 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: Parliament noted that the final budget of the Agency for the financial year 2013 was EUR 107 270 800. It received Union subsidies of EUR 7.632 million from the Commission and the Instrument for Pre-Accession Assistance pre-financing amounting to EUR 103 524, as well as other contributions and funding from the Commission amounting to EUR 920 900.
- **Commitments and carry-overs**: Parliament noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 98.64% and that the payment appropriations execution rate was 86.18%. It noted with concern that the level of committed appropriations carried over to 2014 remained high at 46% mainly due to the multiannual nature of planned IT development projects.

Parliament also made a series of observations on procurement procedures, recruitment and internal control.

Furthermore, it noted with concern that the Agency's Executive Director made a **reservation** regarding his declaration of assurance for the year 2013, since the Agency's mandate does not include controls or inspections at national level and therefore, no confirmation could be given that only registered or authorised substances and products, for which a fee was paid to the Agency, were circulating on the Union market.

Parliament asked again that the Agency make clear in its internal and external communication that it **receives funds from the general budget of the Union** ("Union subsidy") instead of a "Commission" or "Community" subsidy.

**Implementation of REACH**: Lastly, Parliament stated that the appointment of a small and medium-sized enterprises (SMEs) ambassador who advocates the interest of smaller enterprises externally and internally within the Agency. It noted furthermore that the **Agency's priority is to provide intensive support so that SMEs** will be able to comply with the requirements as well as the introduction of the authorisation process as part of the REACH Regulation, in order to encourage the substitution of the most hazardous chemicals and innovation by swapping them for safer alternatives.