Basic information

2015/2184(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: European Chemicals Agency (ECHA) **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAUGHAN Derek (S&D)	19/08/2015
	Shadow rapporteur DEUTSCH Tamás (PPE) VISTISEN Anders (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	LA VIA Giovanni (PPE)	01/10/2015

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		

04/04/2016	Vote in committee		
08/04/2016	Committee report tabled for plenary	A8-0118/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0169/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2184(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04206

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE571.775	22/01/2016	
Committee draft report		PE569.747	02/02/2016	
Amendments tabled in committee		PE576.928	04/03/2016	
Committee report tabled for plenary, single reading		A8-0118/2016	08/04/2016	Summary
Text adopted by Parliament, single reading		T8-0169/2016	28/04/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05584/2016	27/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0130/2015 OJ C 409 09.12.2015, p. 0131	08/09/2015	Summary

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

Final act	
Budget 2016/1513 OJ L 246 14.09.2016, p. 0230	Summary

2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the European Chemicals Agency (ECHA) for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1513 of the European Parliament on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2014.

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 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 2016 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 28 April 2016).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, the latter noted that the expenditure for procedures associated with the new implementation of the biocidal products Regulation was to be covered by application fees for the registration of biocidal products. However, the fees collected in 2014 covered only **17 % of this expenditure** and the remaining part was financed by contributions to the Agency’s budget from the Union and the European Free Trade Association (EFTA) countries. It therefore called on the Agency to take account of this difference in the future.

2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 28/04/2016 - 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 budget for the financial year 2014. The vote on the discharge decision covers the closure of the accounts (in accordance with Annex V, Article 5(1)(a) to its Rules of Procedure).

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, Parliament adopted by 508 votes to 121, with 7 abstentions, a resolution containing 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**: Parliament 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**: Parliament 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**: Parliament recalled 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. It also recalled that, with respect to the BPR Regulation, the expenditure for procedures associated with the new implementation of the BPR Regulation was to be covered by application fees for the registration of biocidal products. It acknowledged that the fees collected in 2014 covered **only 17 % of this expenditure** and the remaining part was financed by contributions to the Agency’s budget from the Union and the European Free Trade Association (EFTA) countries. It took note of the Agency's comment about the Commission's incorrect assumption of the Agency's largely self-financing nature regarding the BPR related costs. It noted the difficulties of the Agency, in the absence of a financial reserve, to obtain additional subsidies in those years where the financial revenue from biocide fees will be lower than estimated and took note of the Agency's concern that

if this situation continues and is not compensated by a higher subsidy, it will be extremely difficult for it to continue to deliver on all its non-fee related obligations.

It also stressed that the Agency received a Union contribution for the PIC Regulation totalling **EUR 1.3 million in 2014**, a contribution that allowed it to finalise the preparatory activities and ensure the successful entry into application of the PIC Regulation on 1 March 2014.

Parliament 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, Parliament noted 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. It acknowledged 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.

Lastly, Parliament noted from the Agency that it continues to work on increasing the efficiency and effectiveness of its operations.

2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the European Chemicals Agency (ECHA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2014, accompanied by the Agency's replies to the Court's observations, the Council recommended 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 2014.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2014 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 2014 are legal and regular in all material respects.

Nevertheless, the Council has made some observations which may be summarised as follows:

- **financial programming**: the Council reiterated its call on the Agency to continue improving its financial management in order to limit carry-overs of committed appropriations to the following financial year to the strict minimum, in line with the budgetary principle of annuality. It invites the Agency to exercise budgetary prudence when forecasting expected revenues from fees.

2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 08/09/2015 - 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 financial year 2014, 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.

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 2014;
- 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 2014 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: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2014 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:

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budgetary management: the court indicates that the level of committed appropriations carried over to 2014 for operational expenses was EUR 8.5 million, i.e. 35 %. These carry-overs mainly resulted from the multiannual nature of planned IT development projects (EUR 4.5 million), and costs for translations ordered in 2014 but not received and paid by the end of the year. The expenditure for procedures associated with one new specific activity of the Agency, the implementation of the Regulation concerning biocidal products was to be, covered by application fees for the registration of these products. However, fees collected in 2014 covered only 17 % of this expenditure.

The Agency's reply :

- **budgetary management**: the Agency appreciates the conclusion of the Court and will continue to be attentive to avoid any non-justified carry-over operations. It states that the fees triggered by the 2014 applications under the Biocidal Products Regulation covered the Agency's related cost only for a small part. The original Commission assumption, that the Agency would be largely self-financing, has proven to be incorrect, as the national and EU fees have a bias in favour of national applications and mutual recognitions rather than Union authorisations for biocidal products.

Lastly, the Court of Auditors' report contains a **summary of the Agency's activities** in 2014. This is focused on the following:

Budget: EUR 113.2 million, of which:

- revenue from fees: EUR 27.2 million; EUR 25.9 million in respect of fees and charges under the REACH Regulation and EUR 1.3 million in respect of fees and charges collected under the Biocidal Products Regulation;
- Union contribution: EUR 7.8 million, including support for the implementation of the Regulation concerning the making available on the market and use of biocidal products, the balancing contribution, an EFTA contribution and a contribution under the Regulation concerning the export and import of hazardous chemicals.

Activities:

- number of registration dossiers processed: 9 001;
- number of confidentiality requests assessments completed: 636;
- number of new inquiries received: 1 000;
- number of decisions issued on data sharing disputes: 5;
- number of substances on which info made public (excluding confidential info): 12 888.

The Agency also:

- evaluated conformity checks;
- evaluated final decisions on testing proposals;
- received 6.4 million classification and labelling notifications for over 1 33 000 substances;
- gave advice and assistance, including to EU institutions and bodies;
- established of scientific IT tools;
- conducted communication activities (including through its website or specific publications);
- carried out international cooperation in its area of competence;
- achieved SO 9001 certification;
- successfully concluded open calls for tenders.

Lastly, 2 094 biocides applications (applications for new active substances, renewals or review, Union authorisations of products) were processed and transmitted to Member States.

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.

2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 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 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (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.

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

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.

This document sets out how the Agencies spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

ECHA: in 2014, the tasks and budget of this agency were as follows:

- **description of ECHA's tasks**: ECHA, located in Helsinki (FI), was set up by Regulation (EC) No 1907/2006 of the European Parliament and of the Council to help businesses comply with the legislation in force, promote the safe use of chemicals, provide information on chemicals and assess hazardous substances;
- **ECHA's budget for the 2014 financial year**: the Agency’s budget for 2014, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

Commitment appropriations :

- **committed** : EUR 115 million;

- **paid** : EUR 111 million;

- **carried-over** : 0.

Payment appropriations :

- **committed** : EUR 127 million;

- **paid** : EUR 112 million;

- **carried-over** : EUR 11 million.

Please refer also to the final accounts of the ECHA.