

**MINUTES OF THE 26th MEETING OF
THE MANAGEMENT BOARD**

20-21 June 2012

I. Documents submitted to the Management Board

Draft agenda	<i>(MB/A/02/2012)</i>
Draft minutes of the 25 th Management Board meeting	<i>(MB/M/01/2012)</i>
Opinion on the Agency's final accounts for 2011	<i>(MB/17/2012)</i>
First amending budget 2012	<i>(MB/18/2012)</i>
Multi-annual Work Programme 2013-15	<i>(MB/19/2012)</i>
ECHA Financial Outlook for 2014-2020 and assessment of subsidy needs	<i>(MB/20/2012)</i>
Revision of the Decision on administrative charges under the Fee Regulation	<i>(MB/21/2012)</i>
Revision of the Decision on the transfer of fees to Member States	<i>(MB/22/2012)</i>
Implementation of ECHA's policy on managing (potential) conflicts of interest	<i>(MB/23/2012)</i>
Appointment of Committee members	<i>(MB/24/2012)</i>
Amendment to the Standard Security Requirements for Member State access to REACH-IT and IUCLID database	<i>(MB/25/2012)</i>
Report from the Executive Director	<i>(MB/26/2012)</i>
ECHA Review Study – Article 75(2) of the REACH Regulation	<i>(MB/27/2012)</i>
Report from the Chairman of the Board of Appeal	<i>(MB/28/2012)</i>
Decision on remuneration of alternate / additional Board of Appeal members	<i>(MB/29/2012)</i>
Report from Management Board subgroups - Working Group on audit, including presentation of the annual audit reports from IAC/IAS	<i>(MB/30/2012)</i>
Stakeholder and case-owner participation in the authorisation process	<i>(MB/31/2012)</i>
Items for information without discussion - Discharge 2010 - Outcome of written procedure (RAC appointment)	<i>(A(2012)2629)</i> <i>(MB/WP/02/2012)</i>

II. Summary Record of the Proceedings

Introductory remarks

The Chair opened the meeting by welcoming the participants.

He informed the Management Board of the following pending appointment decisions:

- Ionut GEORGESCU will be replaced as Board member by Cosmin TEODORU.
- Zoltan ADAMIS will be replaced as Board member by Krisztina CSENGÖDY.
- Christina RUDÉN has been designated by the European Parliament as replacement for Hartmut NASSAUER.

The Chair introduced the observers attending the meeting and provided information on the proxy votes of which he had been notified (details are listed in section IV of these minutes).

Announcements

The Chair informed the Board of the following:

- The Commission decision related to the prolongation of the mandate of the Executive Director had been adopted on 6 June 2012 and the contract prolongation subsequently finalised in line with the decision of the Management Board of March 2012.
- The Executive Director received authorisation from the Management Board and the Commission to accept the decoration of "Commander of the Order of the White Rose of Finland" from the Finnish State.
The Board warmly congratulated the Executive Director for this recognition of the work in setting up the Agency in Finland.

1. Agenda (MB/A/02/2012)

The Chair introduced the room documents that had been made available and announced that the following additional agenda items would be dealt with under "Any Other Business".

- Announcement of a written procedure amending the Rules of Procedure of the MSC.
- A short report from Chair of the Forum on the Forum meeting of 18-20 June.
- Confidential information related to a staff matter falling under the Board's responsibility.

On this basis, the agenda was adopted.

2. Declarations of specific interests

Further to a request for declarations, no conflicts of interest were declared by the Board members present with regard to the agenda items of the meeting.

The Chair reminded the Board that all members should fill in and sign the Code of Conduct as adopted at their meeting in March and return it to the Secretariat.

3. Minutes (MB/M/01/2012)

An update was provided on pending follow-up actions from previous meetings. Subsequent to this, the draft minutes of the meeting on 22-23 March 2012 were approved without amendments.

4. Opinion on the Agency's final accounts for 2011 (MB/17/2012)

The floor was given to the Executive Director to present the Agency's final accounts for the financial year 2011 which he had finalised upon receipt of the Court of Auditor's preliminary observations on 19 June. The Board was informed that no changes were made to the draft final accounts submitted to the Board on 8 June.

The Director of Resources continued with a presentation of the preliminary observations from the Court of Auditors on the accounts and ECHA's initial replies thereto. The Court's opinion confirmed that the Agency's accounts are regular and legal in all material aspects, no reservations were made. The Court's observations, which did not call this positive opinion into question, concerned the level of budgetary carry-overs, the results of the physical inventory, the method of cost recording related to ICT projects, and recruitment processes.

The Co-Chair of the audit working group, Karel BLAHA, then presented the recommendation of the working group regarding the opinion of the Management Board on the final accounts. The group had met in the morning of the meeting day to finalise the draft opinion. The working group noted in particular in the draft opinion that the annual ceiling for carry-overs, as agreed in the Agency's work programme, had not been exceeded.

In the subsequent discussion, Board members requested clarifications concerning the ceiling and justification for carry-overs, here highlighting the alternative of multi-annual projects and referring to different budgetary systems being used in the Member States. The Executive Director replied to the questions raised.

The Board also agreed with ECHA's conclusion that its consent to decrease the 2012 carry-over rate would result in a lower execution rate of the 2012 budget.

The Board took note of the Agency's accounts for 2011 and the preliminary observations of the Court of Auditors thereon and adopted its opinion on the accounts. The Board's opinion and the final accounts will be forwarded by 1 July 2012 to the European Parliament, the Council, the Commission and the Court of Auditors.

5. First amending budget 2012 (MB/18/2012)

The Director of Resources presented the first amendment to the 2012 budget and establishment plan.

The amendments incorporated the subsidy amounts (€4.2 m) and staff (14 temporary agents) for the Biocides and PIC Regulations¹ and increased the Agency's reserve budget line with the balance of the 2011 outturn account (€14.5 m). The actualisation and increase of the reserve is based on Article 16(1) of ECHA's Financial Regulation, which states that the positive balance (surplus) shall be entered in the following year's budget as revenue.

The Board adopted the amendment to ECHA's 2012 budget and establishment plan.

¹ Prior Informed Consent on Export and Import of Hazardous Substances

6. Multi-annual Work Programme 2013-15 (MB/19/2012)

The Board received the final draft for the revised Multi-annual Work Programme (MAWP), taking into account the comments received in the context of a public consultation on the basis of the draft previously endorsed by the Management Board in March 2012.

The MAWP covers the Agency's planned activities for the coming three years. For the first time, the priorities of the MAWP are set by ECHA's four strategic aims: maximise the availability of high quality data; mobilise authorities to use data intelligently; address scientific challenges; and embrace current and new legislative tasks efficiently and effectively. These aims guide the Agency's work in setting priorities.

Comments received from the public mainly concerned downstream users, avoidable animal testing, alternative test methods, and the language used in public consultations. ECHA had also received comments from the European Parliament's Committee on Environment, Public Health and Food Safety (ENVI), which is the Committee responsible for ECHA within the Parliament. In their comments, the Committee addressed, *inter alia*, the 5% target for compliance checks, a higher dissemination target, the number of substances on the candidate list, and the allocation of staff to priority areas.

The Board held an extensive exchange of views, in particular on the issues raised by the ENVI Committee on the first strategic aim and the steps needed to improve the quality of registration dossiers.

A member appointed by the Commission to represent interested parties stressed that industry was committed to the goals of REACH and to the high quality of registration dossiers. However, many companies still faced difficulties and needed support to ensure proper implementation. Good quality registration dossiers should be seen as an investment for future developments.

Several Board members pointed out that targeted compliance checks were an important instrument to check and improve dossier quality. Enforcement and the cooperation of enforcement authorities with customs also played a crucial role. The ongoing "interlinks" project with the Forum was important to further improve the cooperation between Member State Competent Authorities and enforcement authorities. As the quality of registration dossiers concerned both ECHA and the Member States, they are required to work together to improve quality further. They stated that the quality of registration dossiers and the role of compliance checks would need further discussion and reflection at a future Board meeting, including the possible establishment of an *ad hoc* working group.

Board members also suggested some further improvements to the MAWP text, in response to the comments from the ENVI Committee.

Another topic discussed was the language of public consultations. One Member State representative proposed that ECHA could translate the draft MAWP into all EU languages for the next public consultation; this would better take the needs of stakeholders, especially small and medium-sized enterprises, into account.

The Executive Director welcomed the shared concerns on dossier quality and highlighted the actions taken and planned in the MAWP, in this regard. Referring to the new dossier evaluation strategy, he confirmed that ECHA was moving towards targeted compliance checks. This would also help to streamline the work of the Member State Committee as well as the Secretariat's workload. Regarding the creation of a potential *ad hoc* working group, the Executive Director proposed that consideration be given, in the first instance, to allocating discussion of the issue to the existing working group on planning and reporting, as this latter group was already involved with multi-annual planning and the Agency's strategic

goals. He welcomed in principle the suggestions for further improvements to the text of the MAWP, but asked the working group to refine these before adoption.

With regard to the language of public consultations, he explained that translations were not feasible in the different regulatory processes because of the tight legal deadlines. However, the translation of the draft MAWP before the public consultation could be considered for the next MAWP.

The Chair concluded that the strategic work planning to improve the quality of registration dossiers would require further discussion. The Board would return to the matter in September on the basis of a strategic paper that outlines the multi-annual approach.

After agreeing on some modifications², the Management Board adopted the Agency's Multi-annual Work Programme 2013-2015. The Board instructed the Executive Director to forward the adopted document to the Member States, the European Parliament, the Council and the Commission and to have it published on the ECHA website.

7. ECHA Financial Outlook for 2014-2020 and assessment of subsidy needs (MB/20/2012)

The Executive Director presented the financial outlook for ECHA under the upcoming EU multi-annual financial framework 2014-20 and the level of EU subsidy required. He explained that this maximum EU contribution for REACH and CLP activities was currently proposed by the Commission to be fixed at € 385 million over that period. Based on the assumptions, the needed balancing subsidy for REACH and CLP over the whole period would, however, be € 41.8m higher than that ceiling. He also presented an optimistic and pessimistic scenario showing the extremes between which the subsidy need would fluctuate. He concluded that a reduction in the foreseen total subsidy would lead to substantial problems for the Agency's long term ability to deliver on its mandate. Member State representatives on the Board were asked to convince their finance representatives taking part in the MFF debate in Council of ECHA's need for the full amount of subsidy put forward by the Commission.

The Executive Director then referred to the first review of the REACH Fee Regulation which is scheduled for the end of 2012. This would be an opportunity to introduce new or higher fees for Agency services which justify compensation based on the experience gained since 2007 and which would secure ECHA's financing. He listed four possibilities: fees or charges for inquiries; fees for registration dossier updates in response to compliance decisions; automatic annual adjustment of fee amounts in line with annual inflation; and lower SME rebates in line with other Union legislation, such as the Biocides Regulation.

In the subsequent discussion, several Board members supported the Secretariat's assessment that new categories of fees could to be introduced and that fees could be

² P. 20, Evaluation priorities: replace "Contribute through dossier evaluation to the improvement of the quality of registration dossiers, specified as compliance with information requirements" by "**ECHA proactively fulfils its role, alongside the MS authorities and industry, in ensuring compliance with information requirements. The Agency is fully committed to use compliance check and other measures in a most effective and efficient way to improve dossier quality**".

p. 21, first paragraph: addition of "**ECHA will further develop its strategic approach to evaluation**."

p. 22, third paragraph: By the end of 2013, ECHA plans to have conducted compliance checks on 5% of the **dossiers in the highest tonnage bands** registered for the 2010 deadline. In years 2014-2015 ECHA will start checking the dossiers submitted for the 2013 deadline but it will also continue compliance checks of the dossiers **submitted for the first deadline**.

p. 23, fifth paragraph: When considering changes in the processes or the criteria, ECHA will ensure that the consequences of these changes on industry **as well as health and environment** are taken into account **within the scope of the legislation**.

p. 54, first paragraph, addition: **ECHA is committed to the requirement to reduce its statutory staff by 1 % a year, during the three years of this MAWP**.

adjusted with inflation. Some board members expressed opposition to lower SME rebates. In their view, messages to Council would need to be passed at a higher level.

A Commission representative drew attention to the uncertainties related to the multi-annual financial planning and the financial outlook of the EU, while raising some doubt on the ability to find support for new or higher fees.

The Chair concluded that there was considerable support for higher or new fees among Board members and asked the Executive Director to continue updating future financial scenarios based on the most recent data and estimates available, and to inform the Board accordingly.

8. Revision of the Decision on administrative charges under the Fee Regulation (MB/21/2012)

The floor was given to the Director of Resources to present the agenda item, which followed a basic decision taken at the previous meeting to start preparations for a systematic verification of the company size of all registrants claiming fee reductions applicable to small and medium-sized companies (SMEs). The Director of Resources explained that ECHA had made efforts to raise awareness among industry and had already observed a reduction in the rate of non-compliance. To this end, a proposal was submitted to the Board to amend Management Board Decision MB/29/2010 final and the scale of administrative charges therein. According to the proposal, companies that correct an error in relation to the company status directly after being contacted by ECHA would be required to pay only half of the administrative charge.

Board members proposed some modifications to make the draft decision more specific as regards deadlines and conditions. Furthermore, the present scale of administrative charges was proposed to be modified slightly downwards in accordance with revised workload assumptions.

Subject to a favourable opinion by the Commission and with the indicated modifications, the Board adopted the proposed decision revising the Decision MB/29/2010 final of 12 November 2010 with minor amendments³. The Board authorised the Chairman to formalise the Decision upon receipt of a favourable opinion of the Commission.

9. Revision of the Decision on the transfer of fees to Member States (MB/22/2012)

The Chair of the working group on the transfer of fees, Nina CROMNIER, presented a proposal revising the Decision MB/65/2010 final. The revision concerned the transfer of fees to Member States for work related to substance evaluation and for rapporteurs' work on restrictions or applications for authorisation. According to the current decision, the Management Board should review the scale of payments by 31 March 2013 at the latest. On the request of some members, the Board agreed in December 2011 to review the scale prior to this date.

The working group had met in March and May 2012 to finalise the update. In order to prepare for the revision, the ECHA Secretariat had gathered information on the salary levels of scientific staff in Member State Competent Authorities.

³ Article 4 a) of the draft decision was amended as follows: "the company concerned communicates the correct size category applicable **to the Agency by a set deadline** ~~without undue delay~~ upon receipt of ECHA's request to demonstrate their entitlement to the fee reduction; Article 4 a) was equipped with an additional new table on the scale of charged revising the amounts of the existing decision: "**the scale of charges as contained in the first table of the annex to the Decision is revised as follows:** large (non-SME) companies 19,900; medium companies 13,900; small companies 7,960".

Ms CROMNIER explained that taking into account the incompleteness of the feedback from the Member States on experts' salaries, the current system should be maintained, *grosso modo*, but the differences in payments between the Member States could be reduced by increasing the weight of the price level index from 25% to 50%. Some other minor modifications concerning the calculation of payments were introduced: a new ECHA man-day rate of 617 euro as a base for the payments; a new number of man-days for the rapporteurs' work; the possibility for a pre-payment for substance evaluation; payments in Euros always; and a new ceiling for the total amount of the transfers in proportion to the fee revenue of ECHA.

Board members thanked the working group and expressed their support for the proposal. Some Member State representatives asked for clarifications concerning the new number of man-days for rapporteur work on restrictions, the results of the salary collection from the Member States, and the timetable to review the number of man-days needed for substance evaluation.

Ms CROMNIER specified that the salary information received from Member States was neither complete, nor comparable and reliable enough for the system to be based on it. The current man-day rate was reduced based upon up-to-date calculations of ECHA's average staff cost.

Concerning the reimbursement of rapporteurs for restrictions, the Executive Director stated that it should not be a surprise that the work on the first restriction dossiers took more time for rapporteurs, as it did for ECHA, and that therefore efficiency improvements in the restriction process were now being discussed. The number of days needed for substance evaluation by Member States and ECHA could also be expected to be higher than normal in the first learning year. In the next review, foreseen for 2014, the number of days should be based upon the second year of substance evaluations, to avoid a similar learning bias.

The Management Board adopted by a majority vote a revised Decision on the financial arrangements for the transfer of a proportion of fees to the Member States, subject to a favourable opinion from the Commission. One member attending on behalf of a Member State representative expressed a reserve. The Board authorised the Chairman to formalise the Decision upon receipt of a favourable opinion from the Commission.

10. Implementation of ECHA's policy on managing (potential) conflicts of interest (MB/23/2012)

The Board heard from the Executive Director on the progress made in implementing the policy on conflict of interest – adopted in September 2011 - which included nomination of the external member for the Ethical Committee and adoption of an internal work instruction for preventing conflicts of interest. As announced at the last meeting, the Executive Director also proposed the revision of the eligibility criteria for members of ECHA's Committees, Forum, Management Board, Board of Appeal as well as the Executive Director.

Board members asked for further clarifications concerning the definition of interest groups; the impact of proposed criteria for memberships; conflict of interest management among ECHA staff; and the assessment of nominations for ECHA's bodies. A Commission representative asked to postpone this decision until the Court of Auditors' special report on conflicts of interest management in EU agencies was available.

The Executive Director replied that Member State authorities would still be responsible for Management Board nominations, for example: this is foreseen in the legislation and cannot be modified by the Management Board. ECHA would, however, send corresponding guidelines to the Member States. The Chairs for the RAC and SEAC would follow this issue closely and report if the policy had an impact upon their ability to find good candidates for their Committees. He noted that Committee members had always had the possibility to abstain from voting in case of a conflict of interest.

The Chair concluded that the eligibility criteria for members of ECHA's bodies, and of the Board of Appeal, as well as for the Executive Director, would be dealt with in the Board's September meeting. This would allow the Board to take into account the special report of Court of Auditors on conflicts of interest.

11. Appointment of Committee members (MB/24/2012)

The Management Board renewed the following Committee memberships, which were to take effect from 17 December 2012:

- Mr José Luis TADEO for the Committee for Risk Assessment
- Ms Liliana Luminita TIRCHILA for the Committee for Socio-Economic Analysis.

12. Amendment to the Standard Security Requirements for Member State access to REACH-IT and IUCLID database (MB/25/2012)

A proposal for revised Standard Security Requirements for Member State access to REACH-IT and IUCLID database were introduced by the Director of Information Systems. These changes had been agreed by the Security Officers' Network in May 2012. The Director referred to the need for Member State Competent Authorities (MSCAs) to have better access to information contained in ECHA's databases.

A Board member requested to be informed whether Member States could also receive access to other IT tools developed by ECHA to screen the databases. Other questions concerned the process of signing the declaration of commitment and the need to work with two different security solutions.

The Director of Information Systems clarified that a letter to MSCA Directors would be sent out soon after the Board meeting, informing them about the new security requirements and the consequences for MSCAs. Concerning screening and search functionalities, it was explained that the tools developed by ECHA were usually not designed for end users' needs. The Director also mentioned an ongoing data integration project to improve the search facilities at a later stage. With the new security solution, a remote access to IUCLID could be provided with a security token, while REACH-IT access would continue on the basis of cryptoboxes. At a later stage, cryptoboxes could be removed.

The Management Board approved the revised Standard Security Requirements as proposed to the meeting. It was agreed that MSCA and mandated national authorities should formally acknowledge the receipt of the revised requirements.

13. Report from the Executive Director (MB/26/2012)

The Board received a report from the Executive Director on the activities of ECHA since the last Board meeting. It was noted that ECHA is on schedule to meet the targets of the 2012 Work Programme. Board members thanked the Executive Director for the report and the Agency's achievements.

The subsequent discussion focused on the reporting on compliance checks, completeness checks, and missing chemical safety reports, as well as risk management measures.

The Director of Evaluation clarified that more detailed information about compliance checks could be found in the annual evaluation report according to Article 54. The Director of

Registration explained the limits of the technical completeness check tool and mentioned that the number of dossiers with missing chemical safety reports was very low.

The Board took note of the report.

14. ECHA Review Study – Article 75(2) of the REACH Regulation (MB/27/2012)

The Executive Director introduced the final report on the ECHA Review Study pursuant to Article 75(2) of the REACH Regulation and the Secretariat's preliminary response to the main recommendations therein.

The final report, which covered the period June 2007 to December 2010, had been submitted to the Board on 30 March and published shortly afterwards. Its main conclusions stated that the Agency performed well in most of its work areas. Main recommendations for improvement concerned: transparency; capturing the lessons learned from ECHA's start-up period; efficiency; stakeholder management; and the sharing of information. The Executive Director reported that ECHA agreed with the main recommendations and presented the Agency's response to them, outlining actions already undertaken or ongoing.

Board members warmly congratulated ECHA for the recognition of its achievements in the start-up phase. They agreed that the recommendations should be systematically followed up by the Agency. ECHA was encouraged to publish its feedback on the report.

The Board discussed ECHA's perception of transparency and encouraged it to engage further with stakeholders. This should be a joint activity with the Member States, as SMEs and downstream users should, in particular, be addressed on the national or regional level. Communication in national languages was considered a crucial element in this. One further question concerned the Commission's role in ECHA's operations.

A Commission representative stated that the scope of the study did not cover the relations between the Commission and the Agency and referred to ECHA's legal basis defining its independent role. He congratulated ECHA for the recognition by its stakeholders and informed the Board that a Commission communication on the review of REACH as such would follow in the autumn.

The Board took note of the information provided.

15. Report from the Chair of the Board of Appeal (MB/28/2012)

The Chair of the Board of Appeal, Mercedes ORTUÑO, delivered an update on recent developments, including current appeals, capacity building and resource needs. The limited number of appeals received to date had dealt mainly with issues related to registration and dossier evaluation. The unpredictable workload was one of the main future challenges.

In an exchange of views, Board members showed interest in the Board of Appeal's work processes, the publication of its decisions, and the prediction of its future workload.

A Board member who participates in the working group on Board of Appeal matters clarified that the year 2012 would also be an appropriate moment to revisit the original assumptions made when defining the Board of Appeal's current permanent structure. A first discussion on this is foreseen for the December 2012 Management Board meeting. The member also inquired about the Board of Appeal's satisfaction with the support provided by the Secretariat for capacity building purposes. Other Board members were interested in the way the Board predicts its workload and the lessons ECHA was learning from rectifications.

Ms ORTUÑO provided clarification on the parameters used for calculating the estimate for future workloads and referred to the high degree of uncertainty in this. The Board of Appeal was expecting around 20 appeals per year in the future.

The technically qualified member, Andrew FASEY, added that in order to stay independent, a good balance was needed concerning the Board of Appeal's interaction with ECHA staff and information exchange on ECHA's internal procedures. He expressed, in particular, the view that the Secretariat could still increase training activities and information provision to the Board of Appeal to facilitate capacity building.

In reply to the comments made on the support from the Secretariat to the Board of Appeal, the Executive Director confirmed that a number of training sessions are provided to the Board of Appeal and that joint work was ongoing to improve cooperation within the given framework. He also clarified that ECHA systematically verifies the implications of rectifications for other decisions before concluding.

The Board took note of the information provided.

16. Decision on remuneration of alternate / additional Board of Appeal members (MB/29/2012)

The Registrar of the Board of Appeal introduced the agenda item, which followed a discussion at the March 2012 Board meeting. She proposed that alternate and additional Board of Appeal members (AAMs) should be paid for attendance at the annual meeting of the Board of Appeal, which is unrelated to specific pending appeals (€ 300 per diem). According to the conclusions of the Management Board from March, the structure of this meeting had been modified to be more interactive, in order to consider such a payment.

A Commission representative reminded the Board that there was no clear legal framework for the remuneration. Other members briefly discussed the active participation and the level of reporting on the meetings as a precondition for remuneration. It was also suggested that one modification on the reporting from the annual meeting be included in the decision.

With one modification⁴, the Management Board adopted the amending decision on remuneration of the AAMs.

17. Report from Management Board subgroups - Working Group on audit, including presentation of the annual audit reports from IAC/IAS (MB/30/2012)

The Board received reports from its subgroups on audit matters and on dissemination.

Audit

The Board took note of the annual audit reports of the Commission's Internal Audit Service and the ECHA Internal Audit Capability. The Co-Chair of the working group on audit, Mr Karel BLAHA, presented the group's findings to the Board, and expressed the appreciation of the working group regarding the audit work undertaken so far this year.

Dissemination

⁴ Article 2.2. of the Decision was amended as follows: "In order to qualify for payment, alternate and additional members shall submit a request for payment to ECHA. The request shall include an individual report setting out the main individual **input and** conclusions of the member."

The Chair of the advisory group on dissemination, Mr Antonello LAPALORCIA provided feedback from the group's last meeting on 16 May and ongoing issues. The main topics were dissemination of information from authorisation applications; a stakeholder engagement study to improve the dissemination portal; and publication of the identity of notifiers to the Classification and Labelling inventory. He mentioned that ECHA will in future publish non-confidential versions of operational decisions. He also informed the Board of ongoing written consultations.

18. Stakeholder and case-owner participation in the authorisation process (MB/31/2012)

The Director of Regulatory Affairs introduced ECHA's proposed approach to the participation of stakeholder organisations and case-owners in the authorisation process. The general principle proposed was that stakeholder observers should, over time, be able to witness opinion-making deliberations of the Committees. However, due to uncertainty surrounding the importance of confidential business in genuine cases, it was proposed that their access be postponed by 18 months. Case-owners should be excluded from Committees' plenary meetings for logistical and independence reasons. However, before starting the opinion-making process in the committees, ECHA would organise a hearing with case-owners, stakeholder observers and third parties who expressed a strong interest during public consultation.

In the subsequent discussion, several Board members supported ECHA's proposed approach but did not see the need for a temporary exclusion of stakeholder observers. The need to find the right balance between transparency and confidentiality was nevertheless highlighted by Member State representatives.

The three members appointed by the Commission to represent interested parties stressed that transparent decision-making should be an overall goal for ECHA and the presence of stakeholder observers in the opinion-making on applications for authorisation of substances of very high concern was essential for the credibility of this important process. As a starting point, information should not be confidential and the number of closed sessions in the Committees should be very limited. The importance of confidential business information should not be overestimated.

The importance of stakeholder participation was also pointed out by a Commission representative. However, it was also stressed that a high degree of protection for confidential information must be guaranteed.

The Executive Director thanked the Board for the feedback and pointed out that further discussion with stakeholders and Committees was needed to proceed with the matter in order to find the right balance between transparency and the protection of confidentiality.

The Board took note of the information provided.

19. Additional items for information (A(2012)2629), (MB/WP/02/2012)

The Board was informed about the positive outcome of the discharge procedure for 2010 and the outcome of the written procedure MB/WP/02/2012 appointing a member for the Committee for Risk Assessment.

20. Any other business

- *Written procedure for amending the Rules of Procedure of the MSC*

It was announced that the Secretariat would launch a written procedure to amend the Rules of Procedure of the Member State Committee.

- *Annual appraisal ED/BoA*

The Chair informed the Board of the conclusion of the annual appraisal exercise for the Executive Director and the members of the Board of Appeal.

- *Update from the Forum*

The Chair of the Forum, Szilvia DEIM, informed the Board of the outcome of the Forum meeting, which took place on 19-20 June.

- *Procedure for selecting a Chair of the Management Board*

The Board was informed that the election of a new Chair for the Board would take place at the next Board meeting in September. The new Chair would start on 1 October 2012 for a term of two years. An election note would be sent to the Board members before the September meeting, informing them of the procedure and inviting candidatures.

- *Budget 2013*

The Board received a copy of a note prepared for the Council and Parliament on the 2013 budget.

- *Review of Management Board working methods*

A workshop on the review of the Board's working methods was foreseen to take place back-to-back with the September Board meeting. A survey would be sent out to Board members during the summer and its results would be available at the workshop.

- *Written consultation on the Work Programme 2013*

A written consultation on the Work Programme 2013 would start after the Board meeting, with a deadline for comments by mid-August.

- *Confidential staff matter*

The Management Board members were briefed *in camera* on a staff matter falling under its responsibility.

- *2nd MSCA Directors meeting*

A planning meeting for MSCA Directors would be held on 8 November 2012 at ECHA.

21. Next meeting and closure

The Chair concluded the meeting by thanking the participants for a highly productive meeting, and the ECHA Secretariat for the good preparations.

The Chair reminded members that the next meeting of the Management Board would be held in Bucharest on **27-28 September 2012**. Mr Cosmin TEODORU welcomed the Board to Romania and thanked them for the opportunity to organise the meeting in Bucharest.

III. Decisions taken / Conclusions reached by the Management Board

The Management Board:

- adopted the agenda for its 26th meeting as contained in MB/A/02/2012.
- approved the minutes of its 25th meeting (MB/M/01/2012).
- adopted its opinion on the Agency's accounts for 2011. The Board's opinion and the final accounts will be forwarded by 1 July 2012 to the European Parliament, the Council, the Commission and the Court of Auditors.
- adopted the first amendment to ECHA's 2012 budget and establishment plan (MB/18/2012).
- adopted the Agency's Multi-annual Work Programme 2013-2015 (MB/19/2012), subject to changes indicated in these minutes.
- adopted a decision revising the Decision MB/29/2010 final of 12 November 2010, as contained in annex to document MB/21/2012, subject to the modification indicated in these minutes and to a favourable opinion from the Commission. The Chairman was authorised to formalise the Decision upon receipt of a favourable opinion from the Commission.
- adopted a Decision revising the Decision MB/65/2010 final on the financial arrangements for the transfer of a proportion of fees to the Member States as contained in annex document MB/22/2012, subject to a favourable opinion from the Commission. The Board authorised the Chairman to formalise the Decision upon receipt of a favourable opinion from the Commission.
- renewed the following Committee memberships to take effect from 17 December 2012:
 - Mr José Luis TADEO for the Committee for Risk Assessment
 - Ms Liliana Luminita TIRCHILA for the Committee for Socio-Economic Analysis
- approved revised Standard Security Requirements for Member State access to REACH-IT and IUCLID database as contained in annex to document MB/25/2012.
- adopted a decision on the remuneration of the alternate / additional members of the Board of Appeal as contained in annex to document MB/29/2012.

List of agreed follow-up actions

- N/A

IV. List of Attendees

Representatives of the Member States

Karel BLAHA (CZ)
Nina CROMNIER (SE) also acting as proxy of Ms KIVELÄ
Paulo Guilherme DA SILVA LEMOS (PT)
Arwyn DAVIES (UK)
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Sari HAUKKA	(Registrar, Board of Appeal) for agenda items 15 and 16
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Carl WESTERBERG	(Accounting Officer) for agenda items 4,5,7,8 and 9