

PRELIMINARY CONCLUSIONS

**32ND MANAGEMENT BOARD MEETING
17-18 DECEMBER 2013, HELSINKI**

1. Report from the Executive Director

The Management Board welcomed the quarterly report of the Executive Director on the Agency's activities since the last Board meeting, including the latest status of the 5% end-of-year target of compliance checks concluded. The report covered also SME specific matters, as for example the dedicated ECHA web section, the verification policy of company size, or the survey addressed to SME successful registrants or a REACH workshop on Brussels, dedicated to SMEs, on 10/11 December 2013.

The Board members congratulated the Agency for the comprehensive report and achievements.

2. Final amending and budget transfers 2013

The Management Board adopted the final amending budget for 2013, which results in a net decrease by € 10.3m for REACH/CLP to be added to the REACH reserve while the budget total for BPR and PIC remained unaltered. The Board was also informed of the latest budget transfers carried out under the responsibility of the Executive Director.

The Executive Director was instructed to notify this decision to the Budgetary Authority, the Court of Auditors and the European Commission and have the amended budget published on the Agency's web page and the Official Journal of the European Union.

3. Budget and Establishment Plan for 2014

The Management Board adopted the final budget for 2014, including the staff establishment plan.

The Executive Director was instructed to notify this decision to the Budgetary Authority, the Court of Auditors and the European Commission and have the amended budget published on the Agency's web page and the Official Journal of the European Union.

The final budget has been adopted in line with the conclusions of the budgetary authority of the European Union in terms of staffing and financial subsidy for ECHA. This involves that ECHA's REACH and CLP establishment posts will reduce by over 2% in 2014 compared to 2013. For ECHA's start-up activities in the area of Biocides and PIC activities an increase by one post was approved for each area.

Additional funding for REACH and CLP of €1.2 million to cover the cost of the European School in Helsinki was not approved by the Budgetary Authority.

The Board acknowledged that despite of the concerns expressed by the ECHA Secretariat in the past, the Agency anticipates that it will be able to execute the work programme for 2014 also with fewer personnel, trusting in measures taken to achieve a higher execution of the establishment plan and a slight increase of contract agent posts.

The budget total of ECHA for 2014 amounts to €118.6 million.

4. Update of the annexes of the Work Programme 2014

The Management Board adopted updated annexes to the Work Programme for 2014. These updates were in particular necessary to align the financial and staff figures indicated in the Work Programme with the final budget and establishment plan. The Work Programme for 2014 was initially adopted in September 2013, in line with the requirements of the REACH Regulation. The Executive Director will forward the Work Programme, as amended, to the Member States, the European Parliament, the Council and the European Commission and to have it published.

The Management Board took note of a correction to one of the annexes (Annex 3). A Commission representative remarked on this that the indicated numbers for non-establishment plan posts for Biocides would exceed the Commission's internal figures. As this may lead to complications with horizontal Commission services, it requires monitoring and reporting during the year. Furthermore, it was clarified that this annex is not directly comparable with the corresponding annex of the 2013 work programme because of a change in conventions for allocating staff to the different activities. This change was intended to better reflect the factual situation. Specifically, for evaluation, the resources in terms of scientific staff will not be decreased.

5. Key figures for the budget estimate 2015 and the multi-annual plan 2015-17

The Management Board took note of the preliminary key figures for the 2015 budget estimate and multi-annual staff planning 2015-17. These key figures will be the basis for preparing the preliminary draft budget 2015 and the draft multi-annual staff policy plan 2015-17 that will need to be submitted to the Commission by 31 January 2014. The Management Board will adopt the final budget proposal for 2015 as well as the final multi-annual staff policy plan in its meeting of March 2015.

The staff figures indicated in this outline of the future resource planning assumes a decline of 1% per year until 2017 for REACH and CLP. An exchange of views took place if ECHA should, for risk mitigation purposes; foresee a 2% reduction or more per year taking into account that such higher reductions were proposed by the Commission. At the same time, it was noted that the budgetary authority had agreed to a 2% reduction for ECHA only for 2014, not for the subsequent years. Moreover, the institutions have decided to establish an new inter-institutional working group on agency resources which will look into each agency's needs and may conclude on a different long term planning than currently foreseen by the Commission.

The Executive Director confirmed that ECHA will be working with two scenarios and thus be prepared to handle higher staff reductions than outlined in the presented documents. However, ECHA should under no circumstances be treated differently than other agencies by applying a higher than 2% annual staff cut. If new tasks are assigned to the Agency, additional new posts should also be considered. A special

challenge constitutes the considerable enlargement of the legal scope of the Biocidal Product Regulation from 1 January 2017 which will involve a higher workload for ECHA and for which the Commission has in the longer term (MFF) planning no longer foreseen extra posts.

The Management Board agreed that ECHA should not be treated worse than other mature agencies by applying a higher than 2% annual staff cut or not granting extra posts when new tasks are assigned.

6. Financial Regulation

6.1 Revision of the Agency's Financial Regulation

The Management Board decided to enter into a written procedure starting from mid-January 2014 on the adoption of a new Financial Regulation for the Agency.

ECHA has to adopt its Financial Regulation on the basis of a Commission Framework Financial Regulation for decentralised agencies and may not depart from the Commission text without prior consent of the Commission. After a revision of the General EU Financial Regulation in 2013, the Commission had adopted a new Framework Financial Regulation for decentralised agencies and asked the agencies to implement these rules from 1 January 2014.

Following discussions in earlier Management Board meetings, ECHA had requested several derogations and asked the Commission to provide a response by 3 December, in time for the Management Board meeting. The Commission's reply arrived, however, only on 18 December and a final text could not be prepared for adoption in the meeting. It was agreed that the new Financial Regulation should be adopted by written procedure to be launched by mid-January. Until the new Financial Regulation is adopted the existing ECHA Financial Regulation will continue to apply.

6.2 Adaptation of the Charter of the Internal Audit Capability

The Management Board approved a revised Charter of its Internal Audit Capability (IAC). The Management Board Working group on Audit had discussed the modifications stemming from the upcoming new Financial Regulation in its meeting 16 December 2013 and recommended it to the Board for approval. The final charter will enter into application once the new ECHA Financial Regulation is in place. It will be published.

7. Audit issues

7.1 Update of the IAS multi-annual strategic audit plan for ECHA

The Board endorsed the audit strategy established by the Internal Audit Service (IAS) for the period 2014-2016 with regard to ECHA.

7.2 Report from the Working Group audit

The Chair of the working group reported on audit matters from the meeting which took place on 16 December. The report included information on completed internal and external audits and the resulting action plans of the Secretariat.

8. Integrated Management standards

The Management Board adopted new Integrated Management Standards, replacing the previous "Quality and Internal Control Standards".

9. Prolongation of the mandates of some alternate and additional members of the Board of Appeal – in camera

The Board agreed to prolong the mandate of certain alternate and additional members of the Board of Appeal, subject to the compliance of these members with the final ECHA eligibility criteria established in September 2012.

The working group on the Board of Appeal will together with the Management Board Chair and Secretariat verify that the eligibility criteria are met before effectuating any prolongation decision.

The working group on the Board of Appeal used the occasion to give an update on its activities. A comprehensive report will be given in June, in connection with the annual report from the Chairman of the Board of Appeal.

10. Appointment of the Committees' members

The Board members appointed ten new nominees for RAC and SEAC and renewed the 3-years term of eighteen RAC and SEAC members, which have been nominated by their Member States according to the process agreed at the last Board meeting.

The Board received also a report from the meeting with MSCA Directors in ECHA on 20 November where the functioning of the Committees and the resources in Member States were discussed. Several Member States had expressed severe resource constraints in this meeting and called for efforts to seek efficiencies in the Committee processes.

11. Implementing Rules for the EU Staff Regulations

The Management Board adopted by analogy a first cluster of seven new Commission Staff Regulation Implementing Rules, with application as of 1 January 2014, as indicated in the meeting documentation and instructed the Executive Director to inform the European Commission about the immediate application new Implementing Rules.

12. Revision of the Consultation procedure for Guidance

With one modification concerning operation of Partner Expert Groups for Guidance Development, the Management Board members endorsed a revised Guidance consultation procedure, which will now also apply for guidance under the BPR and PIC Regulations. The procedure will be published.

13. Composition of the Management Board Working Groups

The Board members took note of the composition of its working groups and designated Ms Catherine MIR (FR) as future member of the Quality Steering Committee.

14. Readiness of the operation of the PIC Regulation

The Management Board took note of the state of play of ECHA's preparations for new tasks under the EU Prior Informed Consent Regulation starting from March 2014.

The efficient and smooth preparatory work to date was welcomed by the Board, in particular by a Commission representative who highlighted also the role of the Commission's Joint Research Centre.

A briefing session on ECHA's tasks under the PIC Regulation will be arranged by the ECHA Secretariat during one of the upcoming Management Board meetings.

15. Update of the work plan on nano-materials

The Secretariat presented the updated work plan on nano-materials describing the nano-related activities ECHA aims to undertake for the period 2014-2015 as well as the past activities over 2012-2013, including the resources deployed. Some of the activities and resources indicated depended on the potential revision of the REACH annexes by the Commission.

Management Board members welcomed the plan and highlighted that ECHA gained an excellent reputation in the field of nano-materials in the past years through its proactive engagement. At the same time, some Board members expressed concerns in relation to limitations imposed by the current legislative framework. The Board and the Executive Director were of the opinion that the presently available information on nanomaterials is insufficient to adequately judge their potential impact; an improvement of this situation is needed with respect to the aim to protect human health and environment.

16. Outcome of the written procedure

The Board took note of the outcome report of the last written procedure on budget transfers for the BPR and PIC regulation, concluded in November.

17. Any other business

Update on the revision of the Biocidal Products Regulation

The Executive Director reported on the outcome of the revision of the BPR Regulation thanking in particular for the support from the European Parliament in the course of the procedure for issues flagged by ECHA in the course of the regular dialogue with the European Parliament. In particular the rapporteur and Chairman of the Committee, Mr Groote, has again confirmed that the Parliament is in conscious of the need of providing an operating framework for agencies which allows them to focus on delivering their mandates.

Report from the MSCA Directors' planning meeting 2013

The Chair informed that the annual meeting with MSCA directors was organised on 20 November 2013. A summary report from the meeting will be shortly available.

Future work of the Directors Contact Group

The Secretariat informed of the draft planning for the future work of the Directors Contact Group which was agreed on technical level on 12 December and will be confirmed in January by the DCG. ECHA will take over the secretariat of the DCG from DG Environment and its main focus will be on support to SMEs.

Outcome of the survey on a new online cooperation tool

The Secretariat referred to the outcome of the survey on an alternative online collaboration tool, replacing the Commission's CIRCA system for sharing information for the Management Board and other ECHA meetings. It was confirmed that a decision will be taken in January whether or not the Agency will continue the use the tool after the current pilot project.

Next external meeting of the Management Board

The Chair informed that an external meeting of the Board is scheduled to take place on 16/17 December 2014 in Rome, on invitation of the Italian authorities under the Italian EU Presidency in the 2nd half of 2014.

Next meeting

The next meeting of the Management Board will take place on 19/20 March 2014, in Helsinki.
