

PRELIMINARY CONCLUSIONS

33RD MANAGEMENT BOARD MEETING
19-20 MARCH 2014, HELSINKI

1. Report from the Executive Director

The Management Board heard the quarterly report on the Agency's activities since the last Board meeting and welcomed the achievements.

2. Preliminary Draft Budget proposal, including an outline work programme and Establishment Plan for 2015

The Board adopted a preliminary draft budget proposal and an outline of a work programme which will be forwarded to the Commission as ECHA's resource request for the annual EU budget process. The Commission will take this proposal into account when formulating its own Draft Budget for the European Union for 2015. A decision on the budget, including the staffing, will be taken by the Council and the European Parliament in the last quarter of the year. A final work programme will be adopted by the Board in September, following a written consultation over the summer.

For **REACH and CLP** the budget is expected to decrease by 5.1% to ca. EUR 102.6 million. For the first time since 2010 an EU subsidy is requested (ca. EUR 10 million) since the REACH reserve is expected to be consumed. The number of posts will decrease from 441 to 437.

For **BIOCIDES** (start-up activity) the budget is expected to increase by 13.2% to ca. EUR 10.6 million (ca. EUR 5.9 million EU subsidy). The number of staff will remain stable at 48 posts.

For **PIC** (start-up activity) the budget is expected to decrease by 4.1% to ca. EUR 1.2 million. The number of staff will remain stable at 6 posts.

As regards staffing levels, the Secretariat proposed a reduction of 1% in 2015 in ECHA's cruising speed part (REACH/CLP), following on 3.3% since 2012. The Commission representatives confirmed that they are not in the position to agree to less than another 2.2 % reduction in 2015. The Commission had made this position known in its 2013 Commission Communication on the resources in agencies.

The Executive Director clarified that the Agency will present to the Management Board at the end of the year a final budget proposal, which will be fully in line with the decision of the Council and the Parliament on the 2015 EU budget. At this stage, he advised however an Agency request based on the identified needs, which is in line with the established view of the Agencies' network and reflected in the European Parliament's guidelines for the 2015 budget. At the same time, the Executive Director confirmed that ECHA is developing a Plan B to cope with higher cuts in establishment plan posts.

The Board's Working Group on Planning and reporting recommended the approval and reported on a discussion related to objectives and priority setting and improved links between the budget planning and the annual and multi-annual work programmes.

After a discussion, the Board adopted the proposals with the following modifications:

- The EU subsidy request for Biocides and PIC activities was slightly downsized because of reasons related to the financing of the European School.
- References to the DCG will be deleted from the outline of the work programme. Other comments on the outline of the work programme can be taken into account during the formulation of the final work programme later in the year.

The Commission and one Member State representative did not support the decision and requested further going reductions in the staffing request. A Commission representative filed also a reserve as regards to the amount of expected fee income as indicated in the budget proposal for ECHA's Biocides activity. The Executive Director was instructed to forward the documents as adopted to the European Commission.

3. Multi-annual Staff Policy Plan 2015-17

The Management Board adopted the annual update of the Multi-Annual Staff policy (MSPP) plan established according to ECHA's Financial Regulation. This planning document is submitted to the Commission and the EU Institutions for information purposes and in order to put the annual budget request into a longer term perspective.

Similarly to the draft budget request, the draft MSPP foresaw a reduction of 1% per in the REACH/CLP area, whilst the 2013 Commission Communication asked for reductions of over 2% per year. However, a proposal was presented to the Board as a potential solution in case higher reductions will eventually materialise.

For **REACH and CLP** the establishment posts are foreseen to decline from 441 in 2014 to 433 in 2017 (this corresponds to a reduction of 5% since 2012).

For **BIOCIDES** (start-up activity) the posts are foreseen to increase from 48 in 2014 to 50 in 2017. The Financial Legislative Statement of the Commission for the BPR Regulation foresaw 60 posts in 2017.

For **PIC** the posts remain stable at 6. The maximum number of ECHA contract agents is foreseen to increase from 113 to 121.

After an exchange of views, the Management Board agreed to staff reductions of 1% per year until 2017 in the planning. The Commission representatives objected to the decision as far as staff reductions are below those in the Commission Communication of 2013. The Board also agreed to some revisions in the MSPP text in order to emphasise that ECHA is since 2012 systematically reducing staff, has engaged in a structured development of further efficiencies and will eventually act in full compliance with the decision of the EU budgetary authority. At the same time, it was highlighted that the staff reductions demanded by the Commission cannot be achieved only by efficiencies and would eventually require the setting of negative priorities.

The Board's Working Group on Planning and Reporting will continue to look with the Secretariat into approaches for efficiency developments and prepare for the potential need to set negative priorities.

Apart from this, the Board agreed to delete two staff positions in the highest grades in 2016 and to consider the establishment plan evolution in 2016/17 as provisional and subject to a further verification against the requirements of the EU Staff Regulation in terms of promotion possibilities in the next MSPP.

On this basis, and with the above mentioned reserves of the European Commission representatives, the Management Board adopted the Multi-Annual Staff Policy Plan 2015-2017. The Executive Director was instructed to submit the document to the European Commission and the Budgetary Authority.

4. General Report 2013

The Board took note of the General Report 2013, presenting the main achievements, priorities and outputs set out in the Work Programme. The Agency achieved to a high extent the objectives as measured by indicators, the priorities and outputs set out in the Work Programme 2013. The Executive Director also explained why certain planned achievements or indicators were not delivered and reported on the survey results.

Unanimously, the Management Board appreciated the clear and comprehensive report and made few suggestions to be considered for future reports.

The Board then adopted the General Report 2013 with minor modifications and instructed the Executive Director to submit the document to the Member States and EU Institutions.

5. Analysis and Assessment of the Annual Activity Report ('Authorising Officer's report') 2013

The Management Board took note of the Executive Director's Annual Activity Report for 2013 on the performance of his duties as authorising and appointing authority of the Agency. The Board members welcomed the results presented in the Annual Activity Report as well as the high performance level achieved with regard to discharging the tasks under the REACH and CLP Regulations.

Based on a draft prepared by the Board's Working Group on Planning and Reporting, the Board adopted its analysis and assessment of the Annual Activity Report. Some modifications to the well appreciated draft were agreed and the Executive Director was instructed to send this document to the Budgetary Authorities and the Court of Auditors, the European Parliament and the Council by 15 June 2014 and to include it into the General Report for 2013.

6. Multi-annual IT planning for IT systems 2014-2016

Due to time constraints, the Management Board decided to postpone the discussion on this topic to the next meeting.

7. Review of the policy for managing potential conflicts of interest

The Management Board adopted a revised policy for Prevention and Management of potential Conflicts of Interest, which will be issued as a public procedure. At the same time the Management Board replaced the Annex of its own Rules of Procedure with the revised Declaration of Interest template and approved that the Annex to the relevant Rules of Procedure of the other ECHA bodies can be aligned with the revised Declaration of Interest template.

With this decision, the Board finalised a review of the policy for managing potential conflicts of interest, adopted in September 2011. This review took stock of the experience gained, audit recommendation from the Court of Auditors and an external

audit and structured the procedure in general more clearly. The approach of ECHA towards managing potential conflict of interests was not modified.

Following the adoption, the Executive Director informed of the foreseen next steps on the issue of potential conflicts of interests of Committee members vis-à-vis nominating Member States and concurrent employment. This was followed by an exchange of views. The Board took note of the explanations and of the comments and concerns from members. It was noted that both RAC and SEAC Committees will be consulted on the matter and the Management Board will be kept duly informed of this matter.

8. Annual report of the Conflicts of Interest Advisory Committee

The Management Board heard the annual report of the Chair of the Conflicts of Interest Advisory Committee (COIAC) which will be published.

9. Access to the PIC IT system for Designated National Authorities and Customs authorities

The Management Board endorsed the proposed approach for providing access to the ECHA ePIC IT system for Designated National Authorities and Customs authorities. The Security Officers Network had before provided a positive opinion.

10. Remuneration of alternate and additional members of the Board of Appeal

The Management Board adopted the amended Management Board Decision on remuneration of the alternate and additional members of the Board of Appeal (BoA). The revised decision will allow a higher maximum number of days being remunerated for BoA alternate and additional members if appeal cases result in a high workload (15 instead of previously 10 days maximum remuneration).

11. Preparation of the review of the decision on the transfer of fees to Member States

The Management Board took note of the planning for the review of the Decision on the transfer of fees to Member States. The working group on the transfer of fees was mandated to prepare this review so that a revised Decision can enter into force in January 2015. The new Romanian Board member joined the working group.

12. Mandates of the members of the Working Group on Audit

The Management Board prolonged the mandate of Antti PELTOMÄKI as member of the working group on audit for a second term until the end of March 2016 and mandated the working group to assess whether its 'Terms of Reference' require adaptations and report back on this issue in the next Management Board meeting.

13. Implementing Rules to the Staff Regulations

The Board members adopted two implementing rules for early application by analogy and changes to another one on working time, which will become an ECHA

Implementing Rule, pending the European Commission's agreement. The Board also endorsed the opt-out from three further implementing rules, namely the ones on attestation, early retirement and recourse to non-permanent staff at the Commission.

A Commission and one Member State representative noted that the proposal differs from the Commission approach in terms of the modalities for compensating flexi time accumulations. For this reason they expressed strong reserves.

14. Information items without discussion

- 14.1 Update of the MB Rolling Plan (includes Board meeting dates for 2015)
- 14.2 Outcome of written procedures
- 14.3 Implementation of the Common Approach for decentralised EU agencies

15. Any other business

Review of the compliance check strategy

The Secretariat informed of the planning and progress of the revised compliance check strategy development. A workshop is organised from 31 March to 1 April in Helsinki, with representatives from Member States, the Management Board, the European Commission and accredited stakeholders. The Secretariat will report back to the Management Board in June and to CARACAL in July. The revised compliance check strategy should be concluded by September 2014.

The German Board member informed about a project being launched in his country, aiming to providing input for the strategy that ECHA is performing.

2014 Biocides Stakeholders' Day

The Chair informed that this event is foreseen for 24 September 2014. Board members will be able to signal their interest in participating to this event.

Board of Appeal selection

A representative of the European Commission gave an update on the progress made by the Commission with establishing a list of qualified candidates for the position of the Legally Qualified member and alternates hereof for the Board of Appeal.

Online Cooperation tool

The Secretariat gave an update on the testing phase of an IT tool for document sharing and online collaboration. A decision on the whether or not this new tool will be implemented was announced for June.

Next meeting of the Management Board

The Chair informed that the next meeting of the Board is scheduled to take place from 17 to 18 June 2014, in Helsinki.

After the meeting Board members received a briefing session on ECHA's new tasks under the PIC Regulation which entered into application on 1 March 2014.
