

PRELIMINARY CONCLUSIONS

**42ND MANAGEMENT BOARD MEETING
22-23 JUNE 2016, HELSINKI**

1. Quarterly report on ECHA's activities

The Management Board received the quarterly report on ECHA's progress in reaching the 2016 Work Programme targets and congratulated the Agency for the good performance. In particular, the release of a new version of REACH-IT, the progress with the procedure for a harmonised classification of glyphosate and the publication of the second five-year report on the operation of REACH and CLP were noted. The Secretariat also updated the Board on the anticipated implications of the Commission decision on criteria for endocrine disruptors on ECHA's activities and highlighted the importance of progress in developing the authorisation process and defining the role of the Committees.

2. Report from the Working Group on Audit

The Chair of the Working Group on Audit presented a comprehensive report from the Working Group meeting of 21 June 2016. This included information on the annual audit report from ECHA's Internal Audit Capability, on the feedback from the Internal Audit Service, the sharing of the internal audit function with the GSA-Agency in Prague and the 2014 discharge recommendations of the European Parliament.

3. Opinion of the final accounts 2015

The Management Board adopted its opinion on the Agency's Final Annual Accounts for the financial year 2015, taking into account the preliminary observations of the European Court of Auditors and the recommendation made by the Management Board Working Group on Audit matters.

Taking into account that, since 2016, ECHA has left the fully fee financed phase of REACH implementation, it was agreed that the Secretariat will in future report on a quarterly basis on the implementation of the budget (expenditure).

The Board instructed the Executive Director to forward the opinion on behalf of the Management Board to the Commission's Accounting Officer, the European Court of Auditors, the European Parliament and the Council by 1 July 2016. The document will be published.

4. Approach to size verification of SME registrants

The Management Board took note of ECHA's SME verification activity to date and endorsed a new approach to the size verifications. The process and prioritisation changes aim (1) to ensure that only genuine SMEs benefit from the reduced fees and (2) to facilitate and speed up the effective collection of fee income and administrative charges. It was noted that ECHA retains discretion in setting appropriate prioritisation criteria on the basis of a cost-benefit analysis.

5. ECHA cloud services for SMEs

The Management Board approved the implementation of the 'ECHA Cloud Services for SMEs'.

In the March 2016 Management Board Meeting, the Board expressed a positive orientation and interest in the IUCLID as a Service Initiative. After a feasibility study, ECHA presented the 'ECHA Cloud Services for SME' proposal. It entails developing a cloud version of IUCLID, available to self-declared SMEs, hosted by ECHA on its ICT infrastructure and fully serviced by ECHA.

The investment in this new service would be fully financed by EU subsidy in 2016 and the future operating costs by annual savings. Two additional contract agents (FG IV) would be recruited and the posts for Seconded National Experts reduced accordingly. A further contract agent would be needed in 2018.

This service will significantly reduce the technical burden and related costs (financial, labour) related to hosting and operating IUCLID locally; ensure better protection against loss of data and ensure continuous availability of online IUCLID services over the internet. The ECHA Cloud Service for SMEs will be progressively delivered from the first quarter of 2017.

6. 1st amending budget 2016 and transfers within the budget

The Management Board adopted a first amending budget 2016, including the consequent changes to the procurement plan, and took note of the budget transfers carried out under the responsibility of the Executive Director.

The budget for 2016 was increased by ca 3.6 million EUR for financing the 'ECHA Cloud Services for SMEs'. At the same time, the required EU subsidy for 2016 was reduced by 5.5 million EUR and the EFTA contribution is reduced by 0.3 million EUR, by incorporating the 2015 budget outturn and increasing the 2016 fee revenues.

The Board instructed the Executive Director to notify the decision to the Budgetary Authority, the Court of Auditors and the Commission and to publish the amended budget on ECHA's web page and in the Official Journal of the European Union.

7. Implementing rules to the EU Staff Regulations

The Management Board adopted implementing rules, giving further effect to the Staff Regulations and Conditions of Employment of Other Servants, concerning part-time work.

8. Board of Appeal

The Management Board

- Heard the annual report from the Chairman of the Board of Appeal (BoA) and congratulated the members of the BoA for their excellent work. The Chairman of BoA reported on the high number of appeal cases currently under examination, including on biocides and substance evaluation, requiring higher efficiency and effectiveness and stability of the operation of the BoA.
- Took note of revised administrative arrangements for safeguarding the independence of the BoA. The changes take into account the revised Rules of Procedures of the BoA that entered into force on 15 June 2016. An important change is that the Registrar is, in the future, directly appointed by the Chairman. For implementing this change by 1 August, the Executive Director will delegate the powers of reporting officer of the Registrar to the Chairman. This exceptional delegation was endorsed by the Management Board, noting that the Executive Director remains ultimately accountable for all budgetary and staffing matters.
- Took note of the annual report of its Working Group on the BoA.
- Confirmed the legally qualified member of BoA in her function.

9. Appointment of Committee Members

The Management Board appointed four new nominees for the Committee for Risk Assessment (RAC) and two new nominees for the Committee for Socio-Economic Analysis (SEAC) and renewed the three-year terms of a number of RAC and SEAC members. The names of the Committee members will be published on the ECHA website together with their annual declarations of interest.

10. Appointment of a Member of Conflicts of Interest Advisory Committee

The Management Board appointed Judite Dipane (Latvia) as the new member of the Conflicts of Interest Advisory Committee.

11. Other topics

- The Management Board was consulted on the draft vacancy note for the future Executive Director of ECHA and concluded to write to the Commission in relation to the pre-selection procedure.

The second mandate of the current Executive Director ends in December 2017. The European Commission will launch the selection procedure for filling the position in autumn 2016.

- The Management Board took note of the outcome of the European Commission study related to the Biocides Fees.
- The Management Board took note of a report from the first meeting of the Management Board advisory group on ECHA's future premises. It was noted that the Secretariat will launch a prospection of the local market on 30 June 2016, in accordance with ECHA's Financial Regulation and after informing the European Parliament.
- The Management Board took note of a report from the last meeting of the Working Group on the Transfer of Fees on 17 May 2016. The Working Group concluded that it is not required to launch an early revision at this stage of the Management Board decision on the financial arrangements for the transfer of a proportion of fees to the Member States. The next revision of the decision is scheduled for 2017.
- The Chair informed the Management Board that the annual appraisal exercises for the Executive Director, the Chairman of the Board of Appeal and the technically qualified Board of Appeal member were finalised.
- The Management Board took note of a request from the Swiss authorities for technical-scientific cooperation with ECHA.
