RESOLUTION (EU) 2022/1744 OF THE EUROPEAN PARLIAMENT

of 4 May 2022

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2020

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2020,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0112/2022),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Chemicals Agency (the 'Agency') for the financial year 2020 was EUR 109 362 158 representing a decrease of 3,08 % compared to 2019; whereas approximately 29,41 % of the Agency's budget derives from fees and charges and 67,48 % from the Union and third countries (in 2019, 39,51 % from fees and charges and 57,61 % from the Union and third countries); whereas the inflation rate was 0,7 % in the Union in 2020;

B. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Agency for the financial year 2020 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Recognises that, since the final registration deadline under Regulation (EC) No 1907/2006 of the European Parliament and of the Council ([2]) in 2018, the Agency's fee income has significantly decreased, requiring it to rely increasingly on the Union to finance its operations;

2. Notes that, in 2020, the Agency collected fee income totalling EUR 32 292 704 (EUR 44 385 256 in 2019) while the Union subsidy amounted to EUR 73 795 512 (EUR 64 503 447 in 2019) including contributions from third countries of EUR 1 850 992 (EUR 1 615 032 in 2019);

3. Stresses the need to ensure that the Agency is able to fulfil its mandate in the long term; calls, in this regard, for the lack of predictability of the Agency's budget income to be addressed; while acknowledging the positive developments in the governance and financing structure of the Agency, notes the declining trend in fee income and believes that a new stable financing model should be developed and introduced without delay; highlights the fact that, despite previous observations made by the Parliament and the Court of Auditors, an unforeseen and significant drop of approximately EUR 7 000 000 in fee income under Regulation (EC) No 1907/2006 was reported by the Agency in 2020;

([1]) OJ C 114, 31.3.2021, p. 121.

([2]) Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1).

4. Underlines the necessity of ensuring the Agency has adequate staffing levels that reflect the needs associated with the implementation of the European Green Deal and the Union Chemical Strategy for Sustainability, the Circular Economy Action Plan and the zero-pollution ambition in particular; notes the positive work undertaken by the Agency under Directive 2008/98/EC of the European Parliament and of the Council ([3]) and notes the need for continued efforts to be made towards establishing a fully sustainable financing model;

5. Notes with satisfaction that budget monitoring efforts during the financial year 2020 resulted in a budget implementation rate of 98,48 %, representing a slight decrease of 0,30 % compared to 2019 and that the payment appropriations execution rate was 94,16 %, representing an increase of 8,07 % in comparison to 2019;

6. Notes that, in follow-up to the observations received in the 2019 discharge procedure, the Agency continues its efforts to increase the efficiency of the system for ex-post verifications, aimed at reducing the time-lag between dossier submission and verification of the small and medium-sized enterprise (SME) status of an applicant; welcomes the fact that the additional registration fee income generated by the SME status verification process (included in the REACH registrations and updates income) amounted to EUR 1 370 000 (compared to EUR 700 000 in 2019); acknowledges that the increase can be attributed primarily to an effective 'SME campaign' that invited companies to correctly self-declare their company size before the start of the Agency's verification, waiving any administrative charge that would otherwise result from a previously declared incorrect size, and by prioritising companies with the highest financial reductions; notes that the company size of a total of 504 enterprises was verified in 2020 (compared to 333 in 2019) and, on top of the additional registration fees, the Agency generated EUR 1 050 000 in administrative charges (compared to EUR 1 010 000 in 2019), levied on companies that were not eligible for rebates that those companies had received; welcomes the fact that the Agency will continue its efforts in 2021 and is on track to complete the verification of the 2018 registration-deadline related claims by the end of 2023;

7. Observes that the European Chemicals Agency ('the Agency') is the driving force among regulatory authorities in implementing the Union's chemicals legislation for the benefit of human health and the environment, as well as for innovation and competitiveness; notes that the Agency provides information on chemicals, helps companies comply with legislation and promotes the safe use of chemicals; underlines that Regulation (EC) No 1907/2006 stipulates that this should be done in a way that ensures that animal testing is only ever a last resort and that the use of non-animal methods is promoted;

8. Acknowledges that the Agency continued to support the Union's efforts to reduce and replace animal testing by publishing new tools and expanding access to information, which facilitates the transition to alternatives that do not involve animal testing;

9. Stresses the need to allocate budgetary resources to the Agency to pursue closer cooperation to consolidate a unique Union chemical database with its sister agencies under the 'one substance-one assessment principle' ([4]) in particular by incorporating New Approach Methodology (NAM) entries into the International Uniform Chemical Information Database ([5]);

10. Emphasises that one of the Agency's fundamental tasks for the period ahead will continue to be implementation of the Chemicals Strategy for Sustainability ([6]) adopted by the Commission on 14 October 2020;

([3]) Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

([4]) https://echa.europa.eu/documents/10162/21877836/efsa-echa-position-paper-osoa_en.pdf/74b1ae31-290b-a608-85e9-05b340840b34#:~:text=We%20propose%20that%20%E2%80%9Cone%20substance,built%20around%20three%20main%20principles%3A&text=%2D%20Better%20coordination%20on%20or%20distribution,uses%20of%20the%20same%20chemical

([5]) https://echa.europa.eu/documents/10162/29387629/annual_report_2020_en.pdf/09d078c5-ff40-6737-3e4c-41dea91a7738#:~:text=We%20note%20that%20the%20Agency's,final%20implementation%20rate%20of%2098.5%20%25, p. 63.

([6]) COM(2020) 667.

Performance

11. Notes that the Agency adopted a programming document for 2020-2023 which sets out the objectives for the Agency, in line with the strategic plan for that four-year period, and which was accompanied by the resource planning until 2023 and the 2020 work programme; notes that the Agency achieved 194 out of 210 actions and outputs set in the 2020 work programme and that the 16 actions and outputs not met were not met mainly due to the COVID-19 pandemic;

12. Takes note of the conclusions of the analysis carried out by the Agency, the Commission and the Exchange Network on Exposure Scenarios as part of the third review of Regulation (EC) No 1907/2006, according to which further efforts are needed, in particular by industry;

13. Notes that the Agency continues to collaborate with the Joint Research Centre on developing best available technology reference documents for ceramics, textiles, metals processing, and foundries under Directive 2010/75/EU of the European Parliament and of the Council ([7]); notes that the Agency worked with Member States, the Commission and the industry to establish a development plan for REACH Review Action 3, aimed at improving the workability and quality of extended safety data sheets;

14. Notes that the Agency cooperates closely with other Union agencies, such as the European Food Safety Authority, the European Centre for Disease Prevention and Control and the European Medicines Agency, by means of memoranda of understanding, to improve the exchange of information, to achieve better mutual understanding and, where appropriate, on joint projects; underlines the importance of such an approach as regards ensuring that the work of each agency is consistent with that of the other agencies and to meet the requirements of sound financial management; welcomes the sharing of services such as the Agency's internal audit capability with the European Union Agency for the Space Programme, and encourages cooperation among the Union agencies where and whenever possible;

15. Notes and welcomes the fact that the 271 full compliance checks covered 258 substances and that 76 targeted checks concerning 44 substances were carried out in 2020;

16. Welcomes the Agency's efforts to strengthen, clarify and speed up the process for approving and reviewing active substances with a biocidal effect under the Active Substances Action Plan;

17. Welcomes the Agency's analysis of the issue of microplastics and their unintentional release into the environment; agrees with the conclusion that a Union-wide ban under Regulation (EC) No 1907/2006 on products containing deliberately added microplastics which are released into the environment as a result of use is an appropriate approach to resolving this issue;

Staff policy

18. Notes that, on 31 December 2019, the establishment plan was 97,41 % executed, with 451 temporary agents appointed out of 463 temporary agents authorised under the Union budget (compared to 461 authorised posts in 2019); notes that in addition 122 contract agents and 3 seconded national experts worked for the Agency in 2020;

19. Regrets that the Agency, with regard to senior and middle management positions, reports that 23 (76,6 %) positions are filled by men and 7 (23,3 %) by women, and, with regard to the management board, that 14 positions are filled by men (37,8 %) and 23 by women (62,2 %); notes that this gender imbalance has persisted for a long time; notes with regard to staff overall that the Agency reports to employ 266 men (46,7 %) and 306 women (53,3 %); asks the Agency to pro-actively ensure gender balance at management level in the future; reiterates its call on the Commission and the Member States to take the importance of ensuring gender balance into account when appointing their members to the management board of the Agency;

([7]) Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

20. Notes that the Agency has an anti-harassment policy and related guidelines in place; acknowledges that the Agency's management is promoting appropriate behaviour by providing meetings between the staff and confidential counsellors;

21. Underlines that the specific budget for training should ensure that Agency staff are properly trained regarding the latest NAMs, to create increased internal capacity for tackling chemical pollution and its adverse effects properly, with the latest tools ([8]) and concepts ([9]);

22. Welcomes the efforts made in the Agency's staff policy to promote teleworking and a healthy lifestyle and continues to encourage the Agency to pursue the development of a long-term human resources policy framework that addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, the right to disconnect while respecting the balance between professional and private life, geographical balance and the recruitment and integration of people with disabilities;

Prevention and management of conflicts of interest, and transparency

23. Welcomes the fact that the Agency publishes on its website the CVs of all members of the management board and its committees, including those of its chairs who are Agency staff members, of the Executive Director and of all members of the board of appeal; welcomes the fact that the Agency's conflict of interest prevention policies cover the whole duration of the employment of staff and that, to safeguard independence, the external experts who participate in the scientific committees, management board and enforcement forum are screened against six targeted eligibility criteria;

24. Notes that one case of whistleblowing was reported in 2020, concerning a staff member who alleged retaliation for highlighting irregularities to his hierarchy concerning a procurement procedure, the alleged retaliation being a recommendation not to renew the staff member's contract of employment one year later; notes that an independent investigation into the allegations of irregularities in the procurement procedure was conducted and that the anonymity of the origin of the allegations was respected; notes that the investigation did not find any activities which would be in violation of the provisions of either the Agency's Financial Regulation or Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([10]); notes that the case is considered closed;

Internal control

25. Notes that in 2020 an internal audit was conducted by the Internal Audit Service (IAS) of the Commission on 'Integrated regulatory strategy-screening, evaluation and regulatory management option analysis in 2020' and that the audit provided three important recommendations: improve the planning, monitoring and reporting of the integrated regulatory strategy, document procedures and workflows for review and approval, review and improve tools, and document internal processes for managing comments from Member State competent authorities; notes that the Agency is following up on those recommendations and that, furthermore, it is considering how to address one open action from the follow-up audit on performance management conducted in 2020, which is related to defining an approach for reclassification in cases where the third language eligibility criterion has not been fulfilled;

26. Notes that the Agency's internal audit capability conducted a consultative audit on the 'harmonised classification and labelling' activity and that the main recommendations were to review the need, focus, format and depth of the checks done on classification proposal dossiers to determine whether they are fit for processing, lighten the overall workload of the plenary committee for risk assessment, for instance through increased use of working groups, and analyse the work in relation to harmonised classification and labelling (CLH) dossiers and to scrutinise, together with Member States, the mechanisms to increase the impact of the CLH process;

([8]) https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/european-partnerships-horizon-europe/candidates-european-partnerships-health_en

([9]) https://ec.europa.eu/jrc/en/science-update/next-generation-risk-assessment-cosmetics

([10]) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

27. Notes that the Agency's internal audit capability conducted an audit on the 'applications for authorisation' activity and that there were six important recommendations, namely to improve working methods, to improve knowledge management and consistency, to improve feedback mechanisms, to ensure sufficient resources for the Agency's secretariat and committees, to clarify the roles and responsibilities within the Agency, and to consider further process simplification and efficiency gains;

COVID-19 response and business continuity

28. Notes that the Agency made a smooth transition to large-scale teleworking for staff, continuing collaboration with external stakeholders and moving the operation of all of the Agency's bodies online following the outbreak of the pandemic; notes that, according to the Agency's report, the rapid transition to large-scale, long-term teleworking resulted in significant additional efforts for the Agency's security unit, not least because not all the Agency's contractors were prepared for such large-scale teleworking, and related arrangements had to be put in place, with high priority; calls on the Agency to carefully evaluate the arrangements in place, including from a cyber-security perspective, and related risks for business continuity;

29. Notes with satisfaction that the agency joined forces with the Commission to help Member States and companies place more disinfectants on the market;

Other comments

30. Notes the relocation of the Agency to new premises in early 2020 and that fire safety training and evacuation training courses were organised with the Helsinki Rescue Association, which were followed-up by internal fire safety walkthroughs and an evacuation exercise conducted in November 2020; welcomes the fact that the Agency developed, despite the teleworking conditions, an emergency plan for the new building, which was communicated to the Helsinki rescue authorities, making the return to the office of staff also possible from a safety perspective;

31. Regrets that the Agency has not yet acted on the recommendations of the discharge authority in its decision on discharge in respect of the implementation of the budget of the Agency for the financial year 2019 with regard to pro-active measures and resourcing for speeding up, improving and quantifying reductions in the number of animal tests and the replacement of such tests by NAMs, as well as the establishment within the Agency of a team exclusively dedicated to animal protection and the promotion of non-animal test methods;

32. Notes that the European Medicines Agency has a working group on the application of the 3Rs (Replacement, Reduction and Refinement) in Regulatory Testing of Medicinal Products and its 2025 strategy includes significant work on non-animal testing, and that the European Food Safety Authority includes in the remit of its Science Studies and Project Identification Office, the development of a roadmap to use non-animal methods to routinely address data gaps by 2027; regrets that the Agency lacks similar initiatives which could help to deliver the goal set out in the resolution of the European Parliament of 16 September 2021 on plans and actions to accelerate the transition to innovation without the use of animals in research, regulatory testing and education ([11]);

33. Notes that the Agency has adopted an environmental work plan which runs from 2020 to 2022; notes that the priority of the programme is to further reduce the Agency's CO_2 emissions from travel and utilities, namely to reduce building CO_2 emissions by 20 %, travel (meeting participants) emissions by 75 % and travel (staff missions) by 50 %;

34. Welcomes the Agency's decision to become climate-neutral in line with the Union's 2030 climate target and the Agency's ambition to extend environmental certification to the Union's eco-management and audit scheme;

35. Notes that the Agency currently maintains the largest database on chemicals, which makes it possible to provide transparent information on chemicals used within the Union; welcomes the Agency's efforts to increase the transparency of that database by providing more detailed information to its users and the general public;

([11]) Not yet published in the Official Journal.

36. Notes that the Agency made a special publicity effort with mainstream media and as a result increased its visibility in general-interest media outlets; notes that the staff continued active sharing of content via their own social media channels, reaching almost 3 million people in 2020;

37. Welcomes the Agency's cooperation with UK-based companies at the end of the transition period that followed the withdrawal of the UK from the Union, thus helping to prevent significant disruption to the Union market;

38. Highlights the importance of increasing the digitalisation of the Agency in terms of internal operation and management but also the importance of speeding up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid, at all costs, a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed; calls on the Agency to develop its cybersecurity policy more swiftly, so that it can be delivered before 31 January 2023 and to report back to the discharge authority on this matter;

39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 4 May 2022 ([12]) on the performance, financial management and control of the agencies.

([12]) Texts adopted, P9_TA(2022)0196.