



**2019/2086(DEC)**

14.11.2019

## **DRAFT OPINION**

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European  
Chemicals Agency for the financial year 2018  
(2019/2086(DEC))

Rapporteur for opinion: Pascal Canfin

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## SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls 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 helps companies to comply with the legislation, advances the safe use of chemicals and provides information on chemicals and addresses chemicals of concern;
2. Recalls that 2018 was the year of the final registration deadline under Regulation (EC) No 1907/2006<sup>1</sup> ('REACH Regulation'); stresses that the Agency received 37 400 dossiers in that year, which represents an increase of 135 % compared to 2017;
3. Notes that with regard to the REACH Regulation, the Agency is financed through fees paid by industry and by a balancing Union subsidy, as referred to in Article 208 of Regulation (EU, Euratom) No 966/2012<sup>2</sup> ('Financial Regulation'); acknowledges the fact that in 2018, the Agency collected an exceptionally high fee income totalling EUR 81 609 535 (in comparison to EUR 33 960 276 in 2017), while the Union subsidy amounted to EUR 24 374 800 (in comparison to EUR 64 289 500 in 2017) and that additionally, the received European Free Trade Association (EFTA) contribution totalled EUR 609 612 (EUR 1 587 950 in 2017);
4. Stresses that with regard to Regulation (EU) No 528/2012<sup>3</sup> ('Regulation on biocidal products'), the Agency is financed through fees paid by industry and a balancing Union subsidy, as referred to in Article 208 of the Financial Regulation; notes that in 2018, the Agency collected fee income totalling EUR 6 365 721 (in comparison to EUR 8 127 680 in 2017), while the Union subsidy amounted to EUR 4 876 000 (in comparison to EUR 3 867 798 in 2017), and that additionally, the received EFTA contribution, including Switzerland, reached EUR 223 695 (EUR 183 156 in 2017);
5. Highlights that with regard to Regulation (EU) No 649/2012<sup>4</sup> ('PIC Regulation'), the Agency is fully financed by a Union subsidy, as referred to in Article 208 of the Financial Regulation; notes that in 2018, the Union subsidy amounted to EUR 1 096

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<sup>1</sup> 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).

<sup>2</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

<sup>3</sup> Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1).

<sup>4</sup> Regulation (EU) No 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals (OJ L 201, 27.7.2012, p. 60).

320 (compared to EUR 1 185 770 in 2017);

6. Stresses that the final budget of the Agency for the financial year 2018 was EUR 118 760 709, representing an increase of 8 % compared to 2017; notes that the fees and charges collected by the Agency in 2018 under the REACH Regulation were exceptionally high and reached EUR 81 610 000 (EUR 33 960 000 in 2017) and that the fees and charges under the Regulation on biocidal products reached EUR 6 370 000 (EUR 8 130 000 in 2017);
7. Notes that the fees paid by industry vary substantially year by year, which complicates budget planning and that fees paid with regard to one regulation can only be used in that section of the Agency's budget, which can mean surplus in one section and deficit in other sections of the budget;
8. Notes that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 98,7 %, representing an increase of 0,6 percentage point compared to 2017; notes furthermore that in 2018 the payment appropriations execution rate was 85,8 %, representing a decrease of 1,1 percentage point compared to 2017;
9. Takes note of the new organisational structure that was set up in the Agency in 2018, which is aimed at enabling further efficiencies through better linking and coordination across tasks;
10. Calls on the Agency to report to the discharge authority on the measures taken to respond to the recommendations from the second review of the REACH Regulation and to ensure compliance of registration dossier;
11. Notes that the recruitment target for 2018 was achieved with 97 % of posts filled at the end of the year for the implementation of the REACH Regulation, Regulation (EC) No 1272/2008<sup>5</sup>, the PIC Regulation and the Regulation on biocidal products;
12. Notes that the Agency closely collaborates with other agencies, such as the European Food Safety Authority, the European Centre for Disease Prevention and Control and the European Medicines Agency through Memoranda of Understanding; underlines the importance of such an approach, in order to ensure consistency between the work of agencies and to meet the requirements of sound financial management;
13. Welcomes that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for 2018 are reliable and that the underlying transactions are legal and regular;
14. Recommends, based on the facts available, that discharge be granted to the Executive Director of the European Chemicals Agency in respect of the implementation of the Agency's budget for the financial year 2018.

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<sup>5</sup> Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1).