

Helsinki, 27 March 2012

PUBLIC

**PRELIMINARY CONCLUSIONS
OF THE 25TH MANAGEMENT BOARD MEETING
ON 22 - 23 MARCH 2012**

1. Composition of the Management Board

The Board welcomed the new members:

- Ms Anne LAPERROUZE appointed by the European Parliament
- Mr Antti PELTOMÄKI appointed by the European Commission
- Mr Paulo Guilherme DA SILVA LEMOS appointed by the Portuguese Government

The following nominations of new observers were notified:

- Ms Sigurbjörg SÆMDUNSDÓTTIR for Iceland
- Mr Nenad LAMER for Croatia (following a invitation from the Board to Croatia to participate in the Agency's work as observer until the accession to the European Union)

2. Prolongation of the Executive Director's mandate

The Management Board finalised the prolongation procedure for the mandate of the Executive Director. After a final discussion on the future tasks and challenges of the Agency, the Board unanimously decided that Geert Dancet is suitable for leading the Agency for another term in office of five years and that his mandate will be prolonged from 1 January 2013 in accordance with Article 84(2) of the REACH Regulation.

The prolongation procedure was initiated in September 2011 and the evaluation of the first mandate concluded in December 2011. The Commission has been informed of the decision and the Chair was authorised to implement it in cooperation with the Commission.

3. Preliminary Draft Budget, including an outline Work Programme and Establishment plan for 2013

The Management Board approved the draft estimate of revenue and expenditure for 2013 together with the establishment plan and an outline of the work programme for 2013. The budget proposal foresees an increase in REACH and CLP staff of five temporary agent posts compared to 2012. This takes into account that ECHA was not authorised the foreseen 10 new expert positions in last year's budgetary procedure. De facto this means that the planned staff number for ECHA decreases. The Board agreed that the budget proposal was reasonable and reflects the needs of the Agency for 2013 which will be a year of peak activity, as explained in the outline of the work programme.

The 2013 draft budget foresees a European Union contribution for Agency tasks related to Biocides and PIC activities; REACH and CLP activities will be fully financed from fee income.

The REACH/CLP 2013 budget is proposed to increase from €102.7 million to €107 million. For Biocides, the expenditure is budgeted to increase to €9.6

million: a subsidy of €6.4 million and own fee income of €3.2 million. The number of Temporary Agents working on Biocides would increase from 11 to 47. A €1,6 million subsidy is budgeted for PIC activities in 2013; the number of PIC staff would grow from three to five.

The next step in the budgetary procedure is the presentation of the EU draft budget by the Commission in April. The Board will adopt a final budget in December 2012 once the eventually number of posts and the EU contributions are established by the Budgetary Authority. The draft work programme will be revised in line with the Commission's budget proposal and be submitted first for written consultation over the summer. The Board will adopt the final work programme in September 2012.

4. Presentation of the ECHA "Staff Model" for REACH & CLP

The Board took note of the ECHA staff model for REACH and CLP tasks for the period 2012-2021. The model updates the estimates made by the Commission in 2006, taking into account the experience gained so far and real life data from operating the REACH and CLP processes.

Its main findings indicate that the Agency would need significantly higher overall staffing for REACH/CLP tasks than previously estimated to exercise its duties, i.e. around 600 full time equivalents except in peak years 2013 and 2018. This figure includes not only temporary agent position but all kind of staff, such as *intra-muros* consultants, contract agents and interim staff.

The Staff Model will be completed at the next Board meeting by a financial model containing estimates for future fee revenue and assessing subsidy needs for 2014-2020. Once sufficient experience is gained with operating tasks under the Biocides and PIC Regulations, ECHA will also complement the model for these activities.

5. Multi-annual Work Programme 2013-15

The Board endorsed the submission of the draft Multi-Annual Work Programme 2013-2015 for public consultation. The priorities of the Multi-Annual Work Programme will for the first time set by four strategic aims which guide the Agencies work in managing the regulatory tasks.

The draft document will be available on ECHA's webpage with the possibility for the general public to provide comments. The final adoption by the Board is foreseen for June 2012.

6. Multi-annual Staff Policy Plan 2013-15

The Management Board adopted the multi-annual staff policy plan 2013-2015. The Executive Director was instructed to forward the document to the Commission and the Budgetary Authority by 31 March 2012.

As demanded by the Commission, ECHA's temporary agent (TA) posts for REACH and CLP would be reduced by 1% per year. The number of TAs would decrease to 451 in 2015.

The planned cuts would not affect staff working for Biocides and PIC related activities. For Biocides, 47 TA staff would grow to 50 by end 2015; and for PIC, to six staff. Twelve to nine contract agents would work for Biocides in 2013-2015 and one for PIC.

The Commission submitted its opinion on the draft multi-annual staff policy plan the day before the meeting. The Board took account of the opinion but did not accommodate all proposed changes. The Commission representatives could, therefore, not support the adoption of the document.

It was agreed that ECHA and the Commission services shall initiate a dialogue to further discuss outstanding issues from the Commission's opinion on the draft staff policy plan. The Board will deal with the matter at a subsequent meeting.

7. General Report 2011

The Board adopted the ECHA General Report for 2011 and instructed the Executive Director to submit the document to the Member States, the European Parliament, the Council, the Commission, the European Economic and Social Committee and the Court of Auditors, and to have it published.

The Board explicitly welcomed both the good quality of the report and the impressive achievements of the Agency in 2011.

8. Analysis and Assessment of the Authorising Officer's Annual activity Report

The Board took note of the Annual Activity Report for 2011 of the Executive Director as ECHA's authorising officer and adopted its analysis and assessment thereof. The Board welcomed the results presented in the Report as well as the high performance level achieved with regard to discharging the tasks under the REACH and the CLP Regulations.

Board Members also strongly appreciated the efforts of management and the entire staff in achieving the ambitious goals set by the regulations. The Board welcomed the measures taken to address the high levels of staff stress seen in 2010, as this is key to maintaining high staff morale and retaining the highly qualified staff.

The Executive Director was instructed to send the Annual Assessment Report and the Analysis and Assessment hereof before 15 June 2012 to the Budgetary Authority and the Court of Auditors.

9. Report on the experience with SME status verification

The Board endorsed the ECHA management proposal to start preparations for a systematic status verification of all registrations that claim fee reductions applicable to small and medium-sized companies (SMEs). To this end, the Management Board decision MB/29/2010 final and the scale of administrative charges therein will be revised.

The Board had adopted the decision in June 2010 and it had subsequently received a favourable opinion of the European Commission. The decision foresees that ECHA levies administrative charges in cases where registrants incorrectly claim to be entitled to pay the reduced fees for SMEs. The SME status verification check in 2011 showed that 80% of the 245 examined enterprises had not declared their status correctly. This is a much higher rate than originally anticipated. The conclusion justifies the proposed systematic check.

10. Demonstration of the Classification and Labelling Inventory

ECHA's Classification and Labelling Inventory, which was published February 13, was explained and presented to the Board.

The Board members thanked ECHA staff for this important achievement

11. Report from the Executive Director

The Board took note of the report of the Executive Director on the activities of ECHA since the last Board meeting. Many Board members thanked the

Executive Director for the comprehensive report and impressive achievements.

During the exchange of views, the issue of the quality of registration dossiers was repeatedly addressed, including the need to reflect on stronger decisions for evidently non-compliant dossiers. Board members also discussed the quality of PPORD notification and registrations for intermediate uses as well as the status of confidentiality claim verification. As regards Guidance, there was a high interest in the timing for the Guidance on nanomaterials. Furthermore, scientific issues related to testing methods and the results of ECHA staff survey were discussed.

12. Report on participation of stakeholder observers and case-owners in dossier evaluation process of the Member State Committee

The Board took note of a report it had requested on the experience in the first year with the presence of case-owners and stakeholder organisations in debating draft decisions on evaluation of dossiers in the Member State Committee.

The presence has added transparency and facilitated MSC deliberations before concluding on such decisions. On the other hand, it was recognised that this resulted in a significant increase of the work load for the Secretariat and difficulties in organising the agenda with open and closed sessions.

13. Implementation of the ECHA policy on managing potential conflict of interests: Code of Conduct for the Management Board and administrative decisions

After hearing the progress made by the Agency in implementing the new policy on conflict of interest adopted in September 2011, the Management Board agreed on several measures related to implementing the ECHA policy on managing potential conflicts of interest (MB/45/2011 final).

The Board

- adopted the Code of Conduct of the Management Board and mandated the Executive Director to inform the Committee Chairs of the decision and to invite them to adopt own Codes of Conduct along the same lines;
- approved the application of its Decision MB77/2008 final for the remuneration of the outside expert of the "Ethical Committee" designated by the Executive Director;
- formalised the guiding principles for the appointment of Committee members as agreed in February 2008 by converting them into eligibility criteria, and invited the Executive Director to present a proposal for revised eligibility criteria and
- adopted a revised annex 2 of the Rules of Procedures of the Forum (MB/36/2011 final) in order to align the declaration with the form for annual declarations of interest as adopted by the Management Board in September 2011.

14. Implementing Rules for the Staff Regulations

Subject to agreement of the Commission, the Board adopted implementing rules for the conduct of administrative enquiries and disciplinary proceedings of the Staff regulations.

15. Conditions for remuneration of alternate members of the Board of Appeal (AAM)

The Management Board decided to postpone a decision on the remuneration of AAM for attending the annual meeting of the Board of Appeal. It would return to the item at a next Board meeting.

It was, however, noted that no legal obligation exist for the Agency to remunerate alternate or additional members of the Board of Appeal for any activities which are not related Appeal cases, such as the annual meetings. This should be confirmed to the AAM as appropriate. Some Board members proposed, however, to analyse if such a remuneration would be appropriately based on other considerations.

16. (Re)appointment of members of Working Groups

The Board appointed Mr Antti PELTOMÄKI as member of the working groups on audit matters, planning and reporting and the transfer of fees to the Member States; and it prolonged the mandates of Karel BLAHA, Kassandra DIMITRIOU and Thomas JAKL as members of the working group on audit matters for a second term until the end of June 2014.

The Board also appointed Ms Kassandra DIMITRIOU to the advisory group on dissemination.

17. Report from Working Groups

The Chair of the Working Group on transfer of fees, Ms Nina CROMNIER, reported about the meeting that took place on 22 March. The working group is preparing a review of the Decision MB/65/2010/D final and will present a proposal for the June meeting. The group had agreed to base the proposal on a 50/50 split between salary costs and price levels in the Member States. In the meantime, ECHA will collect further information about man day costs of scientists in the Member States and in ECHA.

Mr Antonello LAPALORCIA, new Chair of the Advisory Group on Dissemination, presented the conclusions of the meeting of 17 February. Taking into account a Commission services legal opinion, the group supported ECHA to publish summed tonnages per substance converted to total tonnage band. The tonnage band dissemination also includes changes to confidentiality claims manual and will be implemented in 2012. Before previously agreed further items will be disseminated At the next meeting the group will be concerned with the publication of information related to authorisation applications.

18. Additional items for information

The Board was informed about an update of the requirements for RIPE¹, an update of the Management Board Rolling Plan, the report from a previous written procedure and the evaluation progress report 2011.

19. Any other business

RAC Appointment

The Board will enter into a written procedure to appoint a member for the Risk Assessment Committee.

Review of ECHA

A Commission representative explained that a study report on the review of ECHA which was prepared by an external contractor for the Commission is in finalisation. It was agreed that the final report will be submitted to the Board a few days before publication.

¹ REACH Information Portal for Enforcement

Update on future tasks under the PIC Regulation

A representative from DG ENV informed the Board that the date of entry into force of the PIC Regulation would be 1 March 2014. It would enter into operation 18 months later and thus sufficient time was foreseen for ECHA to prepare for the new tasks.

IUCLID Access for MSCAs

The Executive Director explained that ECHA would be ready to grant MSCAs access to IUCLID by end of May. He would invite the MSCAs to start the process of signing the amended Declaration of Commitment and submit it to ECHA.

SNE rules

The Executive Director informed about the feedback received from Member States in reply to his initiative of December 2011 to propose the recruitment of SNE for expert positions with full salary coverage by ECHA in order to compensate for staff shortfalls resulting from the last budgetary procedure. Only one Member State has signaled availabilities thus far. ECHA will conclude on a possible change to the SNE rules by the next Board meeting.

20. Conclusion of the meeting

The Chair concluded the meeting by thanking the participants for a highly productive meeting. The Board bid farewell to the Hungarian representative, Mr Zoltan ADAMIS, who will resign from the Board in May due to retirement.

The next meeting of the Management Board will take place on **20-21 June 2012** in Helsinki.
