

ECHA Programming Document (PD): Final PD 2019-2021 and Draft PD 2020-2022 (incl. HR strategy and IT masterplan)

52nd Meeting of the Management Board 13-14 December 2018

Proposal

This note covers the following items related to the planning of ECHA's future work:

- Finalisation of the Strategic Plan as part of the PD (see below I)
- Adoption of the (updated) Work Programme 2019 (see below II)
- Technical adoption of the Work Programme 2020 (see below II)
- Performance management model as included into the PD (see below III)
- Budget estimate 2019 and proposal for 2020 (see below IV)
- Draft reply to the Commission opinion on the first draft PD

The Management Board is invited to adopt ECHA's Programming Documents (PD) for the years 2019-2022. Following the consultation of the Management Board on both PDs, merged into a single document, the PD includes:

- Multi-annual programming as of 2019 in form of the revised Strategic Plan;
- Annual Work Programmes 2019 and 2020 incl. for 2019 Annexes I - III and IX (resources per activity, budget, establishment plan and procurement plan) stemming from the final budget 2019;
- ECHA's estimate of its revenue and expenditure for 2020, totalling EUR 118 million, representing an increase of 1% and a request for a total subsidy of EUR 77.9 million, which is in line with the Commission's MFF planning except for the BPR subsidy;
- Budget and staffing evolution for the years 2020-2022.

Furthermore, the Management Board's draft reply to the Commission opinion on the first draft of the PD 2019-2021 is presented for approval. Finally, the IT masterplan update and HR strategy are submitted for information (see Annex 5).

Background

Following discussions at the Management Board, supported by the Working Group for Planning and Reporting, to better synchronise the planning cycles for ECHA's Work Programmes of two consecutive years, the Secretariat has combined the Strategic Plan as Multi-annual Work Programme with the Work Programmes 2019 and 2020 into a true Single Programming Document 2019-2022.

Based on an earlier draft of the Strategic Plan, the Secretariat considered the input received in the June 2018 Management Board Workshop and revised the text accordingly. In September 2018, the Management Board held an orientation debate on the actions and outputs foreseen for the Work Programmes 2019 and 2020, followed by a consultation of the full draft PD and the corresponding performance management model in October 2018.

The Secretariat presents the revised PD 2019-2022, including the performance management model of the Agency, now for adoption:

- The Work Programme 2019, technically adopted by the Management Board in September 2018¹, updated with the input from the consultation and the human and financial resources in line with the overall EU budget 2019, is required as financing decision of ECHA next year according to the Financial Regulation of the Agency.
- The Work Programme 2020 is put forward for technical adoption as a legal requirement² as input to the EU budgetary process. It will undergo revision during 2019 including a consultation of the Management Board during fall 2019, together with the draft Work Programme 2021 – following the same approach as done now for the present document.

The Programming Document contains the planning of mid-term priorities, annual activities, human resources and the budget for 2019 and 2020. The Secretariat will send the document, together with the budget request, to the European Commission in January 2019 for its opinion (on the 2020 Work Programme) and as ECHA's input into the EU budgetary procedure for the financial year 2020.

Based on the outcome of the EU budget process, the Secretariat will invite the Management Board to adopt ECHA's final budget for 2020, together with the Agency's procurement plan, in December 2019.

The Working Group Planning and Reporting reviewed the current document and proposal at its meeting of 20 November 2018.

Rationale

I. Strategic Plan

After the current strategic priorities of ECHA, established for the current multi-annual work programme 2014-2018, reach their end of lifecycle in 2018, there is a need for the Agency to establish a new multi-annual work programme, including new mid-term objectives/priorities. The new Strategic Plan corresponds to this need. The work commenced already in 2015, underwent a significant number of iterations and engaged all interested parties with a public consultation held in 2018.

The three strategic priorities put the fulfilment of legal obligations under REACH, CLP, BPR and PIC into the spotlight.

- Implementing these tasks are key to identify substance of concern and appropriate risk management where needed (strategic priority 1).
- The focus on safe and sustainable use in the supply chain follows up on the functioning of the EU chemicals regulation within the EU and in particular for substances in articles (strategic priority 2).
- Achieving a higher level of consistency and integration of EU chemicals legislation provides the basis for sustainable chemicals management (strategic priority 3).

II. Work Programmes 2019 and 2020

Many of ECHA's actions and outputs for the next two years are continuous activities that allows the presentation of the Work Programmes for both years together. The activities practically translate the strategic priorities into output and outcome. At the same time, they implement the actions identified for the Agency in the REACH review of the Commission. A separate overview table prepared by the Secretariat maps where the different REACH review actions are taken up in the Programming Document.

Furthermore, the updated Programming Document meets most of the points raised by the Commission services in their opinion. The elements of the Commission opinion that are not part of the Programming Document are addressed in the draft reply to the Commission opinion following the provisions of the Financial Regulation of the Agency.

¹ In order to comply with Article 78(b) of the REACH Regulation for the 2019 Work Programme.

² Pursuant to Article 78(b) of the REACH Regulation for the 2020 Work Programme.

The resource allocation for the Work Programmes 2019 and 2020 aims at reflecting ECHA's ambition to meet the legislative tasks allotted to the Agency and make the most, efficient use of the available resources. While efficient conduct of tasks allows to free up resources for other processes of priority, and/or new tasks, there are clear limits to what the Agency can reasonably deliver. For example, the tasks planned for the implementation of a database under the Waster Framework Directive is only feasible when there are sufficient resources available. In absence of such resources, the Agency cannot commit itself at this stage to carry out the work actually required.

III. Performance management model

The present PD 2019-2022 contains a revised approach to performance management. There are qualitative and quantitative indicators to follow up on meeting the strategic priorities 1 to 3 of the Strategic Plan and per each Work Programme activity a dedicated set of indicators that aim at allowing showing outcome and impact of ECHA's work.

The indicators for strategic priority 1 and some of the Work Programme activities, in particular in the area of risk management require further refinement during 2019 to establish a good benchmark for later years.

IV. Budget estimate 2019 and proposal for 2020

Please note:

All budget estimates for 2019, as indicated in the Programming Document, will be finalised upon adoption of ECHA's final budget 2019.

REACH/CLP

ECHA's REACH/CLP income is comprised of fees and charges and the EU balancing subsidy. In 2019, the fee income is expected to level-off after the 2018 deadline to a more standard level, although it is difficult to accurately estimate the registration fee income in the post-deadline era. The fees and charges are currently estimated to total c. € 35 million in 2019 and c. € 33 million per year during 2020-2021.

The estimated REACH/CLP EU balancing subsidy needs to remain within the current MFF ceilings. There is, however, a degree of uncertainty related to the fee income estimates, as these are based on the estimated volume of incoming dossiers. In the event that the income would not materialise to the extent presently forecasted, ECHA will require a subsidy higher than currently foreseen and requested. The required balancing EU subsidy for 2019 and 2020 is € 65.9 million and € 67.7 million respectively. It is to be noted that the estimated expenditure for any of the years does not take into account the financing required for the proposed new tasks (such as the work associated with the Waste Framework Directive or OEL work), for which additional financing is required. For 2019, staff-related expenditure (Title 1) remains at the 2018 level (c. € 67 million), while, for 2020, an increase of 2% is projected.

The overall Title 2 (infrastructure and operating expenditure) expenditure for 2019 amounts to c. € 18.4 million and for 2020 c. € 16.1 million, which corresponds to a 13% reduction. The Title 2 expenditure is exceptionally high in 2019 stemming largely from the costs related to ECHA's future building project and, also, a temporary increase in IT expenditure due to the transition to a new IT infrastructure environment during 2019.

After the deadline year of 2018, ECHA has reduced its 2019 expenditure in the operational title to the more standard level at c. € 21 million (reduction by c. € 2 million from 2018), reflecting the new Work Programme strategic priorities.

Revenues	2018	2019	2020
	Revenues estimated by the agency	As requested by the agency	As requested by the agency
EU contribution	24 517 000	65 879 520	67 682 000
Other revenue	79 870 818	36 572 837	35 050 900
Total revenues	104 387 818	102 452 357	102 732 900

Biocides

Similar to REACH/CLP, the Biocides activities are financed from fee income and the EU balancing subsidy. The inherent uncertainty continues with respect to the budgeted revenue from fees and charges, which is based on estimated dossier application volumes. For 2019, the fees are presently estimated at c. € 7.2 million, and the requested EU balancing subsidy is c. € 5.1 million while, for 2020, the fees are estimated at c. 4.2 million and the subsidy need is c. € 8.5 million. Due to the limited financing available, the expenditure budget has been reduced significantly for the years 2019 and 2020. It should be noted that the expected income estimates assume that the full fee payment will be made at the time of submitting the application. Should it be decided to permit fee payment in instalments, the required EU balancing subsidy amounts would be significantly higher for both 2019 and 2020.

The total amount for staff-related expenditure under BPR in 2019 is estimated at c. € 8.2 million, compared to € 7.6 million in 2018. The estimated needs in 2020 total c. € 9.3 million, representing an increase of 13% in comparison with 2019. This increase stems mainly from the additional posts requested for 2020. The Title 2 expenditure decreases by 9% in 2020, compared to 2019 and the overall operational expenditure reduces by 13%. The main expenditure item in Title 4 relates to the maintenance and development of IT tools, as in the previous years.

Revenues	2018	2019	2020
	Revenues estimated by the agency	As requested by the agency	As requested by the agency
EU contribution	4 126 000	5 122 104	8 466 000
Other revenue	7 391 057	7 524 660	4 762 431
Total revenues	11 517 057	12 646 764	13 228 431

PIC and POPs

ECHA's PIC activities continue to be fully funded by the EU subsidy over the planning period. When the POPs Regulation enters into force, ECHA will commence its implementation. The corresponding subsidy has been combined with the PIC subsidy and the total amount requested for 2019 is c. € 1.6 million and, for 2020, c. € 1.7 million. The 2019 subsidy amount requested for PIC is based on the current MFF and the amount for POPs is based on the draft financial fiche accompanying the legal text. For 2020, the amount requested for POPs, however, has been increased compared to the draft financial fiche, in line with the initial amendments tabled by the European Parliament during the 2019 budgetary procedure.

In 2020, the overall expenditure increases by 10% compared to 2019. The staff-related expenditure for PIC and POPs is estimated at EUR 0.9 million, while the majority of the operational budget is allocated for the development and maintenance of the IT tools.

Revenues	2018	2019	2020
	Revenues estimated by the agency	As requested by the agency	As requested by the agency
EU contribution	1 096 320	1 564 000	1 727 000
Other revenue	0	0	0
Total revenues	1 096 320	1 564 000	1 727 000

New tasks

The present Programming Document foresees a number of new tasks for ECHA that have been agreed, or are under discussion, with the Commission services. They will require additional financial and human resources in the period 2019-2022, subject to final agreement. For 2019 and 2020, ECHA will continue to align with the Commission Communication on the resourcing of

EU Agencies³. For the longer term, ECHA requires financial and human resources stability so that the necessary competencies to fulfil its growing mandate can be secured.

Attachments:

- Annex 1: ECHA's Draft Programming Document(s) for years 2019-2022
- Annex 2: Commission opinion on the draft Programming Document 2019-2021
- Annex 3: Draft reply to the Commission opinion
- Annex 4: REACH Review mapping of actions in the Programming Document 2019-2022
- Annex 5: Introduction to the HR Strategy & IT Masterplan
 - Annex 5.1: HR Strategy
 - Annex 5.2: IT Masterplan

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³ COM(2013)519