

Management Board Assessment of the Consolidated Annual Activity Report for 2018

ASSESSMENT OF THE CONSOLIDATED ANNUAL ACTIVITY REPORT OF THE AUTHORISING OFFICER FOR THE YEAR 2018

In assessing the Consolidated Annual Activity Report 2018, the Management Board makes the following observations¹:

1. The Report provides a detailed account of the activities carried out by ECHA in 2018, a comprehensive overview of activities, financial information, results of audits, ex-post evaluations and assessment of the internal control systems, the risks related to its activities and the measures taken to address them.
2. In the view of the Management Board, the overall performance and quality of the outputs was high. Despite the risks and constraints in some areas, ECHA achieved 58 out of the 69 performance targets set in the Work Programme 2018.
3. The Management Board welcomes the steps that ECHA has taken to implement the thirteen recommendations of last year's Management Board assessment, noting that some of these recommendations are of ongoing nature and still relevant.

The Management Board welcomes in particular the following achievements:

1. With the reorganisation and the adoption of its new strategic priorities, ECHA took relevant actions towards implementing the recommendations of the second REACH Review². ECHA undertook a reorganisation – effective as of 1 January 2019 – in order to meet stakeholders' needs and expectations. The new organisation aims to create a new organisational structure tailored to the Agency's activities, processes and competences, and supporting up-to-date staff development opportunities, efficient and flexible ways of working, while allowing the on-boarding of new tasks in a smooth way. Focus areas and priorities for the years to come changed towards more impact-oriented ones.
2. ECHA's new strategic priorities link closely to the United Nations Sustainable Development Goals. The input from the Commission's REACH Review helped to focus ECHA's priorities on where they matter most for protecting human health and the environment. By developing its new strategy, the Agency prepared for future challenges in efficiently and effectively carrying out core tasks under REACH, CLP, BPR and PIC together with new areas of work such as for Poison Centres, Occupational Exposure Limits, the Waste Framework Directive, the EU Chemicals Legislation Finder and Persistent Organic Pollutants.
3. The performance management model of the Agency was revised in line with ECHA's new strategic priorities, with the purpose of defining more outcome and impact-oriented indicators to allow for the future measurement of the intermediate and long-term impact of the Agency's actions in protecting the human health and environment.

¹ Assessment pursuant to Article 47 of the Agency's Financial Regulation.

² Commission General Report on the operation of REACH and review of certain elements, COM(2018) 116 final available at https://ec.europa.eu/growth/sectors/chemicals/reach/review_en.

4. The Management Board highly appreciates the work performed by the Agency in successfully managing the last REACH registration deadline on 31 May 2018, with extensive amounts of information on chemicals on the European market now being publicly available. Companies received support for registering 37 441 dossiers and benefitted from enhanced support to prepare their registration dossiers.
5. ECHA has developed an approach to map the chemical universe of REACH registered substances to support achieving the aim of the integrated regulatory strategy and increasing transparency on how authorities address all substances on the EU market in a proportionate manner.
6. ECHA continued to focus on generating substance information required to clarify the long-term effects on human health and the environment and increased the efficiency of evaluation by addressing groups of substances.
7. The Management Board appreciates the work performed by ECHA to prepare for the United Kingdom's withdrawal from the European Union, and in particular the dedicated section on ECHA's website providing relevant assistance and advice for various scenarios that companies may face.
8. The Agency achieved a high degree of budget execution and low degree of vacancies, and the Management Board notes that the Agency collected higher than estimated volumes of fees and charges under the REACH Regulation, which generated a surplus.
9. The Agency followed up as high priority recommendations from external and internal audits and ex-post evaluations, effectively managed the risks related to its activities, ensured the effectiveness of its internal control systems and made further efforts to improve the economy and efficiency in its operations.
10. ECHA developed a significant number of draft restriction proposals for submission in 2019 at the request of the Commission or in collaboration with Member States. Some of these were of particular public interest, such as the restriction proposal on microplastics.
11. Building on its Substitution Strategy, ECHA supported substitution by improving access to its public database, increasing the capacity of Member States and stakeholders to analyse alternatives, and enhancing networking opportunities.
12. The EU observatory for nanomaterials was further expanded with information on research and innovation and the decision to build an EU chemicals legislation finder has been taken following the conclusion of the (first phase) feasibility study.
13. The first set of tools for harmonised notification has been provided to industry, and the decision was taken to develop the Poison Centres' notification portal for authorities.
14. ECHA has started to provide earlier and increased support to Member States to speed up the Biocides Review Programme. The first Union authorisations have been granted allowing companies to have their biocidal products on the entire EU market with one application.
15. Improved quality of regulatory information in export notifications under PIC regulation has enabled non-EU authorities to take decisions more easily and in a more informed way.
16. ECHA's Committee for Risk Assessment (RAC) provided opinions on 62 proposals for harmonised classification and labelling (CLH) in 2018. This almost

doubled from the previous year and is the highest number in one year since ECHA started work.

The Management Board recommends for 2019 to:

- a. Carefully follow the implementation of the new organisational structure with regards to its objectives as stipulated in paragraph 1 of the achievements above, ensure that it delivers the expected outcomes and take any action, as appropriate, in order to meet these expectations. Carry out an interim assessment of the results of the re-organisation by the end of 2019.
- b. Continue working on the performance management model of the Agency, including on the further development of outcome and impact oriented indicators that can be shared publicly. This should include continuing to work on the approach to map the chemical universe of REACH registered substances to support achieving the aim of the integrated regulatory strategy and increasing transparency on how authorities address all substances on the EU market in a proportionate manner.
- c. Following the REACH Review recommendations and taking due account of the public and political attention, address convincingly the challenge of non-compliance of registration dossiers and make efficient use of the resources allocated for this task in the 2019 Work Programme, e.g. by further advancing in the grouping approach.
- d. Implement any measures arising from European Court judgements to ensure that the Agency acts in accordance with the legal text when assessing authorisation applications and drafting opinions; take due account of the relevant European Parliament resolutions and report back to the Management Board regularly on the progress made.
- e. In light of the reoccurring lower than expected outcome of the Biocide Review Programme and in light of the increasing workload from the Union authorisations, ensure that relevant actions are taken in cooperation with the Commission and Member States in order to increase the output.
- f. In alignment with the Commission, seek sustained funding of the work required of the Agency under Article 9 of the Waste Framework Directive, thus contributing to of the Circular Economy Action Plan of the EU. Communicate clearly to the Management Board and the Commission any postponement or deviation from the planning that could jeopardize the fulfilment of legal obligations, and ensure there is a continuous risk assessment with relevant scenarios planned, in particular, if there is no timely solution on sustained funding and staff.
- g. Building on the results and insights gained from the initiated studies and external support on the possibilities to forecast fees and charges, including the level of precision and margin of error, and the experiences from 2018, revise, as appropriate, the approach of the Agency to forecast income from fees and charges and agree with the Commission on the level of precision expected on the forecast of fees and charges.
- h. Continue to focus on meeting targets on budget execution and report on a 4-monthly basis to the Management Board Working Group on Planning and Reporting including on fees and charges income and the state of play of SME status verification. Present a clear and workable plan to the Management Board on the future approach of SME verifications to absorb the 'backlog'.
- i. To allow the Agency to carry over appropriations without breaching the budget annuality principle, the budget of the Agency shall contain differentiated appropriations where justified by operational needs (appropriations of multiannual nature). These appropriations shall consist of commitment appropriations and payment appropriations.

- j. Closely follow that the ECHA building project progresses as planned to ensure the smooth relocation of the Agency's staff from the current to the new building, and take any measures necessary to mitigate delays or other deviations.
- k. Avoid conflicts of interests, and if conflicts of interests arise, manage these in a transparent manner in accordance with the revised ECHA Policy on prevention and management of potential conflicts of interest.
- l. Implement the necessary measures, as far as possible, to minimise disruption to ECHA's activities and the EU Internal Market due to the United Kingdom's withdrawal from the Union.

For the Management Board

signed

The Chair

Sharon McGuinness