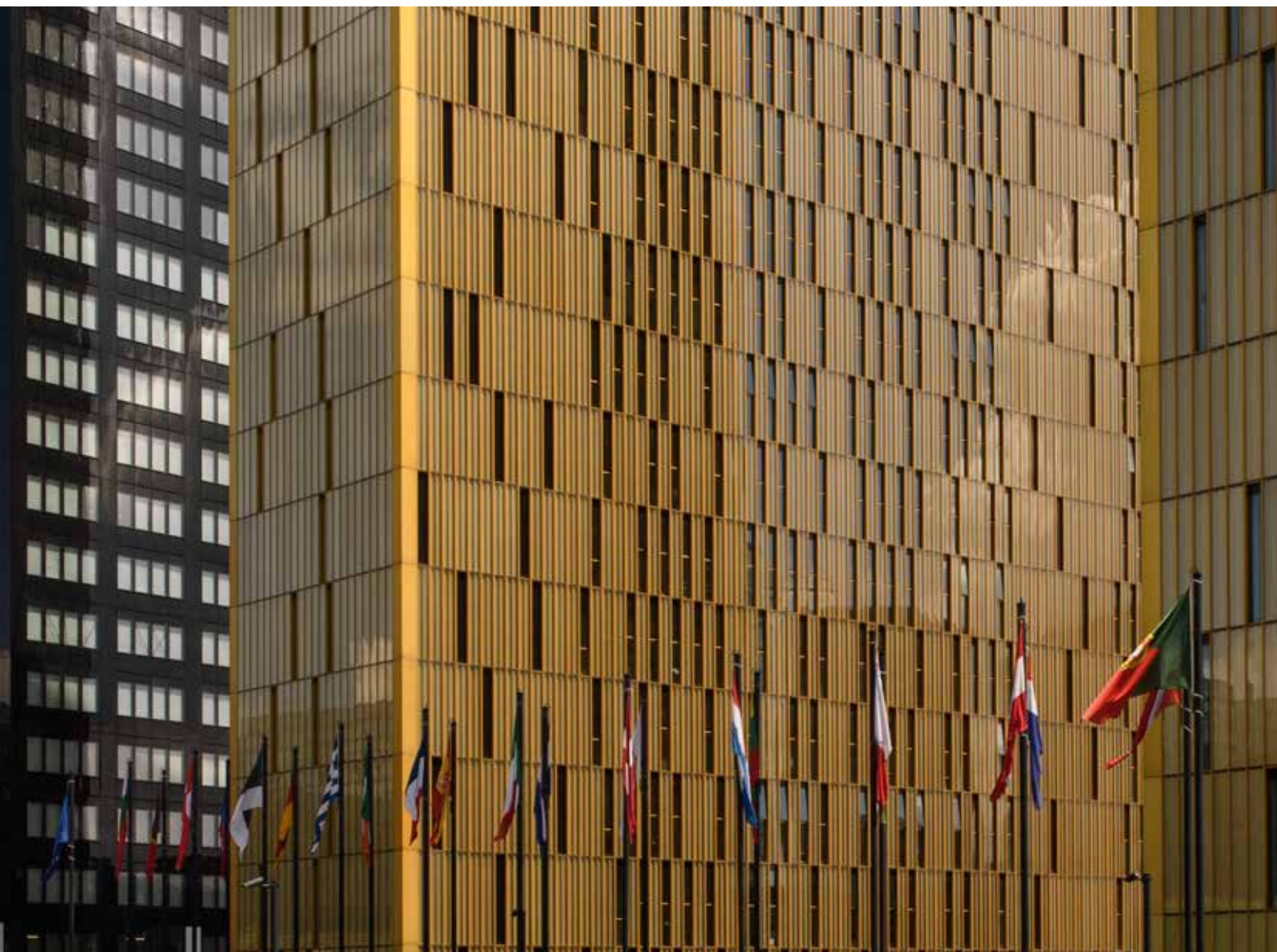




COURT OF JUSTICE
OF THE EUROPEAN UNION



ANNUAL REPORT 2018

ANNUAL MANAGEMENT REPORT



ANNUAL ACTIVITY REPORT FOR THE FINANCIAL YEAR 2018

ANNUAL MANAGEMENT REPORT
(ARTICLE 74(9) OF THE FINANCIAL REGULATION)



SUMMARY

I. INTRODUCTION	4
II. ANNUAL OVERVIEW OF ACTIVITIES	7
A. ACTIVITIES DIRECTLY RELATED TO JUDICIAL ACTIVITIES	7
1. COURT REGISTRIES	7
2. DIRECTORATE-GENERAL FOR MULTILINGUALISM	13
3. DIRECTORATE-GENERAL FOR INFORMATION	23
4. RESEARCH AND DOCUMENTATION DIRECTORATE	33
5. PROTOCOL AND VISITS DIRECTORATE	37
B. OTHER ADMINISTRATIVE SUPPORT ACTIVITIES	40
1. DIRECTORATE-GENERAL FOR ADMINISTRATION	40
2. LEGAL ADVISER ON ADMINISTRATIVE MATTERS	49
3. DATA PROTECTION OFFICER	51
III. USE OF HUMAN AND FINANCIAL RESOURCES	54
A. IMPLEMENTATION OF APPROPRIATIONS	54
B. USE OF POSTS PROVIDED FOR IN THE ESTABLISHMENT PLAN	55
IV. FUNCTIONING OF THE INTERNAL CONTROL SYSTEM	56
A. OVERALL ASSESSMENT OF THE COSTS AND BENEFITS OF CONTROLS	56
B. RESULT OF ACTIVITIES AND MANAGEMENT INDICATORS RELATING TO ACTIVITIES OF VERIFICATION, ASSISTANCE AND ADVICE ON INTERNAL CONTROL AND INTERNAL AUDIT	57
C. RISKS ASSOCIATED WITH THOSE OPERATIONS AND THE FUNCTIONING OF THE INTERNAL CONTROL SYSTEM	59
V. OBSERVATIONS MADE IN CONNECTION WITH EARLIER DISCHARGES OR REPORTS OF THE COURT OF AUDITORS	60
A. OBSERVATIONS MADE BY THE COURT OF AUDITORS	60
B. OBSERVATIONS MADE BY THE DISCHARGE AUTHORITY	61



ANNEXES

ANNEX 1 - REPORT ON STAFF POLICY	63
ANNEX 2 - REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT FOR THE FINANCIAL YEAR 2018	76
ANNEX 3 - REPORT ON NEGOTIATED PROCEDURES	101
ANNEX 4 - REPORT ON COMPLIANCE WITH AND SUSPENSION OF TIME-LIMITS FOR MAKING PAYMENTS TO CREDITORS OF THE INSTITUTION	102
ANNEX 5 - REPORT TO THE BUDGETARY AUTHORITY UPDATED PLAN OF INVESTMENT IN BUILDINGS 2019 - 2023	104
ANNEX 6 - DECLARATION BY THE AUTHORISING OFFICER BY DELEGATION	125



I. INTRODUCTION

The Court of Justice of the European Union ('the Court' or 'the Institution') reports each year by publishing a report composed of the following:

- ▶ the 'Judicial activity' report,
- ▶ the management report (annual activity report by the authorising officer by delegation) drawn up in accordance with Article 74(9) of Regulation No 2018/1046 on the financial rules applicable to the general budget of the Union ('the Financial Regulation').

Article 74(9) of the Financial Regulation requires the authorising officer by delegation to report to his or her Institution on the performance of his or her duties in the form of an annual activity report containing financial and management information and by declaring that he or she has reasonable assurance that:

- (a) the information contained in the report presents a true and fair view,
- (b) the resources assigned to the activities described in the report have been used for their intended purpose and in accordance with the principle of sound financial management; and
- (c) the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

The annual activity report shall include information on the operations carried out, by reference to the objectives and performance considerations, the risks associated with those operations, the use made of the resources provided and the efficiency and effectiveness of internal control systems.

The context in which this management report by the authorising officer by delegation is drawn up for 2018 is characterised by particularly intense activity, as the statistics on the activity of the two courts which make up the Court of Justice show.

With 849 new cases, the Court of Justice registered the highest number of new cases in one year in its history. That increase of approximately 15% compared to 2017 concerned both requests for preliminary rulings as well as direct actions and appeals. It was accompanied by a record number (760) of cases closed, despite the partial renewal of the Court's composition (six Members left the court in

October 2018). Nevertheless, that number is lower than the number of cases brought in the course of the year, which logically led to an increase of the number of pending cases, which amounted to 1001 cases on 31 December 2018. In respect of the average length of proceedings before the Court of Justice, it decreased in 2018 (15.7 months as against 16.4 months in 2017).

It is in this context, *inter alia*, that the Court of Justice submitted to the Union legislature, in March 2018, a proposal seeking to amend Protocol No 3 on the Statute of the Court in order to transfer to the General Court the jurisdiction to rule, at first instance, on certain categories of action for failure to fulfil obligations and to introduce, at the Court of Justice, a mechanism whereby the Court determines whether certain categories of appeal should be allowed to proceed. Although the first part of that proposal had to be delayed because of, *inter alia*, objections expressed by the European Commission, the discussions relating to the second part have advanced well and should enable the introduction of that mechanism to determine whether certain categories of appeal should be allowed to proceed in the course of 2019.

The General Court, for its part, made the necessary arrangements in order to make the most of the reform of the European Union's judicial architecture ¹. In this context, the year 2018 may be considered as the second completed exercise that allowed the Court to test its new organisation in nine chambers with very positive results. For the first time, the threshold of 1 000 closed cases in the year was exceeded (1 009 ²). The number of cases brought, which amounts to 834³, reflects, for its part, a certain decrease in the number of entries (917 in 2017). The combined effect of these factors has led to a significant reduction of the number of pending cases. With 1 333 cases pending on 31 December 2018 as against 1 508 a year earlier, the General Court has reduced the backlog stock of cases by 12%.

Although the average duration of cases disposed of by judgment or by order was in the order of 20 months at the General Court and was slightly longer than that observed during the two preceding years, the increase in question must be put into perspective. It can be partly explained by the settlement in 2018 of several voluminous cases and the high level of complexity in the field of competition law. On the contrary, it must be emphasised that there has been a decrease in the average duration of proceedings in the field of intellectual property (in respect of cases settled by judgment, the duration is now at 18.8 months or 13.5 months, according to whether a hearing has been held or not).

The Institution has continued to explore all avenues open to it in order to achieve the objectives of quality and expediency inherent in the proper administration of justice. The main axes of reform cover all areas of activity of the Institution: improving the regulatory framework of the courts and their working methods, management of the requirements of full multilingualism and reduction in the relative weight of horizontal services (human resources and finance, IT, logistics and buildings) in order to preserve the working capacity of the cabinets of the Members. Indeed, the weight of 'horizontal services' went from 16.5% of total staff in 2007 to 14.3% in 2018, *inter alia* as a result of the implementation by the Court of the Inter-institutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, requiring a 5% reduction in staff in the 2013-2017 period.

1| Regulation (EU, Euratom) 2015/2422 of the European Parliament and of the Council of 16 December 2015 amending Protocol No 3 on the Statute of the Court of Justice of the European Union (OJ 2015 L 341, p. 14), and Regulation (EU, Euratom) 2016/1192 of the European Parliament and of the Council of 6 July 2016 on the transfer to the General Court of jurisdiction at first instance in disputes between the European Union and its servants (OJ 2016 L 200, p. 137).

2| This number does not include the 44 summary proceedings closed in 2018.

3| This number does not include the 41 summary applications filed in 2018.

It is important to emphasise the magnitude of the efficiency improvements achieved by the Court as a result of the co-ordinated efforts of the courts and all the services. Those efforts have made it possible, over the period 2012-2018, to see the annual number of completed cases increase by 26%.

As regards the regulatory framework surrounding the activity of the Institution, 2018 was characterised, *inter alia*, by the adoption of Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, on the one hand, and by the adoption of 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 on the other. Those new regulations have resulted in a significant amount of compliance work for all the services of the Institution.

Internally, 2018 was also characterised by a reorganisation of the services of the Institution which, in the context of budgetary constraints and in an environment characterised by the continual increase in the workload and rapid technological advancement, aims to bring about considerable synergies and better to align the Court's services with the requirements of its judicial activity.

In precise terms, the administrative structure of the Institution has been restructured around three directorates general – instead of four – namely a Directorate-General for Administration, a Directorate-General for Multilingualism and a Directorate-General for Information, while the Research and Documentation Directorate has been attached directly to the Registrar of the Court of Justice.

As regards the structure of the present report, Chapter II focuses on the activities of the various departments of the Institution, Chapter III analyses the use of budgetary and human resources made available to it, and Chapters IV and V report on the functioning of the internal control system and the follow-up of the observations made in the context of the annual (and, where appropriate, special) report of the Court of Auditors and the discharge resolution of the European Parliament for the financial year 2017. Finally, various annexes provide more specific information, some of which is required under specific provisions of the Financial Regulation.



II. ANNUAL OVERVIEW OF ACTIVITIES

A. ACTIVITIES DIRECTLY RELATED TO JUDICIAL ACTIVITIES

1. COURT REGISTRIES

(a) MISSION

The activity of the registries of the Court of Justice and of the General Court is marked by their dual role, which derives from the tasks assigned to them:

- ▶ an external role, in so far as the registries are the natural interlocutors of the parties throughout the court proceedings, from the lodging of the document instituting the proceedings at the registry of the court concerned until service of the decision which closes the proceedings;
- ▶ an internal role, in so far as the registries assist the Members of the courts in the daily administration of justice.

In the light of the fact that they share the same mission, the registries of the two courts face the same risks that are likely to hinder their activities. They are nevertheless required to perform tasks specific to them due, *inter alia*, to the different nature of the proceedings brought before them.

(b) RESULT OF OPERATIONS IN RELATION TO THE OBJECTIVES SET, CONTAINMENT OF ASSOCIATED RISKS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

In their day-to-day operations, the registries strive to take the necessary steps to ensure that each stage of the judicial process is optimised, while ensuring that the fundamental guarantees of a fair trial are never undermined. Without being exhaustive, the present contribution indicates some of the results achieved by the registries compared with the objectives which they had set themselves for the financial year 2018.

(1) Results of operations in relation to the main objectives

- **External aspects of the activities of the registries of the courts**

As 'gateway' of their court, the registries play an **intermediary role between the parties and the court in the context of processing cases brought before it**. In that regard, the registries ensure that proceedings run smoothly and case-files are kept in good order. That mission requires them in particular to carry out the following tasks:



- ▶ communication with the national courts, the parties and their representatives and correspondence with the parties and with third parties in connection with pending or closed cases;
- ▶ keeping a record of the procedural documents of each court and managing case-files in cases before the court;
- ▶ receipt, forwarding and keeping of all documents and notifications required under the Rules of Procedure;
- ▶ management and updating of the electronic procedural document storage system (either directly, using the e-Curia application, or by scanning all other procedural documents) and updating the procedural databases of the registries;
- ▶ management of the translations of procedural documents into the language of deliberation and their forwarding to Members of the court;
- ▶ ensuring the presence of a session registrar during oral hearings and the delivery of Opinions and judgments, and preparing the minutes of the hearings;
- ▶ managing the court's publications;
- ▶ archiving case files, and
- ▶ production of court statistics.

To carry out those various tasks, the registries work together with the Directorate for Information Technologies to improve common IT applications in order to optimise and ensure the security of the processing of cases, taking into account the specific requirements resulting from the implementation of the rules of procedure of their courts and the nature of the cases brought before them.

One of the most tangible results of this cooperation has been the e-Curia application, which allows secure lodging and service of procedural documents by exclusively electronic means. The success of that application, launched in November 2011, has remained unabated, given that the procedural documents being lodged via this channel represented more than 75% of the total documents lodged at the Court of Justice in 2018 and 85% of the total of documents lodged before the General Court during the first 11 months of that year.

Pursuing the process of digitalisation of court proceedings in order to avail of all of the intended benefits thereof, the Court of Justice and the General Court carried out reforms to enhance the use of e-Curia:

- ▶ at the General Court, e-Curia has become the only method of lodging documents and of notification of pleadings in the context of actions brought before the court since 1 December 2018. Indeed, use of this application has been made obligatory for all parties (applicants, defendants and interveners) and for all types of procedures. Certain exceptions have however been foreseen in accordance with the principle of access to the courts (in particular where the use of e-Curia is technically impossible

or where legal aid is requested by an applicant who is not represented by a lawyer). The specific objective which the Registry of the General Court set itself in the context of the financial year 2018 has thus been achieved;

- ▶ at the Court of Justice, all of the Member States already use e-Curia since 2016 in the context of direct actions brought before the court. In order to widen the field of users and, therefore, strengthen the celerity and efficiency of justice, work is in progress in order to also make e-Curia available to national courts in the context of requests for preliminary rulings which they transfer to the Court.

The extensive (and, a fortiori, exclusive) use of the application thus allows the work involved in digitalising documents lodged in paper format to be brought to an end while drastically reducing the constraints linked to the management of a plurality of formats – which leads, for example, in the case of lodging in paper format preceded by lodging by fax, to a duplicate entry in the database and to the verification of the conformity of the document lodged in paper format. Those developments have inter alia allowed the General Court to simplify the rules on the presentation of procedural documents, since the obligation to lodge certified copies of the original has been discontinued.

In line with the Institution's reflections over the past several years and following its observations on the Special Report of the European Court of Auditors adopted in September 2017⁴, preparatory work for the design of an integrated IT system to support the management of cases also began in the spring of 2018 and the registries of the Court of Justice and the General Court have already taken a very active part in this work.

Finally, the registries receive numerous requests for information and access to documents, which they process, either alone or together with the Communication Directorate. More generally, the registries reply to a wide range of questions, whether from representatives of parties involved in legal proceedings, cabinet staff, department staff or third parties.

• Internal aspects of the activities of the registries of the courts

The registries of the Court of Justice and of the General Court also have the role of providing **active legal assistance** to Members and their staff in the management of proceedings.

The degree of procedural management assistance given varies according to the courts and according to the type of proceedings involved. Assistance granted to Members and their staff takes the form, inter alia, of making information of a procedural nature available, either online or in other formats, sustained efforts being made by the registries to encourage uniform application of the Rules of Procedure by the various chambers.

⁴ Special Report No 19 (2017) of the European Court of Auditors: Examination of performance in the management of cases at the Court of Justice of the European Union.

At the Court of Justice, the cases examined by the General Meeting are referred either to the Plenary Assembly or to the Grand Chamber composed of fifteen judges or to court formations of three or five judges, the latter court formation being the most frequently requested. Accordingly, on 31 December 2018, the Court of Justice had five chambers sitting with five judges and five chambers sitting with three judges.

The General Court, for its part, is organised into nine chambers (on 31 December 2018, seven chambers of five judges and two chambers of four judges)⁵, each chamber comprising two sub-formations of three judges presided over by the same president.

That legal assistance role has the result that the registries are at the heart of the **administration of justice**.

In that regard, representatives of the registries participate in oral hearings (347 before the Court of Justice and 387 before the General Court in 2018), preparing the minutes and submitting them to the judges for approval. At the General Court, the representatives of the registries also attend administrative meetings of formations of the court (381 'chamber conferences' in 2018), take the minutes, submit those minutes for approval and ensure that decisions taken at those meetings are implemented. All of the oral hearings and administrative meetings organised by the presidents of formations of the court have therefore benefitted from the participation of a representative of the registry of the court concerned, in accordance with the objectives set in that regard.

The registrars of the two courts shall convene and participate in General Meetings (Court of Justice) or Plenary Conferences (General Court), as well as other committees and internal bodies ensuring the updating and availability of the documents relating to those meetings or conferences and shall draw up the draft minutes. The Registry of the Court of Justice also prepares the agenda for the General Meeting with regard to court cases, ensures that decisions taken on those points are implemented and draws up the draft minutes concerning those points.

The registries are also responsible for updating and making available the documentation relating to the Meeting (Court of Justice) or to the Conference (General Court) of the Presidents of Chamber and to various committees, in particular those, which exist in each court, responsible for reviewing amendments of the Protocol on the Statute of the Court of Justice or of the Rules of Procedure. In that regard, the registries have been involved in the amendment of several procedural texts:

- ▶ the Registry of the Court of Justice has contributed to the preparation, in 2018, of the proposal to amend the Protocol on the Statute of the Court seeking, on the one hand, to transfer to the General Court the jurisdiction to rule, at first instance, on certain categories of action for failure to fulfil obligations and, on the other hand, to introduce, at the Court of Justice, a mechanism whereby the Court determines whether certain categories of appeal should be allowed to proceed. The discussions on that second part of the proposal are well advanced and have been completed by the drafting of a draft amendment of the Rules of Procedure of the Court of Justice seeking to define the arrangements for the practical implementation of the above-mentioned mechanism. Approved by the General Meeting of the Court of Justice on 8 January 2019, that draft was referred to the Council on 21 January 2019;
- ▶ the Registry of the General Court was involved, in 2018, in the preparation of amendments of the Rules of Procedure of the General Court seeking, first, to extend the powers of its Vice-President in order for him to be able to carry out the duties of the Advocate General and to refer to the Plenary

⁵ On 31 December 2018, the General Court was composed of the President, the Vice-President and 43 other judges, assigned either to one of seven chambers of five judges, or to the two chambers composed of four judges.

Conference proposals to refer cases before court formations composed of more than three judges and, second, to make the e-Curia application obligatory before the General Court. Those amendments were adopted in July 2018.

(2) Risks associated with those operations and the effective and efficient functioning of the internal control system common to both registries

The occurrence of certain risks could impede the proper functioning of the registries, or even prevent completion of the tasks assigned to them. Those risks have, in the majority of cases, a high level of interdependence with risks which could affect the services of the Institution, due, in particular, to their transversal nature or to the fact that the activity of the registries that would be jeopardised depends, in whole or in part, on other services. The principal risks identified, some of which are more specific to one registry than another, as well as the measures adopted to deal with them are the following:

- **Major crisis situations**

These are risks to which the Institution as a whole is exposed (epidemic, fire, natural catastrophes or adverse weather conditions, and so on). The registries have contributed to the Institution's continuity plan and to the establishment of an Internal Emergency Plan ('IEP') to deal with such crisis situations. An effort undertaken in each registry has enabled numerous specific measures to be introduced which ensure the continuity of those operations, and that those measures are updated. Furthermore, since 2018, the registries make resources available to the new crisis management centre set up in the Institution to assist the institutional crisis unit. A 'registry desk' has been created with the task of ensuring that that desk be informed of the impact of a possible crisis as regards the functioning of the courts.

- **IT malfunction**

The registries are dependent on IT applications operating as they should, so that any malfunction means that completion of their tasks is disrupted. To contain those risks as much as possible or, where appropriate, to respond to them, the registries work very closely with the Directorate for Information Technologies, in order to ensure the smooth running of the applications, their possible improvement or recovery as promptly as possible in the event of difficulty. In that regard, it should be noted that the continuity plan for IT infrastructures, drawn up by that Directorate, is designed to ensure full continuity of service.

The mandatory nature of e-Curia for the lodging and service of procedural documents before the General Court has, in particular, justified the establishment of a system designed to govern instances where the use of the application is technically impossible and to request the Directorate for Information Technologies to strengthen the monitoring of the application, both as regards its internal part and external part.

- **Incidents arising when handling procedures relating to cases**

The purpose of strictly monitoring files, producing checklists and the use of scoreboards, drafting internal procedures and setting operational priorities is to reduce any risk of an incident arising during the handling of cases. In that context, the cooperation between the registries and the departments, in particular the Directorate-General for Multilingualism, constitutes one of the Institution's priorities in order to ensure, throughout the handling of the case, that the confidentiality of the proceedings is maintained. Particular attention is also paid by the registries, both in the processing of cases and in connection with

the publication/dissemination of decisions of the courts, with respect to the protection of the identity of persons and other personal data (by granting anonymity), and the preservation of the confidentiality of certain data, in particular business secrets.

- **Pressure due to increased workload**

The increase in the workload due to the considerable increase in the number of cases brought before the Court of Justice in 2018 and the concentration of judicial activity during certain periods of the year contribute to putting particular pressure on the resources of the registries. To deal with such difficulties, great flexibility on the part of the staff is required and must be accompanied by the implementation of specific organisational arrangements.

The administrative management work of the registries, inter alia in the context of the renewal of the composition of the courts is also likely to entail a one-off increase in workload, which can, in principle, be adequately dealt with by means of the organisational measures adopted in order to deal with the increase in judicial activity, but also by setting up support procedures which have been tested over time of Members taking up or discontinuing their duties. As regards specifically the General Court, the enlargement of the court has nevertheless entailed an increase in both jurisdictional and administrative workload as new Members arrive, in so far as the Registry is involved in the preparation of a larger number of administrative meetings, committees and working groups, which justifies the strengthening of the Registry as part of the reform of the court.

In more general terms, it is for the registries of the courts, as administrative services, to respond to various requests made to them and to comply with regulatory requirements aimed at protecting the environment ('EMAS' system – Eco-Management and Audit Scheme), to protect highly sensitive data, to put in place rules resulting from the Financial Regulation and to ensure compliance with the regulation on the processing of personal data by the Union's institutions, bodies, offices and agencies. The tendency towards an increase in workload resulting from the compliance of documentation and procedures must be handled using existing resources, while continuing to carry out tasks serving the courts without delay and with a constant level of quality.



2. DIRECTORATE-GENERAL FOR MULTILINGUALISM

Since 1 January 2018, the Interpretation Directorate and the two Legal Translation Directorates have been joined together in a new Directorate-General for Multilingualism (DGM). The purpose of this administrative restructuring is to strengthen the efficiency and visibility of the linguistic departments and, by the same token, the importance the Institution accords to multilingualism, which is regarded as a key element of a fair trial and an essential ingredient of the case-law as a source of law.

The DGM's task is to ensure compliance with the language regime applicable to the judicial proceedings before the courts of the European Union by providing the necessary interpretation and translation services, as well as citizens' access to European justice and the case-law of the Court, ensuring that language is not an obstacle.

The objectives assigned to the directorates of the DGM are explained in detail in the parts of this report which are dedicated to them.

a. Legal translation directorates

(1) Mission

The mission of the Legal Translation service is to ensure compliance with the language regime applicable to judicial proceedings before the courts of the European Union. This mainly involves translating:

- ▶ in all the languages:
 - ⦿ requests for a preliminary ruling so that they can be served on the Member States;
 - ⦿ notices in the Official Journal of the European Union of actions brought, in order to allow interventions, and of decisions adopted;
 - ⦿ published decisions of the Court of Justice and of the General Court in order to enable EU citizens to access the case-law in their own language, as soon as possible and in conditions of equality;
 - ⦿ opinions of the Advocates General;
 - ⦿ summaries of decisions published and information on decisions not published in the Official Journal of the European Union;

- compliance with the necessary deadlines for optimal support of judicial procedures and for the swift dissemination of case-law,

- compliance with the necessary deadlines for optimal support of judicial procedures and for the swift dissemination of case-law,

- (2) Result of operations in relation to the objectives set, containment of associated risks and functioning of the internal control system**

It should be noted in the first place that the Legal Translation service does not control incoming volumes for translation. The judicial work is determined by the number of references for preliminary rulings and actions brought, which the Court of Justice and the General Court must necessarily examine and resolve by means of decisions which will be disseminated.

It is important to point out that without all the cost-saving measures put in place since 2004, the translation workload would have been close to 1 850 000 pages in 2018. It was possible to save almost 565 000 pages of translation as a result of the proactive measures



taken in the past, namely selective publication and publication by extracts of the case-law, limiting the length of the Opinions of Advocates-General, the abandonment of Reports for the Hearing at the Court of Justice, drawing up of summaries of requests for a preliminary ruling and the use of editing, consultation on the need to translate certain annexes to procedural documents, etc.

All those savings measures, adopted by the courts in the context of budgetary difficulty, remain essential to the implementation of the principal objectives of the Legal Translation service.

The restitution of 60 establishment plan posts over a period of 5 years followed by a freeze on posts has heavily affected the production capacity, and the sudden increase of entries observed in 2018 could only be partially absorbed, despite constant pressure on internal productivity, the use of translation tools and increased outsourcing.

The stabilisation of the workload between 2015 and 2017 has made it possible, in 2017, to reduce the stock of pages for translation to a historically low level of 157 000 pages, thus providing a safety margin in the event of a sudden increase in entries. And this is what occurred in 2018: despite a further increase in productivity of 6.8%, the stock has increased again (+46%) to reach 229 000 pages, thereby affecting the multilingual availability rate in the context of the daily publication of the electronic case-law reports.

As regards **quality**, the investment made in IT, training, terminology and internal quality assurance processes, particularly within the framework of the methodological approach known as the 'Quality measure', have made it possible to maintain a very high quality level of legal translations, irrespective of the complexity of the documents and the difficulty of the source languages, while continuing to respond to the needs in terms of quantitative production. Given the growing importance of outsourcing, measures have been taken to strengthen and institutionalise, for the benefit of freelance translators, feedback, training and the provision of phraseology, terminology and documentary tools in the context of the 'Maximising the contribution of freelance translation' project.

Finally, the commitment of the Legal Translation service has made it possible to comply with all the time limits required for the due progress of proceedings in all languages; compliance with the objectives linked to the dissemination of the case-law to citizens has generally been maintained. The overwhelming majority of translations of judgments are published on the day of delivery: it can therefore be considered that the objective of making all language versions of judgments of the Court available on the day of delivery, and that of making Opinions available on the day of delivery of the judgment, were almost 100% achieved.

- **Risks associated with the above operations and the efficient and effective functioning of the internal control system**

For each risk set out in the risk analysis prepared by the DGM, relevant actions have been taken or scheduled, including the updating of the continuity plans. The DGM has detailed crisis plans which will help it to deal with risks connected with IT malfunction and with any large scale absenteeism of its staff, for example in the event of an epidemic. In addition, all the lists relating to the operational cell and risk groups are regularly revised. These continuity plans are regularly tested in the framework of internal discussions and exercises organised centrally.

The risks specifically associated with the activities of the Translation service essentially relate to control of the workload, maintaining quality and observance of deadlines, in the context, on the one hand, of the judicial architecture and, on the other, the concurrent increase in the number of cases brought before the Court of Justice and in the number of cases closed by the General Court. The principal challenge for the service consists therefore in controlling its workload, failing which the handling of cases before the two courts and the dissemination of case-law in all languages could be affected, both in terms of quality and deadlines.

As regards **control of the workload**, the main risk is the possibility of an imbalance between the workload and the human, technical and financial resources available to the Translation service, especially in the present budgetary situation and uncertain developments on the political horizon. The Translation service must therefore ensure it continues to make the best possible use of the resources assigned to it, but also closely monitor the development of the workload and future events that may impact on it. It is by means of this ceaseless monitoring that the DGM is able to adapt its budget requests, while constantly improving its working methods and intensifying the search for savings measures in order to keep those requests within reasonable limits. The removal of posts which ended in 2017, has heavily affected the Translation service. It was in this context that the 'Maximising the contribution of freelance translation' project was conceived, which aims to improve the arrangements for management and collaboration with freelance translators in order to meet the challenge of the structural increase in workload and the number of language combinations to be covered more smoothly (and without risk to quality), while promoting the profession of lawyer-linguist. In the context of the calls for tenders launched in 2017 for the outsourcing of legal translation, 73 new one-year framework contracts, renewable 3 times, were signed in 2018. On the other hand, some framework contracts had to be terminated, in particular because of problems with the quality of services (35 contracts). Unfortunately, due to the lack of offers, some lots (25 in total) remain uncovered, which confirms the rarity of some language combinations on the market.

Concerning **quality**, the main risks are potential errors or inaccuracies in the translation of pleadings or in the translation of documents originating from one of the judicial bodies of the Court (judgments, orders and Opinions). All the language units apply an internal control system for translations. Whether control is appropriate and, if so, to what degree, is assessed on a case-by-case basis by the heads of unit, with particular attention given to texts handled by less experienced officials or freelance translators. The work of freelancers is constantly monitored to take account of the actual quality of the services provided. Should the contractor fail to comply with its obligations, the Court reserves the right to terminate the framework contract at any time. Accordingly, some framework contracts had to be terminated due to the insufficient quality of the translations carried out. In general, quality problems can have an economic impact that is significant but difficult to quantify, in so far as, on the one hand, imperfect translation of decisions would lead to further proceedings before the Court of Justice and, on the other hand, the internal market would continue to suffer from the resulting legal uncertainty, or even diverging application of EU law.

Concerning **compliance with deadlines**, careful monitoring is carried out centrally and the results in 2018 remain very satisfactory, as mentioned above. The availability of high-performance IT tools and service continuity are key elements in mitigating the risks associated with controlling the workload, maintaining quality and meeting deadlines. In the context of the return of posts, the Legal Translation service focused in particular on outsourcing, terminology, training and new technologies, including the translation environment 'SDL Trados Studio' and the inter-institutional statistical translation assistance tool 'MT@EC'. This enabled it to increase its production to 1 212 383 pages in 2018 (compared to 1 135 671 in 2017).



This confirms the policy of the DGM which, in addition to its active commitment to improving outsourcing processes is currently bringing into service a new generation of neural translation assistance software (often referred to as 'automatic translation'), a process which it intends to further accelerate. These software products are so promising that productivity gains are certain, although difficult to quantify at this stage. The DGM therefore continues to invest in technological tools by improving and further expanding the use of 'SDL Trados Studio' and automatic neural translation, in terminology and training.

In the context of the '**Maximising the contribution of freelance translation**' project, discussions have been conducted to create the conditions for greater use of outsourcing. In that regard, a working group was set up in 2015 to analyse the possibilities of this optimisation with a view, in particular, to gradually increasing the contribution of external translation in order to take greater advantage of the multilingual and multicultural reality of the European Union and the diversity of its legal systems. The Legal Translation service of the Court thus aims to get closer to the Member States and develop a pool of external expertise, in order to cope with the structural increase in the volumes to be translated and the language combinations to be covered. The profession of lawyer-linguist is also enhanced by the concentration of internal resources on the management and revision of external resources, although lawyer-linguists continue to translate sensitive or important texts. The group examined the conditions for the success of such an approach and, in particular, the means by which the pool of external skills could be broadened, freelancers could be familiarised with internal working methods, but also the means by which the contractual framework could be improved. The group's work led to the development of a pilot project, which was then extended to all language units in 2018 and quickly bore fruit. Indeed, without the increased use of outsourcing, it would not have been possible to achieve the results obtained in 2018, that is to say an increase in production, which, although it did not make it possible to absorb all the increase in workload, nevertheless made it possible to support the procedures without delaying them, while maintaining good stock control.

The outsourcing rate has thus passed from 38.2% in 2017 to 40.1% in 2018. In 2015, when the above-mentioned project to maximise the contribution of freelance translation was launched, it was 31.2%.

With regard to **carrying out budgetary operations** under item 1406 (external provision of language services), all acts carried out in that context, whether public contracts, commitments or payments, are checked at various levels, both within and outside the DGM.



(3) Inter-institutional cooperation

- **The Inter-institutional Committee for Translation and Interpretation**

The Inter-institutional Committee for Translation and Interpretation (ICTI) is the inter-institutional body which coordinates joint projects of the language services of the various EU institutions and permits the exchange of expertise and best practice. It has two parts (translation and interpretation). The part devoted to translation is organised into two committees: the Executive Translation Committee (ETC) and the Translation Coordination Committee (TCC).

The ICTI and, in particular, with regard to translation, the ETC and the TCC, provide a permanent framework for inter-institutional cooperation, for example in the areas of exchanging information and experience, technological supervision, joint activity and performance indicators, organisation of competitions and outsourcing or training. It was chaired in 2018 by the European Parliament.

It is within the framework of the ICTI that the inter-institutional tools used on a daily basis, such as DocFinder, Euramis, IATE, Quest or e-Translation are jointly organised, designed, maintained and funded. It is also within that framework that the Inter-institutional agreement for the use of the SDL Trados Studio translation editor has been prepared and concluded, and towards which the language units of DGM completed migration in 2017. It is also in this context that the work that will develop the e-Translation tool for neural translation assistance is being funded. The Court is very active in supporting the Commission in financing, improving and entering data into its e-Translation tool, which is also part of the Connecting Europe Facility initiative.

In 2018, the ETC has again worked to strengthen cooperation at the level of the language communities and the exchange of best practices. The Court remains an important player in the inter-institutional bodies and in working groups or networks thereof.

- **Cooperation in respect of the lifting of the Irish derogation**

Council Regulation (EC) No 920/2005 of 13 June 2005 raised the Irish language to the status of an official language of the European Union, with effect from 1 January 2007. It has been decided, however, for practical and transitional reasons, not to compel the EU institutions to provide Irish versions of the legislation and case-law of the courts of the European Union: this measure is referred to as the 'Irish derogation'. In accordance with Council Regulation (EU, Euratom) No 2015/2264, that derogation will no longer be applicable from 1 January 2022.

For some years now, the DGM has been a member of the inter-institutional monitoring group in which it collaborates with the Irish authorities and EU institutions to prepare for the lifting of this derogation. Cooperation shall cover the development of translation capacities, including legal translation capacities in the Irish language, the translation of the *acquis communautaire* into Irish and the development of terminology resources and translation support tools.



- **The international context**

The DGM is also active within IAMLADP ⁶, a forum which brings together the language services of the EU institutions and a number of international organisations, including the UN, the World Bank, the IMF, the OECD and the OSCE. At its Annual Meeting in June 2018 in Montreal, the IAMLADP debated, inter alia, strategic guidelines, aimed at preserving multilingualism, recognised as essential at UN level, and compliance with high professional standards, while meeting the challenge of higher quantitative requirements. This implies both rational investments and savings to be achieved through the optimisation of methods and the pooling of resources, training and good practices. It will also be crucial to master increasingly complex IT tools. The following strategic aspects were identified: methodological developments; new and expanded skills and knowledge; inclusiveness and accessibility in the context of career opportunities.

The Court will organise the annual IAMLADP meeting in May 2019 in Brussels, together with three other European Union institutions (the Commission, the Parliament and the Council).

The DGM also takes part in the annual meeting of JIAMCATT ⁷, a forum for sharing information on support tools for translation and interpreting.

b. Interpretation directorate

(1) Mission

It is the task of the Interpretation Directorate of the Court to assist the judicial activity of the Court of Justice and the General Court by supplying high-quality interpretation of the hearings and other meetings organised by the Institution.

The main objective of the Interpretation Directorate is to maintain the high quality level of the interpreting provided during oral hearings while containing costs, in particular the impact of expenditure relating to the hiring of standby interpreters on the Court's budget in the context of the real needs of the courts.

⁶ International Annual Meeting on Language Arrangements, Documentation and Publications.

⁷ Joint Inter-Agency Meeting on Computer-Assisted Translation and Terminology.

- **Recurrent activities**

- ▶ Allocation, according to the schedule of hearings and the recommended language regime, of the required number of qualified conference interpreters, supplementing the staff covered by the Staff Regulations by recruitment of accredited conference interpreters (ACIs).
- ▶ Planning the use of each interpreter's time and organising access to procedural files and other documents in order to make it possible for the interpreters assigned to hearings to prepare for them adequately.
- ▶ Managing the budgetary sub-items designed to reimburse the Commission for the salaries and management fees of ACIs paid by that institution on behalf of the Court.

(2) Result of operations in relation to the objectives set, containment of associated risks and functioning of the internal control system

- **Results of the operations by reference to the objectives set**

In 2018 it was again possible to meet all requests for interpreting in spite of the range of official languages to be taken into account for oral hearings. It should be noted that the courts are provided with interpreting services exclusively on the basis of their actual language needs, in accordance with their Rules of Procedure. This has enabled the directorate to achieve its objective of ensuring high quality interpretation without complaints in a context characterised by the following elements:

Increased multilingualism

With 24 official languages since the addition of the Croatian language, the number of potential language combinations to be covered reached 552. The use of the official languages during the oral stage of proceedings before the courts of the Institution is subject to a strict set of rules included in each of those courts' Rules of Procedure. The service must scrupulously comply with the basic texts governing the use of official languages at hearings. The language cover required varies from one case to another: simultaneous interpretation is provided on the basis of the language or languages of the case, the official language of the intervening Member States, the languages of the Judges in the formation of the court and of the Advocate General and, in so far as possible, having regard to the main language of the visitor groups.

Workload

The number of hearings and other meetings interpreted in 2018 was 721 (696 in 2017), including 296 hearings before the Court of Justice, 327 before the General Court, as well as 98 meetings and other events (Judges' Forum, official visits, and so on). French and English continued to be the languages most in demand in terms of ACI allocation.

Recruitment

The quality of interpretation at the Court remains fundamental, and the high quality of the service depends on the availability of permanent interpreters of the Institution, who are specialists in judicial and legal work. It must be emphasised that there is no systematic correlation between the number of new cases and the number of standby interpreters whom it is necessary to recruit. The range of language combinations to be covered at a hearing, while being inherently unforeseeable, remains the determining factor for the hiring of standby interpreters, though the permanent posts available are as a priority allocated to the most requested booths in order to reduce as far as possible recourse to ACIs.

The recruitment of qualified conference interpreting staff is carried out in Brussels through competitions for the recruitment of officials and inter-institutional selection tests aimed at accrediting conference interpreters for all official languages.

As regards the establishment plan posts, with the exception of the Director, all the administrators in the department, including heads of unit, continue to work in booths as conference interpreters. No purely administrative posts have been created within the directorate.

In 2018, the Interpretation Directorate made use of 307 auxiliary conference interpreters in order to meet its needs. Those interpreters provided a total of 2 296 (2 119 in 2017) freelance contract days, or an average of 62 contract days per week of judicial activity.

The Court takes the necessary steps to ensure that ACI contracts are taken over by the other European institutions. In 2018, 22% of cancelled ACIs could thus be re-deployed thanks to inter-institutional cooperation, which made it possible to limit costs and achieve the objective set by management in this regard.

- **Risks associated with the above operations and the efficient and effective functioning of the internal control system**

If the service were to be unable to provide the interpretation required, qualitatively or quantitatively, the proper functioning of judicial work would run the risk of being compromised. That risk is of critical importance to the Institution.

However, hearings sometimes have to be scheduled very quickly, for example in cases where urgency requires priority processing. In addition, the language regime of the hearing may be subject to last-minute changes, which are beyond the control of the Institution. In this context, the latter may be exposed to the risks of bearing the costs of cancelling ACI contracts. However, in order to minimise the financial burden of these cancellations, the Court's Interpretation Directorate cooperates closely with the registries, which allows it to limit to a strict minimum the use of freelance interpreters for a distant deadline, while taking the necessary steps to ensure that ACI contracts are taken over by the other European institutions as mentioned in the previous section.

The risks are mitigated by means of the Interpretation Directorate's risk management plan and by specific procedures introduced by the department in order to ensure continuity of operations through, inter alia, inter-institutional cooperation.



It is necessary to maintain efforts in terms of language learning in order to increase the linguistic flexibility of the service. Indeed, the Court's staff interpreters must have an expert knowledge of at least 3 working languages in addition to their mother tongue. In 2018, the average language per language combination was 4 languages, with most interpreters who are officials adding an additional working language after taking up their duties following intensive training and having passed a language addition test.

(3) Inter-institutional cooperation

Cooperation with the two other EU interpretation services (European Commission and European Parliament) continued within the ICTI (Inter-institutional Committee for Translation and Interpretation) and particularly with the ECI (Executive Committee for Interpreting). Inter-institutional activity represents a considerable saving in resources for the Court, and includes the following areas:

- ▶ Shared management of over 3 000 accredited conference interpreters (digitalised system for exchanging inter-institutional ACI recruitment data, single payments office, shared quality control);
- ▶ Potential for mutual taking on of cancelled ACI contracts;
- ▶ Structural exchanges of interpreters between the institutions;
- ▶ Mutual availability between the institutions, according to the needs of the departments and in so far as possible, of interpreters subject to the Staff Regulations and freelance interpreters where there are language shortages;
- ▶ Evaluation of demand and available resources;
- ▶ Participation in selection boards for open competitions organised by the European Personnel Selection Office (EPSO) and the inter-institutional working group for the purposes of trying to improve conference interpreter selection procedures;
- ▶ Joint selection of freelance interpreters for all languages (inter-institutional ACI accreditation tests);
- ▶ Sharing and recruitment of qualified interpreters as temporary staff according to the needs of the departments;
- ▶ Raising the awareness of the authorities of the Member States and of candidate countries of the language needs of the institutions of the European Union and providing support for training conference interpreters at university level;
- ▶ Taking part in fairs and exhibitions to promote language professions;

- ▶ Common use of communications resources via internet to inform young people about the career of conference interpreter;
- ▶ Introducing a technological observatory to monitor developments in the field of interpreting, including in the field of video-conferencing.

3. DIRECTORATE-GENERAL FOR INFORMATION

The **Directorate-General for Information (DGI)** was created on 1 January 2018 to ensure the **coordination of information management policy, knowledge of documentation and publications**, in particular with regard to the case-law of the European Union's courts, both internally and vis-à-vis the public.

For 2018, the main objectives were:

- ▶ Establish the necessary governance structures and workflows to ensure the smooth functioning of the new Directorate General;
- ▶ Coordinate the actions of the three directorates to optimise the sharing and use of data, documents, knowledge and information;
- ▶ Contribute to the achievement of the Institution's main objectives: to strengthen the quality of justice, to improve efficiency and effectiveness and to improve transparency towards citizens;
- ▶ Coordinate the actions necessary to ensure the opening and proper functioning of the European Union Judicial Network (EJN), which entered into operation on 1 January 2018.

The DGI is composed of the Directorate for Information Technologies, the Library Directorate and the Communication Directorate.

a. Directorate for information technologies

(1) Mission

The **Directorate for Information Technologies (DIT)** must provide the Institution with a set of equipment, applications and IT services to enable it to carry out its missions effectively.

The optimisation of the functioning of the Institution's cabinets, registries and services depends to a large extent on the quality of the IT solutions made available to them, but also on the continuity and availability of the service in the context of the daily use of IT tools. The DIT must therefore organise its activity in such a way as to ensure that the information system is able to evolve in order to constantly meet the Institution's objectives, while ensuring the availability and stability of the solutions in place on a daily basis.

Thus, for 2018, the main objectives under the new strategy approved in 2017⁸, were:

- ▶ Strengthen the stability of existing systems, prepare for an evolution towards integrated systems, and capitalise on past investments;
- ▶ Provide and maintain IT solutions that contribute to the achievement of the Institution's main objectives.

(2) Result of operations in relation to the objectives set, containment of associated risks and functioning of the internal control system

• Results of operations in relation to the main objectives

The organisation of DIT evolved in February 2018 from a technology silos approach to **a new organisation, consisting of four units, that follow the natural flow of product delivery**. This new organisational model is therefore independent of the technological choices that will be made in the future, which is important in an area where technology is evolving rapidly. Another advantage is that the solutions are designed in a 360° approach, integrating security and data protection constraints with all types of software, hardware and multimedia or telecom equipment.

Owing to the new operational and organisational procedures that were put in place in 2018, the stability and continuity of all services provided by IT systems has been improved, with availability assured at 98.02% of the time in 2018, compared to 97.57% in 2017. Some key services for judicial or administrative activity show, for example, almost constant availability, such as multimedia services for hearings (99.95%), telephone services (99.96%) or e-mail (99.95%). In view of the above, the overall level of user satisfaction is very high, with 98.06% of users who participated in surveys conducted after using the user support services responding 'very well' or 'well' when it comes to assessing their level of satisfaction.

In parallel with these activities, users have been able to benefit from significant advances in terms of IT solutions.

Major progress has been made in the objective of **strengthening the quality of justice**. The first results were indeed observed in January with the opening of the platform for the European Union Judicial Network to the supreme and constitutional courts of the Member States, which has been very successful with these courts. Then, in June, new scoreboards for the follow-up of cases were made available to the cabinets and the Registry of the General Court. The entire Institution has also benefited from a new version of the internal search engine, which is now based on a documentary stock enriched with procedural documents that are accessible, for the first time, on the basis of transparent and harmonised access rights, taking into account the needs of the Institution's various professions. On 1 December, an important new step was taken in the digitalisation of procedures with a new version of e-Curia, which went into production, to become the exclusive means of exchanging judicial documents between the representatives of the parties and the General Court. Finally, in 2018, preliminary work



8| See Management Report 2017, page 39.

began on the implementation of a fully integrated case management system: 40 workshops were held with cabinets and departments to identify the needs that the case management tool should meet, with a view to publishing a call for tenders.

With regard to ***transparency towards citizens of the European Union and supervisory authorities***, the DIT focused in particular on the obligation, provided for in the Members' code of conduct, to publish on the Institution's website the external activities of Members and on the Institution's need to computerise the registration of Members' applications and associated authorisations. The Institution therefore has a specific IT solution (Members' external activities) that facilitates in particular the publication of these activities on the Curia website.

Finally, the DIT has contributed to the adaptation of case processing tools and flows to support the implementation of the new policy of the Court of Justice on ***the protection of personal data*** in the context of publications related to a preliminary ruling case. This new policy - adopted by the Court of Justice in anticipation, in particular, of the entry into force in December 2018 of the new rules applicable to data processing operations carried out by the European institutions - came into force on 1 July 2018.

- **Risks associated with the above operations and the efficient and effective functioning of the internal control system**

In order to reduce ***the risk of disruption of applications related to obsolete technological components***, an infrastructure continuity plan has been developed by management, a progressive technology migration plan has been implemented and a new critical incident management procedure has been adopted.

In addition, the reorganisation of the DIT has enabled the implementation and formalisation of new internal processes with the objective of gradually increasing the readiness level of the service in all areas: project management, delivery, operations. PM² and ITIL are the two methodologies adopted and processes are reviewed periodically to increase their effectiveness. In order to improve the quality of the products delivered, internal governance has been strengthened.

Similarly, the establishment of a 'Business Network' involved in the modelling of processes and in the design of solutions and their implementation has helped to ***reduce the risk of insufficient collaboration with users in courts and departments***. Finally, the recruitments made during 2018 have encouraged the reduction of the ***risk of not having the required capacities and skills***, which could compromise the proper implementation of activities.

With regard to security, the DIT applies an information systems security policy similar to that of other institutions and uses the expertise of the CERT-EU ('Computer Emergency Response Team for EU institutions, bodies and agencies').



(3) Inter-institutional cooperation

Inter-institutional cooperation on information systems has three aspects:

- ▶ the Court uses applications and hosting services common to other institutions. The shared applications cover the main areas of administrative management (human resources, payroll, training, and budget, financial and accounting management);
- ▶ the Court uses inter-institutional framework contracts, which allow administrative efforts to be shared when drawing up tenders and to obtain prices associated with a larger volume of orders. For those inter-institutional contracts, the Court is either a partner or the lead institution, as was the case for the contract on IT infrastructures, shared with the Court of Auditors and the Translation Centre, which was signed at the beginning of 2015;
- ▶ finally, the Court actively participates in bodies such as the Inter-institutional IT Committee (CII) and its sub-groups, to share problems and solutions at inter-institutional level, the Steering Committee of the CERT-EU and the FORMATS group of the Publications Office.

b. Library directorate

(1) Mission and objectives

The mission of the Library Directorate (LIBD) is to support the work of the cabinets of the Members and of the departments of the Institution, by providing them with the bibliographic information, works and publications they need in carrying out their duties.

For 2018, the main objectives in the implementation of the new strategic guidelines approved in 2017⁹, were:

- ▶ increase investment in digital resources (e-books, electronic journals, databases) by streamlining investment in the acquisition of paper publications (books, periodicals);
- ▶ modernise bibliographic research ;

9| See Management Report 2017, pages 27 and 28.

- ▶ strengthen cooperation with other libraries;
- ▶ ensure the dissemination of the Institution's activity through the publication of the Reports of case-law and the online publication of judgments, opinions of the court, orders and Opinions.

(2) Result of operations in relation to the objectives set, containment of associated risks and functioning of the internal control system

• Results of operations in relation to the main objectives

In 2018, the LIBD continued to implement the new strategic orientations, approved in 2017, which include inter alia **increasing investment in electronic documentation resources**: approximately 780 e-books and about ten new legal databases have been added to the digital library, accessible by users from their personal workstations. This increase in resources in electronic format has been made possible by a reduction in the appropriations devoted to paper-based documentation, which is being refocused on the 'core business', that is to say European Union law. Thus, in 2018, compared to the average for the years prior to the implementation of the new guidelines, the number of paper books ordered decreased by approximately 2 000 units (a decrease of approximately 40%) and approximately 100 subscriptions to paper periodicals were cancelled (a decrease of approximately 10%).

To make optimal use of electronic documentary resources, in particular those to which the LIBD subscribes, **a modernisation of the bibliographic research tool** is under way. In 2018, a discovery tool was selected to enable faster and more efficient searches with direct access to full text for a large number of resources. To ensure that the tool meets the needs of users, the selection process involved the Institution's various professions through a working group, composed of representatives of cabinets of the Members, registry officers and departments involved in supporting judicial activity. The installation and configuration of the discovery tool was completed in the last quarter of 2018. After a testing phase by the working group, it is planned to open this tool to all the Institution's staff.

The new strategic guidelines also provide for **closer cooperation with other libraries**. In this respect, in addition to participating in EUROLIB's inter-institutional meetings, on 4 October 2018, the management organised a study day on the challenges facing modern law libraries, which brought together more than 100 participants from other institutions, libraries, courts participating in the European Union Judicial Network as well as university libraries in the Greater Region. This day, during which renowned experts discussed the challenges related to the development of tools and resources, provided the opportunity to lay the foundations for establishing cooperation with court or university legal libraries, particularly with a view to sharing bibliographic data or even documentation.

As regards **publication of the digital Court Reports**, the case-law continues to be put online as soon as possible, since the time between the delivery of the judgment or the service of the order and publication in the Court Reports does not exceed 48 hours for the language of proceedings and the working language versions.

- **Risks associated with the above operations and the efficient and effective functioning of the internal control system**

To **limit the risk of sub-optimal use of appropriations**, as announced in the previous management report ¹⁰, since 1 January 2018, all transactions relating to acquisitions have been fully processed via the SAP application and monthly meetings to monitor operations and budget execution have been organised.

As part of its unflagging efforts **to preserve its stock**, the Library maintained the strict application of its security measures, introduced in conjunction with the Directorate for Building and Security.

(3) Inter-institutional cooperation

The Court Library has played its part in the cooperation of the libraries of the institutions and agencies of the European Union organised in connection with the inter-institutional working group EUROLIB.

In addition, the Court uses the services of the Publications Office for the publication of the Reports of case-law and putting judgments, opinions of the court, orders and Opinions on the official publications website of the institutions of the European Union, EUR-Lex. It should be noted that the Presidency of the Board of Directors of this inter-institutional office is currently assumed by the Court.

¹⁰ See Management Report 2017, page 28.



c. Directorate for communication

(1) Mission and objectives

The Directorate for Communication (DCOM) is responsible for external communication on the Court's judicial and institutional activity, the implementation of the transparency policy, the coordination of the publication policy and the management of internal communication.

For 2018, the main objectives were:

- ▶ continue the modernisation of the Institution's external communication;
- ▶ strengthen communication to EU citizens;
- ▶ disseminate information to the media and the public on the Court's judicial and institutional activity;
- ▶ manage the Institution's advertising and openness policy;
- ▶ coordinate the Court's publication policy;
- ▶ manage the Institution's internal communication.

(2) Result of operations in relation to the objectives set, containment of associated risks and functioning of the internal control system

• Results of operations in relation to the main objectives

The Directorate has continued ***the modernisation of the Institution's external communication***, in particular through the launch, in June 2018, of a new version of the Curia website, the new design of which makes the various types of content more easily accessible to the various target audiences (media, legal professionals/ researchers, the general public) and consistent with the Institution's new visual identity.

The application of the new design will be accompanied, in 2019, by a redesign and enrichment of the site's content. First, the Directorate has worked closely with the DIT to make the full text of references for a preliminary ruling or research notes prepared by the Research and Documentation Directorate accessible to the general public. These documents will be made available on the Curia website in September 2019. Secondly, a questionnaire was drawn up in 2018 in order to carry out, in collaboration with the Publications Office, a survey to identify the needs of users of the site, in order to propose content adapted to the wishes of the Institution's target audiences.

In addition to the modernisation of the website and work on enriching its content, 2018 was also marked by the launch of a new communication tool: audiovisual commentary on judgments (36 recordings made during the year) sent to interested correspondents, mainly for broadcast in television news.

To strengthen communication with citizens, new animations were put online on the Institution's YouTube channel in April 2018 (6 new animations, each in 23 language versions), which focus in particular on themes of interest to citizens, such as consumer protection, worker protection and equal treatment. An animation presenting judicial statistics was also produced, with the internal resources of the service specialised in the design of this type of product. The highlighting of animations on the Institution's website contributed to a significant increase in the number of views (approximately 80 000 in 2018, an increase of 240% compared to 2017).



Also with the citizen in mind, in addition to the now traditional 'Overview of the Year', which summarises the Institution's judicial and administrative activity, a new thematic brochure on health care and one on consumer rights have been updated.

The dissemination of information on the Institution's activity, particularly to the media, is followed with interest, since in 2018 there were 3 306 accredited journalists, representing an increase of approximately 60% compared to 2017. While press releases remain an essential tool for the dissemination of information (200 press releases in 2018), efforts have continued to increase the number of weekly reports on the Institution's activities sent to interested correspondents (522 newsletters in 2018, an increase of more than 10% compared to 2017). In addition, aware of the importance of audiovisual communication, the Court's Multimedia Service made 95 recordings and broadcasts of formal hearings, judgments and readings of the Advocates Generals' opinions. These broadcasts are announced in advance on the Institution's Twitter account, which has more than 60 000 followers (representing an increase of approximately 45% compared to 2017).



As part of the implementation of ***the advertising and openness policy***, the directorate continues to publish the Institution's management report on the Curia website. In addition to the day-to-day management of requests for access to documents in compliance with regulatory deadlines, work continued on the classification and enhancement of the Institution's historical archives.

With regard to ***internal communication***, the department is continuing, on the one hand, to distribute weekly newsletters to inform staff about key events in the life of the Institution and, on the other hand, to redesign the departments' intranet sites, which are collaborative working tools that promote better dissemination of information within the Institution. In addition, at the request of the departments, expertise on the implementation of communication action plans was provided.

- **Risks associated with the above operations and the efficient and effective functioning of the internal control system**

To limit the risk of premature dissemination of information to the outside world, an effective internal procedure has been put in place and tested, in particular to prevent a judgment from being circulated before it is formally delivered.

In order to reduce the risk of not being able to provide a document requested in the context of access to administrative documents within the regulatory deadlines, the Directorate-General has launched a programme to modernise the management of the Institution's administrative documents.

(3) Inter-institutional cooperation

The Directorate has cooperated on a regular basis with the corresponding departments of other European institutions, particularly the European Commission. To increase the visibility and media impact of the cases, images of the delivery of judgments or readings of Opinions have been disseminated by the Audiovisual Service of the Commission (EbS) following their registration by the multimedia service of the Institution.

The Directorate has also cooperated closely with the Publications Office, both in relation to traditional publications (brochures, leaflets, etc.) and electronic publications. In particular, the Publications Office

provided support in the field of publishing and modern technology via selected subcontractors, by virtue of its expertise, in accordance with the competitive tendering procedures.

The Directorate also participated several times in 2018 in the Inter-institutional Internet Editorial Committee (CEII), the Inter-institutional online communication Committee (IOCC), and the Web Preservation Group.

As part of the management of historical archives, the Directorate collaborates closely and regularly with the Historical Archives of the European Union (HAEU) at the European University Institute in Florence and also participates in the Inter-institutional Archives Group (IIAG).



4. RESEARCH AND DOCUMENTATION DIRECTORATE

a) MISSION

The mission of the Research and Documentation Directorate (RDD) is to assist the two EU courts in the performance of their judicial duties, analysing and indexing their case-law with a view to its dissemination and updating internal and external research tools at the Institution, and to carry out monitoring of legal developments, particularly in national law, in areas connected with the activity of the Institution.

The main objectives of the RDD for 2018 were to ensure:

- ▶ Assistance to judicial activity characterised by:
 - ⦿ preliminary examinations of requests for a preliminary ruling and, in certain areas, of appeals, inter alia, to reveal potential issues relating to jurisdiction or admissibility, and the possibility of using specific procedures provided for in the Rules of Procedure;
 - ⦿ drawing up research notes concerning comparative law, international law, national law or EU law.
- ▶ Analysis and dissemination of the case-law which is characterised by:
 - ⦿ drawing up a summary in respect of each decision which is published in the European Court Reports or which is the subject of a Bulletin therein; updating the Digest of case-law on the Curia website on a weekly basis;
 - ⦿ drawing up thematic bulletins on EU case-law;

- contributing to the creation of the Institution's Annual Report (case-law of the Court of Justice and the General Court);
 - analysing decisions delivered by the national courts following preliminary rulings by the Court of Justice.
- ▶ Regular legal monitoring characterised by:
 - regular dissemination of information on the case-law of the European Court;
 - dissemination of information relating to the case-law of national courts regarding EU law;
 - identification of academic writing concerning the decisions of the courts of the European Union.
- ▶ Managing databases characterised by:
 - managing and updating a number of internal databases relating to EU case-law (Minidoc application); updating a database of multilingual summaries; updating the documentation resources with items produced by the Directorate (pre-examination sheets, appeal analysis sheets, summaries and national decisions); updating the case-law (Section 6) and national case-law (Section 8) sections of the inter-institutional database EUR-Lex, managed by the Publications Office;
 - steering the Minidoc application to a new IT environment (Minidoc III);
 - helping to define and develop the Institution's IT documentation tools;
 - participation in the development of the new search engine;
 - organisation of training relating to IT applications intended for staff of the Institution.



b) RESULT OF OPERATIONS IN RELATION TO THE OBJECTIVES SET, CONTAINMENT OF ASSOCIATED RISKS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

(1) Results of operations in relation to the main objectives

The activities of the Directorate can be divided into three distinct categories.

In the first place, the RDD **assists Members in the handling of pending cases**. In this context, it carried out 557 pre-examinations of the preliminary rulings submitted, carried out the initial checking of 81 appeals and drew up 10 research notes.

In the second place, the RDD also provides services that take place after decisions have been rendered and which are therefore part of the analysis and dissemination of the case-law.



In this context, it prepared 1 275 summaries and followed up the preliminary rulings with the analysis of 323 national decisions. The RDD also drafted the chapters on the case-law of the Court of Justice and the General Court for the annual report on 'Judicial Activity' of the Institution. It also produced a new volume of the case-law Bulletin on trademark law (Volume 2) in 2018 and prepared two thematic sheets containing the most important case-law in a given field (Protection of personal data and Scope of the Charter of Fundamental Rights of the European Union).

The analysis and dissemination of the case-law also involves the provision of databases, search engine management and training in these tools. In this context, 1 040 direct appeals were recorded, and the metadata of 1 297 decisions of the courts of the Union were injected into the internal databases and into Eur-Lex. 340 people participated in the Search Engine training course which was offered by the RDD to all legal secretaries of the Court of Justice and the General Court. Finally, the RDD continued to contribute to the development of the search engine, as well as to explore the long-term possibilities of automating some legal analysis of decisions.

In the third place, the RDD carries out a **legal monitoring activity**, under which 1 585 national decisions were examined (excluding follow-up of preliminary rulings) and 2 396 notes of academic literature were prepared. The service also produced 19 editions of 'Flash news' on the case-law of the European Court of Human Rights and 5 on the case-law of national courts.

(2) Risks associated with the above operations and the efficient and effective functioning of the internal control system

In the first place, there is increasing pressure on the resources of the service, due to the fact that most of its activities are directly linked to the constant and significant increase in judicial activity and to the fact that the RDD has been assigned new tasks, which widen the scope of its activities and require it to constantly adapt its services. This increase and diversification of the RDD's work therefore entails specific constraints, which must be overcome in order to maintain the high **quality** and **speed** of services provided to users, in particular to the cabinets of the Institution's Members.

In order to limit these effects, and not add to the current workload, in 2018 the RDD outsourced the correction of the database of multilingual summaries in German and Spanish. For the 2018 financial year, the RDD had also obtained appropriations for the analysis of legal citations and of decisions which are the subject of a Bulletin in the second part of the Court Reports. However, the tender for this second part of the analysis was not successful due to very high market prices.

As regards the tasks related to legal analysis, in 2018 the RDD continued its training and supervision efforts in the area of legal data processing, with the long term aim of taking advantage of advances in this area in order to automate certain aspects of this work. In that regard, following the work conducted in 2017 and 2018, in close cooperation with the DIT, partial automation of the citation of legal provisions referred to in the decisions was implemented in 2018. Work to improve this system will continue in 2019.

As in previous years, the deadlines given for all activities of the Directorate are monitored with the help of databases which allow management to carry out regular checks. The working methods used when carrying out activities are regularly subject to assessment with a view to improving and simplifying them and to make best use of new technologies. Maintenance that is sufficiently adaptable is important in order to take advantage of technological change.

In the second place, the high level of expertise of the RDD staff and the very specific skills they possess require that **staff turnover** does not affect the performance of the service. To this end, various actions are being taken, in particular with regard to the training of new employees and the updating of manuals designed to guide staff in the performance of their duties.

In the third and final place, **the unavailability of IT tools** is a risk for the RDD, which relies heavily on these tools in its work.

c) INTER-INSTITUTIONAL COOPERATION

The Directorate represented the Institution, inter alia:

- ▶ in the Council's Working Party on Legal Data Processing (e-Law and e-Justice), composed of representatives of the Member States and of the institutions in order to initiate and monitor developments in legal data processing;
- ▶ in the Inter-institutional Lex Group, bringing together representatives of the institutions in order to manage the EUR-Lex database.



5. PROTOCOL AND VISITS DIRECTORATE

a) MISSION

The Protocol and Visits Directorate (PVD) ensures the smooth running of all events and representation activities of the Institution and its Members, in particular formal sittings and official visits. In recent years, these activities have evolved qualitatively towards an increasing accompaniment of the life of the Court, which implies the exercise by the PVD of a broader function, by assuming, in addition to strictly ceremonial activities, the organisation of events, such as symposia or seminars, which constitute an expanding field.

The PVD is also responsible for the design and management of the Court's hospitality policy. Thus, in order to enable legal practitioners to acquire a greater knowledge of the Court and the general public to know the basic elements of the functioning of the courts, the PVD organises seminars and different types of visits and adapts the respective programmes according to the interests of each category of participants.

(b) RESULTS OF THE OPERATIONS BY REFERENCE TO THE OBJECTIVES SET, CONTAINMENT OF ASSOCIATED RISKS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

(1) Results of operations in relation to the main objectives

- **Protocol Service**

During the 2018 financial year, the PVD ensured the smooth running of 79 events of an official or ceremonial nature.

As for ceremonial events, in the strict sense, the PVD organised three formal sittings, 29 official visits, five visits by Court delegations abroad and 11 courtesy visits. These activities are therefore at approximately the same level as in 2017.

The PVD also organised six conferences and nine high-level seminars, including the Forum of Judges, which in 2018 addressed judges of the courts of first instance and appeal of the Member States and brought together 155 participants.



- **Seminar and visits service**

With regard to the design and management of the Institution's reception policy, the PVD was able to respond to the various requests and, once again, the activity figures for the seminar and visit sectors in 2018 were at an all-time high: a total of 16 244 people, divided into 657 groups, were received at the Court.

The seminars activity, the preparation of which is particularly demanding, since it is aimed almost exclusively at groups of judges, continues to grow steadily, with an increase year after year in the number of days dedicated to it. Like the Judges' Forum, the seminars constitute a key opportunity to enhance relations between the Court and the national courts.

In 2018, 125 days of seminars were organised for an audience of 2 405 participants. The number of participants thus increased by 17% compared to 2017, confirming the growing trend of interest among legal professionals in this type of event. This positive development is in particular the result of numerous exchanges with the various judicial authorities of the Member States and the close collaboration that the Court has established with the European networks specialised in legal training.

It is important to note that the seminars sector draws up tailor-made programmes in response to requests from the groups, which enables the Court to pursue the objective of familiarising participants with the functioning of the Institution, the practice of EU law and the preliminary ruling mechanism.

With regard to the visits activity, 13 839 visitors, divided into 532 groups, were received. The number of groups therefore increased by 3.1% compared to the previous year.

The organisation of visits makes it possible to reach a wide public and to ensure that citizens are better informed about the judicial Institution and the case-law of the Union. Since 2016 and following a modification of the visit forms, the 'MyVisit' application allows persons wishing to visit the Court to freely choose, among the programme elements proposed by the PVD, those that best correspond to their interests and legal knowledge.

In 2018, the groups submitted 346 evaluation sheets at the end of their visit. 91% of visitors found the preparation of their visit and the proposed programme very satisfactory, with 9% rating them as satisfactory.

(2) Risks associated with the above operations and the efficient and effective functioning of the internal control system

The PVD continuously reviews its working methods and procedures in order to adapt them at any time to the needs of event organisation, thereby increasing its effectiveness and, as a consequence, the quality of its services. The work of preparing in advance for the various types of events makes it possible to take preventive measures to mitigate the impact of potential risks.

To this end, at the end of 2018, the PVD launched a programme aimed at excellence in the performance of all its services. One of the key elements of this project, which will be implemented throughout 2019, is the harmonisation of the working methods of all sectors of activity of the Directorate. The PVD also recommends that its employees regularly participate in training activities.



B. OTHER ADMINISTRATIVE SUPPORT ACTIVITIES

1. DIRECTORATE-GENERAL FOR ADMINISTRATION

On 1 January 2018, as part of the reform of the Institution's administrative structure, the departments previously belonging to two Directorates-General for Infrastructure – the Logistics Directorate and the Buildings Directorate – as well as the departments belonging to the Personnel and Finance Directorate-General were brought together in a single Directorate-General, the new Administration Directorate-General (the ADG).

The ADG's mission is to ensure all administrative support activities for the Institution's operations, and more particularly the management and development of the human, financial and material resources made available to it, with the grouping of these activities within a single Directorate-General enabling synergies to be achieved as well as economics of scale and range.

a. HUMAN RESOURCES AND PERSONNEL ADMINISTRATION DIRECTORATE

(1) Mission

The mission of the Human Resources and Personnel Administration Directorate ('the HRD') is to design and implement personnel management policies. The HRD therefore acts as an interlocutor for the departments in charge of:

- ▶ developing and proposing human resources management measures to the competent authorities and ensuring their implementation;
- ▶ centralising, coordinating and monitoring the various requests and procedures relating to the recruitment of officials and agents of the Institution and to their career development;
- ▶ ensuring the application of the rules on rights under the Staff Regulations, social and medical matters and working conditions;
- ▶ organising training of various kinds and targeted information sessions for staff;
- ▶ managing the budget allocated to remuneration and missions, and payment of salaries.

These activities were carried out in 2018 with the assistance of the 63 officials and agents making up the HRD, that is to say 2.8% of the Institution's staff, which, as of 31 December 2018, were distributed as follows:

DISTRIBUTION OF STAFF BY EMPLOYMENT STATUS	
Officials	1 413
Members of the temporary staff	650
Contract staff	154
Total	2 217

(2) Results of the operations by reference to the objectives set, containment of associated risks and functioning of the internal control system

• Results of operations in relation to the main objectives

During 2018, the HRD sent 2 188 proposal files, prepared by its services, to the various appointing authorities and authorities empowered to conclude contracts of employment.

The proposal files in question mainly concerned the procedures for recruiting officials and hiring agents, seconded national experts, trainees in the services and cabinets of the Members of the Institution, as well as students during the summer holidays, career management (promotion and certification exercises, training and skills development actions), establishment of staff rights on entering or leaving the service, resignation, retirement and establishment of pension rights. It should be noted in this respect that this substantial work was carried out in compliance with the deadlines set and the quality of the data.

In addition, the HRD continued efforts to simplify and further digitalise certain procedures and prepared for the adoption of new rules governing traineeships, on the one hand, and Members' missions, on the other.

In the area of human resources management, new initiatives concerning the training of managers and jobshadowing were launched and various other measures, concerning, amongst others, the development of managerial skills and management of administrators as well as equal opportunities, were pursued.

• Risks associated with those operations and the effective and efficient functioning of the Directorate's own internal control system

The organisation and procedures in place in the department, as well as the commitment of staff, have made it possible to control the risks inherent in the activities of the HRD.

The major risks related to the activities of the HRD concern the malfunction of key IT applications (such as SYSPER or NAP), the absence of a critical number of key personnel (due, for example, to illness or accident) and the incorrect application of the relevant regulatory provisions.

Continuity plans have been developed to ensure continuity of activities in the event of a major IT failure.

Practices for sharing knowledge and documenting procedures have been put in place to ensure the continuity of service operations in the event of the prolonged absence of key personnel.

The risk of errors in the application of regulatory provisions is managed through training and control measures. The very small number of claims, complaints to the European Ombudsman, objections from staff representatives or observations by the Court of Auditors seem to confirm that this risk is well controlled. During 2018, the HRD was also particularly attentive to the need to take appropriate information and control measures to avoid the risk of incorrect or incomplete application of the new provisions applicable to the protection of personal data.

(3) Inter-institutional cooperation

Inter-institutional cooperation in the field of staff management is of major interest to the Institution.

This cooperation takes various forms:

- ▶ cooperation with **EPSO**, under Article 2(2) of the Staff Regulations:
 - ⦿ active participation in open competitions by representatives of the Court in the EPSO working group responsible for programming competitions, in selection boards and in the COPARCO;
 - ⦿ use of EPSO reserve lists to obtain an overall view of the profiles of the successful candidates and proactive recruitment processes;
 - ⦿ use of selection procedures for CAST contract staff, recruited to perform manual or administrative support tasks, or to cover specific needs in specialised areas where there is a shortage of suitable profiles;
- ▶ cooperation with the **Commission** for:
 - ⦿ use of the Sysper IT application, allowing, inter alia, monitoring of the rate of occupation of posts, career development, statutory rights, absences, work arrangements, as well as the production of statistics;
 - ⦿ remuneration management using the NAP (Nouvelle Application Paie) payroll application;
 - ⦿ outsourcing of certain activities falling within the competence of the HRD, namely in the areas of transfer of pension rights, severance pay and unemployment benefit.
 - ⦿ This cooperation between the HRD management service and the Commission's management service continued throughout 2018 in a satisfactory manner and has already brought the expected gains in terms of reducing the workload of internal agents, which made it possible to partially absorb the effects of the staff reduction suffered by the service.
- ▶ inter-institutional consultation to ensure a harmonised application of the Staff Regulations or prior to the launch of a new project relating to staff management;

- ▶ inter-institutional cooperation in the work of the various committees and working groups regarding health insurance, pensions, social affairs and management of rights under the Staff Regulations;
- ▶ in the context of its chairmanship of the Inter-institutional Working Group of Heads of Training Units, the Training and Development Unit continued work on the development of a common strategy for language training, the improvement of the quality and effectiveness of courses and the sharing of information concerning the implementation of the framework contract; in this context, the Court also chairs the Inter-institutional Working Group of Language Course Managers, whose objectives are the organisation of inter-institutional courses in Luxembourg, the harmonisation of administrative procedures and development in the educational field.

b. DIRECTORATE FOR BUDGETARY AND FINANCIAL MATTERS

(1) Mission

In general, the mission of the Directorate for Budget and Financial Affairs ('the DBFM') is to make a decisive contribution to the soundness of the Institution's financial architecture and internal control, as well as to the dissemination of relevant and transparent budgetary information both within and outside the Court. Its main activities to carry out this mission are as follows:

- ▶ **drawing up and monitoring the budget**, with the objectives, externally, to provide information of quality to the budgetary and discharge authority, and, internally, to provide maximum support to the authorising services in order to optimise the management of appropriations;
- ▶ **assistance and advice on internal control and public procurement**: the main objective is to contribute to improving the effectiveness of internal control systems within the Institution, particularly in the field of public procurement and risk analysis;
- ▶ **ex ante and ex post verifications**: to ensure the ex ante verification of the Institution's financial operations, as well as ex post verifications, with the objective of ensuring that the legality and regularity of all expenditure is respected, and that the principle of sound financial management is applied. Review is also carried out on decisions to fix and amend the rights of staff under the Staff Regulations which have a financial impact;
- ▶ **general accounting and financial management**, the objective of which is to carry out all the tasks incumbent on the accounting officer in accordance with the provisions of Article 77 of the Financial Regulation and to provide the Institution's departments with the necessary accounting and financial expertise;
- ▶ **assistance/advice on the development and use of the integrated budget and financial management system (SOSII-SAP)**, with the objective of ensuring its optimal functioning.

(2) Results of the operations by reference to the objectives set, containment of associated risks and functioning of the internal control system

• Results of operations in relation to the main objectives

As regards the activity of drawing up and monitoring the budget, the process of drawing up the 2019 budget achieved full compliance with the timetable set by the European Commission. In that context, close contact was maintained with all parties to the budgetary procedure. Further, both the reports relating to the closure of the 2017 financial year and those required for the due implementation of appropriations in that of 2018 (procedures for transfers of appropriations) were also drawn up in full accord with the provisions of the Financial Regulation. Last, the authorising services were given maximum support in order to optimise the management of appropriations.

As regards the results of the operations of ex ante verification, ex post verification and those relating to assistance and advice regarding internal control and public procurement, see Chapter IV 'Functioning of the internal control system'.

As regards accounting and financial management, the 2017 financial statements of the Institution were sent to the accounting officer of the Commission, the budgetary authority and the Court of Auditors within the time limits required and certified without reservation. Effective and efficient cash management is demonstrated by the fact that no transfers have been missed or delayed by causes attributable to the accounting officer in accordance with management's objective in this regard. Among the measures to increase productivity, it is also worth noting the increase in the percentage of supplier invoices received electronically and automatically integrated into the accounting system, which rose to 22% in 2018 (compared to 16.5% in 2017).

Following the entry into force of the new Financial Regulation, the Directorate has also made the necessary adjustments to the internal regulatory framework and reference documents. Updated versions of the documents making up the internal regulatory framework (internal financial regulations; code of professional standards for staff appointed to verify financial transactions; mission charters for the authorising officer, internal auditor and accounting officer) were prepared in 2018 and adopted at the beginning of 2019. The templates for documents for procurement procedures have also been adapted.

• Risks associated with those operations and the functioning of the internal control system

Broadly speaking, the risks inherent in the DBFM's activities were duly overcome thanks to organisation, the procedures in hand and the competence and esprit de corps of the members of staff.

In the budgetary sphere, the risks of wrongly implementing appropriations were properly managed thanks, in part, to the measured evaluation of the appropriations sought when drawing up the draft budget and, in part, to exchanges of information between the DBFM and the authorising departments throughout the financial (reporting) year, which resulted in a very high appropriation implementation rate of 99.18% in 2018.

As regards the risks associated with the operations of ex ante verification, ex post verification and those relating to assistance and advice regarding internal control and public procurement, see Chapter IV 'Functioning of the internal control system'.

As regards financial management, control of the risks relating to implementation of payments relies, in essence, on the organisational set up (separation of duties, keeping a centralised file of legal entities, cash flow estimates and regular reporting on the monitoring of payment due dates) and on the controls incorporated in SOSII-SAP. Regarding general accounting, the continual checking of accounts and specific cut-off procedures enabled the accounting officer of the Institution to certify, with reasonable assurance, that the accounts for the 2017 financial year are a true and fair view of the Institution's financial situation, and the Court of Auditors has made no observations.

The specific risks connected with the functioning of SOSII-SAP are controlled by means of a permanent helpdesk, the central monitoring/supervisory role of the Inter-institutional Steering Committee and, finally, the continuity plan currently in place.

(3) Inter-institutional cooperation

The development, installation and operation of the SAP integrated financial and budgetary management system provide an example of very effective inter-institutional cooperation. This project, undertaken jointly by the Council, the Court of Auditors, the Court of Justice and the European University Institute in Florence, makes possible very significant direct budgetary savings (reduced development costs, shared technical infrastructure, common support and maintenance structure ...).



c. DIRECTORATE FOR BUILDINGS AND SECURITY

(1) Mission

The main mission of the Directorate for Buildings and Security is to support the Institution's judicial and administrative activities through the following components:

- ▶ the **property** component, which manages the development, operation and maintenance of the Court's property assets, in compliance with applicable standards and sound budgetary and financial management;
- ▶ the **security** component, which ensures the safety of Members, staff, service providers or visitors, as well as the security and protection of the Institution's information, buildings and property.

Following the administrative reorganisation carried out in June 2018, the new Directorate for Buildings and Security includes the New Works, Building Management, Security, Purchasing and Inventory, and General Services and moveable equipment units. On the same date, the former Logistics Directorate was dissolved.

The main objectives of the Directorate for Buildings and Security for 2018 were:

- 1) to ensure that the Institution has adequate infrastructure (buildings) to perform its duties. In this context, the completion of Tower C in July 2019 is a priority objective;
- 2) to ensure the preservation, value and maintenance of the Institution's built heritage and ensure its optimal functioning through professional maintenance and operation;
- 3) to ensure optimal environmental management in compliance with and development of the EMAS regulatory and operational framework and strengthen the Institution's efforts in this regard, in particular by reducing energy consumption and reducing waste;
- 4) to ensure the security of the persons, information, buildings and property of the Court. In particular, pursue the development and implementation of the project to upgrade the Institution's security system;
- 5) to facilitate the exercise of judicial activity through the service of court officers during hearings, the provision of transcripts of the hearing, etc.;

- 6) to provide Members and staff with an appropriate professional logistics environment, both for the exercise of the professional activity itself (provision of furniture and equipment, office supplies, service cars, uniforms, etc.) and with regard to the working environment and social relations (restaurant, cafeteria, etc.).

(2) Result of operations in relation to the objectives set, containment of associated risks and functioning of the internal control system

• Results of operations in relation to the main objectives

The construction project for Tower C (5th extension of the Court Palace/CJ9 Project) progressed well in 2018, according to the defined schedule. As part of this project, the extension of the staff car park was carried out according to the agreed schedule and was accepted at the beginning of 2018. The construction and renovation work on the restaurant of the Thomas More building took place during the year in accordance with the established schedule, with a view to its reopening in early 2019.

Calls for tenders for the maintenance and operation of the technical installations of the buildings, on the one hand, and the cleaning and maintenance of the green spaces, on the other, have been successfully completed, so that the Institution continues to benefit from quality services in these two areas.

Preparatory studies on the architectural adaptations required for the third phase of the General Court's reform have been carried out and subsequent calls for tenders have been launched.

At the same time, while being part of the broader framework for upgrading the Institution's security system (Project CJ10), additional measures were taken (in particular the reception pavilion of the Palais, new video surveillance cameras, explosion-proof film).

More specifically, the CJ10 project continued in 2018, with the approval of the budgetary authority and the launch of the call for tenders for its financing. Preliminary studies and other preliminary project work also continued. The Court has also continued its efforts to obtain increased assistance from national authorities for its security and safety activities.

A crisis exercise was organised involving the crisis unit and provided an opportunity to test the new 'Crisis Management Centre'.

A pilot project has made possible the better protection of highly sensitive information processed in several cases.

Following the EMAS registration at the end of 2016, efforts to reduce the Institution's ecological footprint continued in 2018 under the environmental programme. Examples include: replacing disposable insulated containers with reusable containers for catering, replacing plastic bottles in meeting rooms with glass bottles (pilot project), setting up a 'paper' working group to identify areas for improvement to reduce paper consumption.

With regard to the main environmental indicators, developments compared to the 2015 reference year included: a 3% reduction in electricity consumption (kWh/FTE), a 4.7% reduction in water consumption (kWh/FTE), a 4.1% reduction in paper consumption (kg/FTE) and an 18.8% reduction in the quantity of household and similar waste (kg/FTE).

The supervisory audit went well and noted the increasing commitment of staff to the Court's environmental policy.

- **Risks associated with the above operations and the efficient and effective functioning of the internal control system**

The main risks concern the availability of infrastructure, in particular in connection with a breach of building security, the availability and confidentiality of data and the availability of human resources, in particular those whose activity is directly linked to the Institution's judicial activity. The internal control measures taken and planned to control these risks are described below.

Buildings: risks related to the construction projects are managed using instruments described in Annex V.

Catering: the main risk is that of harm to the physical integrity of individuals. This risk is managed through unannounced checks on compliance with hygiene rules carried out by an external body in order to control the risks of food poisoning.

Security: the risks mentioned are mitigated by the existence of a continuity plan, including regular (even total) evacuation exercises and crisis management plans developed for each service, together with the national service providers and authorities, as well as by the strengthening of security measures in the event of an increase in the alert level. Also, the monitoring by an independent expert of the quality of the security company's services contributes to risk management. In terms of fire and occupational safety, the risks are countered by scrupulous compliance with the regulatory framework and by periodic inspections of dedicated installations and systems. In terms of information security, risks are mitigated by a broader awareness of staff having to deal with highly sensitive information.

(3) Inter-institutional cooperation

In 2018, the Directorate for Buildings and Security continued to chair the Inter-institutional Security Group (ISG) and to participate actively in the inter-institutional coordination group for the establishment of the institutions in Luxembourg (GICIL).

In the environmental field, a representative of the Court participates in the work of ECONET (network of EMAS coordinators of the EU institutions) and GIME (Inter-institutional environmental management group).

In 2018, the Court also continued its cooperation, in particular with the European Parliament, the Council of the European Union, the European Commission, the Court of Auditors of the European Union, the European Investment Bank, the European External Action Service, the Office for Infrastructure and Logistics Luxembourg (OIL) and various national authorities to exchange best practices in the above-mentioned areas of activity.

One of the consolidated policies of the Directorate for Buildings and Security throughout 2018 was to derive maximum benefit from inter-institutional calls for tenders in order to benefit from better market prices and optimise the associated management costs.

2. LEGAL ADVISER ON ADMINISTRATIVE MATTERS

a) Mission

The recurring activities of the legal adviser are mainly the following:

- ▶ to represent the Union or the Institution in proceedings in which they are a party before the courts of the European Union, and in particular the preparation of written and oral pleadings;
- ▶ assisting the Institution's two Committees which have the power to rule on complaints brought under Article 90(2) of the Staff Regulations of Officials of the European Union, which includes ensuring that complaints are monitored and investigated;
- ▶ drafting opinions and providing assistance to the departments of the Institution on legal issues in relation to the Institution's administrative activity;
- ▶ preparing the Institution's replies to the European Ombudsman as part of procedures for dealing with complaints brought before the Ombudsman against the Institution;
- ▶ taking part, as a member, in the work of the Public Procurement Consultative Committee which acts in a consultative capacity in public contract award procedures where the contract has a value exceeding EUR 60 000.

b) RESULT OF OPERATIONS IN RELATION TO THE OBJECTIVES SET, CONTAINMENT OF ASSOCIATED RISKS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

(1) Result of operations in relation to the main objectives

Proceedings before the Courts of the European Union in which the European Union was represented by the Institution or the Institution was involved as a party

On 1 January 2018, 14 cases, in which the European Union was represented by the Institution, or the Institution was involved as a party, were pending before the courts of the European Union. During 2018, 7 new cases were filed. Of these 21 cases in total, 13 were disposed of by judgment or order in 2018, while 8 were pending on 31 December 2018.

Of the 21 cases pending in 2018, 11 originated in actions for damages brought against the European Union, represented by the Institution. 10 of these 11 cases were at the appeal stage. Of these 10 cases under appeal, 7 cases, comprising a total of 7 appeals and 2 cross-appeal cases, raised the question of compliance with the reasonable time limit for judgment by the courts of the European Union.

In 9 of these 11 cases originating in actions for damages, a judgment or order was issued in 2018. In all these 9 cases, the Institution won its case. In particular, by 3 judgments in 5 of these cases, delivered on 13 December 2018, the Institution's convictions for an amount of approximately EUR 800 000, which occurred in 2017 at first instance, were annulled.

Of the 21 cases pending in 2018, 8 were in civil service litigation (4 cases), access to documents (1 case) and public procurement (3 cases). In 2 of these 8 cases (both civil service litigation cases), a judgment was delivered in 2018. The Institution won one of these two cases. In the other case, which raised a question of interpretation of a provision of the Staff Regulations of Officials of the European Union, the appeal was partially allowed.

Finally, 2 of the 21 cases pending in 2018 concerned legal aid applications.

The total number of cases pending in 2018 led the department of the Legal Adviser to prepare 10 written pleadings and 31 other procedural documents and to make representations before the General Court on one occasion.

In addition, during 2018, the Legal Adviser prepared, in accordance with the second paragraph of Article 24 of the Statute of the Court of Justice, a reply to a measure of organisation of procedure decided by the General Court in a civil service case between another institution and a successful candidate of a competition.

Complaints

With regard to the processing of complaints under Article 90(2) of the Staff Regulations of Officials of the European Union, 8 complaints were under investigation on 1 January 2018 and 12 complaints were lodged in 2018. Of these 20 complaints, 15 were the subject of an express decision during 2018 and 4 were withdrawn. Only one complaint, filed at the end of 2018, was under investigation on 31 December 2018. The Institution's committees responsible for deciding on complaints held a total of 5 meetings.

Legal advice and assistance

In 2018, the department of the Legal Adviser received approximately 130 internal consultations, which covered various areas, such as public procurement, contracts and obligations, civil service, access to documents, information technology, security, intellectual property law and the protection of personal data. In addition, some internal consultations have extended over time and have required a significant investment of the human resources from the department of the Legal Adviser. The department of the Legal Adviser also contributed to the preparation and/or updating of various internal regulations.

Proceedings before the Ombudsman

The department of the Legal Adviser also intervenes in the context of relations with the European Ombudsman.

In addition to the Institution's participation in a consultation with the Ombudsman leading to the 'Report of the European Ombudsman on dignity at work in the EU institutions and agencies: SI/2/2018/AMF', six files relating to complaints lodged with the European Ombudsman were sent to the Institution in 2018. Of these, three were closed in 2018: two by the European Ombudsman's finding that there was no maladministration and one by the closure of the case without further action. Three other cases were still pending on 31 December 2018.

Taking part in the work of the Advisory Committee for Public Contracts

In the context of his participation in the work of the Advisory Committee for Public Contracts, the department of the Legal Adviser participated in 8 meetings of that Committee in 2018, for which it also drafted the minutes, and contributed to the preparation of 16 opinions issued by it in 2018.

(2) Risks associated with the above-mentioned operations and the effective and efficient functioning of the internal control system

In order to perform all of its tasks, the department of the Legal Adviser had, on 1 January 2018, in addition to the post of Legal Adviser, two additional permanent AD posts and a permanent AST post. In addition, the service availed of the assistance of a function group AD staff member assigned to another department of the Institution as a trainee over two periods of 5 months during the year.

The very limited organisational chart of the department of the Legal Adviser allows the internal control system to function efficiently and effectively. However, that reduced organisational chart means that the slightest change in the availability of the members of that service is liable to immediately affect the capacity to carry out its tasks. In the performance of his duties in the sphere of litigation, the Legal Adviser must provide a quality service within time limits prescribed, which, laid down by the registries of the courts of the Union or, in the case of complaints, by the Staff Regulations of Officials of the European Union, must be respected. Moreover, a helpful reply to requests for advice and assistance from services of the Institution, sometimes raising complex problems, must often be given at short notice. It is therefore necessary at all times to effectively allocate the various members of the department of the Legal Adviser to the many tasks to be carried out.

c) INTER-INSTITUTIONAL COOPERATION

The department of the Legal Adviser had several *ad hoc* informal contacts with the services of other institutions with a view to improving reciprocal knowledge of best practices, thereby allowing more efficient management of the cases.

3. DATA PROTECTION OFFICER

During 2018, the regulatory framework applicable to the work of the Data Protection Officer evolved. On 11 December 2018, Regulation 45/2001 was repealed and replaced by Regulation 2018/1725.

The system for notifying the data protection officer of the processing of personal data, which involves checking compliance with the regulation, is replaced by an obligation on the controller to document the processing and create a register of processing activities. The mechanism for prior checking by the European Data Protection Supervisor (EDPS) is also abandoned.

However, the main task of the data protection officer remains to ensure the application of the provisions of the regulation and to advise controllers and processors on the fulfilment of their obligations. The data protection officer shall also keep the central register of processing activities.

a) MISSION

The data protection officer ensures that processing of personal data carried out by the departments of the Institution as part of their non-judicial activities is not likely to affect the rights and freedoms of the persons concerned.

Until 11 December 2018, before undertaking data processing, the controller had to notify the data protection officer. The data protection officer kept a register of operations identified (notified or otherwise) and a register of notified operations.

Since the entry into force of Regulation 2018/1725, the data protection officer has been advising the controller, employees or persons concerned by a processing operation and ensuring, in an independent manner, the internal application of the rules on the protection of personal data. The data protection officer continues to keep an inventory of the identified processing operations and also keeps the central register of processing activities.

The data protection officer also responds to the EDPS's requests and ensures that the persons concerned are informed of their rights and obligations under Regulation 2018/1725.

b) RESULTS OF THE OPERATIONS BY REFERENCE TO THE OBJECTIVES SET, CONTAINMENT OF ASSOCIATED RISKS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

• Examination of processing carried out or planned

In the performance of these duties, the data protection officer examined, between 1 January 2018 and 10 December 2018, 6 notifications of processing of personal data carried out (5) or planned by the Institution's departments (1). He sought clarification from these services, made recommendations, requested updates of notifications, and provided assistance to controllers in the preparation of processing notifications and their annexes.

However, in view of the expected change in the regulations, the main focus was on the conversion of notifications to documentation in accordance with the new regulation. Thus, 5 pre-existing notifications were converted to new documentation in December 2018 and 2 processing operations were identified and documented. In addition, the data protection officer was consulted on the preparation of documentation for 22 other processing operations.

• Cooperation in the context of the prior checking procedure

No prior checking procedures were opened in 2018. However, the data protection officer cooperated with the service concerned by a pending prior checking procedure in order to answer questions from the EDPS.

• Data protection impact assessment

A processing impact analysis was initiated in 2018. The analysis was completed in 2019.

• EDPS investigation

The EDPS opened an investigation in 2018 into the online services on the Curia website. The data protection officer assisted the services in answering the questions asked, collected the necessary information and forwarded it to the EDPS. At the end of 2018, the investigation was still ongoing.

• Consultations by the services

The data protection officer was consulted 32 times by the Institution's services on data protection issues.

- **Meetings of data protection correspondents**

The group of data protection correspondents, in which the cabinets and registries of the two courts and the various administrative departments are represented, met six times in 2018. In particular, it prepared the application of the new regulation and allowed service representatives to share their questions on the protection of personal data.

- **Awareness-raising**

On the occasion of Data Protection Day, on 28 January 2018, a conference entitled 'Recent case law on data protection' was organised. The conference was introduced by the deputy data protection officer and the data protection officer.

During the year, the data protection officer made various presentations on the impact of the new rules and specific data protection issues. A brief presentation entitled 'Protect Your and Others' Data' was also included in the new recruit induction programme.

In addition, representatives of the EDPS were invited by the Court's data protection officer to present the new Regulation 2018/1725 to all staff of the institutions based in Luxembourg. The presentation attracted almost 400 people, divided into two sessions with identical content, which took place on 1 and 2 October 2018. These presentations were followed by a 'Workshop' for the Court's staff, who are confronted, in their daily work, with the need to protect personal data.

Data protection was also the subject of three articles in the internal newsletter, on the occasion of Data Protection Day, the entry into force of Regulation 2016/679 (GDPR) and the entry into force of Regulation 2018/1725.

- **Preparation for the application of Regulation 2018/1725**

In order to prepare the Institution for the change in the regulatory framework, the data protection officer developed and made available a new form to document a processing operation and a new model of information notice. A model for conducting an impact assessment has also been developed and the procedure for notifying a data breach is available on the data protection officer's intranet site.

The intranet site of the data protection officer has been updated and the establishment of a new central register of processing activities has been prepared.

The information on the protection of personal data on the Curia website has been adapted and the contact form has been modified to allow direct contact with the data protection officer.

c) INTER-INSTITUTIONAL COOPERATION

The data protection officer and the deputy data protection officer attended meetings of the Inter-institutional Network of data protection officers. The network meets twice a year.

III. USE OF HUMAN AND FINANCIAL RESOURCES

Two specific annexes provide more information, first, on the use of budgetary resources (see annex 'Report on budgetary and financial management') and, secondly, on the use of human resources (see annex 'Report on staff policy'). Consequently, the tables that follow present a summary only of the implementation of appropriations and the use of human resources.

A. IMPLEMENTATION OF APPROPRIATIONS

EUR million

Budget chapters	Final appropriations 2017	Implementation 2017	Final appropriations 2018	Commitments	Implementation 2018
10 — Members of the institution	32.7	96.3%	33.5	32.2	96.1%
12 — Officials and temporary staff	241.2	98.9%	246.3	245.0	99.5%
14 — Other staff and external service providers	22.5	99.2%	23.9	23.6	98.7%
16 — Other expenditure related to persons connected with the Institution	6.1	94.5%	6.4	6.2	97.5%
TITLE 1 SUB-TOTAL	302.5	98.6%	310.1	307.0	99.0%

Budget chapters	Final appropriations 2017	Implementation 2017	Final appropriations 2018	Commitments	Implementation 2018
20 — Buildings and associated costs	70.0	99.9%	73.7	73.7	100.0%
21 — Data processing, equipment and moveable property	21.5	99.0%	22.1	22.1	99.8%
23 — Current administrative expenditure	2.1	85.9%	1.3	1.2	93.8%
25 — Meetings and conferences	0.5	81.4%	0.5	0.5	98.8%
27-37 - Information: purchasing, archiving, production and distribution and expenditure relating to certain institutions and bodies	2.7	93.8%	2.3	2.2	97.0%
TITLES 2 AND 3 SUB-TOTAL	96.8	99.1%	99.9	99.7	99.8%

Budget chapters	Final appropriations 2017	Implementation 2017	Final appropriations 2018	Commitments	Implementation 2018
100 — Provisional appropriation		0%	0		0%
TOTAL COURT OF JUSTICE	399,3	98.7%	410.0	406.7	99.2%

Data source: Report on budgetary and financial management during the year 2018

Overall, the rate of implementation of appropriations in 2018 was again very high (99.2%), and even higher than in 2017 (98.7%).

B. USE OF POSTS PROVIDED FOR IN THE ESTABLISHMENT PLAN

Posts provided for in the establishment plan are allocated as set out in the table below:

Area of activity	2018 Number of posts	2018 %	
Cabinets	537	26.1%	Cabinets of Members of the Court of Justice and of Members of the General Court
Registries	135	6.5%	Registry of the Court of Justice and of the General Court
Support for judicial activity	101	4.9%	Research and documentation, library and support for hearings
Language services	994	48.2%	Translation (922); Interpretation (79)
Administrative, logistical and IT support services	296	14.3%	Administration, protocol, communication, information technologies, publication, legal adviser, internal audit, staff committee
TOTAL	2 063	100	

The establishment plan for the year 2018 is identical to that for the year 2017, given the absence of the creation or reduction of posts under the 2018 budget.

Thus, the distribution of posts by sector of activity remains similar to that of previous years, with just over 85% of posts dedicated to jurisdictional and linguistic activities.

With regard to the occupation rate of posts, it remains at a very high level (around 97%) in 2018, due to sustained judicial activity which requires recruitment to be carried out quickly and in an optimal way for all posts which have fallen vacant.

IV. FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

A. OVERALL ASSESSMENT OF THE COSTS AND BENEFITS OF CONTROLS

It is important to point out that the effective and efficient functioning of the internal control system is a priority of the Court. This internal control system is based in particular on the following pillars:

- ▶ an internal control framework based on the application of internal control standards adapted in 2014 following the updating of the Institution's internal financial rules. In 2018, a new version of the internal control framework, based on the 2013 COSO benchmark ¹¹ and intended to be applied from 2019, was prepared;
- ▶ the existence of a centralised ex ante verification service, integrated within the DBFM, which carries out the ex ante control of all financial operations at the Court, as well as verifying agents within several authorising services who carry out an initial review of the merits of each item of expenditure;
- ▶ a highly effective integrated account and budget management system which facilitates the control and monitoring of operations, the proper functioning of which is ensured by the DBFM;
- ▶ assistance and advice provided by the DBFM in respect of questions relating to the application of the Financial Regulation and, in particular, in respect of questions relating to public procurement, helping to reduce the risk of irregularities and/or errors in managing appropriations;
- ▶ continuity in risk analysis and management exercises for the whole Court, which provide an overview of the risks to be dealt with;
- ▶ the performance of ex post controls by the DBFM, on the basis of an annual programme approved by the authorising officer by delegation;
- ▶ an internal audit department, which is completely independent in the conduct of its audits, provides the Institution with assurance on the degree of control over operations carried out to implement the budget and provides it with advice to improve the conditions for carrying out these operations, as well as to promote sound financial management.

¹¹ | This is the Internal Control - Integrated Framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), an organisation created in 1985 in the United States by professional associations in the fields of accounting and auditing to develop guidelines for risk management, internal control and fraud prevention.

The cost-effectiveness of that internal control environment is very positive, as a result, inter alia, of the following:

- ▶ an accounting and financial management application (SOSII-SAP) which has been developed inter-institutionally in close cooperation with the Council, the Court of Auditors and the European University Institute in Florence, thereby providing the Court with access to an effective management tool at the lowest possible cost;
- ▶ centralised responsibility for ex ante verifications, resulting in a saving of human resources devoted to control tasks;
- ▶ rapid and appropriate action taken in response to the advice and recommendations of the Internal Auditor or to observations of the Court of Auditors.

B. RESULT OF ACTIVITIES AND MANAGEMENT INDICATORS RELATING TO ACTIVITIES OF VERIFICATION, ASSISTANCE AND ADVICE ON INTERNAL CONTROL AND INTERNAL AUDIT

• Ex ante verification

Since 2016, a new simplified circuit (without centralised ex ante verification) has been set up for certain transactions of very low value ¹², thus allowing, in the context of an ever-increasing workload, the work of centralised ex-ante verification to be concentrated on more complex transactions or on those presenting greater financial risks.

This system has made it possible to control the ex-ante verification workload, given that the total number of files verified, which was 20 103 in 2016, was 18 988 in 2018 (with 4 772 files not verified). However, the introduction of the thresholds described in the previous paragraph could not prevent these figures, which were clearly lower in 2017 compared with 2016 (18 765 as against 20 103 files verified), from increasing again in 2018.

In 2018, the average period for processing transactions submitted for validation was 4.3 days (it was 7.5 days in 2016).

In the year 2018, the competent unit returned to the originating agents, for alteration or cancellation, a total of 731 files, which is about 4% of the transactions submitted for verification.

In addition, no substantive disagreement was recorded between the authorising officer by delegation and the Financial Assistance, Budget and Verification Unit during the 2018 financial year.

• Ex post verification

The Financial Assistance, Budget and Verification Unit has established an ex post control system which, combined with the action of all those involved in the control chain, contributed to the ability of the authorising officer by delegation to report his assurance.

¹² | The transactions concerned by this simplified circuit are those that do not exceed the thresholds of EUR 700 for the Multilingualism Directorate-General and EUR 200 for all other services.

During 2018, two ex-post controls were carried out:

- ▶ an ex-post control concerning Sysper2, which revealed certain weaknesses in the implementation of this new computerised human resources management system. In addition, during the substantive tests carried out on a sample of files, errors with financial impact were detected in two files and some recommendations were made to improve payroll procedures;
- ▶ an ex-post follow-up control on expenditure related to budget item 2022 'Cleaning and maintenance', the results of which were satisfactory, allowing the closure of the recommendations made previously, having regard to the corrective measures adopted by the services concerned.

• **Assistance and advice on internal control and public procurement**

Efforts have continued to improve the quality of support provided to authorising departments in the application of the Financial Regulation, more particularly in the complex area of public procurement and particularly in view of the entry into force on 2 August 2018 of the new Financial Regulation 2018/1046, although most of the provisions are applicable to the Court as from 1 January 2019.

Participation in the inter-institutional working groups in the matter has been effective and fruitful, particularly in the area of 'green procurement' (green public procurement aims at encouraging a sustainable consumption model).

2018 was the first full year of operation of the 'Inter-Institutional GPP (Green Public Procurement) Helpdesk' (helpdesk dedicated to green public procurement, introduced in 2017). The GPP Helpdesk provides fast, efficient, direct and practical assistance, with the objective of assisting the Institution to integrate environmental criteria into procurement procedures, in order to help reduce environmental impact and thus promote sustainable consumption. This service has become well known to the authorising services and its consultation has increased since its launch.

During 2018, 22 analyses of complete tender documents ('pre-referral') were carried out by the Financial Assistance, Budget and Verification Unit, with an average processing time of 2.9 days (in 2017, 14 cases were processed, with a delay of 3 days).

As regards internal control and risk analysis, the annual updating of the integrated exercise of the continuity plan, of risk analysis and of the annual activity report was carried out.

• **Internal audit**

In accordance with Article 118(4) of the Financial Regulation, the Internal Auditor is to report to the Institution his findings and recommendations and the Institution is to forward each year to the Parliament and the Council a report containing a summary of the number and type of internal audits carried out, the recommendations made and the action taken on those recommendations.

As indicated in the Internal Auditor's annual report, the audits finalised in 2018 were as follows:

- ▶ audit concerning stationery, office supplies and miscellaneous consumables,
- ▶ audit of IT licenses,
- ▶ review of the Institution's strategy to combat fraud, corruption and any illegal activity detrimental to the Union's interests.

In 2018, the service continued to provide advice in several areas of activity, in the context of the progressive reform of the judicial architecture, which is continuing within a framework of budgetary rigour and the increased workload in the Institution's departments.

Furthermore, the annual internal audit report shows that satisfactory action was taken in response to the recommendations made. Regular monitoring of the actions taken by the audited departments makes it possible to assess whether they are appropriate, effective and timely and to identify and record improvements made. That monitoring showed that the majority of audits carried out before 2018 can be considered to be closed and that a number of actions have already been implemented by the departments, or are under way, in order to respond appropriately to the audits completed in 2018. A high percentage of acceptance of recommendations made and swift implementation are the key performance indicators of the internal audit activity. Furthermore, the action taken in response to the advice and recommendations of the Internal Auditor contributes to the continuous improvement of the internal control framework of the Court and to strengthening the application of the principles of sound financial management and performance.

C. RISKS ASSOCIATED WITH THOSE OPERATIONS AND THE FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

Lastly, as regards assistance and advice on internal control and public procurement, the complexity of the legislation in force, the variety of scenarios which may arise and the necessarily limited means of the departments are inherent factors exposing them to risks which require constant vigilance from all persons involved. In that regard, the absence of observations from the Court of Auditors in its Annual Reports between 2010 and 2017 is a wholly objective indicator of the quality of the control systems in place.

In the area of ex ante verification, the main risks are that controls may be carried out over too long a period, due to increased workload, or incorrectly. In order to mitigate these risks, and as regards excessive delays, rules of priority in the processing of files have been established and a simplified financial circuit (without centralised ex ante verification) has been introduced as indicated above. As regards the quality of the verification work, checklists are used and cross-checks are carried out for some transactions. The recruitment of verifying agents is carried out with great care to ensure that they meet the required conditions in terms of knowledge, skills and competences and a code of professional standards for agents appointed to verify financial transactions provides a framework for their activity.

V. OBSERVATIONS MADE IN CONNECTION WITH EARLIER DISCHARGES OR REPORTS OF THE COURT OF AUDITORS

The charter of the authorising officer's duties provides that the authorising officer by delegation is to include, in his annual activity report, remarks concerning the follow up to observations expressed by the Court of Auditors and/or the Discharge Authority.

A. OBSERVATIONS MADE BY THE COURT OF AUDITORS

It is important to note that the Court of Auditors indicated, in paragraph 10.8 of its last Annual Report on the implementation of the budget concerning the financial year 2017, that no specific problem concerning the Court was detected.

The results of the 2017 controls thus confirm, as they have since 2010, the absence of observations from the Court of Auditors.

With regard to Special Report No 14/2017 on the *Examination of performance in the management of cases at the Court of Justice of the European Union*, published in September 2017, the Court continues to work towards the implementation of the recommendations issued, in particular with regard to the development of the new integrated case management system.

During 2018, the Court of Justice noted a significant increase in its judicial activity, due to a 15% increase in the number of cases brought. Proactive case management has nevertheless borne fruit, with the number of cases closed in 2018 increasing by almost 10% compared to the previous year. In addition, these developments have led Members to maintain their very high level of vigilance in ensuring that internal deadlines for the processing of cases are respected. The meeting of the Presidents of Chambers carried out a rigorous control on the state of affairs in the Chambers.

As mentioned above, however, further organisational and procedural measures are needed to enable the Court to cope with an ever-increasing workload. Thus, on 26 March 2018, the Court of Justice made a legislative request on the basis of the second paragraph of Article 281 TFEU to amend Protocol No 3 on the Statute of the Court. The request essentially concerned the transfer to the General Court of jurisdiction to rule, at first instance, on certain categories of action for failure to fulfil obligations, on the one hand, and the introduction of a mechanism whereby the Court determines whether certain categories of appeal should be allowed to proceed, on the other hand. The legislative procedure is still ongoing, but could soon be concluded favourably for the part of the request relating to the mechanism to determine whether certain categories of appeal should be allowed to proceed.

In addition, discussions were held in 2018 on further measures to optimise efficiency in case management, which led to a day of reflection for Members of the Court of Justice on 19 January 2019. The recommendations of the Court of Auditors for an ever more efficient management of resources have been duly taken into account in this context.

With regard to the General Court, during 2018, this court adapted the internal timetables according to the nature and complexity of the cases (competition/state aid/measures to protect trade, intellectual property, special procedures, inadmissibility claims/declaration that there is no need to adjudicate, other cases), prepared and analysed 'case-by-case' statistics by phase of processing the cases, conducted in-depth monitoring of the planning of the activity of the Chambers affected by the departure of judges as part of the three-year renewal with a view to optimising the management of priorities and ensuring the continuity

of judicial activity, raising Member States' awareness of the importance of the timely appointment of judges for triennial renewals and deploying the Argos application, which centralises all information in the form of an interactive dashboard for the monitoring and management of cases by cabinets.

In addition, preparatory work for the development of an integrated case management system began in 2018: 40 workshops were organised with cabinets and departments to identify the needs that the case management tool should meet, with a view to publishing a call for tenders in 2019.

Finally, in 2018, the Court of Auditors issued a Special Report No 34/2018 on *Office accommodation of EU institutions*, in which it made very positive findings regarding the efficiency of the Institution's buildings policy, reporting excellent results in terms of compliance with the budget and timetable for the three major building projects audited with regard to the Court. Recommendations for all the institutions are also made in this report, in particular concerning the updating and formalisation of the institutions' real estate strategies, the evaluation of new forms of work organisation, the improvement of the consistency of the data presented by the different institutions in order to ensure the comparability of information and the development of indicators to monitor the efficiency of their building stock.

B. OBSERVATIONS MADE BY THE DISCHARGE AUTHORITY

As this activity report is being drawn up, the procedure of obtaining discharge in respect of the implementation of the 2017 budget has not yet been formally concluded. However, it is at a relatively advanced stage, since the discharge report, amended and voted at the meeting of the Committee on Budgetary Control of 20 February 2019, will be submitted for plenary vote in Parliament at the end of March 2019.

At this stage, the draft resolution voted by the Committee on Budgetary Control relating to the Court refers, first of all, to the findings of the Court of Auditors for the financial year 2017, underlining that no significant weaknesses had been identified as regards the matters audited by the Court of Auditors, namely, human resources and public procurement and that the management of its administrative expenditure is free from material error (paragraphs 1 and 2).

The draft resolution also sets out a number of positive points concerning the functioning of the Court's services. These include, in particular, the very high budget implementation rate (98.69% in 2017, as against 98.23% in 2016) (paragraph 3), the work carried out for the development of a new integrated case management system (paragraph 14), the constant increase in the use of e-Curia, which has been used by all Member States since 2016 (paragraph 16), the results obtained with regard to communication activities, which have increased the visibility and impact in the Institution's media (paragraph 23), the Court's continuation of the 5% staff reduction in the period 2013-2017 (paragraph 24), inter-institutional cooperation on the redeployment of conference interpreters (paragraph 26), the very high rate of occupation of posts (almost 98%) (paragraph 27), the launch of the pilot project for the development of managerial skills, aimed in particular at encouraging women to apply for management posts (paragraph 29), the existence of a network of trusted persons who can be contacted by any staff member who feels harassed (paragraph 31), the adoption of guidelines for the protection of whistle-blowers (paragraph 41) and the Court's commitment to ambitious environmental objectives (paragraph 42).

With regard to other observations/recommendations relating to administrative or linguistic activities, the Court continues to consider them with the greatest attention. As regards the under-implementation of certain budget lines, the Court will continue its efforts to avoid differences in the appropriations allocated and used (paragraphs 7 and 8), ensure that relevant objectives and performance indicators are set when drawing up its budget (paragraphs 10 and 11), establish new rules for staff members concerning 'revolving

doors' (public-to-private sector crossover) (paragraph 39) and examine Parliament's request to establish sponsorship rules (paragraph 40). As regards the observation on unpaid traineeships, the Court already has appropriations in its 2019 budget for the remuneration of traineeships in the cabinets of the Members (paragraph 33).

As regards the activity of the courts (Court of Justice and General Court), the Court notes with satisfaction the comments concerning the reduction in the average length of proceedings in 2017 (16.3 months in 2017 compared with 16.7 months in 2016) and concerning the improvement in efficiency, which has led to an increase in the number of cases closed of 29.6% over the period 2010-2017 (paragraph 17). The draft resolution also welcomes the establishment of the 'Judicial Network of the European Union' to strengthen cooperation between the Court and national courts (paragraph 22).

As for the paragraphs concerning the Members of the courts (paragraphs 34, 35, 36, 37 and 38), the Court takes note of the requests made therein. As indicated in paragraph 38, a new code of conduct for Members and former Members (OJ 2016/C 48 3/01), which responds to comments previously made by Parliament on the exercise of external activities and the declaration of financial interests (paragraph 17), entered into force on 1 January 2017. With regard to the request for more detailed information on external activities carried out by its Members, the Court will consider the possibility of supplementing the list of such activities.

As for the points relating to the Court of Auditors' Special Report No 14/2017 (paragraphs 14, 15, 18, 19 and 28), the Court is reviewing and working towards the implementation of the recommendations made in that report (see previous point on the observations made by the Court of Auditors).

In general, the Court is committed to implementing the recommendations of the Discharge Authority as quickly as possible and confirms both its openness and its determination to constantly improve the efficiency of the management of all its activities.

REPORT ON STAFF POLICY

1. INTRODUCTION

In accordance with Article 41(3)(b)(ii) of the Financial Regulation, this document outlines the policy of the Court of Justice of the European Union ('the Court' or 'the Institution') for the management of posts and external personnel. That policy aims, in particular, to make optimal use of the human and budgetary resources made available by the budgetary authority, while seeking to develop employee skills and ensure good working conditions. In that context, the Court's personnel administration uses all the means at its disposal in order to achieve those objectives in a difficult context of budgetary restrictions.

2. STAFFING SITUATION

At the end of the financial year, **2 217 persons**, that is officials, members of the temporary staff and members of the contract staff ('CS'), were employed by the Court.

The distribution of staff by type under the Staff Regulations and by function group may be presented as follows:

DISTRIBUTION OF STAFF BY TYPE UNDER THE STAFF REGULATIONS		% of the Institution's staff
Officials	1 413	64%
Temporary staff	650	29%
Contract staff	154	7%
Total	2 217	100%

DISTRIBUTION OF STAFF BY FUNCTION GROUP

		% of the Institution's staff
AD	1 251	56%
AST	747	34%
AST/SC	65	3%
CS	154	7%
Total	2 217	100%

The average age of the Institution's staff was **45 years**, distributed as follows by age bracket:

19-29	4%
30-39	24%
40-49	40%
50-59	26%
60-67	6%

3. RECRUITMENT AND OCCUPATION OF POSTS

3.1 PERMANENT POSTS

The Court has set itself a twofold objective in terms of occupation of posts; first, ensuring as high a rate of occupation of posts as possible in the light of the heavy workload borne by the Institution and, second, filling permanent posts with staff who are officials as far as possible.

The efforts made have led to a very high rate of occupation of posts in all departments (almost 97% at 31.12.2018), notwithstanding certain difficulties which have a direct impact on recruitment procedures, such as the low level of the basic salaries for the starting grades or more limited career development opportunities in Luxembourg due to the lesser number of institutions located there.

3.2 POSTS IN THE CABINETS

The number of posts made available by the budgetary authority for the Staffing of Cabinets of Members of the Institution, as members of the temporary staff pursuant to Article 2(c) of the Conditions of Employment of Other Servants of the European Union ('the CEOS') or as seconded officials under Article 37(a) of the Staff Regulations of Officials ('the Staff Regulations'), amounts to 524. At 31 December 2018, those posts were filled by 407 temporary agents and 117 seconded officials. The rate of occupation of posts in the Cabinets is 100%.

3.3 TEMPORARY STAFF IN THE COURT'S DEPARTMENTS

3.3.1 MEMBERS OF THE TEMPORARY STAFF

As pointed out above, the Court's policy is to fill the permanent posts available in the establishment plan with officials. However, a derogation from that rule is necessary in the following two cases: (a) where an official is seconded in the interests of the service, the official's post in that case being retained for his reinstatement, and (b) where the procedure for filling a post has not led to applications from qualified officials and there are no suitable successful candidate lists from a competition. The number of temporary staff members occupying permanent posts under Article 2(b) of the CEOS at the end of the financial year was 207, 19 of whom were engaged to replace officials on secondment. 36 members of the temporary staff under Article 2(a) of the CEOS were engaged to replace officials temporarily.

3.3.2 CONTRACT STAFF

Contract staff in active employment at the Court come within the scope of Article 3a or 3b of the CEOS.

As regards the first category of staff (contract staff), these persons are entrusted with manual or administrative support service tasks. At the end of the financial year, 85 members of the contract staff were in service at the Court in order to carry out those types of task, that is 4% of the Institution's staff.

As regards staff in the second category (contract staff for auxiliary tasks), these persons are recruited to replace officials or members of the temporary staff who are temporarily absent (for example, on maternity leave or long-term sick leave) or, exceptionally, to tackle specific peaks in workload. In addition, contract staff in function group II are engaged in the Visits unit as part-time visit guides and other members of the contract staff in function group III are engaged to carry out proof-reading tasks in the Multilingualism Directorate-General (using appropriations specifically allocated by the budgetary authority for that purpose). At the end of the financial year, 69 contract staff for auxiliary tasks were in service at the Court, representing approximately 3% of the Institution's staff.

4. EQUAL OPPORTUNITIES

The Court regularly ensures that the working environment is free from all forms of discrimination and that there is a balanced distribution of staff.

At the end of the financial year, the Institution's staff were distributed by gender as followed:

DISTRIBUTION OF STAFF BY FUNCTION GROUP AND GENDER		% of the Institution's staff
WOMEN		
AD	669	61%
AST	576	
AST/SC	48	
CS	52	
TOTAL WOMEN	1.345	
MEN		
AD	582	39%
AST	171	
AST/SC	17	
CS	102	
TOTAL MEN	872	
TOTAL MEN	2.217	100%

These statistics show that the measures introduced in the area of equal opportunities in order to make it easier to reconcile professional and family commitments have encouraged the occupation of posts by women. In particular, it is apparent from the table above, and from the organisational chart, that 53% of the employees in the AD function group are women.

More particularly with regard to management posts, the occupancy rate for women at the end of the financial year was 40% for senior management and 37% for middle management, as shown in the table annexed to this report illustrating the distribution of management posts by nationality and by gender. The increase in women's occupancy rate of management posts (37.5% in 2018 compared to 36% in 2017) shows a growth in the staffing of those posts by women, notwithstanding the reduced number of the Court's administrative entities.

Both the structure of the Court's staff and the specific policy of equal opportunities which is being pursued point, however, to a future improvement of those statistics. In 2018, the Court's administration extended a programme for the development of managerial and management skills, which it launched in 2016 as a pilot project, aimed in particular at encouraging women to apply for management posts.

Moreover, an 'Equal Opportunities and Diversity' cell has been created within the Human Resources and Personnel Administration Directorate in order to develop and implement a policy in that field, including in particular the introduction of the incentives or remedial measures proposed, in 2017, by a working group comprising the female managers of the Institution. The measures in question aim mainly to integrate the principles of equal opportunities and diversity in the different HR management processes (recruitment, training, career development, working conditions) and to raise staff awareness of those issues.

5. GEOGRAPHICAL BALANCE

The Court's staff is made up of officials and other staff from the 28 Member States of the European Union. Recruitment is always carried out on the basis of the merit of candidates, the Staff Regulations stipulating in that regard, in Article 7(1), that vacancies are filled 'acting solely in the interest of the service and without regard to nationality'.

The geographical distribution of staff at the end of the year is set out in the table annexed to this report.

6. CAREER MANAGEMENT

6.1 HORIZONTAL MOBILITY

The Court consistently encourages horizontal mobility within the Institution, by favouring the options of filling posts by transfer within the Institution. The drawing up of vacancy notices and the advice provided by the Human Resources Directorate, in conjunction with the departments concerned, are aimed at facilitating the appropriate career choices.

6.2 VERTICAL MOBILITY

In accordance with the internal decisions on promotions which implement the provisions of the Staff Regulations laying down rates of promotion, it was possible to promote 300 officials in the 2018 promotion exercise having regard to both the merits observed and the budgetary resources allocated to that end by the budgetary authority.

In addition, in the context of the certification exercise under Article 45a of the Staff Regulations, three officials from the Court were selected to participate in the training programme organised by the European School of Administration in 2018. That procedure generates great interest among employees in the AST function group and contributes to better skills management within the Court. Of a total of 27 people selected since 2005 to participate in such a programme, 19 have already been appointed as administrators.

6.3 INTERINSTITUTIONAL MOBILITY

Staff has moved between the Court and the other institutions in the context of transfer procedures. As regards transfers to the Court, this policy enriches its staff with employees mastering working methods and management tools implemented in the other institutions, elements valuable for broadening the skills of internal staff and for the useful sharing of best practice.



As regards the departures from the Court to the other institutions, this situation reflects the fact that a percentage of its staff aspires to a career in a large institution or to a place of recruitment other than Luxembourg. This mobility also contributes to the enrichment of the range of skills of the other institutions' officials, in particular in the field of law.

In a total of 55 recruitment procedures open to the officials of other institutions, organised and completed during 2018, nine officials were transferred to the Court. 34 officials from the Court were transferred to other institutions.

For several years, the two legal translation directorates of the Court have fostered regular cooperation with the language services of the European Central Bank ('ECB'), in the form of interinstitutional exchanges. The ECB has thus hosted lawyer-linguists of the Court on several occasions in Frankfurt and, in particular, a French language lawyer-linguist who was seconded from 2017 until March 2018. These exchanges constitute a very positive kind of cooperation, both for the ECB, which benefits from the skilled reinforcement of lawyer-linguists, and for the persons concerned from the Court, who gain experience which they can subsequently put to the benefit of their language units.

6.4 REDEPLOYMENT

In assessing the Institution's efforts as regards redeployment, it should be borne in mind that here, in contrast with the situation prevailing in the other institutions, the 'production' of the Court, namely the judgments, orders and opinions, is carried out in the Cabinets of the Members. The departments do not participate directly in this 'production'; they only provide the necessary resources, either for its development (registries of both jurisdictions, research and documentation, administration, translation, interpretation) or its dissemination (analysis of case-law, information, translation, publication in the European Court Reports).

That situation, in an institution like the Court, where the staff of the Cabinets accounts for more than a quarter of total staff, must be taken into account to understand how the possibilities for redeployment are limited.

As regards the Cabinets, their structure has developed over the years, as needs have evolved. The budgetary authority has recognised the relevance of those needs by providing the necessary budgetary posts.

As regards the departments, their tasks are linked with the exclusive activity of the Institution, that is to say, judicial activity, and cannot undergo any fundamental change. In contrast with the situation in certain other institutions, there is no need for a large-scale redeployment of staff from one department to another to take account of the need, for example, to fulfil new tasks or implement new policies.

7. STREAMLINING OF ACTIVITIES

The Court faces, as do all the other institutions, a strict budgetary context that requires even more dynamic management of human resources and at times difficult choices, as it is essential to be able to identify priorities and identify synergies in order to maintain the proper functioning of the departments.

It must be pointed out that the Court is unable to regulate the number of cases brought before its courts and, accordingly, its workload. Nonetheless, in order to preserve the judicial activity proper, the various departments of the Court have been invited, since 2014, to pursue their efforts in the context of a broader consideration which does not exclude any avenues for improving their efficiency. Several internal working groups were, therefore, set up, charged with identifying possible negative priorities and internal or horizontal synergies making it possible to eliminate superfluous tasks, streamline administrative processing/procedures as much as possible by the more extensive use of IT tools or achieve a better balance in terms of the outsourcing of activities and bringing them in-house, while maintaining the level of quality essential in order to meet needs.

The Institution's departments have steadfastly continued to work towards that goal, while fulfilling the obligation of continuity in respect of their activities and maintaining the production flows necessary to meet the deadlines set, notwithstanding the reduction in staff which occurred in the period 2013 to 2017.

In September 2017, the Court adopted a new organisation of its administrative services, with the aim of streamlining their operation by favouring closer cooperation and synergies. Thus, the number of directorates-general was reduced from four to three: the Directorate-General of Administration, comprising the Directorate for Human Resources and Personnel Administration, the Directorate for the Budget and Financial Affairs and the Directorate for Buildings and Security, the Directorate-General for Multilingualism, comprising the interpretation and translation services, and the Directorate-General for Information, comprising the Information Technology Directorate, the Communications Directorate and the Library Directorate.

8. WORKING CONDITIONS

Flexible working hours and the teleworking introduced within the departments whose tasks and activities allow such a measure to be implemented, are intended to optimise the working conditions of the Court's staff and to promote work-life balance. The figures in the table below show the success of such a step.

During 2018, occasionally or for longer periods throughout the year, the Court's staff have benefited from the following working arrangements and part-time work:

WORKING ARRANGEMENTS	2018
	Number
Part-time	453
Structural part-time working	43
Parental leave	418
Family leave	45
Flexible working hours	775
Teleworking	304

It should be noted in that regard that the Court uses the remuneration appropriations made available by the part-time working in order to recruit temporary staff. Similarly, except when the parental or family leave is for a short period, those going on family or parental leave are replaced by recruiting temporary staff.

9. COMMUNICATION AND SOCIAL DIALOGUE

The modernisation of the Intranet sites of several departments and the distribution of newsletters and official messages aimed at staff have enriched the channels of information and increased the awareness of the Court's employees of subjects relating to the different staff management policies and procedures.

In addition, the social dialogue between the administration and staff representatives has an actual, direct effect on the implementation of staff policy and the application of the Staff Regulations and internal rules, a dialogue which takes place in particular in the context of the different joint committees of the Institution and also through consultations with the Staff Committee or recognised trade unions.

10. TRAINING AND DEVELOPMENT OF SKILLS

The continuous training and development of skills of the Court's staff play an essential role for the proper performance of the Institution's mission.

A reception and integration programme enables newcomers to become acquainted with the various departments of the Institution and become familiar with the products of their activities. This step promotes the rapid integration of new staff and collaborative relationships between staff and between departments.

Apart from the language and general training, the establishment and updating of professional benchmarks and competency frameworks have made it possible to put in place a training programme that is better adapted to the Court's needs.

The job descriptions, currently being drawn up for all the departments of the Institution, on the basis of homogeneous criteria, constitute a complete inventory of the posts to be filled and of the conditions under which they are to be carried out. In addition, they contribute to the rationalisation and harmonised approximation of the vacancy/transfer notices of the Institution, the development of the various existing jobs and functions, as well as awareness of the skills development needs of employees of the Court.

In addition, in the area of management and performance management, in order to complement the offer of the European School of Administration, specific training is organised each year with the aim of increasing staff awareness of the issues linked, inter alia, to personal effectiveness, time and stress management, project management and conflict management.

The programme for the development of managerial and management skills, launched in 2016, continued throughout 2018, with a view to enhancing opportunities for personal development and further training, promoting internal mobility as a means of professional development and improving access for women to management posts.

Furthermore, at the end of 2018, the Court's administration launched a job-shadowing scheme in order to obtain greater benefit from the knowledge and skills of staff working in its departments, to encourage mobility and promote networking amongst the staff. Furthermore, that scheme will contribute to the identification of possible synergies between the relevant departments and areas for streamlining their activities.

11. HEALTH, SAFETY AND WELL-BEING AT WORK

The Court is constantly seeking to reinforce safety measures and is constantly communicating and raising awareness among staff on matters relating to health, safety and well-being at work, areas which will be analysed in more detail in the context of developing a new policy during the current year.

12. PROTECTION OF PERSONAL DATA

2018 was an important year for the protection of natural persons with regard to the processing of personal data carried out by the Union institutions.

New Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, came into force on 11 December 2018.

Accordingly, all the departments of the Court were actively called upon to draw up, in the context of their non-judicial activities and in close collaboration with the Data Protection Officer of the Institution, the documentation of the processing for which they are responsible, in the light of the rules laid down in the aforementioned regulation.

Court of Justice of the European Union - Annex 1
As at 31 December 2018

DISTRIBUTION OF STAFF BY GENDER (permanent and temporary posts)																		
Gender	Function group	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
F	AD					34	3	114	69	79	134	89	80	32	32	3		669
	AST	29	13	127	84	107	79	58	40	32	3	4						576
	AST/SC	2	38	6	1	1												48
F Total		31	51	133	85	142	82	172	109	111	137	93	80	32	32	3		1293
M	AD					13	5	74	49	78	70	87	97	37	60	11	1	582
	AST	2	3	44	26	33	34	14	4	9		2						171
	AST/SC	2	12	3														17
M Total		4	15	47	26	46	39	88	53	87	70	89	97	37	60	11	1	770
Total		35	66	180	111	188	121	260	162	198	207	182	177	69	92	14	1	2063

DISTRIBUTION OF STAFF BY NATIONALITY AND BY FUNCTION GROUP (permanent/temporary posts and contract agents)									
Nationality	AD	AST	AST/SC	FGI	FGII	FGIII	FGIV	Total	
Austria	15	4						19	
Belgium	103	76	6	8	1	2		196	
Bulgaria	33	19	2		1	1	1	57	
Croatia	28	8	3		2			41	
Cyprus	4	1						5	
Czech Republic	36	13		1	1	2		53	
Denmark	34	14	1	1		1		51	
Estonia	31	12	1			1		45	
Finland	30	16				2	2	50	
France	198	210	25	36	4	4	1	478	
Germany	75	38	1	4	1	2		121	
Greece	47	34	3	3		2		89	
Hungary	38	19	1			3		61	
Ireland	17	12						29	
Italy	85	48	3	13	2	2		153	
Latvia	32	12	1			1		46	
Lithuania	35	18	1	1		1		56	
Luxembourg	8	14		5	1			28	
Malta	23	9				1		33	
Netherlands	22	6			1	1		30	
Others	2							2	
Poland	43	26	1	2	1	2	4	79	
Portugal	37	30	3	9	1	2		82	
Romania	48	18	2	2		2		72	
Slovakia	33	13	3		1	1		51	
Slovenia	32	13	1		1		1	48	
Spain	75	44	5		1	3		128	
Sweden	37	11	1	1		1		51	
United Kingdom	50	9	1	1	1	1		63	
Total	1251	747	65	87	20	38	9	2217	

SENIOR AND MIDDLE MANAGEMENT - 31.12.2018

Gender	Country of nationality	Director-General	Director	Head of Unit	Total
F	Belgium			1	1
	Croatia			1	1
	Denmark			2	2
	Estonia			1	1
	Finland		1		1
	France			4	4
	Germany		1	1	2
	Hungary			2	2
	Italy			2	2
	Latvia			1	1
	Lithuania			1	1
	Romania		1	1	2
	Slovenia			1	1
	Spain		2	1	3
	Sweden			1	1
	United Kingdom		1	1	2
	F Total		6	21	27
M	Belgium	1	2	6	9
	Bulgaria			1	1
	Czech Republic			1	1
	Denmark			2	2
	Estonia		1	1	2
	Finland			1	1
	France			3	3
	Germany		1	3	4
	Greece		1	2	3
	Ireland		1		1
	Italy	1		3	4
	Latvia			1	1
	Lithuania			1	1
	Malta			1	1
	Netherlands			2	2
	Poland			1	1
	Portugal			3	3
	Slovakia			1	1
	Spain		1	2	3
	United Kingdom			1	1
	M Total	2	7	36	45
Total		2	13	57	72

Court of Justice of the European Union - Annex 4
As at 31 December 2018

DISTRIBUTION OF STAFF BY NATIONALITY	
Member State	% of staff in active employment
Austria	2%
Belgium	9%
Bulgaria	3%
Croatia	2%
Cyprus	1%
Czech Republic	2%
Denmark	2%
Estonia	2%
Finland	2%
France	22%
Germany	5%
Greece	4%
Hungary	3%
Ireland	1%
Italy	7%
Latvia	2%
Lithuania	2%
Luxembourg	1%
Malta	1%
Netherlands	1%
Poland	4%
Portugal	4%
Romania	3%
Slovakia	2%
Slovenia	2%
Spain	6%
Sweden	2%
United Kingdom	3%

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT FOR THE FINANCIAL YEAR 2018

1 - INTRODUCTION

This report provides an overall view of budget implementation in 2018 and, in accordance with Article 249 of 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, *'shall provide summary information on the transfers of appropriations among the various budgetary items'*.

In that context, Section 2 of this Report gives an overview of budget implementation in 2018 and of transfers made and Section 3 examines in more detail the trends in budget lines by chapter of the Court's budget. Lastly, the annexes, by means of tables with figures, provide detailed information, in aggregate form and by service, concerning budget implementation in 2018.

2 - OVERVIEW OF BUDGET IMPLEMENTATION IN 2018

2.1– REVENUE

The estimated revenue of the Court for the financial year 2018 was EUR 55 505 000.

As shown in **Table 1** below, the established entitlements in the financial year 2018 come to EUR 53 304 641 and are 3.96% lower than estimated.

Table 1 – Estimated revenue and established entitlements

(in euros)

TITLE	ESTIMATED REVENUE 2018	ESTABLISHED ENTITLEMENTS 2018	% of total
4 -Revenue accruing from persons working with the institutions and other Community bodies	55 505 000.00	52 766 211.30	98.99
5 - Revenue accruing from the administration of the institution	0.00	538 430.16	1.01
9 - Miscellaneous revenue	0.00	0.00	0.00
TOTAL	55 505 000.00	53 304 641.46	100.00
%	100.00%	96.04%	

It may be noted that the revenue-entitlements established in Title 4 (chiefly deductions from the remuneration of Members and staff in respect of taxes and social security contributions) represent almost 99% of all revenue, while revenue in the other Titles represents 1% only.

Annexes 1 and 2 provide additional information with figures on the whole revenue stream (revenue-entitlements carried over, revenue-entitlements established and revenue-entitlements collected).

As regards revenue from entitlements carried over from the preceding financial year, **Table 2** below shows that revenue in Title 5 represents the total revenue from entitlements carried over and collected in 2018.

Table 2 – Revenue from entitlements carried over

(in euros)

TITLE	CARRIED OVER 2017 TO 2018	REVENUE FROM ENTITLEMENTS CARRIED OVER	% of total
4 - Revenue accruing from persons working with the institutions and other Community bodies	0.00	0.00	0.00
5 - Revenue accruing from the administration of the institution	62 485.74	48 166.93	100.00
9 - Miscellaneous revenue	0.00	0.00	0.00
TOTAL	62 485.74	48 166.93	100.00
%	100.00%	77.08%	

2.2 – EXPENDITURE

2.2.1 – APPROPRIATIONS FOR THE FINANCIAL YEAR

The appropriations for expenditure initially entered in the Court's budget for the financial year 2018 came to EUR 410 025 089.

As shown in **Table 3** below, budget implementation for the financial year 2018 amounts to EUR 406 681 899.41 and represents a very high rate of use of final appropriations of 99.18%, which is even higher than in 2017 (98.69%).

As examined in more detail in Chapter 3, the budget implementation of both Title 1 and Title 2 in 2018 are very considerable: 99% for Title 1 and 99.8% for Title 2 in 2018 (as opposed to 98.6% for Title 1 and 99.1% for Title 2 in 2017).

Generally, as in previous years, it may be observed that over 75% of the budget implemented by the Court in 2018 is allocated to expenditure on the Members and staff (expenditure in Title 1), nearly all of the balance concerning expenditure on infrastructure (Title 2), particularly buildings and information technology.

Table 3 – Commitments of appropriations in the financial year

(in euros)

TITLE	APPROPRIATIONS IN THE FINANCIAL YEAR 2018	COMMITMENTS IN THE FINANCIAL YEAR 2018	% of total
1 – Persons working with the institution	310 144 200.00	307 014 989.96	75.49
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	99 821 889.00	99 649 315.74	24.50
3 – Expenditure resulting from special functions carried out by the institution	59 000.00	17 593.71	0.01
10 – Other expenditure	0.00	0.00	0.00
TOTAL	410 025 089.00	406 681 899.41	100.00
%	100.00%	99.18%	

Annexes 3, 4a and 4b provide detailed additional data with figures on the use of appropriations in the financial year 2018 (comparison with 2017, details of implementation by budget line and by service).

2.2.2. – APPROPRIATIONS CARRIED OVER

Table 4 below shows that, of the appropriations carried over from 2017 to 2018, the total of which was EUR 20 805 376.61, a large proportion was used (85.45% in 2018 as opposed to 86% in 2017).

Tableau 4 – Use of appropriations carried over

(in euros)

TITLE	APPROPRIATIONS CARRIED OVER 2017 TO 2018	PAYMENTS OUT OF APPROPRIATIONS CARRIED OVER	CANCELLATIONS
1 – Persons working with the institution	6 132 197.49	4 685 158.90	1 447 038.59
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	14 665 296.40	13 086 869.93	1 578 426.47
3 – Expenditure resulting from special functions carried out by the institution	7 882.72	6 063.98	1 818.74
10 – Other expenditure	0.00	0.00	0.00
TOTAL	20 805 376.61	17 778 092.81	3 027 283.80
%	100.00%	85.45%	14.55%

Annex 4a provides additional detailed information with figures on the use of appropriations carried over from 2017 to 2018.

2.2.3. – APPROPRIATIONS CORRESPONDING TO ASSIGNED REVENUE

In accordance with Article 21 of the Financial Regulation, certain revenue may be assigned to the financing of specific items of expenditure. Such assigned revenue represents, therefore, additional appropriations that may be used by the Institution.

Table 5a below shows details, by title, of the sums of assigned revenue established and collected during the financial year.

Table 5a – Use of assigned revenue

(in euros)

TITLE	ASSIGNED REVENUE 2018	PAYMENTS 2018	ASSIGNED REVENUE CARRIED OVER 2018 TO 2019
1 – Persons working with the institution	87 283.84	1 148.44	86 135.40
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	487 514.59	102 108.41	385 406.18
3 – Expenditure resulting from special functions carried out by the institution	2 261.49	2 261.49	0.00
10 – Other expenditure	0.00	0.00	0.00
TOTAL	577 059.92	105 518.34	471 541.58

Table 5b below shows details, by title, of the sums of assigned revenue carried over from one financial year to another.

Table 5b – Use of assigned revenue carried over

(in euros)

TITLE	ASSIGNED REVENUE CARRIED OVER 2017 TO 2018	PAYMENTS 2018	CANCELLATION OF ASSIGNED REVENUE FOR 2017 NOT ELIGIBLE FOR CARRYING OVER	ASSIGNED REVENUE COMMITTED BUT NOT PAID IN 2018 CARRIED OVER TO 2019
1 – Persons working with the institution	360 219.74	359 595.16	624.58	0.00
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	408 814.59	352 386.10	7 441.25	48 987.24
3 – Expenditure resulting from special functions carried out by the institution	203.00	203.00	0.00	0.00
10 – Other expenditure	0.00	0.00	0.00	0.00
TOTAL	769 237.33	712 184.26	8 065.83	48 987.24

Table 5c below shows details, by title, of the sums of assigned revenue committed but not paid, carried over from one financial year to another.

Table 5c – Use of assigned revenue committed but not paid, and carried over

(in euros)

TITLE	ASSIGNED REVENUE COMMITTED BUT NOT PAID IN 2017	PAYMENTS 2018	CANCELLATION OF ASSIGNED REVENUE COMMITTED IN 2017 NOT ELIGIBLE FOR CARRYING OVER
1 – Persons working with the institution	9 266.00	0.00	9 266.00
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	53 339.55	21 694.92	31 644.63
3 – Expenditure resulting from special functions carried out by the institution	0.00	0.00	0.00
10 – Other expenditure	0.00	0.00	0.00
TOTAL	62 605.55	21 694.92	40 910.63

The appropriations from assigned revenue established during the financial year 2018 came to EUR 577 059, almost 63% of which corresponds to revenue from:

- the sale of electricity produced by the panels of photovoltaic cells (EUR 138 168),
- reimbursement of expenditure in respect of the leasing of buildings and reimbursement of expenditure by staff such as telephone calls or public transport (EUR 100 227),
- reimbursement by the Commission and Council (EUR 4 274) of excess advance payments (EUR 66 554),
- payment of contractual penalties by service providers (EUR 34 666),
- compensation paid by insurance companies (EUR 18 429).

It must also be noted that a very high percentage of appropriations from assigned revenue carried over from 2017 to 2018 was used (92.6%).

Annex 5 provides additional detailed information with figures on the use of assigned revenue.

2.2.4. – TRANSFERS OF APPROPRIATIONS

In the course of the financial year 2018, as shown in Table 6, the Court made 19 budget transfers pursuant to Article 25 of the Financial Regulation 966/2012, representing a total of EUR 13.88 million, or 3.4% of the final appropriations. The effects of the various transfers at the level of each budget item can be seen in **Annex 4a**.

In part (EUR 10.65 million, or 77% of the total amount of the transfers made in 2018), those transfers of appropriations were the subject of notification to the budgetary authority in accordance with the Financial Regulation.

The largest increase in appropriations concerns a transfer to budget line 2001 'Lease/purchase', amounting to EUR 9.67 million, intended to finance an advance payment under a lease/purchase contract relating to buildings, with the aim of reducing the financial burden in relation to future charges concerning the Project for the fifth extension to the Court's buildings (the third tower). The overall amount of that advance payment was EUR 12.6 million.

Next, with respect to the remaining EUR 977 000, the increases submitted to the budgetary authority have made it possible to deal with, first, unexpected requirements within Title 1 'Persons working with the institution': EUR 111 000 for the increase in expenditure concerning the Court's contribution for the part of the Early childhood centre managed by the European Commission and EUR 185 000 in order to fund the recruitment, during the second half of the year, of contract staff for auxiliary tasks responsible for preparing summaries of unpublished court decisions. Secondly, the bulk of the increases in appropriations, to the extent of EUR 681 000, has served to fund unexpected requirements in Title 2 'Buildings, furniture, equipment and miscellaneous operating expenditure'. This concerns the increase in appropriations to item 2100 'Purchase, servicing and maintenance of equipment and software' in order to purchase mobile workstations for the Members and the staff in their *cabinets*, as part of a project to facilitate remote working for all the Institution's staff.

Table 6 – Transfers of appropriations*(in euros)*

TYPE OF TRANSFER	NUMBER OF TRANSFERS IN 2018	TOTAL AMOUNT TRANSFERRED
Title to title	2	866 000.00
Chapter to chapter	1	111 000.00
Article to article	0	0.00
Item to item	15	3 226 003.58
Mixed (‘mopping-up’ transfer)	1	9 672 000
TOTAL	19	13 875 003.58

3 – BUDGET IMPLEMENTATION IN 2018 BY CHAPTER

3.1 TITLE 1 – PERSONS WORKING WITH THE INSTITUTION

As shown in **Table 7** below, the final budget funding of Title 1 for the financial year 2018 came to EUR 310 144 200. That funding represents almost 76% of the Court’s total budget. Those appropriations were committed to the extent of EUR 307 014 990, which represents a very high rate of implementation of 98.99% (98.56% in 2017).

Table 7 – Use of appropriations in the financial year*(in euros)*

TITLE 1	APPROPRIATIONS IN THE FINANCIAL YEAR 2018	COMMITMENTS IN THE FINANCIAL YEAR 2018	% of implementation
10 – Members of the institution	33 538 700.00	32 234 266.23	96.11
12 – Officials and temporary staff	246 333 000.00	244 990 645.78	99.46
14 – Other staff and external services	23 925 000.00	23 602 659.60	98.65
16 – Other expenditure relating to persons working with the institution	6 347 500.00	6 187 418.35	97.48
TOTAL	310 144 200.00	307 014 989.96	98.99

3.1.1 CHAPTER 10 – MEMBERS OF THE INSTITUTION

The final appropriations in this Chapter, amounting to EUR 33 538 700, were committed to the extent of EUR 32 234 266, which represents a high rate of implementation of 96.1% in 2018 (96.3% in 2017).

It has to be pointed out that a budget surplus of approximately EUR 2.4 million became available in this chapter for the following reasons in particular:

- ▶ there were no unexpected resignations by Members of the Institution in 2018. Consequently, the initial estimate that there would be two unexpected departures from the Court of Justice and two from the General Court, before the expiry of current terms of office, gave rise to a considerable budget surplus within several budget lines (1000 'Remunerations and allowances', 1002 'Entitlements on entering the service, transfer and leaving the service' and 102 'Temporary allowances');
- ▶ the Court of Justice was partially renewed in October 2018. Consequently, even if the initial estimate of nine terms of office not being renewed (departure of nine Members) was borne out, only six judges departed the Institution in 2018, the three other judges remaining in service as at 31 December 2018. As regards the six Members of the Court of Justice who departed the Institution in October, half of them opted directly for a retirement pension (financed by the Commission's budget, whereas the Court's budget for 2018 made provision for six temporary allowances within the budget line 102 'Temporary allowances'). Lastly, one of the new judges at the Court of Justice was already a judge at the General Court. The replacement for that judge at the General Court will arrive only in 2019. The combined effects of those circumstances also produced savings within budget lines 1000, 1002 and 102 in 2018;
- ▶ line 102 'Temporary allowances' was impacted, for 10 months in 2018, by the decision of a former Member of the Court of Justice to end receipt of a temporary allowance (in mid-2017, once the 2018 budget had been drawn up) in favour of a retirement pension, which increased the surplus appropriations within that budget line;
- ▶ the decision on the appointment of the last additional judge in the General Court who has to take up his duties in the first stage of the reform of that court had not yet been taken on 31 December 2018 (savings of EUR 317 000 over 12 months in 2018).

Lastly, the salary adjustment on 1 July 2018, which was more limited than initially envisaged by the European Commission (+ 1.7% instead of + 2%), accounts for another portion (EUR 41 000) of the budget surplus in Chapter 10.

A portion of that surplus, to the extent of EUR 1.1 million, was used to increase appropriations in Article 1654 'Early childhood centre' (EUR 111 000). A further portion, amounting to EUR 0.96 million, was used to increase the appropriations in item 2001 'Lease-purchase' for the mopping-up transfer at the end of the year (see Section 2.2.4).



3.1.2 CHAPTER 12 – OFFICIALS AND TEMPORARY STAFF

The final appropriations in this Chapter, amounting to EUR 246 333 000 were committed to the extent of EUR 244 990 646, which results in a very high rate of implementation compared with 2017 (99.5% as against 98.9% in 2017).

Generally, it is to be borne in mind that Chapter 12 represents the largest volume of appropriations in the Court's budget (some 60% of the total budget). Accordingly, the budget surplus established during the financial year 2018 compared with the initial appropriations for the year (EUR 9.6 million) remains limited, having regard both to the total amount of those appropriations and to the difficulties of making budget estimates nearly 12 months in advance, using numerous forecasting parameters that are necessarily only estimates (rate of salary increases, tempo of recruitment or turnover, rate of standard abatement etc.).

Part of the budget surplus in this Chapter can be explained by, first, the fact that there were no unexpected resignations of Members of the Institution in 2018 (as against an estimate of two at the Court and two at the General Court). Consequently, the number of staff in the cabinets (legal secretaries and assistants employed in temporary posts) who had to be replaced was lower and, therefore, there were budget savings in terms of installation allowances (for staff entering the service) and resettlement allowances (for staff leaving). Secondly, during the partial renewal of the Court of Justice in October 2018, of the nine terms of office not renewed (departure of nine Members), three Members had to remain in service until the end of 2018, as already explained in Section 3.1.1. Next, the fact that the decision on the appointment of the last additional judge in the General Court in the first stage of increasing the number of judges in that court had still not been taken on 31 December 2018 resulted in an estimated saving of EUR 612 000 within that item for 2018 as a whole.

Lastly, the salary adjustment on 1 July 2018, more limited than initially envisaged by the European Commission (+ 1.7% instead of + 2%), accounts for another portion of the budget surplus in Chapter 12 (EUR 353 000).

It is important to emphasise that, as is apparent from the proportion of posts occupied, attaining a very high level in 2018 (of almost 97% on average), the proportion of vacant posts is around 3% on average. That good result is the fruit of a very active recruitment policy on the part of all the Court's services, allowing the number of vacant posts to be kept as low as possible, in spite of the constraints inherent in the normal, inevitable turnover of staff, and the greater difficulties of recruiting staff in Luxembourg. The low proportion of vacant posts is also a good indicator of the heavy workload borne by the services of the Court, stemming in particular from the increase in judicial activity in recent years.

In that regard, the Court always turns to good account the analysis of the disparities in implementation found in the appropriations of Chapter 12, in order to continue to refine its methodology for estimating remuneration and thereby endeavour to improve as much as possible its performance in the implementing of appropriations.

Lastly, a portion of the budget surplus in this Chapter (EUR 0.68 million) was used to increase appropriations in item 2100 'Purchase, servicing and maintenance of equipment and software' in order to purchase mobile workstations as part of a project to facilitate remote working for all the Institution's staff. A further portion of that surplus was used, to the extent of EUR 7.56 million, to finance the mopping-up transfer at the end of the year (see Section 2.2.4).

3.1.3 CHAPTER 14 – OTHER STAFF AND EXTERNAL SERVICES

The final appropriations in this Chapter, amounting to EUR 23 925 000, were committed to the extent of EUR 23 602 660, which represents a rate of implementation of 98.65% (99.20% in 2017).

The final appropriations in Chapter 14 are mainly concentrated in two budget items.

Approximately one third of the appropriations in this chapter are allocated to item 1400 'Other staff'. The rate of implementation of the final appropriations for this item in 2018 is 96.15% (as against a rate of 98.03% in 2017).

Approximately two thirds of appropriations in this chapter are allocated to item 1406 'External services in the linguistic field', in order to cover the services of freelance interpreters and translators. The rate of implementation of the final appropriations for item 1406 is almost 100% as in 2017.

In general, it is to be recalled that, in the areas of both translation and interpretation, the recourse to external (freelance) personnel in order to meet the obligations of multilingualism, with a view to communicating with the parties in the language of the case and ensuring the dissemination of the case-law in each of the Member States, constitutes an adjustment variable that is essential in order to make up for the staff reductions suffered since 2013 in a context of increased volume of work.

As far as translation is concerned, the number of pages to be translated amounted to 1.28 million pages in 2018 (as against 1.11 million in 2017, that is, a very considerable increase of + 15.3%) and would have been nearly 1.85 million pages without the numerous measures giving rise to translation savings which were taken by the courts, such as, inter alia, the selective publication of the case-law, summarising of requests for a preliminary ruling, reduction in the average length of Opinions, publication by extracts of certain particularly long decisions and the abandonment of the chronological and thematic tables of the old paper European Court Reports.

As regards interpretation, an increase in the number of hearings and other meetings requiring interpretation was observed in the course of 2018 (the number rising from 696 in 2017 to 721 in 2018, or + 3.6%), while at the same time increasing the number of days of contract of auxiliary conference interpreters (ACIs) from 2 119 days in 2017 to 2 296 in 2018, or + 8.3%. In that regard, it should be noted that the hearings of the Court have increasingly complex language regimes. It is, therefore, quite common, for a single hearing, for about 10 Governments to plead, often using languages which are not fully covered by staff interpreters.

A transfer of EUR 185 000 was made in 2018 from Article 272 'Documentation, library and archiving expenditure' to line 1400 'Other staff' in order to fund the recruitment of contract staff for auxiliary tasks responsible for preparing summaries of unpublished court decisions.

3.1.4 CHAPTER 16 – OTHER EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION

The final appropriations in this Chapter, amounting to EUR 6 347 500, were committed to the extent of EUR 6 187 418, which represents a rate of implementation of 97.48%, higher than in 2017 (94.53%).

Two items in this chapter represent 76.3% of the final appropriations. These are item 1612 'Further training', where the rate of implementation came to 98.13% (compared to 86.28% in 2017), and item 1654 'Early childhood centre,' where the rate of implementation was 100% in 2018, just as in 2017.

EUR 111 000 was transferred from item 1000 'Remunerations and allowances' to item 1654 'Early childhood centre' in 2018 as a result of the increase in expenditure recorded in 2018 — compared with the estimate drawn up at the beginning of 2017 for preparing the 2018 budget — concerning the Court's contribution to the expenditure for that part of the Early childhood centre managed by the European Commission.

3.2 TITLE 2 – BUILDINGS, FURNITURE, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE

As shown in Table 8 below, the final budget funding in Title 2 for the financial year 2018 came to EUR 99 821 889. That total amount represents 24.3% of the Court's entire budget in 2018. Those appropriations were committed to the extent of EUR 99 649 316, which represents a very high rate of implementation of 99.8% in 2018 (99.1% in 2017).

Table 8 – Use of appropriations in the financial year

(en euros)

TITLE 2	APPROPRIATIONS IN THE FINANCIAL YEAR 2018	COMMITMENTS IN THE FINANCIAL YEAR 2018	% of implementation
20 – Buildings and associated costs	73 724 389.00	73 707 472.10	99.98
21 – Data processing, equipment and movable property: purchase, hire and servicing	22 066 000.00	22 023 254.74	99.81
23 – Current administrative expenditure	1 265 500.00	1 187 222.83	93.81
25 – Meetings and conferences	522 000.00	515 912.89	98.83
27 – Information: Acquisition, archiving, production and distribution	2 244 000.00	2 215 453.18	98.73
TOTAL	99 821 889.00	99 649 315.74	99.83

3.2.1 CHAPTER 20 – BUILDINGS AND ASSOCIATED COSTS

The final appropriations in this Chapter, amounting to EUR 73 724 389, were committed to the extent of EUR 73 707 472, which results in a very high rate of implementation of 99.98%, compared with 99.86% in 2017.

Those appropriations are intended to cover the cost of renting, purchasing and running the various buildings occupied by the Court.

The final appropriations in Articles 200 'Buildings' and 202 'Costs relating to buildings' represent 75.8% (EUR 55 880 389) and 24.2% (EUR 17 844 000) respectively of the total appropriations in this chapter.

The appropriations in Article 200 'Buildings' mainly fund expenditure on rent and lease-purchase.

Expenditure under item 2000 'Rent' in 2018 amounted to EUR 9.16 million, with a 100% rate of implementation, as in 2017.

In that regard, first, an amount of EUR 0.33 million was transferred to line 2008 'Studies and technical assistance in connection with building projects' as a result of an underestimate of the amount to be funded in 2018 regarding the 'technical assistance' framework contract and other multi-annual contracts. Secondly, an amount of EUR 0.27 million was transferred to item 2001 'Lease/purchase' in the context of the end-of-year 'mopping-up' transfer described in Section 2.2.4. In order to carry out both transfers, the budgetary reserve within line 2000 had to be used, which was intended to fund the renting of additional areas (EUR 556 000). Since those areas were not ultimately rented, that budget surplus could be made

available. The balance of the budget surpluses is accounted for by the fact that the indexing of the contract for the lease of the last building was lower than initially estimated when the 2018 budget was drawn up at the beginning of 2017.

As regards final expenditure in item 2001 'Lease/purchase', that amounted to EUR 42.9 million and corresponds in the main to the charges payable under the two contracts concluded with the Luxembourg authorities for the purchase, renovation and construction of the various buildings of the Court's main site (the Palais, renovated and extended and brought into service at the end of 2008, on the one hand, and the renovated Annex buildings, on the other). Budget surpluses arising from Chapters 10, 12, 20, 21, 23 and 27 contributed to making it possible to effect a transfer of EUR 9.67 million, at the end of 2018, with the aim of making an advance payment with respect to the lease/purchase contract for the project for the 5th extension of the Court's buildings (see Section 2.2.4).

As regards the other budget lines in Article 200, the expenditure of line 2007 'Fitting-out of premises' amounted to EUR 2.14 million in 2018. In that regard, an amount of EUR 1 million was transferred from line 2001 to budget line 2007 in order fund various works, not envisaged in the 2018 budget, associated with buildings security, the policy of reducing energy consumption and the reform of the General Court.

The expenditure of line 2008 'Studies and technical assistance in connection with building projects' amounted to EUR 1.7 million in 2018.

As regards expenditure in Article 202 'Buildings-related costs', this amounted to EUR 17.8 million and corresponds, almost entirely, to the expenditure on cleaning and maintenance, energy consumption and security/surveillance required for the proper functioning of the Court's buildings. The rate of implementation established for that article in 2018 is 99.9% (99.6% in 2017).

First of all, as regards item 2022 'Cleaning and maintenance', there was an increase in expenditure compared with 2017 of approximately EUR 873 000 (EUR 8 265 681 in 2018 as against EUR 7 392 338 in 2017, or + 11.81%). An amount of EUR 370 000 had to be transferred from line 2024 'Energy consumption' in order to make good a budget deficit arising from the new buildings maintenance contract, which turned out to be more expensive than initially envisaged when the 2018 budget was being prepared.

Next, item 2024 'Energy consumption' shows a slight increase in expenditure of EUR 50 000 compared with 2017 (EUR 2 126 024 in 2018 as against EUR 2 076 747 in 2017, or + 2.39%).

Lastly, mention should be made of the slight increase in expenditure in item 2026 'Security and surveillance of buildings' as compared with 2017, amounting to EUR 184 000 (EUR 7 079 074 in 2018 as against EUR 6 895 419 in 2017, or + 2.66%). Notwithstanding that increase between the two financial years as a result of the different contract indexing, the non-use of the amount provided for in 2018 for the exceptional services under the contract for the surveillance of the buildings occupied by the Institution made it possible to fund a proportion of the end-of-year mopping-up transfer to the extent of EUR 440 000 (see Section 2.2.4).

3.2.2 CHAPTER 21 – DATA PROCESSING, EQUIPMENT AND MOVABLE PROPERTY

The final appropriations in this Chapter, amounting to EUR 22 066 000, were committed to the extent of EUR 22 023 255, which represents a very high rate of implementation of 99.8%, as against 99% in 2017.

The appropriations in Chapter 21 are for the most part (90.1%) intended for expenditure on IT (Article 210), the balance being allocated to expenditure on furniture (Article 212), technical equipment and installations (Article 214) and vehicles (Article 216).

So far as Article 210 'Equipment, operating costs and data-processing and telecommunications services' is concerned, it is important to stress how vital this expenditure is to the proper working of all the Court's activities.

At the same time as pursuing major developments linked to digital working in respect of the flow of documents (including the continuing improvement of the e-Curia application and of the electronic publication of the European Court Reports), the development or improvement of the applications specific to the various activities of the Court has been continued in order to increase the efficiency and productivity of the courts and support services.

In that context, a transfer of appropriations made it possible to reinforce the IT appropriations initially forecast in Article 210 (EUR 19 205 500) to the extent of EUR 681 000 from item 1200 'Remunerations and allowances', in order to purchase mobile workstations for the Members and the staff in their *cabinets*, as part of a multi-annual project to facilitate remote working for all the Institution's staff.

As regards the three other articles in Chapter 21, their rate of implementation in 2018 varied as follows in relation to 2017: 99% as against 87.12% in 2017 for Article 212 'Furniture', 98.7% as against 87.2% in 2017 for Article 214 'Technical equipment and installations' and 99.8% as against 97.1% in 2017 for Article 216 'Vehicles'.

As regards Article 216, an amount of EUR 285 000 was used to fund the end-of-year 'mopping-up' transfer (see Section 2.2.4). These are budget surpluses attributable to the conclusion of a new inter-institutional framework-contract for the renting of vehicles on more advantageous financial terms and to the reduction in the monthly maximum for the renting of official vehicles for the Members of the Institution.

3.2.3 CHAPTER 23 – CURRENT ADMINISTRATIVE EXPENDITURE

The final appropriations in this Chapter, amounting to EUR 1 265 500, were committed to the extent of EUR 1 187 223, which results in a rate of implementation of 93.81% (85.91% in 2017).

It may usefully be noted that:

- expenditure in Article 230 'Stationery, office supplies and various consumables' amounted to EUR 547 378 in 2018 (implementation rate of 99.9%), as against EUR 477 196 in 2017 (69.2% implementation). A budget surplus of EUR 112 000 within budget line 230 was used in the context of the end-of-year 'mopping up' transfer (see Section 2.2.4). The new framework-contract, which gives rise to a 7% reduction in the cost of purchasing paper compared with the previous framework-contract, and the decrease in the consumption of office supplies have made those appropriations available;

- expenditure in Article 231 'Financial charges' amounted to EUR 6 000 in 2018 just as in 2017 (same rate of implementation of 30% for both years). In that regard, the assumption that negative interest would have to be incurred on the Institution's current account was not borne out in 2018, as in 2017;
- expenditure in Article 232 'Legal expenses and damages' amounted to EUR 130 000 in 2018, as against EUR 850 000 in 2017 (same 100% rate of implementation in 2018 and in 2017). In that regard, it should be noted that, in 2017, it had been necessary to make payment of damages following the orders made against the Court, in a number of cases, because of the failure to adjudicate within a reasonable time in certain cases completed by the General Court in 2011. In 2018, there were no such extraordinary circumstances;
- expenditure in Article 236 'Postal charges' was EUR 129 000 (rate of implementation of 89.58% as against 77.07% in 2017). The expenditure in 2018 increased by 6.61% compared with the expenditure in 2017 (EUR 121 000). In that regard, the policy of digitalisation of flows of documents that are inherent in the judicial activity through an ever increasing use of the e-Curia application continues to limit the expenditure covered by that budget line (the percentage of documents lodged by means of e-Curia reached 81% in 2018, as against 38% in 2012). The amount of expenditure in this line has fallen from EUR 541 308 in 2012 to EUR 129 000 in 2018;
- expenditure in Article 238 'Other administrative expenditure' amounted to EUR 374 845 in 2018 as against EUR 363 639 in 2017 (88.51% rate of implementation in 2018 as opposed to 91.14% in 2017). It should be mentioned that a portion of the appropriations of this Chapter is intended to promote a mobility policy for the Court's staff that is friendlier to the environment both for getting to work and for work related movements between the Institution's various buildings. This budget makes it possible to honour the contract concluded with the city of Luxembourg for the use of the urban bus network by the Institution's staff.

3.2.4 CHAPTER 25 – MEETINGS AND CONFERENCES

The final appropriations in this Chapter, amounting to EUR 522 000, were committed to the extent of EUR 515 913, whereas the final appropriations in 2017, which were EUR 521 500, had been committed to the extent of EUR 424 524. Accordingly, the rate of implementation of appropriations in 2018 is 98.83% as against 81.40% in 2017.

It should be noted that the nature of the expenditure in this Chapter, intended for the most part for the Court's ceremonial events and official visits, seminars and study and information visits, where the Court does not always have the initiative or control over the scheduling of arrangements, is necessarily less predictable.

3.2.5 CHAPTER 27 – INFORMATION: ACQUISITION, ARCHIVING, PRODUCTION AND DISTRIBUTION

The final appropriations in this Chapter, amounting to EUR 2 244 000, were committed to the extent of EUR 2 215 453 in 2018, which represents a rate of implementation of 98.73% in 2018, as against 94.02% in 2017. The appropriations in this chapter are divided between two budget articles:

- expenditure in Article 272 'Documentation, library and archiving expenditure', which amounted in 2018 to EUR 1 447 959 (implementation rate in 2018 of 98.17% as against 98.27% in 2017). An amount of EUR 496 000 was transferred to two different budget lines: first, EUR 185 000 to line 1400 'Other staff', in order to fund the recruitment of contract staff for auxiliary tasks responsible for preparing

summaries of unpublished court decisions and, secondly, EUR 311 000 to line 2001 'Lease/purchase' in the context of the end-of-year 'mopping-up' transfer (see Section 2.2.4). That surplus arises, in particular, from the delay in the signature of the framework-contract for the purchase of legal books and supplements in paper format and from the Court's adoption of new strategic guidelines for the library's future in the course of 2018;

- expenditure in Article 274 'Production and distribution of information' which amounted in 2018 to EUR 767 494 (EUR 961 823 in 2017) and shows an implementation rate of 99.8% in 2018 as against 88% in 2017.

The appropriations under that article fund, first, the costs of the Institution's publications in the *Official Journal of the European Union*. The appropriations and expenditure made were considerably reduced in 2018 compared with 2017, since the Court's budgetary request in 2018 sought to cover solely the direct costs relating to those publications (of approximately EUR 150 000), whereas the appropriations intended to cover the indirect costs (of approximately EUR 316 000) were requested by the Publications Office of the European Union. Secondly, the cost of the Reports of Cases in 2018 was also less than in 2017 following the entry into force of a new contract on more advantageous terms as from 1 July 2017.

In addition, the appropriations in Article 274 continued to cover also the cost of publishing the Court's Annual Report and information material (books, brochures, folders and new multimedia animations).

Lastly, Article 274 also covered other expenditure on information, including communications intended for visitors to the Institution, photographic coverage of the events organised at the Court, the organisation of the annual Open Day and the outsourcing of the monitoring of the impact of the Court's activity in the Member States' media (development of a press review).

3.3 TITLE 3 – EXPENDITURE RESULTING FROM SPECIAL FUNCTIONS CARRIED OUT BY THE INSTITUTION

CHAPTER 37 – SPECIAL EXPENDITURE RELATING TO CERTAIN INSTITUTIONS AND BODIES

The final budget funding in Title 3 is composed solely of the appropriations in Chapter 37 for item 3710 'Court expenses'. For the financial year 2018, those appropriations amounted to EUR 59 000, as in 2017, and were committed to the extent of EUR 17 594, which represents a rate of implementation of 29.82% (85.75% in 2017).

This is expenditure, for which the Institution is liable, relating to legal aid, covering lawyers' fees and other expenses. It is difficult to estimate such expenditure, which explains why the level of budget implementation varies greatly from one year to the next.

ANNEX 1

COMPARISON BY CHAPTER OF THE IMPLEMENTATION OF REVENUE IN 2017 AND 2018

(in euros)

Chapters/ Articles	HEADING	ESTABLISHED ENTITLEMENTS 2018	ESTABLISHED ENTITLEMENTS 2017	DIFFERENCE	DIFF.%
400	Proceeds from taxation on the salaries, wages and allowances of Members of the institution, officials and other servants	28.108.261,62	27.079.550,52	1.028.711,10	3,80%
404	Proceeds from the special levy on the salaries of Members of the institution, officials and other servants in active employment	4.968.256,89	4.780.851,24	187.405,65	3,92%
40	Miscellaneous taxes and deductions	33.076.518,51	31.860.401,76	1.216.116,75	3,82%
410	Staff contributions to the pension scheme	19.679.730,43	18.878.494,06	801.236,37	4,24%
411	Transfer or repayment of pension rights by staff	0,00	0,00	0,00	0,00%
412	Contributions to the pension scheme by officials and temporary staff on leave on personal grounds	9.962,36	30.653,34	-20.690,98	-67,50%
41	Contribution to the pension scheme	19.689.692,79	18.909.147,40	780.545,39	4,13%
TITLE 4		52.766.211,30	50.769.549,16	1.996.662,14	3,93%
500	Proceeds from the sale of movable property - Assigned revenue	138.168,60	139.396,15	-1.227,55	-0,88%
502	Proceeds from the sale of publications, printed works and films - Assigned revenue	2.875,00	0,00	2.875,00	0,00%
50	Proceeds from the sale of movable and immovable property	141.043,60	139.396,15	1.647,45	1,18%
520	Revenue from investments or loans granted, bank and other interest on the institution's accounts	0,00	0,00	0,00	0,00%
52	Revenue from investments or loans granted, bank and other interest	0,00	0,00	0,00	0,00%
550	Revenue from the proceeds of services supplied or work carried out for other institutions or bodies - Assigned revenue	645,38	949,44	-304,06	-32,03%
55	Revenue from the proceeds of services supplied or work carried out	645,38	949,44	-304,06	-32,03%
570	Revenue from the repayment of sums paid though not due - Assigned revenue	91.044,23	101.507,21	-10.462,98	-10,31%
573	Other contributions and refunds connected with the administrative operation of the institution - Assigned revenue	287.267,44	608.915,68	-321.648,24	-52,82%
57	Other contributions and refunds connected with the administrative operation of the institution	378.311,67	710.422,89	-332.111,22	-46,75%
581	Revenue from insurance payments received - Assigned revenue	18.429,51	56.683,86	-38.254,35	-67,49%
58	Miscellaneous compensation	18.429,51	56.683,86	-38.254,35	-67,49%
TITLE 5		538.430,16	907.452,34	-369.022,18	-40,67%
900	Miscellaneous revenue	0,00	0,00	0,00	NA
90	Miscellaneous revenue	0,00	0,00	0,00	NA
TITLE 9		0,00	0,00	0,00	NA
GENERAL TOTAL		53.304.641,46	51.677.001,50	1.627.639,96	3,15%

ANNEX 2

REVENUE SITUATION IN 2018 - ESTABLISHED ENTITLEMENTS AND ENTITLEMENTS CARRIED OVER

Budget lines	Heading	Initial budget	Established entitlements 2018	Revenue recovered	Still to be recovered
4000	Proceeds from taxation on the salaries, wages and allowances of Members of the institution, officials and other servants	29.190.000,00	28.108.261,62	28.108.261,62	0,00
4040	Proceeds from the special levy on the salaries of Members of the institution, officials and other servants in active employment	7.417.000,00	4.968.256,89	4.968.256,89	0,00
	<i>total Chapter 40</i>	<i>36.607.000,00</i>	<i>33.076.518,51</i>	<i>33.076.518,51</i>	<i>0,00</i>
4100	Staff contributions to the pension scheme	18.898.000,00	19.679.730,43	19.679.730,43	0,00
4110	Transfer or repayment of pension rights by staff	0,00	0,00	0,00	0,00
412	Contributions to the pension scheme by officials and temporary staff on leave on personal grounds	0,00	9.962,36	9.962,36	0,00
	<i>total Chapter 41</i>	<i>18.898.000,00</i>	<i>19.689.692,79</i>	<i>19.689.692,79</i>	<i>0,00</i>
	Title 4	55.505.000,00	52.766.211,30	52.766.211,30	0,00
5000	Proceeds from the sale of vehicles - Assigned revenue	0,00	0,00	0,00	0,00
5001	Proceeds from the sale of other movable property - Assigned revenue	0,00	138.168,60	138.168,60	0,00
5020	Proceeds from the sale of publications, printed works and films - Assigned revenue	0,00	2.875,00	70,00	2.805,00
	<i>total Chapter 50</i>	<i>0,00</i>	<i>141.043,60</i>	<i>138.238,60</i>	<i>2.805,00</i>
5200	Revenue from investments or loans granted, bank and other interest on the institution's accounts	0,00	0,00	0,00	0,00
	<i>total Chapter 52</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
5500	Proceeds from the supply of services and works for other institutions or bodies - Assigned revenue	0,00	645,38	645,38	0,00
	<i>total Chapter 55</i>	<i>0,00</i>	<i>645,38</i>	<i>645,38</i>	<i>0,00</i>
5700	Revenue from the repayment of sums paid though not due - Assigned revenue	0,00	91.044,23	89.473,74	1.570,49
5730	Other contributions and refunds connected with the administrative operation of the institution - Assigned revenue	0,00	287.267,44	282.105,76	5.161,68
	<i>total Chapter 57</i>	<i>0,00</i>	<i>378.311,67</i>	<i>371.579,50</i>	<i>6.732,17</i>
5810	Revenue from insurance payments received - Assigned revenue	0,00	18.429,51	18.429,51	0,00
	<i>total Chapter 58</i>	<i>0,00</i>	<i>18.429,51</i>	<i>18.429,51</i>	<i>0,00</i>
	Title 5	0,00	538.430,16	528.892,99	9.537,17
9000	Miscellaneous revenue	0,00	0,00	0,00	0,00
	<i>total Chapter 90</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
	Title 9	0,00	0,00	0,00	0,00
	Total	55.505.000,00	53.304.641,46	53.295.104,29	9.537,17

Budget lines	Heading	Carried over 2017 to 2018	Variations during 2018	Total carried over 2017 to 2018	Revenue from commitments carried over	Still to be recovered
4110	Transfer or repayment of pension rights by staff	0,00	0,00	0,00	0,00	0,00
	<i>total Chapter 41</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
	Title 4	0,00	0,00	0,00	0,00	0,00
5001	Proceeds from the sale of other movable property - Assigned revenue	0,00	0,00	0,00	0,00	0,00
5020	Proceeds from the sale of publications, printed works and films - Assigned revenue	1.568,75	-133,75	1.435,00	1.435,00	0,00
	<i>total Chapter 50</i>	<i>1.568,75</i>	<i>-133,75</i>	<i>1.435,00</i>	<i>1.435,00</i>	<i>0,00</i>
5200	Revenue from investments or loans granted, bank and other interest on the institution's accounts	0,00	0,00	0,00	0,00	0,00
	<i>total Chapter 52</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
5500	Proceeds from the supply of services and works for other institutions or bodies - Assigned revenue	949,44	0,00	949,44	949,44	0,00
	<i>total Chapter 55</i>	<i>949,44</i>	<i>0,00</i>	<i>949,44</i>	<i>949,44</i>	<i>0,00</i>
5700	Revenue from the repayment of sums paid though not due - Assigned revenue	6.756,81	-7,95	6.748,86	542,12	6.206,74
5730	Other contributions and refunds connected with the administrative operation of the institution - Assigned revenue	55.365,08	-2.012,64	53.352,44	45.240,37	8.112,07
	<i>total Chapter 57</i>	<i>62.121,89</i>	<i>-2.020,59</i>	<i>60.101,30</i>	<i>45.782,49</i>	<i>14.318,81</i>
5810	Revenue from insurance payments received - Assigned revenue	0,00	0,00	0,00	0,00	0,00
	<i>total Chapter 58</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
	Title 5	64.640,08	-2.154,34	62.485,74	48.166,93	14.318,81
	Total	64.640,08	-2.154,34	62.485,74	48.166,93	14.318,81

ANNEX 3

COMPARISON BY CHAPTER OF THE IMPLEMENTATION OF APPROPRIATIONS IN 2017 AND 2018

(in euros)

Chapters	HEADING	COMMITMENTS 2018	COMMITMENTS 2017	DIFFERENCE	DIFF.%
10	Members of the institution	32.234.266,23	31.453.258,20	781.008,03	2,48%
12	Officials and temporary staff	244.990.645,78	238.553.826,79	6.436.818,99	2,70%
14	Other staff and external services	23.602.659,60	22.355.827,78	1.246.831,82	5,58%
16	Other expenditure relating to persons working with the institution	6.187.418,35	5.804.139,89	383.278,46	6,60%
	TITLE 1	307.014.989,96	298.167.052,66	8.847.937,30	2,97%
20	Buildings and associated costs	73.707.472,10	69.901.602,41	3.805.869,69	5,44%
21	Data processing, equipment and movable property: purchase, hire and servicing	22.023.254,74	21.248.913,22	774.341,52	3,64%
23	Current administrative expenditure	1.187.222,83	1.817.834,44	-630.611,61	-34,69%
25	Meetings and conferences	515.912,89	424.523,86	91.389,03	21,53%
27	Information: Acquisition, archiving, production and distribution	2.215.453,18	2.485.068,84	-269.615,66	-10,85%
	TITLE 2	99.649.315,74	95.877.942,77	3.771.372,97	3,93%
37	Expenditure relating to certain institutions and bodies	17.593,71	50.589,62	-32.995,91	-65,22%
	TITLE 3	17.593,71	50.589,62	-32.995,91	-65,22%
	GENERAL TOTAL	406.681.899,41	394.095.585,05	12.586.314,36	3,19%

DETAILED IMPLEMENTATION OF APPROPRIATIONS IN 2018 (APPROPRIATIONS FOR THE FINANCIAL YEAR AND APPROPRIATIONS AUTOMATICALLY CARRIED OVER FROM THE PRECEDING YEAR)

Budget lines	Index 1 (appropriations in the financial year)						Index 4 (appropriations automatically carried over from preceding year)			
	Initial budget (1)	Transfers (2)	Final appropriations in the financial year (3) = (1) + (2)	Commitments (4)	Payments (5)	Commitments available (6) = (4) - (5)	Appropriations cancelled (7) = (3) - (4)	Appropriations automatically carried over Year N-1 (8)	Payments out of appropriations carried over (9)	Appropriations cancelled (10) = (8) - (9)
1000 Remuneration and allowances	29 748 000,00	-711 000,00	29 037 000,00	29 008 259,13	29 008 259,13	0,00	28 740,87	0,00	0,00	0,00
1002 Rights connected with entering the service, transfer, and leaving the service	1 287 600,00	-110 000,00	1 177 600,00	644 000,00	374 343,80	269 656,20	533 600,00	379 997,80	0,00	379 997,80
102 Temporary allowances	2 691 600,00	249 000,00	2 442 600,00	1 983 893,16	1 983 893,16	0,00	458 706,84	0,00	0,00	0,00
103 Perquisites	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
104 Missions	342 000,00	0,00	342 000,00	242 201,39	99 798,61	242 201,39	0,00	249 655,26	81 067,20	168 588,06
106 Training	539 500,00	0,00	539 500,00	256 113,94	141 285,40	114 828,54	283 386,06	106 251,47	31 861,71	74 389,76
109 Provisional appropriation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Chapter 10 Members of the institution	34 608 700,00	-1 070 000,00	33 538 700,00	32 234 266,23	31 607 580,10	626 686,13	1 304 433,77	735 904,53	112 928,91	622 975,62
1200 Remuneration and allowances	251 616 000,00	-8 060 000,00	243 556 000,00	242 380 731,18	242 380 731,18	0,00	1 752 268,82	0,00	0,00	0,00
1202 Paid overtime	701 200,00	0,00	701 200,00	675 800,13	675 800,13	0,00	25 399,87	0,00	0,00	0,00
1204 Rights connected with entering the service, transfer and leaving the service	2 031 800,00	-186 000,00	1 845 800,00	1 771 450,96	1 631 064,19	140 386,77	74 349,04	167 859,85	134 680,87	33 178,98
122 Allowances on early termination of service	230 000,00	0,00	230 000,00	162 663,51	162 663,51	0,00	67 336,49	0,00	0,00	0,00
129 Provisional appropriation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Chapter 12 Officials and temporary staff	254 579 000,00	-8 246 000,00	246 333 000,00	244 990 645,78	244 850 259,01	140 386,77	1 342 354,22	167 859,85	134 680,87	33 178,98
1400 Other agents	988 200,00	-165 000,00	7 823 200,00	7 521 918,75	7 521 918,75	0,00	301 281,25	0,00	0,00	0,00
1404 In-service training and staff exchange	895 300,00	-150 000,00	745 300,00	745 300,00	699 042,43	46 257,57	0,00	139 680,73	163,50	139 517,23
1405 Other external services	245 000,00	0,00	245 000,00	226 388,00	170 591,72	55 796,28	18 612,00	57 041,55	15 933,25	41 108,20
1406 External services in the linguistic field	14 611 500,00	500 000,00	15 111 500,00	15 09 052,85	11 651 022,06	3 438 030,79	2 447,15	3 305 839,62	3 224 858,76	80 980,86
149 Provisional appropriation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Chapter 14 Other staff and external services	23 740 000,00	185 000,00	23 925 000,00	23 602 659,60	20 042 574,96	3 560 084,64	322 340,40	3 502 561,90	3 240 955,51	261 606,39
1610 Miscellaneous expenditure for staff recruitment	180 500,00	0,00	180 500,00	161 119,47	137 187,72	23 931,75	19 380,53	68 351,24	19 460,90	48 890,34
1612 Further training	1 739 500,00	0,00	1 739 500,00	1 706 931,87	737 183,21	969 748,66	32 568,13	878 644,03	701 178,34	177 465,69
162 Missions	498 500,00	0,00	498 500,00	498 500,00	336 055,33	162 444,67	0,00	141 851,08	29 886,60	111 964,48
1630 Social welfare	20 000,00	0,00	20 000,00	20 000,00	11 262,06	8 737,94	0,00	3 362,80	0,00	3 362,80
1632 Social contacts between members of staff and other welfare expenditure	350 000,00	0,00	350 000,00	348 676,11	334 043,38	13 732,73	1 332,89	6 044,07	3 932,92	2 111,25
1650 Medical service	212 000,00	-5 862,88	206 137,12	50 899,53	81 181,02	49 718,51	75 237,79	75 137,60	44 567,17	30 570,43
1652 Restaurants and canteens	88 000,00	0,00	88 000,00	87 928,69	66 721,77	21 206,92	71,31	48 180,67	46 907,53	1 273,14
1654 Early childhood centre	2 990 000,00	111 000,00	3 101 000,00	3 101 000,00	2 712 288,46	388 711,54	0,00	417 799,72	265 572,01	152 227,71
1655 PMO expenditure	118 000,00	0,00	118 000,00	86 500,00	0,00	86 500,00	31 500,00	86 500,00	85 088,24	1 411,76
1656 Type-II European Schools	40 000,00	5 862,88	45 862,88	45 862,88	45 862,88	0,00	0,00	0,00	0,00	0,00
Chapter 16 Other expenditure relating to persons working with the institution	6 236 500,00	111 000,00	6 347 500,00	6 187 418,35	4 462 685,83	1 724 732,52	160 081,65	1 725 871,21	1 196 593,61	529 277,60
Title I Persons working with the institution	319 164 200,00	-9 020 000,00	310 144 200,00	307 014 989,96	300 963 099,90	6 051 890,06	3 129 210,04	6 132 197,49	4 685 158,90	1 447 038,59

Budget lines	Index 1 (appropriations in the financial year)							Index 4 (appropriations automatically carried over from preceding year)			
	Initial budget	Transfers	Final appropriations in the financial year	Commitments	Payments	Commitments available	Appropriations cancelled	Appropriations automatically carried over Year N-1	Payments out of appropriations carried over	Appropriations cancelled	(10) = (8) - (9)
	(1)	(2)	(3) = (1) + (2)	(4)	(5)	(6) = (4) - (5)	(7) = (3) - (4)	(8)	(9)		
2000 Rent	9 762 000,00	-603 492,52	9 158 507,48	9 158 507,48	9 158 507,48	0,00	0,00	0,36	0,00	0,00	0,36
2001 Lease/purchase	33 838 389,00	9 035 680,45	42 874 069,45	42 874 982,25	42 776 489,41	97 492,84	87,20	412 782,05	287 469,08	125 312,97	125 312,97
2003 Acquisition of immovable property	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2005 Construction of buildings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2007 Fitting-out of premises	112 000,00	1 055 000,00	2 147 000,00	2 139 671,72	708 550,67	1 431 076,35	1 431 076,35	2 447 790,08	2 701 030,72	146 752,36	146 752,36
2008 Studies and technical assistance in connection with building projects	1 496 000,00	204 812,07	1 700 812,07	1 700 812,05	1 150 400,85	550 411,20	0,02	446 729,38	392 976,81	53 752,57	53 752,57
2022 Cleaning and maintenance	7 896 000,00	370 000,00	8 266 000,00	8 265 680,80	6 786 944,69	1 478 736,11	319,20	2 080 653,97	1 855 044,37	225 609,60	225 609,60
2024 Consumption of energy	2 518 000,00	-390 000,00	2 128 000,00	2 126 024,12	1 763 025,44	362 998,68	197,88	427 658,00	281 575,64	146 082,36	146 082,36
2026 Security and surveillance of buildings	7 520 000,00	440 000,00	7 960 000,00	7 079 074,35	6 376 647,78	702 426,57	925,65	731 831,14	594 361,55	137 469,59	137 469,59
2028 Insurance	137 000,00	-15 000,00	122 000,00	122 000,00	117 478,92	4 521,08	0,00	1 526,45	1 512,36	14,09	14,09
2029 Other expenditure on buildings	213 000,00	35 000,00	248 000,00	241 763,33	203 698,37	37 795,56	62 807,07	51 802,06	37 880,08	13 921,98	13 921,98
Chapter 20 Buildings and associated costs	64 492 389,00	9 232 000,00	73 724 389,00	73 707 472,10	69 042 013,61	4 665 458,49	16 916,90	7 000 773,49	6 151 850,61	848 922,88	848 922,88
2100 Purchase, servicing and maintenance of equipment and software	7 125 500,00	1 149 500,00	8 275 000,00	8 262 363,48	4 259 644,46	4 002 719,02	12 636,52	1 145 646,86	1 126 553,28	19 093,58	19 093,58
2102 External services for operation, creation and servicing of software and systems	11 680 000,00	324 200,00	11 355 800,00	11 336 887,97	6 502 311,97	4 834 576,00	18 912,03	5 014 655,09	4 858 138,24	156 516,85	156 516,85
2103 Telecommunications	400 000,00	144 300,00	255 700,00	255 664,52	198 483,46	57 181,05	55,49	73 312,98	20 001,86	53 311,12	53 311,12
212 Furniture	659 500,00	400 000,00	629 500,00	623 473,33	371 027,05	252 446,28	6 026,67	233 946,51	231 904,20	2 042,31	2 042,31
214 Technical equipment and installations	303 000,00	236 000,00	303 000,00	299 115,45	99 270,72	199 844,73	3 884,55	275 928,35	252 024,01	23 904,34	23 904,34
216 Vehicles	1 532 000,00	-285 000,00	1 247 000,00	1 245 750,00	1 179 619,14	66 130,86	1 250,00	102 159,94	11 140,25	91 019,69	91 019,69
Chapter 21 Data processing, equipment and movable property: purchase, hire and servicing	21 670 000,00	396 000,00	22 066 000,00	22 023 254,74	12 610 356,80	9 412 897,94	42 745,26	6 845 649,73	6 499 761,84	345 887,89	345 887,89
220 Stationery, office supplies and various consumables	660 000,00	112 000,00	548 000,00	547 378,28	383 400,32	163 977,96	621,72	97 393,60	89 829,31	7 564,29	7 564,29
231 Financial charges	20 000,00	0,00	20 000,00	6 000,00	4 094,20	1 905,80	14 000,00	1 657,25	1 320,80	336,45	336,45
232 Legal expenses and damages	130 000,00	0,00	130 000,00	130 000,00	118 976,64	11 023,36	0,00	118 403,37	0,00	118 403,37	118 403,37
236 Postal charges	144 000,00	0,00	129 000,00	129 000,00	97 883,06	31 116,94	15 000,00	28 791,94	23 298,11	5 493,83	5 493,83
238 Other administrative operating expenditure	423 500,00	0,00	423 500,00	374 844,55	287 958,79	36 885,76	48 655,45	49 288,18	29 611,75	19 676,43	19 676,43
Chapter 23 Current administrative expenditure	1 377 500,00	-112 000,00	1 265 500,00	1 187 222,83	892 313,01	294 909,82	78 277,17	295 534,34	144 059,97	151 474,37	151 474,37
252 Entertainment and representation expenses	142 000,00	0,00	142 000,00	141 999,34	117 043,17	24 956,17	0,66	48 028,13	30 538,14	17 489,99	17 489,99
254 Meetings, congresses and conferences	380 000,00	0,00	380 000,00	373 913,55	213 981,14	159 932,41	6 086,45	91 398,77	19 589,94	71 808,83	71 808,83
256 Expenditure on information and on participation in public events	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
257 Legal information	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Chapter 25 Meetings and conferences	522 000,00	0,00	522 000,00	515 912,89	331 024,31	184 888,58	6 087,11	139 426,90	50 128,08	89 298,82	89 298,82
270 Limited consultations, studies and surveys	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
272 Documentation, library and archiving expenditure	1 971 000,00	-496 000,00	1 475 000,00	1 447 959,38	1 080 655,07	367 304,31	27 040,62	343 169,61	206 978,81	136 190,80	136 190,80
2740 Official Journal	150 000,00	-30 000,00	120 000,00	119 701,80	119 701,80	0,00	298,20	0,00	0,00	0,00	0,00
2741 General publications	330 000,00	22 860,25	452 860,25	452 960,25	441 643,03	11 317,22	0,00	19 992,16	18 370,62	1 621,54	1 621,54
2742 Other publications	189 000,00	7 039,75	196 039,75	194 831,25	93 280,29	101 551,36	2 080,00	20 720,17	15 720,00	5 000,17	5 000,17
Chapter 27 Information: acquisition, archiving, production and distribution	2 740 000,00	-496 000,00	2 244 000,00	2 215 453,18	1 735 280,29	480 172,89	28 546,82	383 911,94	241 069,43	142 842,51	142 842,51
Title 2 Buildings, furniture, equipment and miscellaneous operating expenditure	90 801 889,00	9 020 000,00	99 821 889,00	99 649 315,74	84 610 988,02	15 038 327,72	172 573,26	14 665 296,40	13 086 869,93	1 578 426,47	1 578 426,47
3710 Court expenses	59 000,00	0,00	59 000,00	17 593,71	15 343,71	2 250,00	41 406,29	7 882,72	6 063,98	1 818,74	1 818,74
3711 Arbitration Committee provided for in Article 18 of the EAEC Treaty	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Chapter 37 Expenditure relating to certain institutions and bodies	59 000,00	0,00	59 000,00	17 593,71	15 343,71	2 250,00	41 406,29	7 882,72	6 063,98	1 818,74	1 818,74
Title 3 Expenditure resulting from special functions carried out by the institution	59 000,00	0,00	59 000,00	17 593,71	15 343,71	2 250,00	41 406,29	7 882,72	6 063,98	1 818,74	1 818,74
100 Provisional appropriations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
101 Contingency reserve	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Title 10 Other expenditure	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	410 025 089,00	0,00	410 025 089,00	406 681 899,41	385 589 431,63	21 092 467,78	3 343 189,59	20 805 376,61	17 778 092,81	3 027 283,80	3 027 283,80

ANNEX 4b

IMPLEMENTATION OF COMMITMENT APPROPRIATIONS BY SERVICE

SERVICES	FINAL APPROPRIATIONS IN THE FINANCIAL YEAR	COMMITMENTS
Directorate-General of Administration		
Chapter 10	33.196.700,00	31.892.266,23
Chapter 12	246.333.000,00	244.990.645,78
Chapter 14	8.813.500,00	8.493.606,75
Chapter 16	6.236.329,62	6.076.247,97
Chapter 20	73.724.389,00	73.707.472,10
Chapter 21	2.178.000,00	2.168.338,78
Chapter 23	1.106.500,00	1.042.227,18
Chapter 25	9.000,00	9.000,00
Total	371.597.418,62	368.379.804,79
Directorate-General for Information		
Chapter 21	19.886.500,00	19.854.915,96
Chapter 23	20.000,00	11.395,65
Chapter 27	2.219.000,00	2.195.663,18
Total	22.125.500,00	22.061.974,79
Directorate-General for Multilingualism		
Chapter 14	15.024.606,88	15.022.439,79
Total	15.024.606,88	15.022.439,79
Protocol and Visits Directorate		
Chapter 21	1.500,00	0,00
Chapter 23	9.000,00	3.600,00
Chapter 25	513.000,00	506.912,89
Total	523.500,00	510.512,89
Research and Documentation Directorate		
Chapter 14	86.893,12	86.613,06
Chapter 27	25.000,00	19.790,00
Total	111.893,12	106.403,06
Other services (Court Registries and Legal Adviser on Administrative Matters)		
Chapter 10	342.000,00	342.000,00
Chapter 16	111.170,38	111.170,38
Chapter 23	130.000,00	130.000,00
Chapter 37	59.000,00	17.593,71
Total	642.170,38	600.764,09
General Total	410.025.089,00	406.681.899,41



ANNEX 5

USE OF ASSIGNED REVENUE - Index 11, 44 and 45

Situation as at 31 December 2018

Budget line	USE OF THE ASSIGNED REVENUE FOR THE YEAR Index 11					USE OF THE ASSIGNED REVENUE FOR THE PRECEDING YEAR Index 44					USE OF THE COMMITMENTS ON ASSIGNED REVENUE CARRIED OVER FROM THE PRECEDING YEAR Index 45		
	Assigned revenue	Commitments	Payments	Available for commitment	Available for payment	Assigned revenue	Commitments	Payments	Assigned revenue carried over	Assigned revenue cancelled	Assigned revenue	Payments	Assigned revenue cancelled
104 Missions	0.00	0.00	0.00	0.00	0.00	598.38	0.00	0.00	0.00	598.38	0.00	0.00	0.00
106 Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Members of the institution	0.00	0.00	0.00	0.00	0.00	598.38	0.00	0.00	0.00	598.38	0.00	0.00	0.00
1200 Remunerations and allowances	18 429.51	0.00	0.00	18 429.51	0.00	30 029.60	30 029.60	30 029.60	0.00	0.00	0.00	0.00	0.00
1204 Entitlements related to entering the service, transfer and leaving the service	0.00	0.00	0.00	0.00	0.00	11 508.80	11 508.80	11 508.80	0.00	0.00	0.00	0.00	0.00
12 Official and temporary staff	18 429.51	0.00	0.00	18 429.51	0.00	41 538.40	41 538.40	41 538.40	0.00	0.00	0.00	0.00	0.00
1400 Other staff	0.00	0.00	0.00	0.00	0.00	252 483.12	252 483.12	252 483.12	0.00	0.00	0.00	0.00	0.00
1404 In-service training and staff exchanges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1405 Other external services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1406 External services in the linguistic field	64 025.83	64 025.83	0.00	0.00	64 025.83	64 588.64	64 588.64	64 588.64	0.00	0.00	0.00	0.00	0.00
14 Other staff and external services	64 025.83	64 025.83	0.00	0.00	64 025.83	317 071.76	317 071.76	317 071.76	0.00	0.00	0.00	0.00	0.00
1610 Miscellaneous expenditure for staff recruitment	667.06	0.00	0.00	667.06	0.00	22.20	0.00	0.00	0.00	22.20	0.00	0.00	0.00
1612 Further training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
162 Missions	1 084.44	949.44	949.44	135.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1632 Social contacts between members of staff and other welfare expenditure	0.00	0.00	0.00	0.00	0.00	85.00	85.00	85.00	0.00	0.00	77.00	0.00	77.00
1650 Medical service	49.00	49.00	49.00	0.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00
1652 Restaurants and canteens	500.00	347.20	150.00	152.80	197.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1654 Early Childhood Centre	2 528.00	0.00	0.00	2 528.00	0.00	900.00	900.00	900.00	0.00	0.00	9 189.00	0.00	9 189.00
16 Other expenditure relating to persons working with the institution	4 828.50	1 345.64	1 148.44	3 482.86	197.20	1 011.20	985.00	985.00	0.00	26.20	9 266.00	0.00	9 266.00
1 Persons working with the institution	87 283.84	65 371.47	1 148.44	21 912.37	64 223.03	360 219.74	359 595.16	359 595.16	0.00	624.58	9 266.00	0.00	9 266.00
2007 Fitting-out of premises	0.00	0.00	0.00	0.00	0.00	10 298.00	10 298.00	10 298.00	0.00	0.00	0.00	0.00	0.00
2008 Studies and technical assistance in connection with building projects	0.00	0.00	0.00	0.00	0.00	44.80	44.80	44.80	0.00	0.00	0.00	0.00	0.00
2022 Cleaning and maintenance	25 686.72	9 741.69	4 804.14	15 945.03	4 937.55	25 908.32	24 604.21	17 585.41	7 018.80	1 304.11	0.00	0.00	0.00
2024 Energy consumption	144 805.17	96 829.71	96 829.71	48 275.46	0.00	78 983.03	78 983.03	78 983.03	0.00	0.00	0.00	0.00	0.00
2026 Security and surveillance of buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23 855.88	14 950.00	8 905.88
2028 Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029 Other expenditure on buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 Buildings and associated costs	170 491.89	106 271.40	101 333.85	64 220.49	4 937.55	115 234.15	113 930.04	106 911.24	7 018.80	1 304.11	23 855.88	14 950.00	8 905.88

Commitment item	USE OF THE ASSIGNED REVENUE FOR THE YEAR Index 11						USE OF THE ASSIGNED REVENUE FOR THE PRECEDING YEAR Index 44						USE OF THE COMMITMENTS ON ASSIGNED REVENUE CARRIED OVER FROM THE PRECEDING YEAR Index 45			
	Assigned revenue	Commitments	Payments	Available for commitment	Available for payment		Assigned revenue	Commitments	Payments	Assigned revenue carried over	Assigned revenue cancelled		Assigned revenue	Payments	Assigned revenue cancelled	
2100 Purchase, servicing and maintenance of equipment and software	34 279.44	1 606.78	0.00	32 672.66	1 606.78		18 559.14	18 559.14	691.27	17 867.87	0.00		33.41	33.41	0.00	
2102 External services for the operation, creation and maintenance of software and systems	21 008.50	0.00	0.00	21 008.50	0.00		18 720.00	18 670.17	13 286.49	5 383.68	49.83		0.00	0.00	0.00	
2103 Telecommunications	16 641.96	0.00	0.00	16 641.96	0.00		24 970.26	18 993.90	298.56	18 695.34	5 976.36		29 450.26	6 711.51	22 738.75	
212 Furniture	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
214 Technical equipment and installations	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
216 Vehicles	181 883.05	0.00	0.00	181 883.05	0.00		187 712.69	187 712.69	187 712.69	0.00	0.00		0.00	0.00	0.00	
21 Data-processing, equipment and movable property: purchase, hire and maintenance	253 812.95	1 606.78	0.00	252 206.17	1 606.78		249 982.09	243 935.90	201 989.01	41 946.89	6 026.19		29 483.67	6 744.92	22 738.75	
230 Stationery, office supplies and miscellaneous consumables	1 505.00	774.56	774.56	730.44	0.00		701.29	696.40	696.40	0.00	4.89		0.00	0.00	0.00	
232 Legal expenses and damages	510.38	0.00	0.00	510.38	0.00		2 082.45	2 082.45	2 082.45	0.00	0.00		0.00	0.00	0.00	
236 Postal charges	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
238 Other administrative expenditure	51 262.00	51 262.00	0.00	0.00	51 262.00		39 726.05	39 726.05	39 726.05	0.00	0.00		0.00	0.00	0.00	
23 Current administrative expenditure	53 277.38	52 036.56	774.56	1 240.82	51 262.00		42 511.79	42 506.90	42 506.90	0.00	4.89		0.00	0.00	0.00	
254 Meetings, congresses, conferences and visits	1 141.08	0.00	0.00	1 141.08	0.00		782.65	677.09	655.54	21.55	105.56		0.00	0.00	0.00	
256 Expenditure on information and on participation in public events	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
25 Expenditure on meetings and conferences	1 141.08	0.00	0.00	1 141.08	0.00		782.65	677.09	655.54	21.55	105.56		0.00	0.00	0.00	
272 Documentation, library and archiving expenditure	5 257.49	0.00	0.00	5 257.49	0.00		323.91	323.41	323.41	0.00	0.50		0.00	0.00	0.00	
2740 Official Journal	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
2741 General publications	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
2742 Other information expenditure	3 533.80	0.00	0.00	3 533.80	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
27 Information: acquisition, archiving, production and distribution	8 791.29	0.00	0.00	8 791.29	0.00		323.91	323.41	323.41	0.00	0.50		0.00	0.00	0.00	
2 Buildings, furniture, equipment and miscellaneous operating expenditure	487 514.59	159 914.74	102 108.41	327 599.85	57 806.33		408 814.59	401 373.34	352 366.10	48 987.24	7 441.25		53 339.55	21 694.92	31 644.63	
3710 Court's expenses	2 261.49	2 261.49	2 261.49	0.00	0.00		203.00	203.00	203.00	0.00	0.00		0.00	0.00	0.00	
37 Expenditure relating to certain institutions and bodies	2 261.49	2 261.49	2 261.49	0.00	0.00		203.00	203.00	203.00	0.00	0.00		0.00	0.00	0.00	
3 Expenditure resulting from special functions carried out by the institution	2 261.49	2 261.49	2 261.49	0.00	0.00		203.00	203.00	203.00	0.00	0.00		0.00	0.00	0.00	
Total	577 059.92	227 547.70	105 616.34	349 512.22	122 029.36		769 237.33	761 171.50	712 184.26	48 987.24	8 065.83		62 605.55	21 694.92	40 910.63	

REPORT ON NEGOTIATED PROCEDURES

Article 74(10) of the Financial Regulation establishes the obligation, for each institution, to send to the budgetary authority a report on negotiated procedures. Authorising officers by delegation must record, for each financial year, contracts concluded by negotiated procedures.

During the financial year 2018, four contracts of an amount over EUR 60 000 were concluded by negotiated procedures, amounting in total to EUR 1 059 463⁽¹⁾.

The proportion of contracts awarded by negotiated procedures in relation to the total number of contracts awarded comes to 6.8% (9.4% in 2017). If the computations are done on the basis of the value of the contracts awarded (instead of the number of contracts), the proportion of negotiated procedures is even smaller (3.2% as compared to 3.7% in 2017).

The negotiated procedures in question come under the remit of the Directorate for Buildings and Security (mainly heating and water consumption).

The reasons relied on by the authorising officers responsible for the use of a negotiated procedure are those now listed in point (b) of point 11.1 of Annex I to the Financial Regulation and are based on the following:

- the existence of a single supplier that can meet the specific requirements of a given contract for technical reasons;
- the existence of a single supplier in a legal monopoly situation.

1| Interinstitutional procedures in which the Court is not the lead institution are not included in these figures.

REPORT ON COMPLIANCE WITH AND SUSPENSION OF TIME-LIMITS FOR MAKING PAYMENTS TO CREDITORS OF THE INSTITUTION

Article 116(1) ² of the Financial Regulation establishes the payment periods for expenditure operations.

Article 116(5) specifies the circumstances in which creditors paid late are entitled to receive default interest charged to the line from which the principal was paid. ³ In addition, Article 116(6) lays down the obligation for each institution to submit to the budgetary authority a report on compliance with and suspension of the time-limits for paying its creditors. ⁴

The administration of the Court pays particular attention to compliance with those regulatory provisions regarding payment delays and ensures careful oversight and monitoring of their application.

To that end, the SAP integrated financial and budgetary management system (developed on an interinstitutional basis by the Council, the Court of Auditors and the Court) has specific features that enable the following:

-
- 2| Article 116 of 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).
 - 3| Article 116(5) of Regulation (EU, Euratom) 2018/1046: ‘... on the expiry of the time limits laid down in paragraph 1, the creditor shall be entitled to interest in accordance with the following conditions: (a) the interest rates shall be those referred to in Article 99(2); (b) the interest shall be payable for the period elapsing from the calendar day following expiry of the time limit for payment laid down in paragraph 1 up to the day of payment. However, in the event that the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only on a request submitted within two months of receiving late payment.’
 - 4| Article 116(6) of Regulation (EU, Euratom) 2018/1046: ‘Each Union institution shall submit to the European Parliament and Council a report on the compliance with and the suspension of the time limits laid down in paragraphs 1 to 4 of this Article. The report of the Commission shall be annexed to the summary of the annual activity reports referred to in Article 74(9).’

- real time visualisation by the authorising departments of the tracking of invoices and corresponding payments throughout the internal chain of verification and approval;
- the production of specific follow-up or warning reports that integrate the management of suspension of time-limits for payment and the automatic calculation of default interest to be paid on any invoices paid late.

In general, the means described above together enable proper control of payment delays, the average at the Court being approximately 31 days, as shown in the table below:

Year	Invoices		Average payment period (in days)
	Number	Amount (in EUR)	
2015	10 787	49 304 826	30.32
2016	11 245	55 745 198	33.73
2017	11 573	57 235 733	31.08
2018	12 297	57 264 621	31.71

The average time for payment in 2018 corresponds to the average value of the last four financial years but it slightly increased compared to 2017. That slight increase is due primarily to the increase in the period for payment of external translators, which alone represent 67% of the volume of invoices paid, which went from an average of 34.14 days in 2017 to 34.77 in 2018; that period is still well below the contractual period of 60 days applicable for those services, taking into account the quality controls that are necessary.

The very reasonable level of the average time for payment is also due to the fact that, in many cases, the departments of the Court make payment of invoices without waiting until the due date specified in the contract, which is very much to the advantage of suppliers.

In 2018, only one case of payment of mandatory default interest (a case where the amount of default interest exceeds the threshold of EUR 200 defined in Article 116(5) of the Financial Regulation) was recorded. The late payment is the result of an administrative error during the processing of the invoice by the authorising service.

Amount of the invoice	Number of late payment days	Amount of interest (EUR)
127 311.52	10 j	279.04

REPORT TO THE BUDGETARY AUTHORITY UPDATED PLAN OF INVESTMENT IN BUILDINGS 2019 - 2023 ENVIRONMENTAL ACTION AND INTERINSTITUTIONAL COOPERATION

INTRODUCTION

The Court of Justice of the European Union ('the Court' or 'the Institution') has drawn up this annual property report in accordance with the provisions of Article 266 of the Financial Regulation applicable to the general budget of the European Union, which provides that:

'Each Union institution shall provide the European Parliament and the Council, by 1 June each year, with a working document on its building policy, which shall incorporate the following information:

(a) for each building, the expenditure and surface area covered by the appropriations of the corresponding budget lines. The expenditure shall include the costs of the fitting-out of buildings but not the other charges;

(b) the expected evolution of the global programming of surface area and locations for the coming years with a description of the building projects in planning phase which are already identified;

(c) the final terms and costs, as well as relevant information regarding project implementation of new building projects previously submitted to the European Parliament and to the Council under the procedure set out in paragraphs 2 and 3 and not included in the preceding year's working documents.'

This report updates and complements, ¹ for the period 2019-2023, the reports drawn up by the Court since April 2009 on the same subject.

The financial information provided concerns both the Court's buildings subject to a lease-purchase contract (also described below as a 'lease-sale contract') and those subject to a lease contract.

I. PRELIMINARY COMMENTS

It is useful to set out, in section 1, the buildings policy pursued by the Institution, in section 2, a broad outline of the history of its buildings complex and, in section 3, the specific features of its requirements.

1. THE INSTITUTION'S BUILDINGS POLICY

The Institution's buildings policy has two main objectives:

- ▶ first, after an initial policy of renting premises, the Court's aim, since the final establishment of its seat in Luxembourg (decided at the Edinburgh European Council in 1992) is to become the owner of the buildings which it occupies, following the example of other institutions and in line with the recommendations of the Special Report of the Court of Auditors No 2/2007 which highlights the budgetary savings of such a policy;
- ▶ second, the Court's aim is to have premises adapted to the specificity of its needs linked to its judicial activity and to reunite all its departments on a single site, in order to optimise the performance of its tasks.

2. CHANGES IN THE COURT'S REAL PROPERTY SITUATION AND FUTURE OUTLOOK

The Court, established in Luxembourg since 1952, moved in 1972 to the court building ('the Palais') constructed and simply leased to it by the Luxembourg authorities on the Kirchberg plateau.

To meet its increased requirements, the Court was obliged, initially, to rent office space outside the Palais, which as from 1979 had become too small.

In order to bring all its staff together on the same site, annexes to the Palais (the Erasmus, Thomas More and 'C' buildings) were built between 1986 and 1993. In 1994, as part of the policy of purchase referred to above, the Court and the Luxembourg State entered into a lease-purchase contract relating to those annexes (on which, see Chapter III).

In 1998, the Palais, rented from the Luxembourg State, had to be vacated due to the presence of asbestos. The authorities of the Grand Duchy offered a replacement building, the T building. Since the latter, unlike the annexes, lacked court rooms, the Members of the Court and their cabinets were installed in the annexes and the translation service moved into the T building.

The Court, which had, from 1994, undertaken a review of its longer-term buildings policy, had in the meantime decided on a project for the renovation and extension of the Palais (the project of the architect

1| The annexes with figures appended to the present report comply, in so far as possible, with the format adopted in the context of the discussions which took place within the specialised interinstitutional buildings group (the GICIL for the institutions established in Luxembourg).

D. Perrault). That project, the design of which is strong both architecturally and functionally, was based on the estimated requirements as foreseeable at the time. In July 2001, the Court signed a framework contract with the Luxembourg authorities for the realisation of that project (see Chapter II).

However, pending delivery of the new space and faced with the urgent need for buildings in connection with the 2004 accessions, the Court was obliged to take the decision to rent for the time being other buildings (the Tbis building for the translation service and the Geos building, several kilometres from the Palais, for administrative services).

In addition, after creation of the Civil Service Tribunal at the end of 2005, it was necessary to rent additional space in another building (Allegro), also several kilometres from the Palais.

The buildings resulting from the renovation of the Palais and the 4th extension of the Court's buildings (Chapter II) have been operational since 2008. Occupation of those buildings has made it possible to reunite the greater part of the Court's staff in the buildings complex of the Court.

The Erasmus, Thomas More and 'C' annexes underwent extensive renovation and compliance work, beginning in early 2011, and were brought back into service for the start of the new judicial term in September 2013 (see Chapter IV). That operation made it possible to give up some of the offices that were rented (the Allegro and Geos buildings).

However, as the total capacity of the main site continues to fall short of foreseeable needs, the Court was compelled to continue renting the T-Tbis buildings (see **Annex 2**).

In the context of defining its real estate needs, the Court has reassessed its buildings requirements in the medium term (2015-2023). To do so, the Court's starting point has been an approach based on the changes reasonably foreseeable given the information currently available (further accessions, changes in the structure of the Institution, general growth in the number of cases brought and outlook for the evolution of the staffing of departments in the light of the budgetary situation).

Given that the consequence of the shortfall in office space mentioned above, allied to the assessment of foreseeable requirements in the medium term, is that the capacity of the main site needs to be increased by approximately 30 000 m² of office space, the budgetary authority was informed in July 2011, in accordance with Article 179 of the former Financial Regulation, of the proposed construction of a 5th extension of the Court's buildings (Chapter V).

In the context of that notification, the Council's Budget Committee agreed to the proposed 5th extension by refraining from issuing an opinion.

The European Parliament's Committee on Budgets transmitted a favourable preliminary opinion to the Court in July 2011 and a favourable final opinion on 1 April 2015, further to additional information sent to it on 12 March 2015 by the Court on the basis of the detailed pilot study. The agreement of the two arms of the budgetary authority thus enabled a vote on the required funding legislation by the Luxembourg legislature.

The construction of the 5th extension of the Court's buildings started in 2016 and will be completed in the course of 2019.

Finally and in view of the developments and changes in security policy at EU level, a project for upgrading the security arrangements of the Court was submitted to the budgetary authority for approval, which was granted in December 2018 (Chapter VI).

As an aid to understanding how Court's real property situation has changed, a plan indicating the periods of construction of the current buildings (and the future extension) is attached at **Annex 1**.

3. SPECIFIC FEATURES OF THE COURT'S BUILDINGS REQUIREMENTS

It must be pointed out that the Court's buildings requirements are not confined to office space. The Court has very particular requirements, because of the principle that court hearings must be open to the public.

It follows that significant space must be allocated to court rooms. Those must be of sufficient number to meet the requirements of all the chambers of the courts. The Court has a total of 11 court rooms.

As in any court building or 'palais de justice', public areas, usually referred to in French as 'salles des pas perdus', must be provided at the entrances of those court rooms and areas must also be provided to facilitate access by the parties, their lawyers and the public.

It may be added that the various parts of the complex are connected by means of a gallery, which thereby increases the common areas.

It follows that the information on the total space (see **Annex 3**) must be read in the light of those factors.

II. RENOVATION OF THE PALAIS AND 4TH EXTENSION OF THE COURT'S BUILDINGS

As stated in Chapter I, the construction of the new Palais is a major project which was made necessary by the enlargements of 2004 and 2007. The budgetary authority was notified of that project in accordance with Article 179(3) of the former Financial Regulation by two communications sent by the Court in July 2001 and November 2003.

It may usefully be pointed out that, given the scale of such a buildings project, the Court has been particularly attentive to the budgetary principles of economy and efficiency in the conduct of those construction transactions. That is moreover confirmed by the Special Report of the Court of Auditors No 2/2007 concerning the expenditure of the Community institutions on buildings.

The Court of Auditors notes in that special report the good practices followed by the Court in that project (increased competition through open calls for tender in order to limit the overall cost of the project as much as possible, involvement of the European Investment Bank in the financing arrangements on terms much more advantageous than financing from private or public banks).

Lastly, as was stated in the report drawn up on 22 September 2006 for the attention of the budgetary authority, every step has been taken by the Court to ensure the verification and monitoring of the cost of this project at all stages of its progress (engagement of a consulting firm for technical and financial assistance). Accordingly, as a result of those measures, the forecast final cost of the project remained within the budget (indexed) which was originally set.

The renovated and extended buildings were delivered, as scheduled, in the second half of 2008 and inaugurated on 4 December 2008. A gallery serving the common areas links the components of the complex to each other and to the Palais' former annex buildings (Erasmus, Thomas More and 'C' buildings).

1. FUNDING PLAN

The framework contract entered into on 16 July 2001 by the Court and the Luxembourg State and the consequent specific lease-sale contract, signed on 13 June 2007, stipulate that the sale price includes the price of final construction (see section 1.3. below), the financing costs (including interim interest) and the costs incurred by the Luxembourg State in fulfilling its obligations as landlord during the period of lease-purchase.

The sale price is to be determined by an independent expert (the firm of auditors KPMG) appointed, after a call for tender, by mutual agreement of the Luxembourg State and the Court. Calculation of the final breakdown is to be based on a cost integration procedure to be determined by common agreement.

The project has been pre-financed by the Luxembourg State under the terms of the framework contract. The sum invested must be repaid by the Court under the terms of the aforementioned lease-sale contract. Repayment is spread over a period extending to 2026. Provision is made for the option of making advance payments (see section 1.2. below). Responsibility for financing the project lies with the property company Justicia 2026, which concludes long term loans with the financial institutions offering the best terms (see section 1.1. below).

1.1. LOANS FOR THE FINANCING OF THE PROJECT — TAKING UP OF LOAN FUNDS

After the initial costs, principally for studies, which were pre-financed by the Luxembourg State, the property company has taken charge of paying invoices by using short term credit facilities granted by the Banque et Caisse d'Épargne de l'État luxembourgeois (BCEE) and the European Investment bank (EIB).

As the work has advanced, those short term credit facilities have been converted into long term loans. That operation is commonly referred to as the 'taking up of loan funds'. The interest rates and also the type of rate (fixed, adjustable, variable, capped variable, package of various formulas) are to be determined when the loans are taken up, following a study of predicted market trends made in liaison with the Commission's DG ECFIN. In fact, variations in the amount of the charge can be caused by the level of the fixed rates when the loan funds are taken up and, as the case may be, by the movement of interest rates as regards that proportion of the financing obtained at variable rates. The Court has paid particular attention to the operations conducted by the property company, given that the Court's budget will have to bear the cost of those operations through the lease-sale contract.

To date, loan funds amounting to EUR 309 397 648 have been taken up on seven occasions between 2008 and 2018. In that context, the Court's competent authorising officer sought the advice of the Institution's Budget and Financial Affairs Directorate, the banks concerned (EIB and BCEE) and DG ECFIN (European Commission), a neutral intermediary in relation to those two banks.

1.2. PREPAYMENTS

To date, the prepayments made with the agreement of the two arms of the budgetary authority since 2007, amounting in total to EUR 57.3 million, have made it possible to reduce significantly the budget impact of the lease-purchase payments to be made until 2026 (because of the savings on financing charges (estimated at approximately EUR 20 million over the whole period)), the annual amount of which (EUR 23.6 million in 2018) would otherwise be 18% higher.

1.3 COST OF FINAL CONSTRUCTION

The cost of construction of the new buildings amounts to EUR 355.3 million (exclusive of VAT and pre-financing financial charges) and is in line with the budget forecast. That amount must be read subject to the financial impact of any legal proceedings.

2. RENOVATION EXPENSES AND MAJOR MAINTENANCE

The costs covered by this section fall into three categories: first, the improvement of equipment and installations; second, the maintenance and repair of technical installations; lastly, the maintenance and repair of what are called architectural features.

As of 2020, renovation needs will begin to grow, as is foreseeable for works of this nature after a period of 7 to 12 years since they were brought into service. Furthermore, optimisation intended to modify and improve certain equipment and installations in view of their use must be provided for, but the costs should not be unreasonable.

In the meantime, maintenance costs alone will have to be met. Accordingly, ongoing servicing and operation of technical installations, together with major works of maintenance are to be carried out under a servicing contract concluded with an external firm, consistent with a policy followed by all the institutions. That contract was concluded after a public procurement procedure undertaken jointly with the Luxembourg State, pursuant to Article 125c of the Implementing Rules (Regulation No 2342/2002) of the former Financial Regulation No 1605/2002. As regards major works of maintenance, that contract provides for the creation of a reserve fund into which is to be made an annual payment currently close to EUR 600 000.

Since 2016, several framework contracts have been concluded for both architectural maintenance and the installation of additional technical equipment.

An amount of EUR 808 000 is allocated to the architectural maintenance (item 2022) of the 4th extension buildings, but also the Erasmus, Thomas More and 'C' buildings, excluding extraordinary maintenance transactions. The aim of the Court is, further, to obtain in the medium term an architectural maintenance contract for a fixed sum to cover all its buildings.

In addition, an amount of EUR 1 101 000 is allocated to the installation of additional technical equipment for the whole of the Court's buildings complex, excluding extraordinary transactions.

III. ACQUISITION OF ANNEX BUILDINGS (ERASMUS, THOMAS MORE AND 'C')

As stated in Chapter I, the buildings annexed to the Palais (Erasmus, Thomas More and 'C' buildings) were constructed between 1986 and 1993, and the Court and the Luxembourg State entered into a lease-purchase contract relating to those annexes in 1994. That contract stipulates that the sale price is to include the price of construction, the expenses of financing and the expenses incurred by the State in fulfilling its obligations as landlord during the period of lease-purchase. The sale price is to be determined by an independent expert (the firm of auditors KPMG) appointed, after a call for tender, by mutual agreement of the Luxembourg State and the Court. The final breakdown is to be computed on the basis of a method for calculating present-day values to be determined by mutual agreement, on the basis of the rates of interest on the loan funds taken up for the financing of the project.

The report of the independent expert appointed under the lease-purchase contract indicates that the balance of the sale price of the annex buildings on 31 December 2018 was EUR 1.33 million.

On 25 March 2010, the Luxembourg State and the Court entered into an agreement supplementary to the lease-purchase contract. The purpose of that supplementary agreement was, first, to define the framework within which the parties in the project of renovating the annex buildings are to perform their respective obligations (see Chapter IV below) and, second, to agree how that renovation project and the lease-purchase contract are to be related. In that regard, the objective was to bring the date of expiry of the lease-purchase contract relating to the annex buildings into line with that relating to the new Palais mentioned in Chapter II above (no later than 31 December 2026) and to bring the entire buildings complex within a single legal framework.

Because of the alteration of the date of expiry of the lease-purchase contract relating to the annex buildings, the payments due under that contract have been rescheduled. The amount to be paid is EUR 150 000 per annum.

IV. RENOVATION AND UPGRADING OF ANNEX BUILDINGS (ERASMUS, THOMAS MORE AND 'C')

Taking into account the date of construction of the annex buildings (between 1986 and 1993) and the greater stringency of Luxembourg standards in relation to construction, safety and security since that date, work to renovate and to bring those buildings into compliance had become unavoidable. The budgetary authority was notified of this, in accordance with the provisions of Article 179 of the former Financial Regulation, by a communication sent by the Court on 8 June 2006.

This project consisted of several areas of work:

- ▶ bringing security installations (access control) and safety installations (fire, etc...) into compliance;
- ▶ modernisation of roofing (green roofing), facades and technical installations (energy savings, sustainable development, etc.);
- ▶ setting up 'Multimedia' facilities in the court rooms and conference rooms, as in the court rooms of the renovated original Palais;
- ▶ adaptation of partitioning for the installation of the General Court;
- ▶ appropriate general renovation (carpeting, painting, general fitting out).

All this work was completed in June 2013 in accordance with the planned budget and timetable and the renovated buildings were commissioned from July 2013.

As explained in Chapter III above, the arrangements for this operation (monitoring, financing, repayment etc.) are modelled on those chosen for the renovation of the Palais and the 4th extension of the Court's buildings (cf. Chapter II).

1. FUNDING PLAN

On the basis of the final cost of the renovation works (EUR 80.8 million, including pre-financing interest) and the chosen financial arrangements (extending instalments to 2026) as indicated above, the annual lease-purchase payment amounts to EUR 5 million (2018).

The annual amount of that payment takes into account, first, prepayments made in agreement with the two arms of the budgetary authority since 2011 (EUR 24.3 million), which made it possible to reduce significantly the budget impact of the lease-purchase payments and, secondly, various operations to take up funds carried out since 2012 (EUR 56.8 million).

2. RENOVATION EXPENSES AND MAJOR MAINTENANCE

The project was concluded in 2013. It does not, therefore, seem justified to provide for renovation expenditure in terms of structure or final outfitting during the period 2019-23.

Major maintenance of technical installations, on the other hand, will be incorporated in the contract referred to in the third paragraph of Chapter II.2.

V. CONSTRUCTION OF A 5TH EXTENSION OF THE COURT'S BUILDINGS

As is apparent from Chapter I.2 above, the reuniting of all of the Institution's staff on a single site makes it necessary to construct an additional extension, the capacity of which should contain approximately 30 000 m² of office space in order for the Court to be able to vacate the buildings still leased by 2019 and to meet the challenges of the growth of the Institution.

The project is part of a city planning study carried out by the national authorities for the development of the Kirchberg plateau, more specifically the area assigned to the European institutions.

The plan which is the result of that study offers the Court opportunities to extend its current buildings complex. In accordance with that plan, a reorganisation of the road network around the land occupied by the Court is envisaged; that reorganisation makes it possible to increase the land available to the Court free of charge, and to construct a multi-storey building which will be adjacent to the two existing towers. The building will be linked to the existing buildings by an extension of the gallery.

As stated above in Chapter I.2, both arms of the budgetary authority have issued favourable opinions with respect to this construction project, the implementation of which started in the course of the second trimester of 2016 and will be completed in summer 2019, within the planned timetable.

In line with the good practices adopted for the implementation of the building projects described in II and IV, the delegation to the Luxembourg State of the role of developer has been chosen for the construction of the 5th extension of the Palais of the Court. To that end, the framework contract concerning the working arrangements between the State and the Court was signed on 21 February 2013.

The contracts required for project management (architect, engineers and experts) were finalised during the summer of 2013, and the detailed pilot study was completed on 31 January 2015.

1. FUNDING PLAN

The maximum budget for the realisation of the 5th extension amounts to EUR 152 300 863 (excluding VAT — construction cost index for the month of December 2018).

The annual payment will be calculated on the basis of the sale price at the time of taking delivery of the buildings, with final payment by 31 December 2036 at the latest.

At the end of 2018, advance payments amounting to EUR 28 853 000 were made and an amount of EUR 37 625 400 was consolidated.

VI. UPGRADING OF THE SECURITY SYSTEM FOR THE INSTITUTION'S BUILDINGS INFRASTRUCTURE

In the light of the change in the European Union's security situation, a project for upgrading the Institution's security system was submitted to the budgetary authority for approval, which was granted in December 2018, in accordance with Article 203(5) of the former Financial Regulation.

The works envisaged are the following:

1. reinforcement of the outer shell — perimeter protection, in the form of a 2.5 meter high enclosure;
2. reinforcement of access points to the complex, to enable vehicles or people to be checked before entering the buildings;
3. improvement of checks to be carried out inside the buildings;
4. protection of the front of sensitive areas by installing reinforced glazing.

The budget for the project is set at EUR 29.1 million. At this stage, the schedule foresees the beginning of the works in 2020 and their completion in 2021.

VII. RENTED BUILDINGS

The Court's building policy is aimed in particular at the installation of all its bodies, departments and staff on a single site. To that end, construction projects have been and will be completed (cf. Chapters II, IV and V).

However, pending the completion of the 5th extension referred to in Chapter V above, the Court is obliged to rent, temporarily, the following buildings:

Building ²	First occupied	Office spaces (in m ²)	Contractual basis	Lease expiry year/ date	Annual cost (2018)
T	1/1998	23 504	Merged lease agreement of 20/12/2012	2019	EUR 9 059 998
TBis	1/2004				

It should be pointed out that bringing into service the renovated annex buildings in the second half of 2013 (cf. Chapter IV) enabled a restructuring of the Court's building stock which contributes very directly to reducing the administrative costs of the Institution in a budgetary context that is still difficult. Of the buildings under lease, it was possible to vacate permanently the Allegro and Geos buildings (late September 2013 and early February 2014, respectively) and the T and TBis buildings alone were kept (the rents of which are very attractive compared to those prevailing on the Kirchberg plateau), pending the finalisation of the project for the 5th extension of the Court buildings which will finally make it possible to bring all the staff together on the same site.

2| This table does not include a computer room with a surface area of 72 m² rented since May 2016 from a private contractor to host the Court's data centre.

VIII. PERFORMANCE INDICATORS

Management of the Court's building projects takes into account the following three key indicators: respect of the budget allocated to the project following its costs estimate, compliance with the time-limits for completion of works and delivery of the buildings, and compliance of the buildings with the specifications, the detailed pilot study and the quality requirements laid down in advance.

At the outset, it will be noted that, in its special report No 2/2007, the Court of Auditors approved the combined use by the Court of internal and external expertise within the project covered in Chapter II above, described as good practice to ensure the administrative, technical and financial control of building projects.

Taking into account the positive results obtained in relation to the above three indicators, that practice will be continued in connection with the project covered in Chapter V.

1. COST

As regards the cost, the Court's objective is to respect the budget, subject to any increase imposed by law.

In the context of the projects referred to in Chapters II and IV, this objective has been achieved. Although the final accounts are not entirely completed, the Court has reasonable assurances on which to conclude that the budgetary framework is respected.

2. TIME-LIMITS

The buildings covered in Chapter II (renovation of the Palais and 4th extension of the Court's buildings) were inaugurated on 4 December 2008 in accordance with the planned timetable. On that date, the complex was operational, with only minor works of finishing and works to address reservations still to be completed.

As regards the project covered in Chapter IV (renovation of annex buildings and bringing them into compliance), robust monitoring of the works ensured that the planned schedule was observed, with the renovated buildings being brought into service and the move into those buildings occurring during the start of the new judicial term in September 2013.

3. QUALITY

Very stringent acceptance procedures, followed by a phase of lifting the reservations formulated during those procedures, have been put in place in such a way that the requirements of the tendering specifications are scrupulously respected. Subsisting reservations which have not been settled amicably are subject to technical or judicial appraisals.

As regards the project for the 5th extension of the Palais (3rd tower), in addition to the monitoring procedures established for the earlier projects, the application of the BREEAM ⁽³⁾ standard provided for will require compliance with very demanding qualitative criteria (see the following chapter).

3 | The BRE Environmental Assessment Method (BREEAM) is the oldest and most widely used environmental assessment method in the world for buildings. It was established by the British organisation 'the Building Research Establishment (BRE)'.

IX. ENVIRONMENTAL ACTION

1. ECOLOGICAL DESIGN AND CONSTRUCTION

The buildings policy of the Court is informed by the need to respect environmental standards.

In the project for construction of the new buildings covered in Chapter II, the general architecture and the predominantly glass facades make it possible to take optimal advantage of natural light and savings on lighting.

Photovoltaic cells were installed in areas of roofing measuring 2 888 m², representing an electricity production of 368 882 kWh in 2018.

The thermal insulation of the new buildings makes possible a reduction in the energy required for heating of 19% by comparison with the threshold required by the Luxembourg legislation and of 3% as regards cooling.

The sequential operation in particular of ventilation and air conditioning systems, the systemic recovery of heat in the buildings complex and the existence of a computerised system for control of lighting also permit energy savings to be made.

The Court's buildings are connected to the urban cogeneration heating network. Since 2017, most of the heat is produced from biomass and more specifically from wood pellets in order to minimise CO₂ emissions.

As regards water, consumption in sanitary installations is monitored using a system of magnetic valves which ensures the flow of only a restricted quantity of water. In addition, the faucets are equipped with hydroeconomical aerators to reduce the flow without loss of comfort. A large number of toilets are supplied exclusively with cold water, thereby creating significant energy savings.

A reservoir of water for fire extinction has been placed at the waste water discharge. An analysis of the fire extinction water is carried out before any pumping to the public network. Hydrocarbon separators and grease separators make it possible to treat the water in the car parks, respectively those coming from the restaurant area that are potentially loaded with dietary fats.

As part of the project for renovation of the Erasmus, Thomas More and 'C' buildings, measures such as the use of non-halogenic cables, the replacement of technical apparatus of low energy production, improved thermal insulation of the buildings and green roofing have been implemented.

Regarding the 5th extension project, the Court has set very high environmental targets. The building has been designed to meet energy certification class 'AAA', corresponding to the performance of a passive building (heating requirements and primary energy consumption/CO₂ emissions reduced by 55% and 45% as compared to reference standards). In addition, the new building will also be classified as 'excellent' under the BREEAM environmental certification standard.

Consequently, the necessary rationalisation of the energy demand and the use of renewable energy will require the implementation of advanced technology, such as, in particular:

- ▶ extremely effective insulation of the building surfaces;
- ▶ maximising natural lighting (while allowing modulation of solar heat gains by means of solar protection);
- ▶ triple glazing;

- ▶ increasing the thermal comfort of users by taking advantage of the inertia of the building structure;
- ▶ highly efficient recovery of heat/humidity by means of air treatment units;
- ▶ recovery of heat generated in the Data Centre;
- ▶ prioritised cold production by free cooling and use of high efficiency cooling equipment;
- ▶ photovoltaic panels
- ▶ recovery of rainwater.

With regard to management of its waste, the Court is implementing a plan for selective treatment in partnership with the Ministry of the Environment and an approved body, the 'SuperDrecksKëscht'. In 2004, the Court was the first European Union institution to obtain the 'SuperdrecksKëscht® fir Betriber' label for its exemplary management of waste.

In addition, as part of its real estate projects, all the waste management on site has been the subject of a specific treatment plan set by the organisation 'SuperdrecksKëscht'.

In 2012, the Court decided to participate in the organic waste sorting and bio-methanisation system set up in Luxembourg to produce biogas that can be reinjected into the gas network to supply domestic boilers.

2. ENVIRONMENTAL MANAGEMENT

As regards the introduction of the Eco-Management and Audit Scheme known as 'EMAS', the official recruited in 2012 (using the post granted by the budgetary authority for that purpose) is engaged in this important project on a full-time basis.

On 15 December 2016, the Luxembourg Minister for the Environment, Mrs Dieschbourg, confirmed the EMAS registration of the Court, which is henceforth one of the organisations which, in Luxembourg, are authorised to use the EMAS logo with their own registration number. By using the EMAS scheme, the Court aims to improve its environmental performance permanently by reconciling the three objectives 'ecology, economy, efficiency'.

As a scheme complementary to the EMAS scheme, the Court established, for the year 2010, a first diagnosis of the greenhouse gas emissions generated by its activities which is updated regularly.

In 2018, the carbon footprint of the Court was subject to an update of key items for 2017. In summarising the results, it must be noted that, between 2016 and 2017, emissions decreased by 0.63% from 22 664 tonnes of CO₂ equivalent in 2016 to 22 522 tonnes of CO₂ equivalent in 2017. The main reasons are:

- ▶ emissions linked to refrigerant leaks decreased by 64% following a reduction in the number of breakdowns, owing to greater vigilance and better identification of leaks and resolution of issues concerning them;
- ▶ since September 2017, the Court's district heating supplier has used pellets in addition to natural gas to generate heat, which has enabled a reduction of emissions of 21%;
- ▶ emissions linked to commuting decreased by 6% between 2016 and 2017, owing to the modal shift from car to bus and bicycle. In addition, emissions linked to business trips also decreased by 7% owing to a reduction in the number of vehicles and their consumption as well as a reduction in air travel;

- nevertheless, emissions linked to mobility increased by 3.5% overall following a greater number of registered visitors, in particular from abroad.

Finally, an energy management system in accordance with the ISO 50 001 standard has also been put in place, thereby allowing a more efficient use of energy.

X. INTERINSTITUTIONAL COOPERATION

In general, there is very active interinstitutional cooperation between all the institutions established in Luxembourg, and the Court benefits from this in several areas, as shown by the actions set out below.

As part of the formulation of an emergency plan defining the forms of action by the Luxembourg national authorities to assist the European institutions, agreements have been concluded with the EIB, the purpose of which is to permit, on a reciprocal basis, the use by the staff of one institution which is affected by a disastrous event of the premises of other institutions.

The working group on buildings coordination in Luxembourg (GICIL) continues to inspire the exchange of best practice and information, and to promote the harmonisation of activities in this field among the institutions established in Luxembourg.

At its instigation, interinstitutional cooperation with regard to a number of contracts has been introduced (gas supply, electricity supply, training of fire evacuation teams, technical assistance services in relation to buildings etc.), enabling economies of scale to be made in particular.

The Court has also participated in interinstitutional calls for tender (with other institutions based in Luxembourg) for the purpose of public procurement procedures relating to, first, technical assistance services in the buildings field, and, second, services to assist compliance monitoring in that field.

To share best practices in the area of reducing CO₂ emissions and to create financial synergies, the environmental advisor of the Court is part of several interinstitutional environmental committees, namely:

- ECONET: an interinstitutional committee made up of EMAS coordinators from several European institutions in Luxembourg;
- GIME (Interinstitutional Environmental Management Coordination Group): an interinstitutional committee composed of EMAS coordinators from several European institutions, whose seats are not only in Luxembourg;
- Interinstitutional working group 'Green Public Procurement': a GIME working group in the green purchasing sector.

Last, on the initiative of the Court, an interinstitutional 'Security' (GIS) group was introduced in 2014, in order to harmonise approaches, to exchange 'best practices' and to cooperate in the event of a specific threat. The Court chairs the group.

XI. COURT OF AUDITORS' AUDIT OF OFFICE ACCOMMODATION

It is also appropriate to note that the Court was subject, as were four other EU institutions (European Parliament, Council, Commission, European Central Bank), in 2018, to an audit by the European Court of Auditors on the efficiency of office accommodation management (Special report No 34/2018: *Office accommodation of EU institutions — Some good management practices but also various weaknesses*) The report's findings referring directly to the Court are very positive, thus showing the success of the buildings projects and the relevance of the building policy and accommodation management of the Institution.

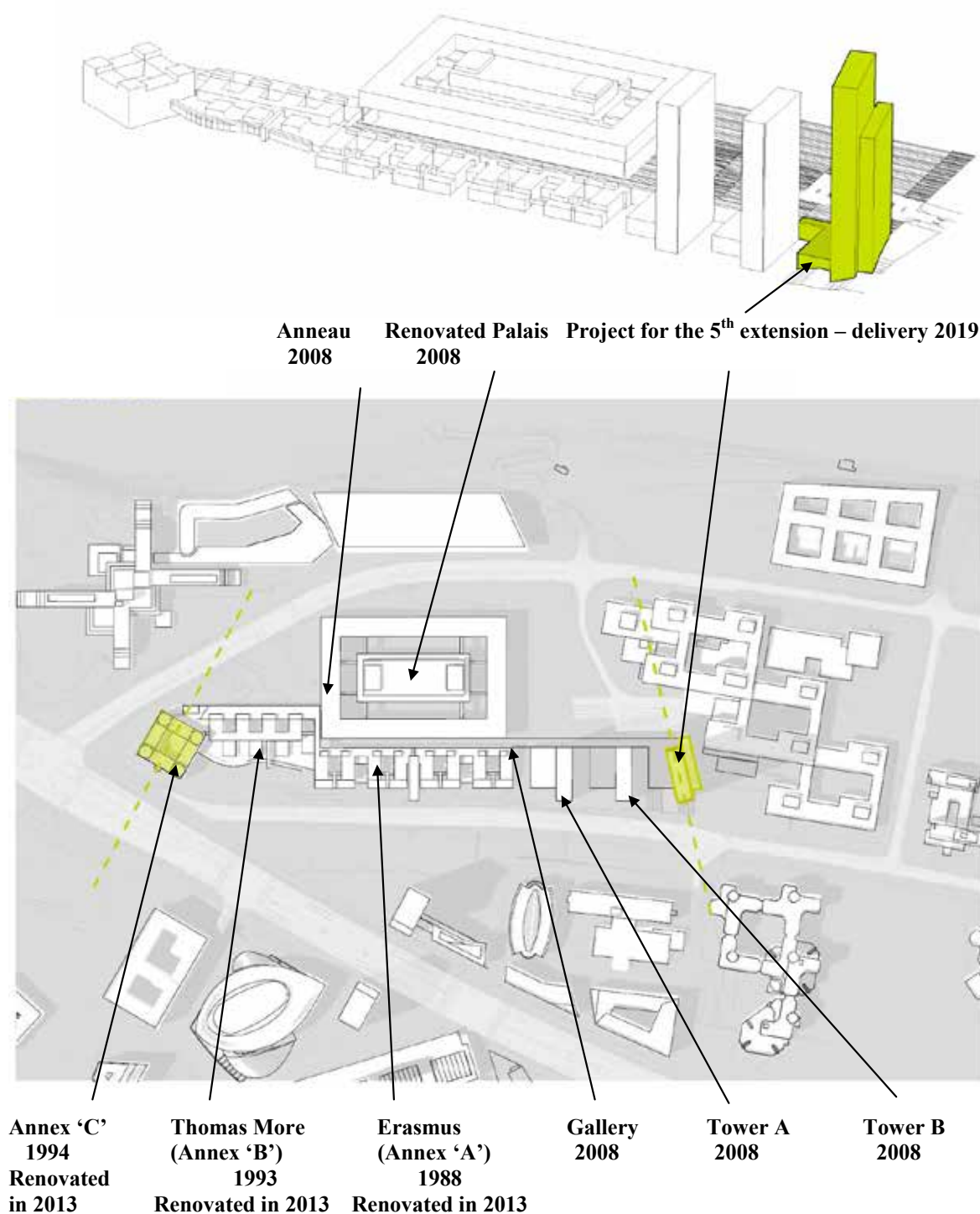
The report also contains a number of recommendations which the Court intends to implement, in the short and medium term. The recommendations, addressed to all the institutions, concern, inter alia, the updating and formalisation of the institutions' building strategies, the evaluation of new ways of working, the improvement of data consistency submitted by the various institutions in order to ensure comparability of information, as well the development of indicators to monitor the efficiency of their buildings portfolio.

XII. BUDGET IMPLEMENTATION AND PROVISION

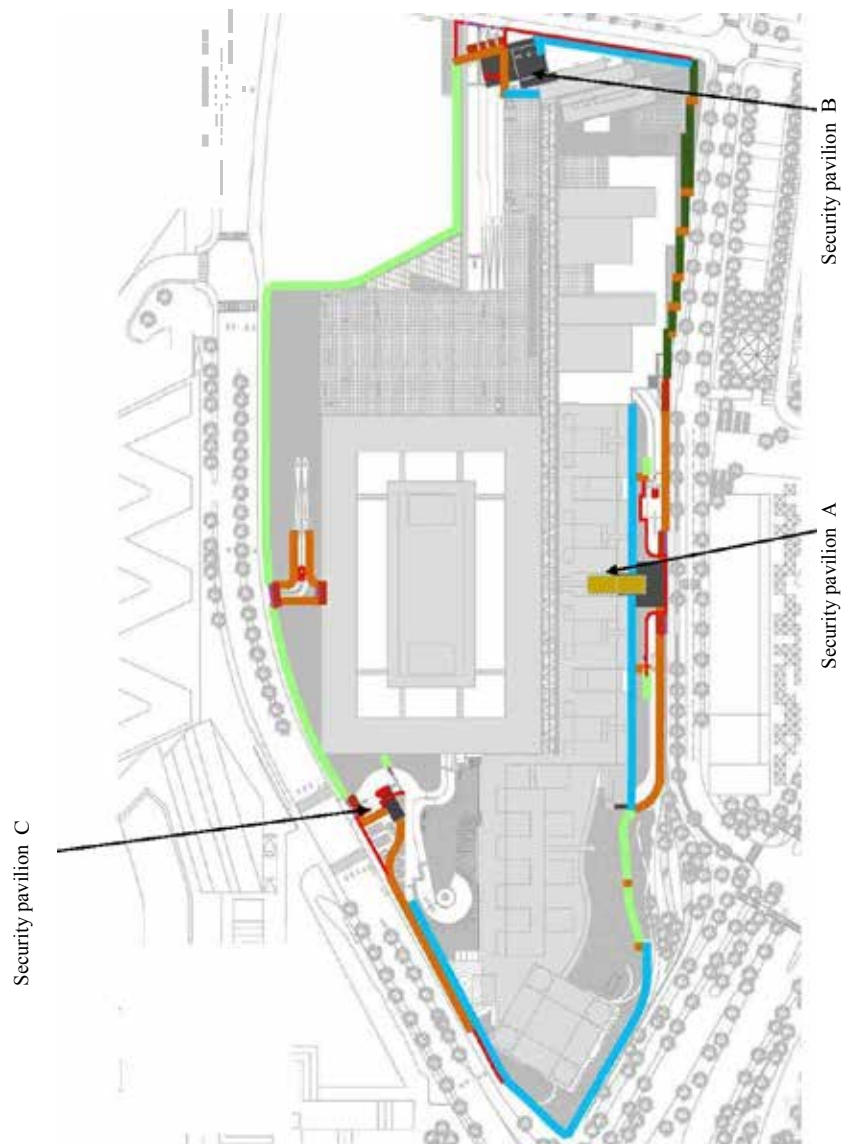
The following table shows, first, the 2018 budget implementation as carried out, including the transfers of appropriations made and, second, the 2019 budget as approved by the budgetary authority, as well as the budget request for the year 2020.

Item	CI-Description	BUDGET 2020 (proposal of 16.01.19) (EUR)	BUDGET 2019 (approved) (EUR)	BUDGET 2018 (commitments made on 31/12) (EUR)	Credit transfers executed in 2018 (EUR)	Change 2020/2019	Change 2020/2018
20	Buildings and associated costs						
2000	Rents	120 000.00	7 034 000.00	9 158 507.48	-603 492.52	-98.29%	-98.69%
2001	Hire-purchase	40 076 000.00	35 354 311.00	42 873 982.25	9 035 680.45	13.36%	-6.53%
2007	Fitting-out of premises	2 427 000.00	1 729 000.00	2 139 627.12	1 035 000.00	40.37%	13.43%
2008	Studies and technical assistance in connection with building projects	1 662 000.00	1 508 000.00	1 700 812.07	204 812.07	10.21%	-2.28%
2022	Cleaning and maintenance	9 987 000.00	9 040 000.00	8 265 680.80	370 000.00	10.48%	20.82%
2024	Energy consumption	2 895 000.00	2 822 000.00	2 126 024.12	-390 000.00	2.59%	36.17%
2026	Building security and surveillance	7 746 000.00	7 522 000.00	7 079 074.35	-440 000.00	2.98%	9.42%
2028	Insurance	142 000.00	135 000.00	122 000.00	-15 000.00	5.19%	16.39%
2029	Other expenditure relating to buildings	225 000.00	251 000.00	241 763.93	35 000.00	-10.36%	-6.93%
TOTAL CHAPTER 20		65 280 000.00	65 395 311.00	73 707 472.12	9 232 000.00	-0.18%	-11.43%
				64 475 472.12			
23	Current administrative expenditure						
23800	Miscellaneous insurance	20 000.00	20 000.00	15 344.71	0.00	0.00%	30.34%
23803	Departmental removals and associated handling	55 000.00	900 000.00	46 006.60	6 500.00	-93.89%	19.55%
	BD TOTALS	65 355 000.00	66 315 311.00	73 768 823.43	9 238 500.00	-1.45%	-11.41%
				64 530 323.43			1.28%

**Plan of the buildings complex of the Court of Justice of the European Union
(main site incorporating the buildings subject to a lease-purchase contract)**



Plan of the infrastructure for upgrading the security of the site of the Court of Justice of the European Union



SPACE AND APPROPRIATIONS BY BUDGETARY LINE AND BUILDING

BUDGETARY LINE		BUILDING	SURFACE AREA ABOVE- GROUND 2019 (in m ²)	CONTRACT TYPE	BUDGET 2019 (EUR)	DRAFT BUDGET 2020 (EUR)
2000	Rent					
	<i>OFFICE SPACE</i>	T-Tbis	23 504	Lease	5 094 452	0
	<i>Sub-total office space</i>		23 504		5 094 452	0
	<i>'NON-OFFICE' SPACE</i>	T-Tbis	9 113	Lease	1 831 113	0
		New Data Centre	100	Lease	108 435	120 000
	<i>Sub-total 'non-office' space</i>		9 213		1 939 548	120 000
TOTAL LINE 2000			32 717		7 034 000	120 000
2001	Lease-purchase					
	<i>OFFICE SPACE</i>	Renovated 'Annexes' ABC	23 164	Lease-purchase	2 157 720	1 949 255
		New Palais complex	49 551	Lease-purchase	10 018 234	11 198 718
		5th extension - under construction	(p.m.: 30 400)	Lease-purchase	2 703 497	5 407 547
	<i>Sub-total office space</i>		72 715		14 879 451	18 555 520
	<i>NON-OFFICE' SPACE</i>	Renovated 'Annexes' ABC	26 126	Lease-purchase	3 952 970	3 600 366
		New Palais complex	33 444	Lease-purchase	13 895 245	15 674 498
		5th extension - under construction	(p.m.: 12 046)	Lease-purchase	1 051 327	2 142 740
		Security updating project (CJ10)	n/a	Lease-purchase	1 575 328	102 876
	<i>Sub-total 'non-office' space</i>		59 570		20 474 870	21 520 480
TOTAL LINE 2001			132 285		35 354 321	40 076 000

Remarks

- (1) The areas are calculated in accordance with the **common methodology approved** at the meetings of the Committee on budgetary and financial questions (CPQBF) of 7/11/2009 and 18/1/2010:
- The OFFICE space includes the areas allocated to offices, corridors, lifts, toilets, archives, meeting/training rooms, cafeterias/restaurants, etc.
 - The 'NON-OFFICE' space includes specific areas such as court rooms, conference rooms, central archives, data centres, etc.
- For information and in accordance with the methodology adopted, the 'non-office' space does not include underground and parking areas although the annual budgetary cost indicated also takes the cost of those areas into account.

ANNEX 3

MULTI-ANNUAL PLANNING (office spaces)

	2016	2017	2018	2019	2020	2021	2022
Long term lease with option to purchase	72 715	72 715	72 715	72 715	103 115	103 115	103 115
Renovated 'Annex' buildings ABC	23 164	23 164	23 164	23 164	23 164	23 164	23 164
Buildings complex of the new Palais	49 551	49 551	49 551	49 551	49 551	49 551	49 551
5th extension project					30 400	30 400	30 400
Leasing	23 504	23 504	23 504	23 504	0	0	0
T and Tbis buildings	23 504	23 504	23 504	23 504	0	0	0
TOTAL AVAILABLE (A)	96 219	96 219	96 219	96 219	103 115	103 115	103 115
Vacating at end of lease (B)	0	0	0	-23 504	0	0	0
T and Tbis buildings - lease termination				-23 504			
Ready for occupation/projects (C)	0	0	0	30 400	0	0	0
5th extension CJ 9 project				30 400			
Available end of year (=A+B+C)	96 219	96 219	96 219	103 115	103 115	103 115	103 115

DECLARATION BY THE AUTHORISING OFFICER BY DELEGATION

I, the undersigned, Alfredo Calot Escobar, Registrar of the Court of Justice, in my capacity as authorising officer by delegation,

Hereby declare that the information contained in the Activity Report for the financial year 2018 reflects reliably, completely and correctly the activities of the departments of the Institution,

State that I have a reasonable assurance that the resources assigned to the activities described in this report have been used for the purposes intended in accordance with the principle of sound financial management and that the control procedures put in place provide satisfactory guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgement and on the information at my disposal concerning the functioning of the internal control system, such as the results of the *ex-ante* and *ex-post* verifications, the observations of the internal auditor, and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration,

Confirm that I am not aware of anything not reported which could harm the interests of the Institution.

Done at Luxembourg, on 28 March 2019



ALFREDO CALOT ESCOBAR
REGISTRAR



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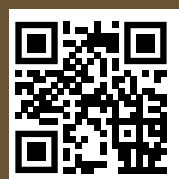
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