



COURT OF JUSTICE
OF THE EUROPEAN UNION



ANNUAL REPORT 2016 **MANAGEMENT REPORT**



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MANAGEMENT REPORT 2016

(ANNUAL ACTIVITY REPORT FOR THE FINANCIAL YEAR 2016
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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 66(9) of Regulation No 966/2012 on the financial rules applicable to the general budget of the Union ('the Financial Regulation').

As judicial statistics show, 2016 was a year of very sustained activity. The overall number of cases brought was maintained at a high level in 2016 (1 604 cases), although slightly lower than in 2015 (1 711). As for the number of cases closed in 2016, although also reduced compared to 2015, it remains at an equally high level (1628 cases).

The year 2016 saw the almost complete implementation of the first two phases of the reform of the European Union's judicial architecture resulting from 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 (OJ 2015 L 341, p. 14). In the course of 2016, eleven new judges entered into service as part of the first phase of the reform, which envisages an increase of twelve units in the number of judges in that court. As regards the second phase, which resulted in the dissolution of the European Union Civil Service Tribunal and the transfer of its jurisdiction to the General Court from 1 September 2016, five additional judges were appointed to the General Court (the procedures for the appointment of the last two judges, linked to that second phase, are still in progress at the end of 2016). That reform will enable the Institution, through a doubling of the number of judges of the General Court by a process spreading over three stages until 2019, to fulfil its mission, in the best possible conditions, to serve European citizens while respecting the objectives of quality and expediency of justice.

The Institution has continued to explore all the avenues open to it in order best to achieve those objectives. The main axes of reform cover all areas of activity: improving of the regulatory framework of the courts and their working methods, strict control on the requirements of full multilingualism (obligatory in order to communicate with the parties in the language of the case and to ensure dissemination of the case-law in each Member State) and relative reduction in the weight of horizontal services (human resources and finance, IT, logistics and buildings) in order to preserve the working capacity of the cabinets.

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 judicial bodies and all the supporting services which have made it possible, over the 2007-2016 period, to see the **annual number of completed cases increase by 46%**, while the **increase in the number of support services staff has remained extremely restricted over the same period** (+ 3.5% taking into account the enlargement to include Croatia and less than 0.1% disregarding that enlargement). Nevertheless, the growth in judicial activity and compliance with the Inter-institutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management, requiring a 5% reduction in staff in the 2013-2017 period, exert **great pressure on the support services**, the chosen approach being to protect the core work of the Institution by strengthening the capacity of the courts to address developments in

the actions brought. These developments deserve special mention at a time when the departments will be required to bear the challenges associated with increasing the number of judges of the General Court.

Finally, as regards buildings, the Court continues the project for the fifth extension to its buildings which will, by 2019, allow it to gather all its staff on a single site (when it leaves the last rented building) and thereby strengthen the efficiency of the services.

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 2015. Finally, various annexes provide more specific information, some of which are required under specific provisions of the Financial Regulation.

Alfredo CALOT ESCOBAR
Registrar

II. ANNUAL OVERVIEW OF ACTIVITIES

1. ACTIVITIES DIRECTLY RELATED TO JUDICIAL ACTIVITIES

1.1 REGISTRIES OF THE COURTS

The activity of the registries is marked by their dual role, which is characteristic of their duties:



- ▶ an external role, in so far as the registries are the 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. As they constitute the 'gateway' of their respective courts, the registries are therefore in a situation different to that of the common services of the Institution, as each registry provides a service specific to its court;
- ▶ an internal role, since the registries are in the direct service of the Members of the courts and assist in the daily administration of justice.

As a result, the registries are therefore facing the same risks that could obstruct their activities, which does not mean that they are not required to perform tasks which are specific to them, due, in particular, to the action brought before their court, in order to best serve the court and adapt to its specific needs.

The year 2016 was marked, in that regard, by the implementation of the first two stages of a profound reform of the structure of the Institution, including

the disappearance of the Civil Service Tribunal and the taking up of duties by sixteen additional judges of the General Court, leading ultimately to a doubling of the number of judges of the General Court. For the purposes of that reform, the Protocol on the Statute of the Court has been amended in order to provide for the transfer of jurisdiction to the General Court to adjudicate at first instance on cases between the European Union and its officials and temporary staff. Likewise, the Rules of Procedure of the General Court have also been amended to provide that court with a procedural framework adapted to deal with civil service cases transferred to it from the European Union Civil Service Tribunal on 1 September 2016 together with all new cases which have been or will be introduced in this area from that date. The registries have actively contributed to the development of those text modifications.

The reforms initiated in 2016 are more fully described in the contributions of the registries in the Institution's 'Judicial Activity' report, to which reference is made. As noted in that report, the past year has been marked by sustained activity and the average duration of proceedings for all proceedings has continued to decrease

or has remained at a very satisfactory level. 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.

1.1.1 THE ACTIVITY OF COURT REGISTRIES HAVING REGARD TO THEIR EXTERNAL AND INTERNAL ROLES

1.1.1.1 EXTERNAL ROLE OF THE COURT REGISTRIES

As 'gateway' of their court, the registries play an intermediary role between the parties and the court in the context of processing cases, which allows them to ensure that proceedings run smoothly and case-files are kept in good order.

In that regard, the registries of the courts also facilitate, inter alia:

- ▶ communication between 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 the case-files,
- ▶ the receipt, forwarding and keeping of all documents and notifications required by application of the Rules of Procedure,
- ▶ management and updating of the electronic procedural document storage system (either directly, using the e-Curia application, or by scanning procedural documents) and of the procedural databases,
- ▶ 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 the production of court statistics.

To carry out those various tasks, the registries work together to develop, with the Directorate for Information Technologies, common IT applications to optimise and secure 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



That joint effort has made it possible to bring into service in November 2011 the e-Curia application (which allows procedural documents to be securely lodged and served by solely electronic means), whose success with the representatives of the parties is proven, as evidenced by the rate of lodging of pleadings by this application, which for the Court of Justice and the General Court amounted to more than 75% in 2016.

Finally, the opening of the registries to the outside world has the result that they 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.

1.1.1.2 INTERNAL ROLE OF THE COURT REGISTRIES

The court registries have the role of providing **active assistance** to Members and their staff in the management of proceedings.

The degree of procedural management assistance given varies according to the court 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 the uniform application of the Rules of Procedure by the various chambers.

The organisation of the General Court, which was decided in September 2016 for a three-year period¹ taking into account the increased number of judges composing the court, has had the effect of increasing the number of formations of the court and, consequently, intensifying the assistance provided by the registry.

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

In that regard, representatives of the registries attend administrative meetings of the Chambers (called chamber conferences at the General Court), take the minutes, submit those minutes for approval and ensure that decisions taken at those meetings are implemented.

The registrars of the two courts arrange and take part in the General Meetings (Court of Justice), Plenary Conferences (General Court), update and make available the related documentation relating to those meetings or conferences and draft their minutes. Furthermore, the Registry of the Court of Justice prepares the points of the agenda for the General Meeting which relate to legal proceedings, ensures that any decisions taken on those points are implemented and drafts the minutes relating to those points.

1 | On 21 September 2016, the General Court, composed of 44 judges, decided to establish six chambers consisting of five judges, sitting with five and with three judges, assigned to two sub-formations, and three chambers composed of four judges, sitting with five and with three judges.



The registries are also responsible for updating and making available the documentation relating to the Conference of Presidents of the Chambers (General Court) and to the committees responsible for reviewing reforms of the Rules of Procedure in the courts. In that regard, in 2016, they were involved in amending the rules to take account of the change of name of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) now the European Union Intellectual Property Office, and to finalise the system of the General Court and the Court of Justice, including the security component, providing for a specific procedural framework for processing information or documents affecting the security of the Union or its Member States or the conduct of their international relations throughout legal proceedings (Article 105 Rules of Procedure

of the General Court, Article 190a of the Rules of Procedure of the Court of Justice and 'security' decisions taken by the two courts under those provisions²).

1.1.2 ANALYSIS OF THE RISKS 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 main risks identified, as well as the measures taken to confront those risks, are as follows.

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 Court's continuity plan and to the establishment of an Internal Emergency Plan ('IEP') to deal with such crisis situations. Following a process of joint deliberation within each registry, it has been possible to introduce a number of specific measures to safeguard the continuity of operations.

IT breakdown

The registries are dependent on IT applications operating as they should, so that any malfunction means that completion of their tasks is disrupted. To prevent those risks 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.

2 | The decisions of the Court of Justice and of the General Court were published in the Official Journal of the European Union (OJ 2016 L 355, pp. 5 et 18).

Substantially increased workload

A substantial increase in the workload, due to a sudden growth in the number of new cases (in particular in the form of series of cases), but also to Members leaving on the occasion of the three-yearly renewal of the courts, represents a real risk to the registries' activity. To deal with such difficulties, great flexibility on the part of the staff is required and is accompanied by the implementation of specific organisational arrangements, which have already demonstrated their effectiveness.

Mishaps arising in the procedural handling of cases

The purpose of strictly monitoring files, producing checklists and the use of scoreboards, drafting internal procedures and setting operational priorities is to reduce the risk of an incident arising during the handling of cases. In that context, the cooperation between the registries and the departments, in particular the Translation Directorate General, constitutes one of the Institution's concerns to prevent the risks linked to communication and transmission of information. 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, to the preservation of the confidentiality of certain data, in particular business secrets.



1.2 TRANSLATION DIRECTORATE GENERAL (DGTRAD)

1.2.1 MISSION AND OBJECTIVES

The recurrent activity of the DGTrad, which is at the same time the task entrusted to it, is to ensure observance of the rules governing languages in legal proceedings – by translating the parties' pleadings into the courts' language of deliberation and translating into the language of the case all documents received or drafted in another official language – and to enable citizens of the European Union to gain access in their own language, as soon as may be and on equal terms, to the case-law.

The objectives set for the DGTrad are to ensure that:

- ▶ the legal translations which are produced attain the level of quality required,
- ▶ the deadlines with respect to translation necessary for judicial activity and the dissemination of case-law are complied with,
- ▶ a high level of quantitative production seeking at all times to ensure sound financial management, guarantees not only that the current workload will be dealt with but also that any backlog will be absorbed.

1.2.2 RESULTS 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 main objectives set**

How the number of pages of translation to be produced since 2003 has progressed is shown in the table below. All translations are made at the request of the registries, the cabinets or other departments of the Court who contact the Translation Central Planning unit, in order to meet their urgent requirements for translations of quality for the purposes of the courts or the Institution.

Year	Pages to be translated ³		Percentage variation in relation to previous year	
	EUR-15/25/27	EUR-28	EUR-15/25/27	EUR-28
2003	394.090		- 2.3%	
2004	569 213		+ 44.4%	
2005	645 176		+ 13.3%	
2006	642 112		- 0.5%	
2007	714 361 ⁽⁴⁾		+ 11.3%	
2008	755 345		+ 5.7%	
2009	805 796		+ 6.7%	
2010	907 518		+ 12.6%	
2011	977 059		+ 7.7%	
2012	891 436		- 8.8%	
2013	903 024	924 829 ⁵	+ 1.3%	+ 3.7%
2014	1 062 510	1 099 604 ⁶	+ 17.7%	+ 18.9%
2015	1 074 808	1 114 838 ⁷	+ 1.2%	+ 1.4%
2016	1 078 263	1 118 352⁸	+0.3%	+0.3%

The table above shows that the workload has increased by not less than 18.9% in 2014, thus clearly exceeding 1 million pages (1 099 000), despite the adoption of new translation-saving measures in the context of the passage to the digital Court Reports (abandonment of the chronological and thematic tables of the paper case-law Reports). This is partly due to the increase in the rate of production of summaries of decisions by the Research and Documentation Directorate in that context. By contrast, in 2015 the workload increased by only 15 000 pages (+1.4%), to reach a total of 1 114 838 pages. However, the overall high level of inflows was no longer explained by a faster rate at which summaries are sent, which has now stabilised, but by the structural increase in the workload, which can be better measured by comparing 2015 with 2013, with an increase of more than 20.5% in 2 years. 2016 was an atypical year. Indeed, it is not so much the very real pursuit of efforts to reduce translation which explains the stabilisation of the number of pages entered, but rather a very specific context linked to the increase in the number of judges at the General Court. Although the volumes to be translated for the Court of Justice, in particular the Opinions of Advocates-General, increased by 12.64%, the volumes to be translated for the General Court decreased by 24.32%. This is due to the General Court's investment in the reception and training of new Members and cabinet staff, by its reorganisation in particular after the partial renewal of its members in September and by the redistribution of cases in consultation with the Members. The fruits of this investment should be reflected in translation volumes as from 2017. In the

3| Current work only. The part of the old case-law to be translated in-house is not therefore shown in figures for the 'enlargement' years, i.e. 2004, 2007 and 2013.

4| This figure represents the current work only. In addition, requests for translation into Bulgarian and Romanian, concerning Opinions presented in 2006 in cases where the judgment was given subsequently, were registered in January 2007. These requests represented 8 966 pages which, added to the 714 361, amount to a total of 723 327 pages.

5| Including 21 805 pages of translation to be produced for the Croatian Language Unit following Croatia's accession in July 2013.

6| Including 37 094 pages of translation to be produced for the Croatian Language Unit.

7| Including 40 030 pages of translation to be produced for the Croatian Language Unit.

8| Including 40 089 pages of translation to be produced for the Croatian Language Unit.

meantime, there has been a very modest increase in the translation workload for 2016, in the order of only 0.3%, so that stock has reduced by 17.2% from 216 373 to 179 070 pages.

Savings measures have been phased in since 2004, with the support of the courts: selective publication, publication by extracts, summaries and editing (requests for a preliminary ruling), elimination of tables in reports of case-law, elimination of Reports for the Hearing (Court of Justice), reducing the length of Opinions, alternatives to the translation of voluminous annexes.

In 2016, these measures made it possible to reduce translation requirements by 437 000 pages (that saving was 482 000 pages in 2015). It is important to underline that, without those savings measures, the workload of DGTrad would have exceeded 1 555 000 pages in 2016.

The savings measures, adopted by the courts in a difficult budgetary context, remain essential to the achievement of DGTrad's main objectives: to accompany the proceedings without delaying them, to ensure timely dissemination and publication of case-law and to maintain the level of quality of its services.

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 the very high quality level of legal translations, irrespective of the complexity of the documents and the difficulty of the source languages, all while increasing the level of quantitative production.

Finally, the commitment of the DGTrad 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 improved yet again. Not only the overwhelming majority of translations of judgments are provisionally disseminated on the day of delivery, but now the time-limit between the delivery of the judgments and forwarding for official publication in the European Court Reports was reduced to 6 months, a period which continues to be reduced as a result of the change to the daily publication since 1 November 2016.

- **The risks associated with those operations and the effective and efficient functioning of the internal control system**

For each risk set out in the risk analysis prepared by DGTrad, relevant actions have been taken or scheduled, including the complete updating of the continuity plans. The Directorate General has detailed crisis plans which will help it to deal with risks connected with IT malfunctions and to any massive 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 were thoroughly revised. These continuity plans were successfully implemented during a prolonged period when essential production tools were not available during the month of August 2016. In the light of the lessons that can be drawn from it, DGTrad's continuity plan is currently being updated.

The risks specifically associated with the activities of the translation service essentially relate to control of the workload, maintaining quality and observance of time-limits, especially in the context of the reform of the Court's judicial architecture, the corollary of which is an increase in the number of cases completed by the General Court. A persistent failure by DGTrad to control the workload would affect the handling of cases by the two courts, and the dissemination of the case-law in all the languages. Issues of quality could affect the overall quality of the Court's work, the proper understanding of case-law within the legal systems of the Member States, and the image of the Court.

As regards **control of the workload**, the main risk is the possibility of an imbalance between the workload and the human and financial resources available to DGTrad, especially in the present budgetary situation and uncertain trends in the political horizon. Thus, on the one hand, it must ensure it continues to make the

best possible use of the human and financial resources assigned to it and, on the other, it must very strictly monitor any changes in its workload and future events which may have an impact on that workload. It is by means of this ceaseless monitoring that DGTrad is able to adapt its budget requests to the indicators that become apparent, while constantly improving its working methods and intensifying the search for savings measures in order to restrict those requests to what is reasonable. The removal of posts, however, which will continue in 2017, heavily affects the human potential and production capacity of the Directorate General. It is in that context that it has begun to reflect on the possibilities of increasing the share of external translation without risking quality, in order to be able to cope with the structural increase in its workload and the number of linguistic combinations to be covered, while at the same time adding value to the lawyer-linguist profession.

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 processed 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. Some framework contracts had to be terminated in 2016 due to the insufficient quality of the translations carried out.

Concerning **complying with deadlines**, careful monitoring is carried out centrally and the results in 2016 remain very satisfactory: the objective of making all language versions of judgments of the Court of Justice available on the day of delivery, and that of making Opinions available on the day of delivery of the judgment were almost 100% achieved.

Information technology is a key factor tempering the risks associated with the control of the workload, maintaining quality and meeting deadlines. It is in this context that the DGTrad completed in 2016 its migration to a software selected following an inter-institutional procurement procedure, facilitating the creation and efficient operation of translation memories in a work environment that enables the integration of all necessary legal, language and terminology resources. It intends to add to this, in 2017, the inter-institutional statistical translation assistance software MT@EC. Such tools enable qualitative gains, but also augur well for increased productivity, which is, however, uncertain and in any case difficult to assess.

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 on a number of levels, both within and outside DGTrad.

The audit and advice work of the Internal Auditor in the field of translation initiated in 2013 focused on many aspects of the functioning of DGTrad. The recommendations made were aimed mainly at supporting the efforts of the Directorate General services in seeking opportunities for improvement and supporting those improvement measures that have been initiated. The Directorate General has benefited from the work done and has integrated the results obtained in its own considerations regarding prospects for development and improvement in due course, and in its plans for transformation, such as the new translation environment referred to above, the 'quality measure' and the project to optimise the contribution of freelance translation.

The DGTrad has introduced a large number of initiatives for improvement and recommendations made are now incorporated in its working arrangements. In view of the progress noted, that audit has been closed.

1.2.3 INTER-INSTITUTIONAL COOPERATION

• The Inter-institutional Committee for Translation and Interpretation (ICTI)

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, outsourcing or training.

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 MT@EC 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 DGTrad have gradually migrated since October 2015.

In 2016, based on the guidelines adopted by the ICTI, the ETC continued its work on strengthening cooperation between language communities and the exchange of best practice. The 2016 annual ECT event (ECT Middle Management Event), which brings together heads of units from all language communities, focused on the growing importance of outsourcing for translation services.

In 2016, DGTrad also worked on the definition of the terms of its next participation in the KIAPI (Key Inter-institutional Activity and Performance Indicators) as a full partner and not just as an observer, thus responding to a recommendation made by the European Parliament in the context of the budgetary discharge.



- **The international level**

DGTrad is also active within IAMLADP⁹, 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 2016 in Vienna, IAMLADP discussed, inter alia, translation support tools and recent developments in the field of computer-assisted translation, methods of performance measurement and prospects for sharing resources, training and best practice.

DGTrad also takes part in the annual meeting of JIAMCATT¹⁰, a forum for sharing information on support tools for translation and interpreting.

- **Inter-institutional exchange of staff**

Cooperation of DGTrad with the language service of the European Central Bank

In recent years, the European Central Bank (ECB) has hosted lawyers linguists from DGTrad in Frankfurt on several occasions (in 2010, 2011 and 2015). This type of exchange was welcomed in the budget discharge resolution for the year 2015.

The experience was renewed in 2016 with the secondment of a lawyer-linguist from the Finnish language unit during the first quarter of the year. That cooperation has once again been very positive for both parties: the ECB benefited from qualified reinforcement, while the seconded colleague was able to deepen her knowledge of banking and tax law and the related terminology. She has also been able to develop her mastery of the SDL Trados Studio tool, which has been used by the ECB for several years.

In September 2016, the Court hosted a group of 35 lawyer-linguists visiting from the language service of the ECB. That visit included a round table with representatives of DGTrad and lawyer-linguists who had been seconded to the ECB. This meeting was the occasion for a fruitful exchange on the methods and working techniques of lawyers-linguists of the two institutions. As a result of that exchange, it was proposed to strengthen inter-institutional cooperation by establishing a framework for exchanges for lawyer-linguists of the various institutions. That project is currently under study.

Exchange of lawyer-linguists with the European Parliament

As part of the inter-institutional project for the exchange of translators, the Croatian Language unit hosted a translator from the Parliament from 1 April to 30 June 2016, while the Croatian language unit of the Parliament hosted a lawyer-linguist of the Court.

The Parliament translator, a lawyer by training, integrated very quickly and his work was entirely satisfactory. He actively participated in the unit's terminology meetings and effectively shared his experience of SDL Trados Studio software with his new colleagues.

The lawyer-linguist who went to the Parliament also testifies to a very positive experience. She became involved in the work of the reference user group of SDL Trados Studio, thus enhancing the knowledge gained during her internship at the Parliament.

The German language unit also received, for a few days, a translator from the Parliament, who came to discover the working methods of DGTrad. In return, a lawyer-linguist from the unit went for a few days of job shadowing in the corresponding unit of the Parliament.

9| International Annual Meeting on Language Arrangements, Documentation and Publications

10| Joint Inter-Agency Meeting on Computer-Assisted Translation and Terminology

In general, this exchange proved very positive for both parties, strengthening the existing professional links and leading to a better understanding of the specific characteristics and challenges of translation in each of the two institutions.





1.3 INTERPRETATION DIRECTORATE

1.3.1 MISSION AND OBJECTIVES

It is the task of the Interpretation Directorate of the Court of Justice of the European Union to assist the judicial activity of the Court of Justice and the General Court (and the Civil Service Tribunal until August 2016) by supplying high-quality interpretation of the hearings and other meetings organised by the Institution.

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 qualified external interpreters (auxiliary 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.



1.3.2 RESULTS 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**

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



It may be noted that the recruitment of ACIs is regulated by the Convention concluded by the IACI (International Association of Conference Interpreters), on the one hand, and the European Parliament, the Commission and the Court, on the other, and revised in 2008¹¹.

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 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 coverage required varies from one hearing to the next: the simultaneous interpreting provided depends on the language(s) of the case, the official language of the Governments of the Member States intervening, the language of the Judges and the Advocate-General of the Chamber and, as far as possible, takes account of the main language of official visitors.

Workload

The number of hearings and other meetings interpreted in 2016 is 602, including 274 hearings before the Court of Justice, 221 before the General Court and 5 before the Civil Service Tribunal, as well as 102 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. It should be noted that the number of hearings and the number of languages to be covered by the interpreting department remains unpredictable.

In anticipation of the increase in the number of Members of the General Court in 2016 and, consequently, the number of hearings that may be scheduled at the same time, the Interpretation Directorate has endeavoured to control expenses related to the recruitment of AICs through efficiency measures and the implementation of the rationalisation measures that management has proposed since 2012 to the Administrative Committee and to the Presidents of the Chambers.

11 | Rider to the Agreement on working conditions and financial terms for Auxiliary Conference Interpreters (ACIs) recruited by the institutions of the EU, 1.9.2008

Number of sessions or other meetings with interpretation:

	2013	2014	2015	2016
Hearings	552	607	565	500
Other meetings	77	110	63	102
Total sessions	629	717	628	602

Distribution of permanent interpreter and AIC assignments between the three courts:

%	2013	2014	2015	2016
Court of Justice	70	64	65	76
General Court	28	35	34	23
CST	2	1	1	1

Changes to the number of contract days provided by ACIs:

2013	2014	2015	2016
1 634	1 960	1 661	1 598

Recruitment

The quality of interpreting at the Court remains fundamental in order to ensure good communication between the parties' agents, on the one hand, and the members of the courts on the other. High quality is dependent on the availability of the Institution's permanent interpreters, 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 stand-by interpreters whom it is necessary to recruit. The range of language combinations to be covered at a hearing is inherently unforeseeable and 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 continues to be carried out through EPSO competitions and inter-institutional selection tests in Brussels for accrediting ACIs for all the official languages.

As regards the posts subject to the Staff Regulations, with the exception of the Director and a coordinator, all the administrators in the department – including Heads of Unit – continue to work in booths as conference interpreters, and no purely administrative posts have been created within the department.

In 2016, the Interpretation Directorate made use of 246 ACIs in order to meet its needs. Those interpreters provided a total of 1 598 ACI contract days, or an average of 42 contract days per week of judicial activity.

- **The risks associated with those operations and the effective and efficient 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.

Constraints

The interpretation service must comply with the language rules prescribed by the basic texts governing the activity of the Court. The Institution is unable to control demand, as it is primarily dependent on the number of cases brought, the language of the proceedings as well as the number of interveners during the oral procedure and the Members of the Chamber involved. In addition, the hearings are scheduled at increasingly short notice, and increasingly at the same time on the same half-day.

Since the language regime of a hearing is likely to undergo last-minute alterations, the Institution is sometimes obliged to bear the costs of cancelled contracts. However, in order to address the financial risk arising from cancelling the recruitment of an ACI, the Interpretation Directorate cooperates closely with the interpretation services of other institutions of the European Union to allow those contracts to be taken on.

Supervisory measures introduced

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

In 2016 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 interpreting services are provided to the courts exclusively on the basis of their actual language needs, in accordance with their Rules of Procedure.

Continual training efforts are necessary in order to increase the linguistic flexibility of the department through language learning. Accordingly, the permanent interpreters of the Court must master at least three working languages in addition to their mother tongue; in 2015, the average was four, most of the interpreters who are officials having added another working language to their existing language combination, having passed a language addition test following intensive study after joining the service.

In order to deal with the financial risk (mentioned earlier) in the event of cancelling interpretation, the Directorate has strengthened its cooperation with the registries, and has suspended long-term employment of ACIs, while taking the necessary steps to ensure that ACI contracts can be taken on by other institutions of the European Union. In 2016, 22% of cancelled ACIs could thus be re-deployed thanks to inter-institutional cooperation, which helped limit costs.

1.3.3 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 its 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 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.



1.4 LIBRARY, RESEARCH AND DOCUMENTATION DIRECTORATE GENERAL

The Library, Research and Documentation Directorate General consists of the Library Directorate, which comprises two Units, and the Research and Documentation Directorate, which comprises three Units.

1.4.1 LIBRARY DIRECTORATE

1.4.1.1. MISSION AND GOALS

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

The objectives pursued by the Directorate, by sphere of activity, are summarised in the table below:

OBJECTIVES BY SPHERE OF ACTIVITY

Paper publications	Purchase of publications in paper format, including subscriptions to periodicals or collections.
Electronic publications	Purchase of publications in electronic format and subscriptions to databases.
Catalogue	Recording the publications acquired in the digital catalogue.
Users	Making the publications acquired available to in-house users, by way of consultation (on-site or online, depending on the format of the publication), simple loan or permanent loan.
Subscriptions	Managing subscriptions to journals and periodicals.

Currently, **the Library catalogue** contains more than 472 000 bibliographic notices, of which 278 000 relate to EU law and approximately 200 000 notices on international law, comparative law, general theory of law and the law of the Member States of the Union and certain third countries. In addition, 322 000 notices refer to

academic legal articles, the fruit of work involving systematic sifting of collections and periodicals to which the library is a subscriber, which contribute to the added value represented by this catalogue at world level.

The catalogue's hosting on the Internet now enables lawyers from outside of the Institution to carry out very specific bibliographical research relating to the fields of law covered by the catalogue, especially EU law, the specialist field par excellence of the Library of the Court.

1.4.1.2 RESULTS OF OPERATIONS AND CONTROL OF RISKS ASSOCIATED WITH THOSE OPERATIONS

• Results of the operations by reference to the objectives set

Paper publications	Purchases of works in paper format	5 589
Electronic publications	Total number of electronic applications	2 800
	Applications concerning legal periodicals	>1 000
	<ul style="list-style-type: none"> • In 2016, there were 36 618 consultations relating to digital library applications (not counting electronic journals and applications for which there are no statistical data because they can be consulted directly via the Internet); • The Library has access to the full text of 880 periodical titles (773 journals and 107 year books), the number of titles being 4.77% more than in the previous year. 	
Catalogue	New references in the catalogue (monographs and articles resulting from the analysis of journals and collections)	24 388
Users	Permanent loans (works lent for an indefinite period to in-house readers at their request)	1 401
	Ordinary loans (works lent to in-house users for a fixed period of 15 or 30 days)	6 880
	External users (Library visits by legal students and researchers, university academic staff and lawyers)	447
Subscriptions	New subscriptions to periodicals and year books	9

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

The risk analysis exercise, carried out by the Institution for the seventh consecutive year, enabled the Directorate to determine the overall adequacy of **the documentation** concerning procedures followed within the department in order to deal with the most significant risks (beyond those linked to budget management for which procedure sheets were previously established in accordance with internal control standard No 10).

The most significant risk for the Library Directorate remains the risk of being unable to deal with its growing **workload**, not only in relation to indexing and cataloguing, but also in relation to the financial and administrative management of framework contracts concluded following a public procurement procedure. To this end, and in order to optimise the allocation of resources in the medium and long term, the library's management has identified synergies, not only within the department, but also by looking for possible cooperation with external partners. Internally, a great effort is being made to streamline workflows, not only in respect of administrative and financial management, but also regarding cataloguing and indexing of books and periodicals of the library's stock. Externally, in 2016, a working group chaired by the Director-General of the Library, Research and Documentation was set up, in particular to study all possibilities for exchanging information (bibliographic records) with other libraries.

The **risks associated with the Library's current operations** (acquisition of books, periodicals and licences for electronic services) could be contained by means of the Court's internal control system and the

optimum use of the Library's integrated management system (particularly in relation to the management and monitoring of the numbers of periodicals to which the Library subscribes, timely requests to the publishers of volumes not received, reminders sent to internal readers who have not returned borrowed books on time, etc.). Moreover, 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 General for Infrastructures. Finally, it must be added too that the Library asks members of the Institution's staff who have lost or damaged borrowed works to refund the cost of purchase of those works.

Risks **associated with the hosting of the catalogue on the Internet** (various server or software malfunctions, risks to the Institution's addresses arising from cyber-attacks, etc.) are contained through cooperation with the Directorate for Information Technologies, on the one hand, and the company that owns the software and server used, on the other.

Likewise, **risks linked to the adaptation of the classification plan** (loss of data, malfunction of the interactive plan) are completely contained by the controls which have been put in place.

In addition, the Library has pursued its policy of cooperation with suppliers based in the countries where the works concerned (in particular, legal publications and dictionaries) are published, which allows it to make significant savings on the corresponding orders while receiving without delay the publications concerned. Furthermore, in the context of that co-operation policy, a great deal of attention is being paid to developments in the legal publishing market, in particular with regard to the 'library of the future', *inter alia* in order to assess the respective share of the documentation in digital format and in paper format. This is a major challenge that must take into account both the evolution of publishers' practices and the new needs of users and requires a high degree of responsiveness.

1.4.1.3 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.

The library management also consults with the European Commission's counterpart service to see how far co-operation can be envisaged and to have feedback in the context of implementing a discovery tool.

1.4.2 RESEARCH AND DOCUMENTATION DIRECTORATE (RDD)

1.4.2.1 MISSION AND OBJECTIVES

The **mission** of the RDD is to assist the 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 monitoring legal developments, particularly in national law, in areas connected with the activity of the Institution.

The objectives pursued by the Directorate, by sphere of activity, are summarised in the table below:

OBJECTIVES BY SPHERE OF ACTIVITY	
Assisting judicial activity	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.
Analysing and disseminating case-law	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.
Monitoring legal developments	Monitoring documents relating to national case-law concerning EU law and notes of academic literature concerning decisions of the Courts of the Union.
	Drawing up newsletters with information on legal developments relating to EU law, including <i>Reflets</i> and <i>Actualités législatives et jurisprudentielles</i> .
Administration of databases	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.
	Organisation of training relating to IT applications intended for staff of the Institution.

It should be noted that RDD is heavily involved in various **committees and working groups** that define the future of the Institution's IT framework, such as the Steering Committee of the **ECM** programme, chaired by its Director General and its Case-Law Research sub-group, chaired by its director. It is also involved in the steering committee of the **digital Court Reports**, and in the steering committee of the **Gendoc** project.

Furthermore, externally, the RDD also represents the Court within the Joint Council on constitutional justice of the Venice Commission of the Council of Europe and participates, through contacts between documentation services, in the works of the Association of the Councils of States and Supreme Administrative Jurisdictions of the Member States.

1.4.2.2 RESULTS OF OPERATIONS, CONTROL OF ASSOCIATED RISKS

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

Assisting judicial activity	Pre examinations	460
	Initial review of approvals	55
	Research notes	15
Analysing and disseminating case-law	Summaries	1 221
	National decisions (Monitoring requests for a preliminary ruling)	179
	<ul style="list-style-type: none"> • A new edition of the trademark case-law bulletin was published in 2016. • The chapters concerning the case-law of the Court of Justice and the General Court were written for the Court's Annual Report. 	
Monitoring legal developments	National decisions (not including monitoring)	637
	Notes of academic literature	3 734
	<ul style="list-style-type: none"> • 2 new issues of the bulletin <i>Reflets</i> were published; • 1 new issue of <i>Actualités législatives et jurisprudentielles de l'Union européenne</i>, devoted to part-time, permanent and temporary employment contracts, was published in 2016. 	
Administration of databases	Direct actions registered	1 191
	Decisions of the EU judicial bodies, the metadata of which have been fed into the internal databases and EUR-Lex	1 496
	<ul style="list-style-type: none"> • The work relating to the modernisation of Minidoc continued in 2016 with the bringing into production of the pre-examination module which made it possible to significantly modify the workflows and contributed to the qualitative improvement of the pre-examination sheets. Furthermore, work on the national decisions module reached a stage of advancement allowing production to start in the second quarter of 2017. • In the course of 2016, the RDD continued to explore the long-term possibilities of automating certain analytical work on judicial decisions. 	
	Minidoc II training (participants not including RDD)	65

- **Risks associated with those operations and the effective and efficient functioning of the internal control system of the Research and Documentation Directorate**

Like the Library Directorate, the RDD identified the most significant risks and updated the procedures to be followed in order to deal with those risks, inter alia so as to be able to ensure that urgent preliminary ruling procedures are processed in good time, even **in a crisis situation**.

Overall, the most significant risk for the RDD remains the risk of being unable to deal with **its workload**, the regular increase in which is due, on the one hand, to the fact that most of its activities are directly related to a continuing and substantial increase in judicial activity which should accelerate with the enlargement of the General Court and, on the other, to the extension of the scope of its activities resulting from the assignment of new tasks and the need constantly to adapt the quality of its output to new requirements indicated by the users thereof, in particular by the Members of the Institution.

As is the case for the Institution as a whole, the RDD has no means of influencing the size of its workload, which is mainly dependent on the **volume of litigation**, which creates a significant risk with regard to **compliance with time-limits and maintenance of the quality** of the products produced and disseminated by the RDD.

In order to limit the impact of those risks, and not add to the current workload, in 2016 the RDD launched a negotiated procedure to outsource the correction of the English version of the database of multilingual summaries. Furthermore, in order to alleviate the case-law analysis workload, the methodology for drafting summaries was modified to limit the resources required for their preparation and translation. The RDD also plans to outsource by 2018 the analysis of legal citations and that of decisions that are the subject of a Bulletin in the second part of the Court Reports. As regards the tasks related to legal analysis, during 2016 the RDD increased 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.

As in previous years, the deadlines given for all activities of the Directorate are monitored with the help of databases which allow the Heads of Unit and the Director 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 technology. In that regard, although the intense involvement of the Directorate staff in various IT projects represented a heavy workload in 2016, greater than that quantified in previous years ('pre-examination' and 'national decisions' Minidoc 3 modules, work on the new search engine of the Institution, work on the frame of reference for national courts...), that investment in the development and modernisation of IT tools is the guarantee, in the medium and long-term, of future improvements in productivity which will make it possible better to cope with the workload arising from the projected increased volume of litigation.

Finally, a characteristic risk for the RDD is the loss of skills due to a **high staff turnover rate** of the Directorate (9 departures and 11 arrivals in 2016).

In order to limit the impact of this turnover, various actions have been undertaken, notably in the training of new employees and updating manuals intended to guide staff in the performance of their duties. Furthermore, as a result of the EPSO competitions (for the German, Bulgarian, Irish, Lithuanian, Hungarian and Slovakian legal systems) organised in 2015 and 2016 and an internal competition for institutions in 2016, for administrator posts in the area of legal data processing, the RDD was able to recruit administrators (grades AD7 and AD5), as officials, which should contribute, to some extent, to limiting staff turnover. Finally, as in previous years, management continued its efforts to provide a system of immediate recruitment of an official or the appointment of a temporary/contract staff member as soon as there is budgetary availability, in order to make effective use of all possibilities of extending the number of legal systems represented and to ensure sensible distribution of the various tasks to be carried out. The few vacancies in the AD staff have made it possible to conclude short-term temporary staff member contracts in order to meet specific and urgent management needs, and this until the possible recruitment of officials.

1.4.2.3 INTER-INSTITUTIONAL COOPERATION

The Directorate provides assistance to the staff departments and judicial departments of the other institutions by placing the various results of its work, including case-law bulletins, at their disposal.

Moreover, in 2016, members of the Directorate staff were members of EPSO competition selection boards.

On an inter-institutional level, the Directorate ensured that the Institution was represented in the following ways:

- ▶ 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.



1.5 PROTOCOL AND VISITS DIRECTORATE

1.5.1 MISSION AND OBJECTIVES

The Protocol and Visits Directorate (PVD) is responsible for all the events and activities involving representation of the Institution and of its Members, in particular formal sittings and official visits, and the planning and management of the reception policy of the Court, including seminars and the various types of visits. It also manages works of art entrusted to the Court, in conjunction with the Directorate General for Infrastructures.

Functionally, the PVD consists of a protocol team directly attached to the director, as well as the seminars and visits unit. The various sectors work with the support of a central financial team.

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

- **Results of operations in relation to main objectives**

Protocol Service

As has been noted in previous years, activities involving representation have for some time been undergoing a qualitative change in the direction of increasing support for the life of the Court. Thus, and in particular from 2012 onwards, the directorate has exercised, in addition to strictly ceremonial activities, a broader function, including the organisation of exceptional events, such as symposia or seminars, planned on the occasion of court celebrations. It has also been noted that those activities, which are difficult to quantify or measure, are expanding.

In 2016 the Protocol Directorate organised 73 events, in all categories. The ceremonial events, in the strict sense, were as follows: 7 formal sittings, 29 official visits and 9 courtesy visits (that is 45 events compared to 38 in 2015).

The PVD also organised two conferences and three seminars, including the Judges' Forum, which in 2016 was intended for judges of the highest national courts. The Forum was held from 13 to 15 November and brought together 144 participants from 27 Member States. That event, which was attended by employees from all the services of the PVD, was organised over a period of six months. A special investment was required to manage the IT and linguistic aspects as well as during the course of the event.

Seminar and visits service

The activity in the seminars and visits service reached an unprecedented level in 2016: 14 564 visitors, divided into 648 groups, were received at the Court.

The seminars activity, the preparation of which is particularly demanding, since it is addressed almost exclusively to groups of magistrates, is steadily increasing, with a year-on-year increase in the number of days devoted to it. Like the Judges' Forum, the seminars constitute a key opportunity to enhance relations between the Court and the national courts.

In 2016, 108 seminar days were organised for an audience of 1 918 participants. These results represent an increase of 18.5% compared to 2015, which confirms the growing trend of interest shown by legal professionals in this type of event. It is important to note that the seminar service develops tailor-made programmes which are tailored to the demands of the groups and which allow the Court to pursue the objective of familiarising the participants with the functioning of the Institution, the practice of EU law and the preliminary ruling procedure.

The favourable development of the seminar activity is also the result of numerous exchanges with the various judicial authorities and the close co-operation that the Court has established with the European networks specialised in legal training.

Regarding the visits activity, the team received a total of 12 646 visitors, divided into 540 groups.

The organisation of visits makes it possible to reach a wide public and to provide better information to citizens on the judicial institution and on EU case-law. In 2016, the visit forms were modified: from now on, the 'MyVisit' application allows those wishing to visit the Court to freely choose, from the programme elements proposed by the PVD, those that best correspond to their interests and knowledge of law.

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

The PVD continuously revises its working procedures, in order to adapt them at any given moment to the needs of organising various types of events, thereby increasing its effectiveness and, as a consequence, the quality of its services.

Accordingly, in the context of enhanced security measures established by the Court following the terrorist attacks in some Member States in 2015 and 2016, the PVD has revised its procedures in order to deal with extraordinary situations in the best possible way. The Court's Internet site now contains information intended to alert the public that hosting activities of the Institution may be cancelled.

1.5.3 INTER-INSTITUTIONAL COOPERATION

In 2016, the visits service of the institutions in Luxembourg organised joint visits on many occasions. The Seminars and Visits Unit participated in about ten such visits, in particular with Eurostat and the EIB. Cooperation of this kind is also foreseen with the EFTA Court.

Furthermore, the 'Seminars and Visits' unit took the initiative of organising an informal meeting between the visiting services concerned. At that meeting, it was decided that, as a first step, those services would share more fully all information relating to the organisation of visits.

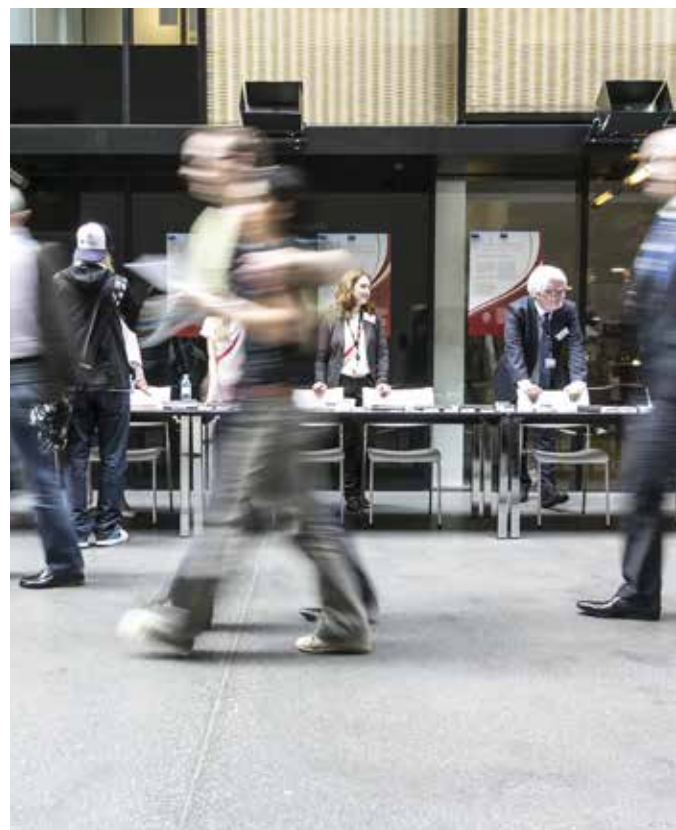


1.6 COMMUNICATION DIRECTORATE

1.6.1 MISSION AND OBJECTIVES

The Communication Directorate is responsible for all events and activities involving communication (internal and external), information and archiving of the Institution and, in particular:

- ▶ dissemination to the media (including social media) and to the public of information on the judicial activity of the Court of Justice and the General Court of the European Union;
- ▶ management of the Court's information publications intended for a wide audience (annual report, leaflets, brochures and ad hoc publications), coordination of the publishing activities of the Institution as a whole (including Internet, Intranet and Extranet sites) and, more generally, internal communication activities;
- ▶ management of all requests for access to administrative documents of the Court, management of the historical archives of the Institution and processing requests for access to historical archives (in cooperation with the European University Institute in Florence).



1.6.2 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

In the context of *external communication*, in 2016 the Directorate has drafted a total of 147 press releases representing 1 810 language versions. It also sent out 487 newsletters to correspondents interested in the activities of the Institution (including 2 139 journalists from all countries).

The Directorate identified, in 2016, about 7 592 articles in the European and international press in connection with the Institution or decisions of the Institution, all languages combined.

It also organised, for the attention of the audiovisual media, the retransmission of formal sittings, pronouncement of judgments and readings of the Opinions of the Advocates-General on 59 occasions.

The Press and Information Unit of the Directorate also responds to questions from citizens who contact the Institution to obtain information on its activities and functioning. In 2016, the Directorate handled about 10 000 e-mails and 7 800 telephone calls.

In 2016, the Directorate also organised 41 meetings with journalists and the media and 58 interviews for Members of the Courts.

The Directorate can also be found on Twitter with two accounts (English and French) and a total of 31 700 followers. In 2016, 258 tweets were sent, mainly on judgments, orders and Opinions.

As webmaster, moreover, the Directorate manages the website. The website was the subject of about 7 000 interventions during 2016 (mostly in the 23 official languages covered by the Institution), including the revision and migration of pages concerning the former Civil Service Tribunal. Likewise, it was migrated to JaliOS 9 in order to improve the technical processing of the site and its pages.

Concerning *internal communication*, the Directorate manages the website of the Institution. The new Intranet of the Court, put online on 1 February, was also the occasion to redesign the Intranet sites of the various services. The management thus created 12 Intranet sites, 3 of which are still undergoing processing. In particular, a total of 1 000 requests for on-site intervention from the various services were processed in 2016. Almost a hundred (94) boxed texts have also been specifically created to highlight and draw the attention of readers to certain information published on both the Internet and the Intranet. The Court's Intranet is consulted by 2 000 to 2 500 people per day, representing a total of 3 330 545 pages viewed per year and a total of 1 104 762 documents downloaded.

In 2016, in conjunction with an outside company, the Directorate created the Court's first app (for iOS and Android) with a search function allowing mobile consultation of the Court's calendar, the latest press releases and latest case-law decisions.

Furthermore, the Directorate has continued the weekly newsletter introduced at the end of 2015 and intended primarily for staff: 34 issues (32 weekly and 2 special issues) were published during the year.

The Directorate also published the Institution's 2015 annual report, the judicial report (with a total of 1886 tables or graphs processed manually and individually), the overview of the year and the management report. Furthermore, the Directorate designed, developed and/or updated a dozen other publications, such as leaflets and brochures (7), books (2), or cover pages. It was also responsible for the layout of various

publications and created other communication materials (App Store signatures, calendars, exhibition boards, mouse pads, computer graphics, logos, posters and maps).

In conjunction with an external company, the Directorate has for the first time created four animated videos about the Court, intended to explain to the general public how the Court works. In addition, it organised several communication actions devoted to exhibitions and the Open Day and carried out information campaigns for several services or events.

Finally, the Directorate has completely redesigned the Extranet, which is intended, at this stage, essentially for former Members of the Court. The new Extranet now offers the weekly newsletter 'News@Curia', as well as the publications of the Research and Documentation Directorate.

With regard to *access to documents and historical archives*, the Directorate handled, in 2016, 73 requests for access to administrative documents, including 30 formal requests for access (28 initial requests and 2 confirmatory applications), 28 informal requests and 15 requests of various kinds received through channels other than the official form. Moreover, it also handled 8 requests for access to historical archives (concerning 66 case-files) and 2 requests for access to administrative historical archives.

In November 2016, historical archive series of administrative records were sent to Florence, relating to a total of 234 documents. Furthermore, following its dissolution, the CST forwarded to the Directorate its intermediary archives (94 elements), some of which are destined to become historical archives. Finally, the catalogue of legal proceedings for 1979 has been updated: 462 cases were identified, corresponding to 180 case files.

- **The risks associated with those operations and the effective and efficient functioning of the internal control system**

The Directorate has been mainly concerned with the adaptations to be made in order to deal with peaks in activity.

As regards *external communication*, for security reasons the Directorate cancelled the Open Day scheduled for May 2016. A smaller scale replacement day was organised in cooperation with the Luxembourg institutions on 24 September 2016, which allowed a total of 584 visitors to be hosted.

In the area of *internal communication*, the Publications and Electronic Media Unit had to deal with a substantial increase in its workload following, in particular, the redesign of the annual report (entirely completed for the



first time internally with three distinct publications) and the dissolution of the European Union Civil Service Tribunal. To address that increase in workload, the unit has occasionally called on other colleagues and has put in place appropriate procedures that have proved effective.

In the area of *access to documents and the management of historical archives*, it has also been necessary to have resort to other colleagues to process a request for access concerning numerous documents contained in the historical judicial archives (about fifty cases). The staff of the Access to Documents Unit did not have sufficient capacity to meet that previously unusual workload. To alleviate the risk of an insurmountable overload of work in the future, a modification of the procedures governing access to the historical archives is under consideration in order to satisfy the demands while preserving the proper use of resources.

1.6.3 INTER-INSTITUTIONAL COOPERATION

The Directorate has cooperated with the corresponding departments of other European Institutions, and particularly the European Commission, on a regular basis. To increase the visibility and media impact of the cases, images of the delivery of judgments or readings of Opinions have been disseminated on the Audiovisual Service of the Commission (EBS).

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 provides the Directorate with modern technical services provided by selected subcontractors, using the expertise of the Office, in accordance with competitive tendering procedures.

The Directorate has also participated on several occasions in 2016 in the Inter-institutional Internet Editorial Committee (CEiii), managed by the Communication Directorate of the European Commission, in the Management Committee of the Publications Office and the Inter-institutional Digital Publishing Committee (IDPC) as well as the editorial board of the official directory of the European Union.

In the context of the *management of historical archives*, the Directorate works closely and regularly with the Historical Archives of the European Union (HAEU). It also participates in the Inter-institutional Archives Group (IIAG), of which the Institution is a member, and in the European Archives Group (EAG) within which the Institution has the status of observer. Lastly, the transmission of the 'historical archives' files in 2016 was carried out jointly with the European Parliament.



2. OTHER ADMINISTRATIVE SUPPORT ACTIVITIES

2.1 DIRECTORATE GENERAL FOR INFRASTRUCTURE (DGI)

2.1.1 MISSION AND OBJECTIVES

The Directorate General for Infrastructure (DGI) supports the judicial and administrative activity of the Institution through its three directorates:

- ▶ The **Directorate for Buildings (DB)**, the task of which is to develop, operate and maintain the property assets of the Court, in accordance with the highest standards of security, safety, comfort and sustainable management, and in compliance with sound budgetary and financial management;
- ▶ the **Directorate for Logistics (DL)**, the task of which is to make available to the Members and services of the Institution the operational and logistical teams, equipment, supplies and publications they require to perform their duties in the best possible conditions;
- ▶ the **Directorate for Information Technologies (DIT)**, the task of which is to provide a set of IT systems and services that enable the Court to fulfil its mission effectively.
- ▶ The main objectives of the DGI for 2016 were as follows:
 - ▶ to ensure that the Institution has adequate infrastructure (buildings) to perform its duties. In particular, to observe the schedule and budget of the 3rd tower project (DB);
 - ▶ to ensure the preservation and maintenance of the built heritage of the Institution (DB);
 - ▶ to guarantee the security of the premises of the Court and the safety of those occupying it (DB);
 - ▶ to facilitate the exercise of the judicial activity through the service of court officers at hearings, provision of transcripts of hearings, the reproduction of procedural documents, etc. (DL);

- ▶ to help to make available to the Members and staff a suitable logistical environment, both for the exercise of the professional activity itself (provision of furniture and equipment, paper, gowns, etc.) and in the work environment and social relations (restaurant, cafeteria, etc.) (DL);
- ▶ to participate in actions to assist the dissemination of the activity of the Institution by ensuring publication of the Reports of case-law and putting judgments, opinions of the court, orders and Opinions online (DL);
- ▶ to adapt the applications and services provided by IT to the structural reform of the courts (DIT);
- ▶ to continue the overhaul of the IT systems and put in place IT tools to improve working methods, in particular with the ECM¹² programme and a new SDL translation assistance system (DIT);
- ▶ to ensure the security of the Court's IT systems (DIT).

2.1.2 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 main objectives

DB: The project to construct the fifth extension of the Palais of the Court made good progress in 2016: finalisation of the earthworks and the start of the construction of the third tower and the extension of the car park, in accordance with the schedule.

The fitting-out work in the premises allowed the new judges of the General Court to be received, following the reform of that court, in the best possible conditions.

In 2016, in view of the context of terrorist risk, the suitability of the institution's security system was critically examined by a police service of a Member State specialised in the subject. This resulted in a catalogue of upgrading measures, both in terms of organisation and infrastructure. It was possible for the Court's services to implement a significant number of measures during 2016. Certain onerous measures will require building permit and contracting procedures prior to their implementation. These include the construction of a protective perimeter around the Court complex, which will incorporate pavilions that allow access control upstream from the existing entrances, as well as some specific upgrading work. The relevant studies and procedures were initiated in 2016 and will be completed in 2017 with a view to carrying out the work thereafter.

New secure premises for processing classified information were also completed in 2016 (FIDUCIA).

Efforts to reduce the environmental footprint of the Institution have resulted in the achievement of EMAS registration at the end of 2016.

DL: The Directorate has continued its organisational and technical streamlining efforts. In line with previous years, its operating budget has been reduced in 2016 by over 6% in relation to the previous year (budget reduction of about 30% over five years), while improving the quality of the service.

During 2016, the chain of production of the 'document by document' digital case-law Reports was introduced. This now allows users to access case-law documents on-line and in a very short time: the period of time between delivery of the judgment or service of the order and publication in the Reports is approximately 24 to 48 hours for the French version and the versions in the languages of the case.

¹²| Enterprise Content Management, application for Court's documents

Moreover, the programme to increase the production of the electronic case-law Reports continued: the General Reports and the Reports of Staff Cases were enhanced with the case-law of 2015 and the first volumes of 2016, in accordance with the objectives that had been set. Compared to paper case-law Reports, the production costs of the electronic case-law Reports were divided by six and the production time by two.

The year 2016 was also marked by the launch of two initiatives aimed at improving both the effectiveness of internal management and the service offered to users. As regards improving internal management, the Directorate has initiated the actions required in order to map operational processes under its control using the Business Process Management (BPM) methodology. This mapping will be the basis for the introduction of team calibration tools focused on the analysis of activity volumes and working time. In terms of improving the service provided, the Directorate has initiated a study to explore possible solutions to problems arising from sitting for prolonged periods. The results of that survey will provide operational and budgetary information on possible innovations in terms of office equipment ('active furniture').

DIT: The judicial information system has been adapted to take account of the structural reform of the courts. Tools that significantly increase efficiency, by modifying the working methods of the Court's services, continue to be put in place. SDL, the new system to assist in the translation of judgments and procedural documents, will be fully integrated into the Court's information system in early 2017. A new system of case-law analysis is being progressively delivered to the Research and Documentation Directorate. The DIT has also progressed with the ECM programme, which remains a priority for 2017. Finally, technical improvements have been made to e-Curia: the Court wishes to further develop the use of this application for all forms of judicial proceedings and better integrate it with other IT applications.

With regard to administrative information systems, the Court continued to use, wherever possible, applications in common with other institutions. In the field of human resources management, the Court, in cooperation with the Commission, implemented new modules of Sysper II and prepared for the use of a new training management system. In the area of financial management, it implemented new modules of the SAP financial management application, shared in particular with the Council.

Finally, the Court continued the programme to renew the IT network which had been launched in 2008, during the fourth extension of its buildings.

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

The main risk relates to the non-availability of infrastructures, including undermining the security of the buildings and its occupants, the availability and the confidentiality of information systems. Internal control measures taken and established to contain that risk are described below, by directorate.

DB: The risks mentioned are mitigated by the continuity plan, in particular by regular evacuation exercises, the strengthening of security measures in the event of an increase in the alert level and the independent monitoring of the quality of services provided by the security company.

DL: The main risk to the physical integrity of persons is managed by means of random checks on compliance with hygiene rules by an outside body in order to contain the risk of food poisoning.

DIT: The risks relating to the availability and confidentiality of the information systems are mitigated by the continuity plan, in particular the transfer between the two data centres. They are also mitigated, on the one hand, by the information systems security policy and, on the other, by multi-year planning of activities.

In accordance with the recommendations of the Internal Auditor, the Court's current IT framework contracts systematically include agreements on service levels and quality assurance plans. Several satisfaction surveys

of Helpdesk users reflect the quality of the service provided, which has improved considerably as a result of actions implemented by the DIT, in particular with regard to management of its service providers.

** Follow-up of Internal Auditor's recommendations*

DB: The Directorate General continued to implement the audit recommendations on insurance, in particular by conducting a study on the extent to which the Institution's risk profile is consistent with its insurance coverage.

2.1.3 INTER-INSTITUTIONAL COOPERATION

DB: In 2016, the Directorate for Buildings 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).

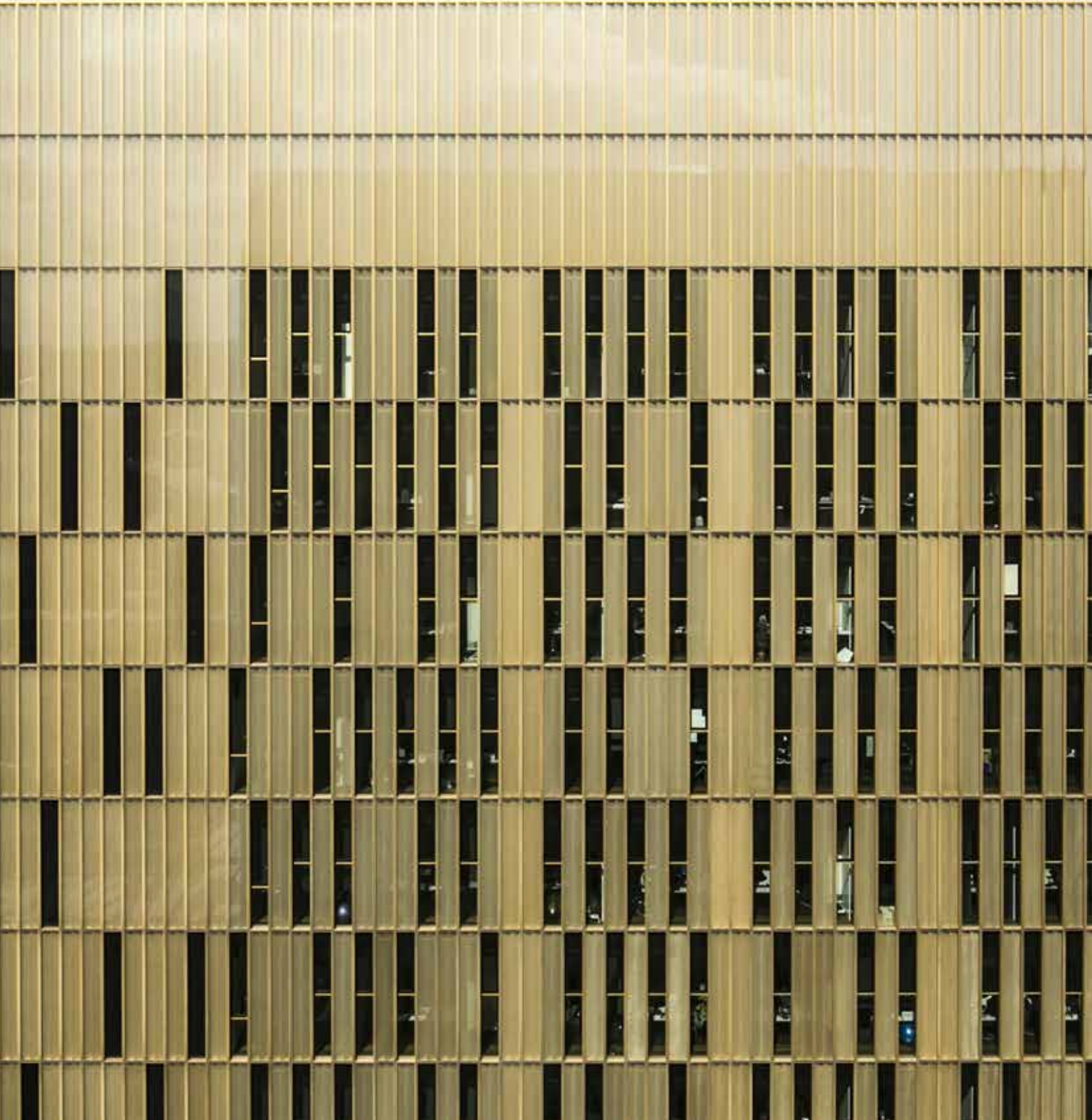
In the environmental field, a representative of the Court participates in the work of ECONET (the network of EMAS coordinators of the Union institutions) and the GIME (Inter-institutional environmental management group).

In 2016, the Court also set up a working group with the Commission to exchange experience in major real estate projects.

DL: One of the consolidated policies of the Directorate for Logistics to take maximum possible advantage of inter-institutional calls for tenders, in order to benefit from better prices on the market and to optimise the associated management costs. In that context, in 2016 the Directorate also continued to preside over inter-institutional meetings concerning its field of activity.

DIT: 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). Developments have been implemented or prepared for the financial management and training management tools.
- ▶ 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 - Comité interinstitutionnel de l'informatique) and its sub-groups, to share problems and solutions at inter-institutional level, the Steering Committee of the CERT-EU (Computer Emergency Response Team for EU Institutions, bodies and agencies) and the FORMATS group of the Publications Office.





2.2 DIRECTORATE GENERAL OF PERSONNEL AND FINANCE

As its name indicates, the Directorate General of Personnel and Finance covers activities connected with staff management and activities connected with management of the budget and financial matters (organised within two separate Directorates).

2.2.1 HUMAN RESOURCES AND PERSONNEL ADMINISTRATION DIRECTORATE

2.2.1.1 MISSION AND OBJECTIVES

The mission of the Human Resources and Personnel Administration Directorate ('HRD') consists of the design and implementation of policies related to staff management. The HRD, therefore, has the role of interlocutor for the departments responsible for the following:

- ▶ centralising, coordinating and monitoring the various requests and procedures relating to the recruitment of officials and servants 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 (general, specific, at the request of various departments, language, office and IT training), as well as targeted staff information sessions;
- ▶ managing the budget allocated to remuneration and missions, and payment of salaries.

Those activities concern all staff members (temporary and contractual) in service in the institution who, on 31 December 2016, were distributed as follows:

DISTRIBUTION OF STAFF BY EMPLOYMENT STATUS	
Officials	1 421
Temporary staff	601
Contract staff	146
TOTAL	2 168

These activities were carried out with the assistance of the 64 officials and other staff who constitute the HRD (ratio of 2.9% in relation to the staff of the Institution):

2.2.1.2 RESULTS OF THE OPERATIONS BY REFERENCE 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**

During 2016, work on the integration of the Sysper II staff management application, managed by the European Commission, was continued. The 'Career' and 'Rights' modules were supplied with verified and consolidated data, thanks to a significant investment of resources of the competent units in terms of quality control of the data.

The 'Rights' module was enhanced with the electronic document generation feature, regarding employment, tax and school certificates as well as an online registration interface for declarations regarding school, children, professional activity and transfer of pension rights. That computerised management contributes to a significant rationalisation of the activity of managing the various requests and to an interaction with the users concerned.

In addition, the opening of the e-CV module made it possible to record data on the qualifications and skills of a large number of the Court's staff so that, with a view to future transversal projects, the Institution could have an up-to-date mapping of the profiles and skills of its staff.

- **Results achieved in the field of recruitment and the management of rights under the Staff Regulations**

During 2016, HRD sent **2 295 candidate proposal files**, drawn up by its services, to the various appointing authorities.

The activity of the units was significant, with a constant increase in their workload and in the number of cases and requests handled in almost all areas falling within their competence:

Activity	Year 2016	Year 2015
Recruitments	357	307
Procedures for filling permanent posts	193	103
	145 vacancy notices	
	48 transfer notices	
Traineeships	245	242
	188 unpaid traineeships in cabinets	
	57 paid traineeships stages in departments	
Working conditions (Requests handled relating to part-time arrangements, parental and family leave, flexitime and teleworking)	2 074	2 145
Termination of service due to retirement	53	45
Termination of service for other reasons	6 pension files processed (determination)	6 pension files processed (determination)
	12 transitional allowance files processed	4 transitional allowance files processed
	3 survivors' pension files	3 survivors' pension files
Family allowances (education allowances, dependent child allowances, household allowances, notifications of appointment, file notes)	4 518 interventions	(figure not available)
Annual leave and special leave	9 509 requests	8 975 requests
Accident reports	134	118
Accidents	148 files closed	128 files closed
Medical examinations	48	47
Interventions of the medical service	2 556	2 335

- **Results achieved in the field of professional training**

The 'Annual training plan: 2016 guidelines' was again drawn up, like those of 2014 and 2015, on the basis of the 5-year strategic training framework, by establishing a reference framework and priority areas of work with a view to implementing a professional training at the Court using an approach based on career and skill development.

The following training was organised:

Type of training	Year 2016		Year 2015	
	Participants	Training days	Participants	Training days
General training	1 935	1 830	1 588	1 605
Language training	1 527	10 991	1 575	12 651
Office and IT training	2 352	2 989	1 634	1 157

- ▶ Several specific training courses were also organised, such as the training for lawyer-linguists and interpreters (level 9-12), conversation classes in English and French, legal language training sessions for legal secretaries or administrators.
- ▶ Two e-learning type training courses were introduced, together with several video tutorials, to become familiar with new IT applications and office tools.
- ▶ 12 days of training for 64 participants in the field of safety and fire prevention in partnership with the Buildings and Security Unit.
- ▶ In the field of management, a training program related to the pilot project 'Development of managerial and management skills'.
- ▶ Organisation of the Learning Day 2016 on well-being at work.

• Results achieved in the field of professional training

In 2016, following the introduction of Sysper II, the number of transactions codified by the Remunerations and Missions unit decreased significantly to 10 480, a decrease of 17.5% compared to the previous year.

In the same period, the number of checks of automated decisions from Sysper II to NAP has increased significantly.

The budget administered by the unit for the remunerations and missions of the staff of the Institution continues to increase, amounting to EUR 263.4 million in 2016 as against EUR 260.3 million in 2015. As regards the 'missions' item, it remained almost stable with an increase of 2%.

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

Constraints

In the event of crisis, the major risks linked to the activities of the HRD concern the making of payments, maintaining the medical and welfare officer services, recruitments and/or termination of service strictly essential to the functioning of the Institution.

Control measures introduced

- ▶ The HRD continuity plan, drawn up in accordance with the guidelines for the identification and assessment of risk proposed by the Directorate for Budgetary and Financial Matters and the Internal Auditor of the

Institution, as well as the establishment of the working group, constitute two structural measures to ensure the follow-up of the essential missions of the HRD in the event of a crisis.

- ▶ As regards the technological monitoring aimed at the rationalisation of the IT activities of the HRD, the Sysper II application for the electronic management of human resources was gradually introduced for the modules belonging to the various units of the HRD and continues to be enhanced as it is supplied with new data or the acquisition of additional management tools. It makes it possible to avoid manual encoding and calculation errors, and to automate various procedures. This application also makes it possible to compile advanced statistics and to cross-check information, resulting in optimal control of the situation of staff of the Institution and of their administrative traceability and working conditions.
- ▶ Possibilities for simplifying administrative procedures are continuously identified, and the versatility, flexibility, and even the transversal mobility of staff in relation to various tasks are examined and looked at in greater depth. The sharing of knowledge and know-how is a major priority in order to avoid any risk of loss of expertise acquired by colleagues, who successfully manage significant areas of activity.
- ▶ In order to ensure better compliance with the regulatory framework (the Staff Regulations and the Financial Regulation), the publication of internal decisions and the staff vade-mecum (information and management of knowledge) helps to optimise staff management while striving for a high quality level of its services, as does the Directorate for Budgetary and Financial Matters' financial training activity and support.

2.2.1.3 INTER-INSTITUTIONAL COOPERATION

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

In addition to the traditional participation of the Directorate in the meetings of the Board of Heads of Administration, chaired by the Registrar of the Court of Justice, this collaboration 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 COPARCO for finalising competition notices;
 - use of EPSO reserve lists to obtain an overall view of the profiles of the successful candidates and proactive recruitment processes;
 - 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:

- human resources management in the Sysper II inter-institutional IT application, allowing monitoring of the rate of occupation of posts, career development, statutory rights, absences, work arrangements, equal opportunities, etc.
- remuneration management using the NAP (New Payroll System) application



- ▶ The HRD also implemented in 2016 the outsourcing of some of its activities in order to better manage the capacity of its production in relation to the resources allocated and in order to face the continuous increase in its workload in the current constraining budgetary environment.

More specifically, the exercise of the powers of the Appointing Authority in the areas of transfer of pension rights, the severance grant and unemployment benefit has been delegated to the European Commission, with effect from 1 July 2016. That delegation was made necessary by the obligation to reduce staff, imposed on the services of the Institution (and therefore also weighing on HRD) in order to comply with the Inter-institutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management. During the first weeks following the delegation decision, the HRD managers assisted staff who encountered administrative or technical difficulties.

At the end of the few months that have elapsed since the launch of this operation, a twofold conclusion can be drawn: first, that the staff of the Institution now systematically turn to the competent services of the Commission and, secondly, that the cooperation between the management service of the Court and that of the Commission is ongoing and satisfactory and has already brought about the expected gains in terms of reducing the workload of internal managers.

- ▶ Cooperation with the Council and the Court of Auditors for the management of budget appropriations and the implementation of payments using the SAP application.
- ▶ Inter-institutional consultation to ensure a harmonised application of the Staff Regulations or prior to the launch of a new procedure 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.
- ▶ Constructive dialogue with the other institutions for the organisation of language courses, seminars and inter-institutional conferences.

2.2.2 DIRECTORATE FOR BUDGETARY AND FINANCIAL MATTERS (DBFM)

2.2.2.1 MISSION AND MAIN ACTIVITIES

In general, the Directorate seeks to make a major contribution to ensuring that the Institution's financial architecture and internal control is robust and that relevant and transparent budgetary information is disseminated both within and outside the Court. Its main activities are as follows:

- ▶ **Drawing up and monitoring the budget**, with the objectives, externally, to provide information of quality to the budgetary and discharge authority by way of presenting estimates, transfer requests or other specific reports and, internally, to provide maximum support to the authorising services in order to optimise the management of appropriations.
- ▶ **Assistance and advice regarding internal control and public procurement**: the main objective is to contribute to improved efficiency of the internal control systems within the Institution, most particularly in the area of public procurement and risk analysis.
- ▶ **Ex ante and ex post verifications**: to ensure the ex ante verification of the Institution's financial operations and ex post verifications with the objective of ensuring compliance with the requirements of the legality and regularity of all expenditure, and the application of the principle of sound financial management. The same applies to factors relating to the determination and alteration of rights of staff subject to the Staff Regulations which have a financial impact.
- ▶ **General Accounting and Financial Management**, the objective being to accomplish all the tasks incumbent on the accounting officer under the provisions of Article 68 of the Financial Regulation and to provide to the departments of the Institution the required accounting and financial expertise.
- ▶ **Assistance/advice relating to the development and use of the integrated management system (SOSII-SAP)**, the objective being to ensure its optimal operation.

2.2.2.2 RESULTS OF OPERATIONS IN RELATION TO THE OBJECTIVES SET, CONTAINMENT OF RISKS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

• Results of the operations by reference to the objectives set

As regards the activity of **drawing up and monitoring the budget**, the process of drawing up the 2017 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 2015 budget year and those required for the due implementation of appropriations in that of 2016 (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**, that is dealt with in Chapter IV 'Functioning of the internal control system'.

As regards **accounting and financial management**, the 2015 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. In terms of volume of operations, virtually stable management indicators can be observed (number of payments made, number of new suppliers/officials

recorded in the legal entities file ...) in comparison with previous years. An exception concerns the number of invoices received, which grew at an average annual rate of around 5%.

As **regards assistance/advice relating to the development and use of the integrated management system (SOSII-SAP)**, 2016 saw the finalisation or continuation of ongoing projects, including in particular the registration and monitoring in SOSII-SAP of purchase requests and of contract award procedures, as well as the receipt of electronic invoices.

- **The risks associated with those operations and the functioning of internal control**

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 year (reporting).

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**, that is dealt with in 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 2015 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.

2.2.2.3 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 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...).



2.3 LEGAL ADVISER ON ADMINISTRATIVE MATTERS

2.3.1 MISSION AND OBJECTIVES

The recurrent activities of the Legal Adviser are mainly the following:

- ▶ representing the Institution in proceedings in which it is a party before the courts and tribunals of the European Union, and in particular the preparation of written and oral pleadings;
- ▶ assisting the Institution's three Committees who 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;
- ▶ writing opinions and providing assistance to the departments of the Institution on legal issues in relation to the Institution's administrative activity and, specifically, in relation to public procurement, reviewing proposed documents for invitations to tender or contracts;
- ▶ 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.

Overview of various activities in 2016

Court proceedings

On 1 January 2016, eleven cases were pending against the Institution before the Courts of the European Union. In 2016, 5 new cases were brought. Of those 16 cases in total, 12 were still pending on 31 December 2016.

The cases pending in 2016 related to actions for damages brought against the Institution for alleged losses resulting, inter alia, from a failure on the part of a court of the European Union to comply with the obligation to give a ruling within a reasonable period (9 cases), staff cases (6 cases) and public procurement (1 case). All those cases together have led the Legal Adviser to prepare 18 written pleadings and 37 other procedural documents and to make representations before the courts of the European Union on 4 occasions. The Institution has been successful in all cases in which a judgment or an order was delivered in 2016 (4 cases).

Complaints

As regards dealing with complaints brought under Article 90(2) of the Staff Regulations of Officials of the European Union, 6 complaints were under investigation on 1 January 2016 and 7 complaints were brought in 2016. Those 13 complaints were the subject of an express decision during 2016. The Institution's committees empowered to rule on complaints held a total of five meetings.

Legal advice and assistance

In 2016, the department of the Legal Adviser received around 120 internal consultations, which related to various fields, such as public procurement, contracts and obligations, staff cases, access to documents, the system of protection for whistle-blowers, security, the protection of personal data and intellectual property law. Furthermore, certain internal consultations continued over a period of time and thus required a significant investment of human resources from the department of the Legal Adviser.

Proceedings before the Ombudsman

In 2016, two sets of proceedings before the Ombudsman required the intervention of the Legal Adviser. In one of those cases, his action took the form of submitting the reply to a request for information from the Ombudsman following a complaint which the latter had received. That reply led the Ombudsman to dismiss the complaint without further action. In the other case, which concerned a decision of the European Ombudsman finding that there had been no maladministration, accompanied by some recommendations, the case was being processed on 31 December 2016.

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 11 meetings of that Committee in 2016, for which it also drafted the minutes, and contributed to the preparation of 29 opinions issued by it during that year.



2.4 THE DATA PROTECTION OFFICER

2.4.1 MISSION AND OBJECTIVES

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

Before initiating data processing, the controller must notify the data protection officer. The data protection officer keeps a register of operations identified (notified or otherwise) and a register of notified operations.

Examination of processing carried out or envisaged

In the exercise of those functions, in 2016 the data protection officer examined 22 personal data processing operations carried out or envisaged by the services of the Institution. He sought clarification from those services, made recommendations, requested updates on notifications, and assisted those responsible for processing regarding the preparation of processing notifications and their annexes. In 2016, 5 processing operations were notified and 10 processing operations were the subject of a draft notification (including updates of notified operations).

Cooperation in the context of the prior checking procedure

The data protection officer cooperated with the services of the Institution and/or the European Data Protection Supervisor (EDPS) in two proceedings brought by the latter in accordance with Article 27 of Regulation No 45/2001.

Consultations by the services

The data protection officer was consulted 22 times by the Institution's services on data protection issues.

Raising awareness

On the occasion of Data Protection Day, on 28 January 2016 an interview with the Data Protection Officer was published in the newsletter of the Institution ('news@curia').

In cooperation with the Communication Directorate, the new intranet site of the data protection officer was developed and launched in October 2016.

2.4.2 INTER-INSTITUTIONAL COOPERATION

EDPS

Apart from the prior checking files, the data protection officer handled several files in cooperation with the EDPS. In that context, the data protection officer commented on draft EDPS guidelines.

The EDPS visited the Court on 30 September 2016 as part of its initiative regarding the accountability principle, as introduced by the General Data Protection Regulation (EU regulation 2016/679). The data protection officer, who participated in the organisation and smooth running of that visit, made a presentation on that occasion. Furthermore, the data protection officer's new intranet site was presented to the EDPS in the context of a working meeting.

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.

1. THE IMPLEMENTATION OF APPROPRIATIONS

EUR million

Budget chapters	Final appropriations 2015	% Implementation 2015	Final appropriations 2016	Commitments of appropriations	% Implementation 2016
10 - Members of the institution	26.9	98.7%	32.9	30.3	92.2%
12 - Officials and temporary staff	215.8	99.0%	227.9	225.9	99.1%
14 - Other staff and external service providers	18.7	99.8%	21.2	20.7	97.4%
16 - Other expenditure related to persons connected with the Institution	5.3	96.6%	6.3	6.0	94.5%
Title 1 Sub-total	266.7	99.0%	288.3	282.9	98.1%
20 - Buildings and associated costs	65.6	99.4%	65.2	64.7	99.3%
21 - Data processing, equipment and moveable property	20.4	99.8%	21.9	21.5	98.4%
23 - Current administrative expenditure	1.7	96.0%	1.5	1.2	79.3%
25 - Meetings and conferences	0.6	89.9%	0.5	0.5	95.5%
27-37 - Information: purchasing, archiving, production and distribution	2.1	98.5%	2.6	2.5	93.9%
Titles 2 and 3 Sub-total	90.4	99.3%	91.7	90.4	98.6%
100 - Provisional appropriation	0	0%	0	0	0%
COURT TOTAL	357.1	99.1%	380.0	373.3	98.2%

Source: Report on budgetary and financial management for the financial year 2016

Thus, overall, the rate of implementation of appropriations in 2016 was very high (98.2%) but slightly lower than in 2015 (99.1%). In that regard, the phased appointment of new Members to the General Court during 2016, rather than appointing those new judges at the end of 2015 as initially foreseen, explains, in particular, this difference as compared to the budget implementation for the year 2015.

2. 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	2016		
	Number of posts	%	
Cabinets	537	25.9	Cabinets of Members of the Court of Justice and of Members of the General Court
Registries	136	6.6	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	1 001	48.3	Translation (922); Interpretation (79)
Administrative, logistical and IT support services	298	14.3	Administration, protocol and information, publication, legal adviser, internal audit, staff committee and IT
Total	2 073	100	

The developments that distinguish the establishment plan for 2016 from that for 2015 are as follows:

- concerning the creation of new posts, it should be pointed out, on the one hand, that **51 new temporary posts for 12 cabinets at the General Court, 20 temporary posts in the context of merging the Civil Service Tribunal with the General Court (7 new cabinets at the General Court from 1 September 2016) and 17 permanent posts at the Registry of the General Court** were created to prevent any bottleneck that would be detrimental to the productivity of that court in a context in which the number of its judges will be doubled between 2016 and 2019. On the other hand, it must be noted that **7 permanent posts were created to strengthen the security of the Institution;**

- the **reduction of staff** in line with the target of - 5% set for the period 2013-2017, which resulted in the shedding of 20 permanent posts in 2016.

The distribution of posts by activity remains similar to that in previous years, with just over 85% of posts devoted to judicial and linguistic activities.

With regard to the **occupation rate of posts**, it remains at a very high level (close to 98%) in 2016 due to sustained judicial activity (which requires recruitment to be carried out quickly and comprehensively for all posts which have fallen vacant) but also by the shedding of 1% of the staff, which increases the workload of the remaining staff.

IV. FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

• Overall assessment of the costs and benefits of controls

On that subject, it is important to point out that, in recent years, efficient and effective functioning of the internal control system has been one of the priorities of the Court. That system is based, inter alia, 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.
- ▶ Separation of tasks within the departments, with **verification agents** in most of the authorising departments who carry out initial checks on the validity of all 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, has helped 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 existence of a **centralised ex ante verification department**, included in the DBFM, which carries out **ex ante controls** on all financial transactions at the Court.
- ▶ 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** Unit providing the Institution with (i) a guarantee as to the degree of control over operations carried out in implementation of the budget and (ii) advice on improving the conditions under which those operations are carried out and on encouraging sound financial management. The Internal Audit Unit is attached to the office of the President of the Court and the Internal Auditor enjoys full autonomy in conducting his audits.

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; and
 - ▶ 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.
- **Results of activities and management indicators relating to activities of verification, assistance and advice on internal control and internal audit**

Ex ante verification

Since 15 June 2016, a new simplified circuit (without centralised ex ante verification) has been set up for certain transactions of very low value¹³, 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.

For example, in 2016, 20 103 transactions were verified by the Financial Assistance, Budget and Verification Unit, compared with 21 786 in 2015, and 2 119 transactions of very low value were the subject of the new simplified financial circuit (without centralised ex ante verification). Consequently, and in particular as a result of the application of this new simplified financial circuit, the workload of the ex ante verification decreased by 7.7% as compared to 2015.

Had this new circuit not been introduced, this workload would have increased by 2% as compared to 2015, having risen by nearly 1.5% between 2014 and 2015.

In 2016, the average time for processing transactions submitted for validation was 7.5 days.

In the year 2016, the verification unit returned to the originating agents, for alteration or cancellation, a total of 596 accounting and budgetary documents, which is about 4% of the documents 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 2016 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. During 2016, two ex-post controls were carried out:

- ▶ An ex post control concerning remuneration, which revealed certain weaknesses in the implementation of the human resources management system (SysperII). On the other hand, the results of the substantive

13| The transactions concerned by that simplified circuit are those not exceeding EUR 700 for the Translation Directorate General and those not exceeding EUR 200 for all other services.

tests on a sample of payments were satisfactory and no error with a financial impact was detected in respect of the salary amounts analysed.

- ▶ An ex post control on the expenditure related to the budget item 2026 'Security and surveillance of buildings', the results of which were satisfactory, no financial error having been detected in respect of the transactions analysed.

Assistance and advice on internal control and public procurement

Continued efforts were made to improve the quality of the support offered to authorising services with regard to application of the Financial Regulation, more particularly in the complex area of public procurement.

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 aimed at encouraging a sustainable consumption model).

2016 was the first full year of use of the SAP-Procurement module, which enabled the various stages of the contract award procedures to be integrated into the SAP application: 59 procurement requests were processed by the Contracts cell of the Financial Assistance, Budget and Verification Unit, with an average processing time of 1.97 days.

As regards the preventive analysis of the complete tender files ('pre-referral'), during the year 2016, 18 pre-referral cases were processed by the unit, with an average processing period of 6 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.

In addition, a brainstorming session on whether the minimum internal control standards should be updated was launched, in cooperation with the other institutions, to take account also of the upgrade being carried out by the Commission.

Internal audit

In accordance with Article 99 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 stated in that report, sent separately, audits were completed in 2016 in the following areas:

- ▶ Review of expenditure and the conditions of use of official cars;
- ▶ Organisational audit of the cabinet of the Registrar of the Court of Justice, requested by the Registrar;
- ▶ Audit of compliance with regulatory requirements for financial reporting and public procurement;
- ▶ Audit of staff selection procedures.

Furthermore, the study initiated by the internal auditor in 2015 and the work in progress, to identify possible ways to enhance administrative synergies between the court registries, had to be stopped at the beginning of 2016 so as not to interfere with the Court of Auditors' review of the Court's performance. Nevertheless, the initial results of that task made it possible to identify the work already carried out and to identify ways of deepening the synergies between the registries and the common services of the Institution in several areas (administrative, communication, human resources, IT, etc.). It was found that simplifying and modernising the

IT applications of the registries would facilitate increased harmonisation of the work flows and methods and, consequently, enhance administrative synergies between the court registries.

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 2016 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 2016. Those results represent the best indicator of the effectiveness of the Institution's internal audit service and the readiness of the audited services to react with the objective of strengthening the internal control systems of the Institution.

- **Risks associated with the operations and the efficient and effective 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 2015 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 the fact that the controls may be carried out over too long a period or incorrectly. In order to mitigate those risks, rules for prioritisation in the processing of files were established, and cross-checks and checklists are used for some transactions.

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

The charter of the authorising officer's duties, as amended by the Administrative Committee of the Court on 30 June 2014, 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.

Observations made by the Court of Auditors

It is important to note that the Court of Auditors stated in its recent **2015 Annual Report** that 'the audit did not identify any significant weakness in respect of the topics audited for the Court of Justice'.

The results of the 2015 controls thus confirm the previous absence of comments from the Court of Auditors since 2010.

Lastly, it should be stated that the Court of Auditors did not produce any special report in 2016 concerning the Court.

Observations made by the discharge authority

The resolution voted on by the Committee on Budgetary Control on 27 April 2017 relating to the Court concerns, first, the **conclusions of the work of the Court of Auditors** relating to 2015, and states on the basis of those conclusions that **no significant weaknesses had been identified** and that **management of its administrative expenditure was free from material error** (paragraphs 1 and 2).

The resolution also sets out **a number of positive points** concerning the functioning of the Court's services. These concern, in particular, a very high budget implementation rate (99% in 2015, identical to that of 2014) (paragraph 3), improvements made to the e-Curia application (paragraph 19), the very active recruitment policy of the Court leading to a very high rate of occupation of posts (98%) (paragraph 22), staff exchanges between the Court and the European Central Bank (paragraph 23), the satisfactory operation of the translation service activities (paragraph 31), the Court's commitment to high environmental objectives (paragraph 33), the opening of the historical archives in Florence (paragraph 35), and the Court's initiative to publish its annual report in a new format (paragraph 36).

With regard to **other observations/recommendations relating to administrative or language activities**, the Court continues to consider them with the greatest attention. As regards the invitation to set specific, measurable, achievable, relevant and timed targets (SMART), the Court's departments are already setting their targets on that basis, those targets serving as the basis for their budgetary requests and their action plans. As regards the introduction of the principle of performance-based budgeting, the Institution carefully monitors developments in that area and the feasibility of applying it to a purely administrative budget such as its own (paragraph 6). The Court also gives the utmost importance to the European Parliament's invitation to improve computer security in parallel with the digitalisation of documents (paragraph 19).

As regards the desire for increased Inter-institutional cooperation in the area of translation (paragraph 29), it is important to stress that, given the crucial nature of translation activities, this is a priority for the Court. In this context, the institutions work together to develop and maintain IT tools (Quest II, Euramis, IATE,

DocFinder, MT@EC), the organisation of competitions, the annual CET 2016 event, and the activities of the Computer Assisted Translation Environment (CATE) group, to name but a few areas of collaboration (see more fully paragraph 1.2.3 above). As regards the comment on the key inter-institutional indicators of activity and performance (paragraph 30), the Court now forms part of the inter-institutional working group which, inter alia, looks into translation costs and, as such, it is working on the presentation of its data in accordance with the harmonised method adopted by that group. This work is expected to result, in the coming months, in the Court's use of this harmonised Inter-institutional method.

Concerning the number of women holding positions of responsibility at the Court (paragraph 24), it should be noted that the Court is working towards a better gender balance with regard to such positions, which is confirmed by data that are relatively more favourable than in other institutions, commended in the discharge resolution. In that spirit, a special working group, consisting of women with various management responsibilities at the Court, has also been constituted to examine the impediments in this area and measures to remove them. Lastly, paragraphs 25 and 26 highlight the European Parliament's concern about the lack of geographical balance in positions of responsibility and call on the Court to work to correct this imbalance, particularly with regard to countries which have joined the European Union since 2004.

Finally, a number of observations concern the Court's principal task, namely the activity of its judicial bodies (paragraphs 7, 8, 9, 10, 11, 12 and 13), and the activity of its Members (paragraphs 15 and 32).

As regards the **activity of the judicial bodies** (Court of Justice, General Court and Civil Service Tribunal), the Court notes with satisfaction the **positive comments commending the level of productivity achieved in 2015**. The very favourable data well demonstrate the effectiveness of the measures taken, year on year, in order to meet the challenge of the increased volume of litigation. The **overall statistics over a long period** (2007-2016) **clearly reflect the scale of the productivity improvements achieved** (increase of + 46% with respect to the annual number of cases completed whereas the increase in the number of support services staff has been restricted to + 3.5% over the same period). In that context, the **legislative decision on strengthening the General Court and also including a simplification of the judicial architecture of the Union** (reduction of the number of judicial bodies from three to two), adopted at the end of 2015, will sustainably promote the handling of ever more numerous cases before the Court. That legislative decision provides for analysis of the impact desired by the European Parliament in its discharge resolution. The Court also notes that the European Parliament considers that an impact assessment should be carried out in respect of the years of activity of the Civil Service Tribunal.

As regards the paragraphs concerning the Members of the courts, the Court has recently recast the Code of Conduct for Members and former Members (OJ 2016/C 48 3/01), which entered into force on 1 January 2017, which responds to Parliament's observations regarding the conditions for carrying out external activities and the publication of financial interests. Furthermore, the Court will publish those external activities of the Members, in accordance with the provisions of the Code of Conduct (paragraph 15). Likewise, the European Parliament notes the revision of the internal rules concerning the management of the car fleet in co-operation with the Court of Auditors, and also invites the Court to examine the possibility of reducing the number of vehicles and increasing controls on its private use (paragraph 32). This latter aspect was specifically addressed in the revision of the rules and led to a reduction in the annual lump-sum corresponding to the assessment of travel for the performance of the Members' duties.

Other points raised, such as information relating to meetings other than those relating to judicial activity (paragraphs 17 and 18), those relating to the rules on 'revolving doors' (paragraphs 22 and 28) and those relating to declarations of absence of conflicts of interest (paragraph 28) will be examined with the utmost attention by our Institution.

In general, all the actions and measures described above demonstrate the Court's concern to **implement as rapidly as possible the recommendations of the discharge authority** and at the same time confirm that the Court is **open-minded and determined constantly to improve the efficiency of the management of all its activities**. It is in the same constructive spirit, commended in paragraph 20 of the discharge resolution, that the Court worked closely with the team of auditors designated by the Court of Auditors to execute the performance review of the Institution, carried out in 2016 at the request of the European Parliament. The final report of the Court of Auditors is expected to be published in 2017.

ANNEXES

ANNEX 1

REPORT ON STAFF POLICY

1. INTRODUCTION

In accordance with Article 38(3)(b)(ii) of the Financial Regulation, this document outlines the Court's policy 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. STAFF NUMBERS

At the end of the financial year, **2 168 people**, 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	1421	65%
Temporary staff	601	28%
Contract staff	146	7%
TOTAL	2 168	100%

DISTRIBUTION OF STAFF BY FUNCTION GROUP		% of the Institution's staff
AD	1218	56%
AST	749	35%
AST/SC	55	2%
CS	146	7%
TOTAL	2 168	100%

The average age of the Institution's staff was **44 years** (43 years for women and 45 years for men), distributed as follows by age bracket:

23-29	4%
30-39	31%
40-49	37%
50-59	23%
60-66	5%

3. RECRUITMENT AND OCCUPATION OF POSTS

3.1 PERMANENT STAFF

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, secondly, filling the permanent posts with permanent staff as far as possible.

The efforts made have led to a very high rate of occupation of posts in all the services (almost 98%) notwithstanding certain difficulties which have a direct impact on the recruitment procedures, such as the low level of the basic salaries for the starting grades or career development opportunities in Luxembourg, perceived as more limited by applicants.

3.2 TEMPORARY CABINET STAFF

386 posts granted by the budgetary authority were filled by temporary staff engaged in the Cabinets (Chambers) of the Members of the Institution, pursuant to Article 2(c) of the Conditions of Employment of Other Servants of the European Communities ('CEOS'). The rate of occupation of posts in the Cabinets is 100%.

3.3 TEMPORARY STAFF IN THE COURT'S SERVICES

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 reserve 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 165, 21 of whom were engaged to replace officials on secondment. 56 members of the temporary staff under Article 2(a) of the CEOS were engaged to replace officials temporarily.

3.3.2 MEMBERS OF THE CONTRACT STAFF

Contract staff in active employment at the Court come within the scope of Article 3a or 3b of the Conditions of Employment of Other Servants.

As regards the first category of contract staff, these staff are entrusted with manual or administrative support service tasks and have nearly all passed a general selection procedure organised by the Institution or by EPSO. At the end of the financial year, 81 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 the second category of contract staff, these staff are recruited to replace officials 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 Translation Directorate General (using appropriations specifically allocated by the budgetary authority for that purpose). At the end of the financial year, 65 contract staff for auxiliary tasks were in service at the Court, representing approximately 3% of the Institution's staff.

4. EQUAL OPPORTUNITIES

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

DISTRIBUTION OF STAFF BY FUNCTION GROUP AND GENDER		% of the Institution's staff
WOMEN		
AD	640	60%
AST	575	
AST/SC	44	
CS	47	
TOTAL WOMEN	1306	
MEN		
AD	578	40%
AST	174	
AST/SC	11	
CS	99	
TOTAL MEN	862	
OVERALL TOTAL	2168	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 establishment plan, that 53% of the employees in the AD function group are women.

As regards management posts specifically, the rate of occupation of those posts by women (22% of senior management and 38% of middle management) — as is apparent from the table annexed to this report illustrating the distribution of management posts by nationality and gender — is attributable, essentially, to the limited number and structure of the Court's administrative bodies, since the availability of management posts is less than in other larger institutions. However, the increase in the rate of occupation of the senior management posts by women — a rate of occupation which stood at 18% in 2015 — should be highlighted.

Both the structure of the Court's staff and the determined policy of equal opportunities which has just been referred to point, foreshadows however a gradual improvement in those statistics. In 2016, the Court's administration launched a pilot project for the development of managerial and management know-how skills aimed in particular at encouraging women to apply for management posts. In addition, a working group comprising female managers in the Institution was called upon to identify obstacles which may act as a brake on women's access to management posts and to propose, where appropriate, incentives or remedial measures.

5. CAREER MANAGEMENT

5.1 HORIZONTAL MOBILITY

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

5.2 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 327 officials in the 2016 promotion exercise in line with 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, one official from the Court was selected to participate in the training programme organised by the European School of Administration in 2016. That procedure generates great interest among the employees in the AST function group and contributes to better skills management within the Court. Of a total of 21 people selected since 2005 to participate in such a programme, 15 have already been appointed administrator.

5.3 INTER-INSTITUTIONAL MOBILITY

Staff have 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 aspire to a career in a large institution or to a place of recruitment other than Luxembourg. That mobility contributes also to the enrichment of the other institutions' recruitment profiles, in particular in the field of law.

In a total of 48 recruitment procedures open to the officials of other institutions, organised and completed during 2016, nine officials were transferred to the Court. 17 officials from the Court were transferred to other institutions.

An example of inter-institutional mobility which should be mentioned is the staff exchange project established by the Translation Directorate General with a view to job shadowing and the exchange of good practice in the field of translation and terminology. In the context of that exchange, two Croatian-language and German-language lawyer-linguists from the Court were seconded to the European Parliament, while two Croatian-language and German language lawyer-linguists from the European Parliament were in turn hosted in the translation units at the Court.

In addition, reference should also be made to the exchanges with the European Central Bank in Frankfurt, which has already on several occasions hosted lawyer-linguists from the Translation Directorate General. Those exchanges, which are very useful, occur in the context of the acquisition of new knowledge and skills by the Institution's officials through the work methods encountered in other institutions or international organisations.

5.4 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 Cabinets of the Members are the units at the heart of the judicial activity. It is in the Cabinets that the judicial activity proper is undertaken (namely the drafting of the judgments, orders and Opinions). The services provide the means necessary either to develop that 'production' (registries, research and documentation, administration, French translation, interpretation) or to disseminate it (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 account for more than a quarter of total staff, introduces an element of rigidity which limits the possibilities of redeployment.

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. The allocation of staff in Cabinets cannot be altered without infringing the rule on equal treatment between the Members or depriving those Members of the means necessary to perform their tasks.

As regards the services, 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 reason for a large-scale redeployment of staff from one service to another to take account of the need, for example, to fulfil new tasks or implement new policies.

6. STREAMLINING OF ACTIVITIES

The Court, like all the other institutions, is faced with a harsh budgetary context which requires even greater efforts in the management of human resources and the difficult choices sometimes faced.

In 2016, the Court continued its efforts to reduce staff by the 5% required over the period 2013-2017, in order to achieve in 2017 the ultimate objective of returning 98 posts. It must be emphasised that the burden of the reductions in staff made has fallen exclusively on the support services, which have thereby sustained an actual reduction in staff of 6.5%, since the choice had to be made to preserve the Institution's core activity (the courts) in the context of a large increase in cases. In that context, it must be stressed that the Court is particularly affected by the conditions for applying the reduction in staff provided for, which take no account of the Institution's level of activity during the period 2013-2017, since the Court of Justice is completely unable to regulate the number of cases brought before its courts.

Consequently, in order to preserve the judicial activity proper, the different support services 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, streamlining administrative processing/procedures as much as possible by the more extensive use of IT tools or achieving 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 services 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.

7. WORKING CONDITIONS

Flexible working hours and the teleworking introduced within the services 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 2016, occasionally or for longer periods throughout the year, the Court's staff have benefited from the following working arrangements and part-time work:

Type of measure	2016 Number
Part-time working	389
Structural part-time working	53
Parental leave	386
Family leave	18
Flexible working hours	897
Teleworking	270

It should be noted in that regard that the Court uses the 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.

8. COMMUNICATION AND SOCIAL DIALOGUE

The modernisation of the Intranet sites of several services 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. All that information strengthens commitment to the ethics and values of the Court and contributes to a high level of involvement of its human capital.

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 trade unions.

9. TRAINING

Training and the continuous development of skills plays an essential role for the Court's staff.

An induction programme enables newcomers to become acquainted with the various administrative services 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 services.

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

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 for heads of service or heads of teams each year with the aim of increasing the awareness of staff in both AD and AST function groups of the issues linked, inter alia, to personal effectiveness, time and stress management, project management and conflict management.

The establishment in 2016 of a new skills management policy, which is currently the subject of an ongoing pilot project comprising several training modules, was with a view to improving and enriching the options for personal development and further training, on the one hand, and improving the conditions relating to women's access to management posts, on the other.

10. HEALTH AND SAFETY

In 2016, the Institution appointed four officials as designated employees responsible for the activities designed to prevent and protect against occupational risks in the Institution. More specifically, the designated employees in question have been entrusted with those activities in the areas of catering, safety, facility management and occupational health, by establishing the appropriate policies in their field, keeping the relevant documentation and legislation in the field up to date and organising staff information and awareness campaigns.

11. INFORMATION AND PROTECTION OF WHISTLEBLOWERS

In 2016, the Court adopted guidelines on information and protection of whistleblowers. In the light of the requirements of integrity, impartiality and good administrative behaviour which must govern the functioning of an EU institution, optimal conditions have been established enabling staff to comply with their obligations under Article 22a and 22b of the Staff Regulations. The regulatory framework concerning the transmission of a warning on possible illegal activity detrimental to the interests of the European Union, or of conduct relating to the discharge of professional duties which may constitute a serious failure to comply with the obligations of any person in the service of an institution has, therefore, been completed. In particular, rules have been introduced designed to protect the whistleblower's legitimate interests and private life, inter alia through the prohibition of retaliatory measures and a strict regulation of the possibility of disclosing his identity.

Annex 1

Court of Justice of the European Union

		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	31	30	119	121	71	8	97	63	119	114	47	80	42	23	2		640
	AST	2	39	2		1	74	54	39	26	6	4						575
	AST/SC																	44
F Total		33	69	121	121	117	82	151	102	145	120	51	80	42	23	2		1259
M	AD	3	5	46	35	43	15	10	8	7	71	64	100	45	56	7	2	578
	AST	9	9	2		23	1	81	55	73	71	2						174
	AST/SC																	11
M Total		3	14	48	35	66	16	91	63	80	71	66	100	45	56	7	2	763
Total		36	83	169	156	183	98	242	165	225	191	117	180	87	79	9	2	2022

Annex 2

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
Germany	75	44	1	3	1	1		125
Austria	14	5						19
Belgium	107	69	6	9	1	1		193
Bulgaria	33	17	3			1		54
Cyprus	2	2						4
Croatia	28	10	1		1	3		43
Denmark	35	11	2	1		1		50
Spain	74	41	5			2		122
Estonia	30	12	2			1		45
Finland	31	17				2	1	51
France	181	217	17	35	6	3	1	460
Greece	46	35		3	1	3	1	89
Hungary	40	16	1		1	2	1	61
Ireland	14	9				1		24
Italy	80	44		12	3	2	1	142
Latvia	34	11	2			1		48
Lithuania	33	17				1		51
Luxembourg	9	18		5	1			33
Malta	24	8	2			2		36
Netherlands	21	6		1		1		29
Poland	44	26	1	2		2	1	76
Portugal	39	33	2	6		1		81
Czech Republic	34	15	1	1		1		52
Romania	37	18	1	1		1	1	59
United Kingdom	49	13	2	1	1	2		68
Slovakia	34	11	3		1	2		51
Slovenia	31	12	1			1	1	46
Sweden	36	12	2	1		2		53
Others	3							3
Total	1218	749	55	81	17	40	8	2168

Court of Justice of the European Union

DISTRIBUTION BY NATIONALITY AND GENDER OF MANAGEMENT							
COUNTRY	MEN			WOMEN			GRAND TOTAL
	DG/Directors	Heads of Unit	TOTAL	DG/Directors	Heads of Unit	TOTAL	
Germany	2	2	4	1	1	2	6
Austria	0	0	0	0	0	0	0
Belgium	3	5	8	0	1	1	9
Bulgaria	0	1	1	0	0	0	1
Cyprus	0	0	0	0	0	0	0
Croatia	0	0	0	0	1	1	1
Denmark	0	1	1	0	2	2	3
Spain	1	3	4	2	1	3	7
Estonia	1	0	1	0	1	1	2
Finland	0	1	1	1	0	1	2
France	2	5	7	0	3	3	10
Greece	2	2	4	0	0	0	4
Hungary	0	0	0	0	2	2	2
Ireland	1	0	1	0	0	0	1
Italy	1	3	4	0	2	2	6
Latvia	0	1	1	0	1	1	2
Lithuania	0	0	0	0	1	1	1
Luxembourg	0	0	0	0	0	0	0
Malta	0	1	1	0	0	0	1
Netherlands	0	2	2	0	0	0	2
Poland	0	1	1	0	0	0	1
Portugal	0	3	3	0	0	0	3
Czech Republic	0	1	1	0	0	0	1
Romania	0	0	0	0	1	1	1
United Kingdom	1	2	3	1	1	2	5
Slovakia	0	1	1	0	0	0	1
Slovenia	0	0	0	0	1	1	1
Sweden	0	0	0	0	1	1	1
Other	0	0	0	0	0	0	0
TOTAL	14	35	49	5	20	25	74
Including Deputy Head of Unit							

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT FOR THE FINANCIAL YEAR 2016

1 – INTRODUCTION

This report, in accordance with Article 142 of Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union (the Financial Regulation) and Article 227 of the rules of application of that financial regulation, is to *'give an account, both in absolute terms and expressed as a percentage, at least, of the rate of implementation of the appropriations together with summary information on the transfers of appropriations among the various budget items'*. It serves also to describe, first, *'the achievement of the objectives for the year, in accordance with the principle of sound financial management'* and, secondly, *'the financial situation and the events which have had a significant influence on activities during the year'*.

In that context, Chapter 2 of this Report gives an overview of budget implementation in 2016 and Chapter 3 examines in more detail the trends in budget lines by Chapter of the budget of the Court of Justice of the European Union ('the Court' or 'the Institution'). Lastly, the annexes, by means of tables with figures, provide detailed information, in aggregate form and by service, concerning budget implementation in 2016.

With regard to judicial activity sensu stricto, readers are invited to consult the Annual Report of the Court for 2016 on the Curia website (<http://curia.europa.eu/jcms/AnnualReport>), which contains a full analysis of the activity of the Court of Justice, the General Court and the Civil Service Tribunal and detailed statistics for each of those courts.

As those statistics show, 2016 has been a year of **unflagging judicial activity**. The overall number of cases brought before the three courts in 2016 (1 604 cases) was slightly lower than in 2015 (1 711), the year in which the highest number of new cases was brought in the Institution's history, and the number of cases completed in 2016, while also lower than in 2015, has remained at a high level (1 628 cases). Lastly, the **statistics concerning the duration of proceedings are very positive**.

2016 brought implementation, almost in their entirety, of the first two phases of the reform of the judicial structure of the European Union resulting from 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 (OJ 2015 L 341, p. 14). Thus, in the course of 2016, 11 new judges entered into office in the context of the reform's first phase, which provides for an increase of 12 in the number of judges of the General Court. As

regards the second phase, which resulted in the European Union Civil Service Tribunal ceasing to exist and in the transfer of its jurisdiction to the General Court as from 1 September 2016, five additional judges were appointed to the General Court (the procedures for appointing the final two judges, linked to that second phase, were still ongoing at the end of 2016). That reform, by virtue of the number of judges of the General Court being doubled in a three-stage process extending until 2019, will enable the Institution to continue to fulfil its task in the interests of litigants while meeting the objectives of quality and efficiency of justice.

The Court has continued to explore all avenues that might enable it best to pursue its prime objectives of quality and speed in the handling of cases. The main areas of intervention include all spheres of activity: improvement of the working methods of the judicial bodies, strict management of the requirements of multilingualism in full (obligatory in order to communicate with the parties in the language of the case and to ensure that the case-law is disseminated in every one of the Member States) and reducing the relative weight of the horizontal services in order to maintain the working capacity of the Cabinets and, as far as possible, of the services more directly associated with judicial work.

It is important to emphasise the **scale of the increased productivity achieved** by the Court, thanks to the coordinated efforts of the courts and of all the support services which made it possible, over the period 2007-2016, for the **number of cases closed to rise by 46%**, while the **increase in the number of the support services' staff was extremely limited over the same period** (+ 3.5% taking into account enlargement to include Croatia and 0.1% without that enlargement).

Nonetheless, the increase in judicial activity and compliance with the interinstitutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management requiring a 5% reduction in staff over the period 2013-2017, are exerting strong pressure on certain support services, in particular in the linguistic field.

During the year, certain specific reinforcements of appropriations, detailed in the present report, have proved necessary in order to avoid bottlenecks, in particular in the area of translation, likely to delay the handling of cases. This was, first, in order to cover additional needs in the field of external translation and, secondly, to ensure an increase in IT data storage capacity and the workstations' power, as well as ensuring that IT security and the stability of certain management applications were strengthened. In addition, with the aim of reducing the financial burden in relation to future charges concerning the Project for the fifth extension to the buildings of the Court (third tower), a transfer was made in order to finance an advance payment under a lease/purchase contract relating to buildings. Next, an amending budget in the area of security, presented at interinstitutional level by the European Commission, was approved by the budgetary authority at the end of October 2016, the amount allocated to the Court being EUR 1.8 million to be divided between 4 budget lines.

Lastly, **as regards buildings**, the project for the fifth extension to its buildings will make it possible for the Court, as of 2019, to reunite all its staff on one site (giving up the last building still rented) and so increase the efficiency of its services.

2 – OVERVIEW OF BUDGETARY IMPLEMENTATION IN 2016

2.1 – REVENUE

The estimated revenue of the Court for the financial year 2016 was EUR 51 505 000.

As shown in **Table 1** below, the established entitlements in the financial year 2016 come to EUR 49 886 228 and are 3.1% lower than estimated.

Table 1 – Estimated revenue and established entitlements

(in euros)

TITLE	ESTIMATED REVENUE 2016	ESTABLISHED ENTITLEMENTS 2016	% of total
4 - Revenue accruing from persons working with the institutions and other Community bodies	51 505 000.00	49 052 176.16	98.33
5 - Revenue accruing from the administrative operation of the institution	0.00	834 052.18	1.67
9 - Miscellaneous revenue	0.00	0.00	0.00
TOTAL	51 505 000.00	49 886 228.34	100.00
%	100.00%	96.86%	

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 over 98% of all revenue, while revenue in the other Titles represents less than 2% 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 greater part of the total revenue from entitlements carried over and collected in 2016 (99%).

Table 2 – Revenue from entitlements carried over

(in euros)

TITLE	CARRIED OVER 2015 TO 2016	REVENUE FROM ENTITLEMENTS CARRIED OVER	% of total
4 - Revenue accruing from persons working with the institutions and other Community bodies	556.55	556.55	0.98
5 - Revenue accruing from the administrative operation of the institution	71 619.06	56 343.46	99.02
9 - Miscellaneous revenue	0.00	0.00	0.00
TOTAL	72 175.61	56 900.01	100.00
%	100.00%	78.84%	

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 2016 came to EUR 378 187 000. The final appropriations, on the other hand, came to EUR 380 002 000, after inclusion of amending budget 3/2016 concerning security, in the total amount of EUR 1.8 million.

As shown in **Table 3** below, budget implementation for the financial year 2016 amounts to EUR 373 271 167 and represents a very high rate of use of final appropriations of 98.23%, which is slightly below the rate in 2015 (99%) due mainly to the gradual arrival in 2016 of 12 new judges at the General Court corresponding to the first stage of the strengthening of that court (one of those judges had yet to be appointed at the end of 2016).

By way of reminder, when the 2016 draft budget was drawn up at the beginning of 2015, it was thought that all those 12 judges would already have taken up their duties at the beginning of 2016.

In addition, after the Civil Service Tribunal ceased to exist on 1 September 2016 and at the same time its jurisdiction to hear disputes involving the European Union civil service was transferred to the General Court, five new judges were appointed to the General Court (the other two judges had yet to be appointed at the end of 2016), in the context of the second phase of strengthening that court.

As examined in more detail in Chapter 3, both the 2016 budget implementation of Title 1 and Title 2 was very considerable (98.1% and 98.6% respectively as compared with 99% and 99.4% in 2015).

Generally, as in previous years, it may be observed that approximately 75% of the budget implemented by the Court in 2016 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 2016	COMMITMENTS IN THE FINANCIAL YEAR 2016	% of total
1 – Persons working with the institution	288 283 500.00	282 869 178.71	75.78%
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	91 659 500.00	90 394 988.70	24.22%
3 – Expenditure resulting from special functions carried out by the institution	59 000.00	7 000.00	0.00
10 – Other expenditure	0.00	0.00	0.00
TOTAL	380 002 000.00	373 271 167.41	100.00
%	100.00%	98.23%	

Annexes 3, 4a and 4b provide detailed additional data with figures on the use of appropriations in the financial year 2016 (comparison with 2015 and 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 2015 to 2016, the total of which was EUR 19 810 458, a very large proportion was used, as had previously been the case in 2015 (90% in 2016 as compared with 88.4% in 2015).

Table 4 – Use of appropriations carried over

(in euros)

TITLE	APPROPRIATIONS CARRIED OVER 2015 TO 2016	PAYMENTS OUT OF APPROPRIATIONS CARRIED OVER	CANCELLATIONS
1 – Persons working with the institution	4 595 728.77	3 483 433.08	1 112 295.69
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	15 194 201.60	14 339 375.17	854 826.43
3 – Expenditure resulting from special functions carried out by the institution	20 527.28	12 060.80	8 466.48
10 – Other expenditure	0.00	0.00	0.00
TOTAL	19 810 457.65	17 834 869.05	1 975 588.60
%	100.00%	90.03%	9.97%

Annex 4a provides additional detailed information with figures on the use of appropriations carried over from 2015 to 2016.

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 5 below shows details, by title, of the sums of assigned revenue carried over from one financial year to another, and of the assigned revenue established and collected during the financial year. It also shows that the percentage of assigned revenue appropriations carried over from 2015 to 2016 used was very high (93.1%).

Table 5 – Use of assigned revenue

(in euros)

TITLE	ASSIGNED REVENUE CARRIED OVER 2015 TO 2016	ASSIGNED REVENUE 2016	PAYMENTS 2016	CANCELLATION OF ASSIGNED REVENUE FOR 2015 NOT ELIGIBLE FOR CARRYING OVER	ASSIGNED REVENUE CARRIED OVER 2016 TO 2017
1 – Persons working with the institution	294 225.17	368 913.46	278 856.58	15 487.70	368 794.35
2 – Buildings, furniture, equipment and miscellaneous operating expenditure	489 404.35	510 286.65	547 253.95	24 351.93	428 085.12
3 – Expenditure resulting from special functions carried out by the institution	20 553.50	2 391.00	5 000.00	15 553.50	2 391.00
10 – Other expenditure	0.00	0.00	0.00	0.00	0.00
TOTAL	804 183.02	881 591.11	831 110.53	55 393.13	799 270.47

The appropriations of assigned revenue established during the financial year 2016 come to EUR 881 591, almost 80% of which corresponds to revenue from:

- application of a service agreement with the Office of Publications (EUR 250 507);
- reimbursement of costs in respect of the leasing of buildings and reimbursement of expenditure by staff such as telephone calls or public transport (EUR 249 939);
- the sale of electricity produced by the panels of photovoltaic cells (EUR 125 406);
- refunds from insurance companies (EUR 71 370).

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 2016, as shown in Table 6, the Court made 19 budget transfers pursuant to Articles 25 and 27 of the Financial Regulation, representing a total of EUR 13.1 million, or 3.5% of final appropriations. The effects of the various transfers can be seen at item level in Annex 4a.

In part (EUR 6 million, or 45% of the total amount of the transfers made in 2016), those transfers of appropriations were the subject of notification to the budgetary authority in accordance with the provisions of Article 25(1), (2) and (3) and Article 27(3) and (4) of the Financial Regulation.

The largest reinforcement of appropriations concerns a transfer to budget line 2001 'Lease/purchase' to the extent of EUR 2.5 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 buildings of the Court (third tower).

Next, as regards the remaining EUR 3.5 million of transfers, the reinforcements submitted to the budgetary authority made it possible to cope with unforeseen needs under Title 1 'Persons working with the institution' (EUR 1.8 million in order to increase the appropriations for freelance translation and EUR 0.2 million for line 1654 'Early Childhood Centre'), and also under Title 2 'Buildings, furniture, equipment and miscellaneous operating expenditure'. Under Title 2, first, there was a reinforcement of EUR 1.3 million to increase the storage capacity and power of the lawyer-linguists' workstations and to finance a series of urgent measures to strengthen IT security and the stability of the Translation Directorate General's main management application. Secondly, there was a EUR 0.2 million reinforcement in order (i) to ensure the replacement of machines in the reproduction workshop and (ii) to finance the 2016 share of logistical costs and costs of preserving the historical archives of the Court incurred by the European University Institute in Florence.

Table 6 – Transfers of appropriations

(in euros)

TYPE OF TRANSFER	NUMBER OF TRANSFERS IN 2016	TOTAL AMOUNT TRANSFERRED
Title to title	3	3 803 000.00
Chapter to chapter	4	2 125 000.00
Article to article	1	120 000.00
Item to item	11	7 093 565.34
TOTAL	19	13 141 565.34

3 – BUDGET IMPLEMENTATION IN 2016 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 2016 comes to EUR 288 283 500. This funding represents almost 76% of the Court's total budget. Those appropriations were committed to the extent of EUR 282 869 179, a rather high rate of implementation of 98.12% (99% in 2015).

Table 7 – Use of appropriations in the financial year

(in euros)

TITLE 1	APPROPRIATIONS IN THE FINANCIAL YEAR 2016	COMMITMENTS IN THE FINANCIAL YEAR 2016	% of implementation
10 – Members of the institution	32 899 500.00	30 329 098.12	92.19
12 – Officials and temporary staff	227 857 500.00	225 901 709.22	99.14
14 – Other staff and external services	21 190 000.00	20 649 295.78	97.45
16 – Other expenditure relating to persons working with the institution	6 336 500.00	5 989 075.59	94.52
TOTAL	288 283 500.00	282 869 178.71	98.12

3.1.1 CHAPTER 10 – MEMBERS OF THE INSTITUTION

The final appropriations in this Chapter, amounting to EUR 32 899 500, were committed to the extent of EUR 30 329 098, which results in a rate of implementation of 92.2% in 2016 (98.7% in 2015).

It is to be pointed out that a large budget surplus has been made available in this chapter, inter alia:

- because of the fact that the number of Members whose terms of office were not renewed was lower than that envisaged when the 2016 budget was being drawn up (6 departures at the General Court in 2016 as against 9 departures envisaged, and no departures at the Court of Justice in 2016 as against 2 departures envisaged);
- because of the impact on line 102 'Temporary allowances', during 12 months in 2016, of 4 departures at the Court of Justice in October 2015 as against 6 departures initially envisaged;
- and because of the fact the decisions appointing the additional judges to the General Court who had to take up their duties in the context of the first and second stages of that court's reform were adopted very gradually in the course of 2016 or had yet to be adopted as at 31 December 2016, as explained in point 2.2.1 above.

A portion of that surplus, approximately EUR 0.64 million, has been used to reinforce the appropriations of Article 210 'Equipment, operating costs and services related to data processing and telecommunications' in

order to increase the storage capacity and power of the lawyer-linguists' workstations and to finance a series of urgent measures to strengthen IT security and the stability of the Translation Directorate General's main management application. Next, a portion of that surplus has also been used to reinforce the appropriations of line 1654 'Early childhood centre' in Chapter 16, following the increase in the Court's share of expenditure on private crèches compared with the initial forecasts by the managing institution, and following the agreement entered into by the Court with the Office for the Administration and Payment of Individual Entitlements (PMO) for the administration of certain matters concerning the Court's staff.

A further portion of that surplus (EUR 0.45 million) made it possible to finance two arrears of salary paid to the Members of the Institution: first, following the adjustment to salaries of + 2.4% as from 1 July 2015 (as against + 1.2% estimated when the 2016 budget was being drawn up) with a 12-month impact on the 2016 budget and, secondly, following the adjustment of + 3.3% as from 1 July 2016 (as against + 1.8% estimated when the 2016 budget was being drawn up).

3.1.2 CHAPTER 12 – OFFICIALS AND TEMPORARY STAFF

The final appropriations in this Chapter, amounting to EUR 227 857 500, were committed to the extent of EUR 225 901 709, which results in a very high rate of implementation of 99%, as in 2015.

Generally, it is to be borne in mind that Chapter 12 represents the largest volume of appropriations in the Court's 2016 budget (some 60% of the total budget). The surplus established during the financial year 2016 remains, therefore, limited, having regard both to the total amount of those appropriations and to the difficulties of making budget estimates nearly 12 months ahead, using numerous forecasting parameters that are necessarily only estimates (rate of salary increases, tempo of recruitment or turnover, rate of standard abatement ...).

Surpluses have become available in this Chapter because of the higher than estimated number of Members whose terms of office were renewed (see preceding point), which led to fewer staff in the Cabinets being replaced (legal secretaries and assistants employed for temporary posts) and, therefore, to budget savings in terms of installation allowances (for staff entering the service) and resettlement allowances (for staff leaving), but also because of the fact that the decisions appointing the additional judges to the General Court who had to take up their duties in the context of the first and second stages of that court's reform were adopted very gradually in the course of 2016 or had yet to be adopted as at 31 December 2016, as explained in point 2.2.1 above.

A portion of the abovementioned surpluses (EUR 3.4 million) made it possible to finance two arrears of salary paid to the Institution's staff: first, following the adjustment to salaries of + 2.4% as from 1 July 2015 (as against + 1.2% estimated when the 2016 budget was being drawn up) with a 12-month impact on the 2016 budget and, secondly, following the adjustment of + 3.3% as from 1 July 2016 (as against + 1.8% estimated when the 2016 budget was being drawn up) with a 6-month impact on the 2016 budget.

A further portion of those budgetary surpluses (EUR 1.8 million) has been used to reinforce line 1406 'External services in the linguistic field', because of the need to have greater recourse to the services of freelance translators compared with the forecasts initially made in February 2015.

Those budget surpluses have also made it possible to reinforce by EUR 0.9 million the appropriations of Article 210 'Equipment, operating costs and services related to data-processing and telecommunications' of Chapter 21, in order to finance a series of urgent measures to strengthen IT security and the stability of the Translation Directorate General's main management application (see point 2.2.4 above).

In addition, as to the final portion (EUR 2.5 million), those surpluses were used for the 'mopping-up' transfer at the end of 2016 (see point 2.2.4 above).

It is important to emphasise that the proportion of posts occupied remains at the very high rate of almost 98% at the Court, the proportion of vacant posts being around 2% on average, a figure corresponding to normal turnover of staff. Those good results are 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 because of the higher level of the cost of living. The low proportion of vacant posts is also a very good indicator of the heavy workload borne by the services of the Court, having regard to the increase in judicial activity in recent years.

Lastly, 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 pensions and thereby endeavour to improve as much as possible its performance in the implementing of appropriations.

3.1.3 CHAPTER 14 – OTHER STAFF AND EXTERNAL SERVICES

The final appropriations in this Chapter, amounting to EUR 21 190 000, were committed to the extent of EUR 20 649 296, which represents a rate of implementation of 97.45% (99.8% in 2015).

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 item 1400 is 96.4% (as against a rate close to 100% in 2015), which has given rise to savings of appropriations in 2016.

The impact on the budget (EUR 92 000) of two arrears of salary paid to contract agents should be noted: first, following the adjustment to salaries of + 2.4% as from 1 July 2015 (as against + 1.2% estimated when the 2016 budget was being drawn up) with a 12-month impact on the 2016 budget and, secondly, following the adjustment of + 3.3% as from 1 July 2016 (as against + 1.8% estimated when the 2016 budget was being drawn up), with a 6-month impact on the 2016 budget.

Approximately two thirds of total 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 98.15% in 2016 (100% in 2015).

Generally speaking, it is to be recalled that, in the areas of both translation and interpretation, the recourse to external (freelance) personnel constitutes an adjustment variable essential in order to make up for the staff reductions suffered since 2013 in a context of the increased volume of work.

Extension of the measures taken by the courts to reduce the number of pages to be translated or to limit the number of hearings produces, therefore, an immediate effect on the use of the appropriations intended for freelance translators and interpreters. In contrast, for a constant, or even reduced, number of staff covered by the Staff Regulations (as a result of reductions in staff already implemented between 2013 and 2016), any increase in workload leads to more intensive use of freelance appropriations in order to comply with the obligations of multilingualism for the purpose of communicating with the parties in the language of the case and of ensuring that the case-law is disseminated in every one of the Member States.

As far as translation is concerned, the number of pages to be translated increased to 1 118 352 in 2016 and would have been nearly 1 555 000 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. The number of pages to be translated increased by + 0.3% compared with the number in 2015, which, it must be recalled, had itself risen by 1.4% compared with 2014. Accordingly, in the context of a reduction in posts, an increased use of freelance translators was necessary, which accounts for the increase in appropriations of EUR 1.8 million from Chapter 12.

As far as interpretation is concerned, the measures taken to reduce the number of hearings and other meetings with interpretation have borne fruit (the number of such hearings and meetings falling from 628 in 2015 to 602 in 2016, that is – 4.14%), leading at the same time to a reduction in the number of days of contract of auxiliary conference interpreters (ACIs) from 1 661 ACI days in 2015 to 1 598 in 2016, that is – 3.8%.

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

The final appropriations in this Chapter, amounting to EUR 6 336 500, were committed to the extent of EUR 5 989 076, which results in a rate of implementation of 94.52% (96.6% in 2015).

Two items in this chapter represent 81.5% of the final appropriations. These are item 1612 'Further training', where the rate of implementation came to 91% (compared to 96% in 2015), and item 1654 'Early childhood centre,' where the rate of implementation was 100% in 2016, as in 2015.

It is to be noted that line 1654 'Early childhood centre' had to be reinforced (to the extent of EUR 215 000 from Chapter 10) because of, first, the increase in the Court's share of expenditure on private crèches compared with the initial forecasts by the managing institution, and, secondly, the need to fund the agreement entered into by the Court with the Office for the Administration and Payment of Individual Entitlements (PMO) for the administration of certain matters concerning the Court's staff.

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 2016 comes to EUR 91 659 500. That total amount represents 24.1% of the Court's entire budget in 2016. Those appropriations were committed to the extent of EUR 90 394 989, which results in a rather high rate of implementation of 98.6% in 2016 (99.4% in 2015).

Table 8 – Use of appropriations in the financial year

(in euros)

TITLE 2	APPROPRIATIONS IN THE FINANCIAL YEAR 2016	COMMITMENTS IN THE FINANCIAL YEAR 2016	% of implementation
20 – Buildings and associated costs	65 223 000.00	64 742 188.16	99.26
21 – Data processing, equipment and movable property: purchase, hire and maintenance	21 867 000.00	21 519 393.96	98.41
23 – Current administrative expenditure	1 460 500.00	1 157 473.20	79.25
25 – Expenditure on meetings and conferences	521 500.00	498 003.91	95.49
27 – Information: Acquisition, archiving, production and distribution	2 587 500.00	2 477 929.47	95.77
TOTAL	91 659 500.00	90 394 988.70	98.62

3.2.1 CHAPTER 20 – BUILDINGS AND ASSOCIATED COSTS

The final appropriations in this Chapter, amounting to EUR 65 223 000, were committed to the extent of EUR 64 742 188, which results in a very high rate of implementation of 99.3%, as in 2015.

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

More generally, the Institution's buildings policy pursues two main objects:

- first, the Court intends to bring together all its services on a single site, so as to improve its operation to the maximum;
- secondly, after first following a policy of renting, the Court has, since its seat was definitely fixed in Luxembourg (decided at the European Council at Edinburgh in 1992), sought to become the owner of the buildings it occupies, like the other institutions and in accordance with the recommendations of the special report of the Court of Auditors (No 2/2007), which emphasises the budget savings of such a policy.

More detailed information on the Institution's buildings policy and the state of projects under way is given to the budgetary authority in a specific report addressed to it no later than 1 June each year.

The final appropriations in Articles 200 'Buildings' and 202 'Costs relating to buildings' represent 73% (EUR 47 591 000) and 27% (EUR 17 632 000), respectively, of the total appropriations in this Chapter.

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

Expenditure under item 2000 'Rent' in 2016 amounted to EUR 4.2 million. By way of reminder, at the end of 2015, an amount of EUR 4.7 million was transferred to that budget line in order to pay with 2015 appropriations part of the rent due in 2016 in relation to the buildings occupied by the Court, with the objective, as proposed by the Commission to the other institutions, of creating a similar level of flexibility in the 2016 budget in order to finance expenditure in Title 1 insufficiently budgeted for in 2016 (salary adjustment rate at the end of 2015 higher than the Commission's initial forecast).

As already explained in points 3.1.1 and 3.1.2 above, the gradual arrival of the first 12 additional judges to the General Court and the failure to have appointed by the end of 2016 three additional judges to that court (of the 19 provided for in respect of the 2016 financial year as a whole) meant that a transfer of appropriations between line 2000 and Chapters 10 and 12 of the Institution's budget did not prove necessary.

The surplus thereby made available from that budget line 2000 'Rent', in the amount of almost EUR 4.2 million, was transferred to line 2001 'Lease/purchase', in the context of a mopping up transfer of appropriations at the end of 2016. Further, an amount of EUR 1.4 million was transferred to line 2007 'Fitting-out of premises', in the context of the strengthening of the security measures in respect of the buildings occupied by the Court.

For its part, final expenditure under item 2001 'Lease/purchase' came to EUR 39.1 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, brought into service at the end of 2008, on the one hand, and the renovated Annex buildings, on the other). Savings of appropriations were made under that item on account of the fewer tranches of financing consolidated at the end of December 2016, and considerably lower interest rates than envisaged when the 2016 budget estimates — which were necessarily prudent — were drawn up at the beginning of 2015. As a result of those savings of appropriations, with the budget surpluses from Chapter 12 (EUR 2.5 million) and from item 2000 (EUR 4.2 million), it was possible to make an advance payment, at the end of 2016, under a lease/purchase contract for the project for the third tower, to the extent of EUR 7.5 million, with the aim of reducing the financial burden in relation to future charges.

As regards the other budget lines in Article 200, the expenditure of line 2007 'Fitting-out of premises' amounted in 2016 to EUR 2.8 million. In the context of the strengthening of security measures following the terrorist attacks in 2015 and 2016 in Europe, an additional amount of EUR 655 000 compared with the initial budget allocation in 2016 was granted by the budget authority for that line, further to the approval of amending budget 3/2016, presented by the European Commission at interinstitutional level. Next, two transfers reinforced the appropriations of that line 2007 in order to carry out in 2016 works initially envisaged for 2017 (an initial transfer of EUR 1.4 million from line 2000 and a second transfer of EUR 0.4 million from line 2008).

The expenditure in line 2008 'Studies and technical assistance in connection with building projects' amounted in 2016 to EUR 1.3 million. In the same context of the strengthening of buildings security, an additional amount of EUR 0.5 million of appropriations, compared with the initial budget allowance of 2016, was granted by the budgetary authority (amending budget 3/2016). However, because of more urgent needs arising in connection with the fitting out of premises, an amount of EUR 0.4 million had to be transferred to budget line 2007 'Fitting-out of premises'.

As regards expenditure in Article 202 'Buildings-related costs', this amounts to EUR 17.3 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 2016 is 98.4% (98% in 2015).

First of all, as regards item 2022 'Cleaning and maintenance', there was a slight fall in expenditure compared with 2015 of approximately EUR 100 000. Next, item 2024 'Energy consumption' shows an increase in expenditure of + 2.9% (EUR 2 140 661 in 2016 compared with EUR 2 079 837 in 2015). Despite that increase, the surplus appropriations made available in that item, compared with the forecasts drawn up at the beginning of 2015, enabled a contribution of EUR 0.2 million to be made towards reinforcing the appropriations for the security-related expenditure as mentioned below.

Under Article 202, reference must also be made to the increase in expenditure in item 2026 'Security and surveillance of buildings' compared with 2015 (EUR 7 196 463 in 2016 compared with EUR 6 409 000 in 2015, that is + 12.3%) attributable to the strengthening of security measures in order to protect people as well as the buildings occupied by the Court. Next, in the context of amending budget 3/2016, an additional EUR 500 000 as compared with the initial 2016 allocation was granted by the budgetary authority. Lastly, a EUR 200 000 transfer was made from line 2024 in order to fund the strengthening of the security measures.

3.2.2 CHAPTER 21 – DATA PROCESSING, EQUIPMENT AND MOVABLE PROPERTY: PURCHASE, HIRE AND MAINTENANCE

The final appropriations in this Chapter, amounting to EUR 21 867 000, were committed to the extent of EUR 21 519 394, which represents a fairly high rate of implementation of 98.4%, while being slightly lower than the almost 100% rate of implementation recorded for 2015.

The appropriations in Chapter 21 are for the most part (85.9%) intended for expenditure on IT (Article 210), the balance being allocated to the cost of furniture (Article 212), technical equipment and installations (Article 214) and vehicles (Article 216).

So far as Article 210 'Equipment, operating costs and services related to data-processing and telecommunications' is concerned, it is important to stress how vital this expenditure is to the proper working of all the Court's activities, first and foremost its judicial activity, but also linguistic and administrative 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 have been continued in order to increase the efficiency and productivity of the courts and support services.

In this connection, two transfers of appropriations have made it possible to reinforce the IT appropriations originally provided for in Article 210 (EUR 17 473 000) in order to cover certain additional investments during the financial year. A first transfer, of EUR 425 000 from item 1000, was used in order to speed up the increase in the storage capacity and power of workstations, in the context of the making available to lawyer-linguists of a more efficient translation tool, SDL Trados Studio, developed and used inter-institutionally. A second transfer, in the amount of EUR 878 000, from item 1200, made it possible to fund a series of urgent measures to strengthen IT security and the stability of the Translation Directorate General's main management application.

As regards the three other budget articles in Chapter 21, their rate of implementation in 2016 varied as follows in relation to 2015: Article 212 'Furniture' 89% compared with 98.2%, Article 214 'Technical equipment and installations' 80.1% compared with 96.1% and Article 216 'Vehicles' 92.7% compared with 99.8%.

As regards Article 212, part of the under-utilisation of appropriations may be accounted for by the fact that 3 of the 19 additional General Court judges were still to be appointed by the Member States at the end of 2016. Further, it was envisaged that the European Parliament would conclude in 2016 a new interinstitutional

framework contract for movable property, with higher price forecasts. However, the European Parliament decided to extend the existing framework contract, less costly compared with the budget forecasts.

As regards Article 214 'Technical equipment and installations', it should be noted, first, that in the context of strengthening security measures, amending budget 3/2016 increased the appropriations in that article by EUR 160 000 compared with the initial budget allocation for 2016, in order to purchase additional security equipment. Further, reference should also be made to the reinforcement of Article 214 to the extent of EUR 110 000 from line 2741 'General publications', in order to continue replacing machines in the Institution's reproduction workshop. In that regard, the amount finally used to purchase those machines was less than initially forecast (surplus of EUR 66 000 compared with the request submitted to the budgetary authority). Lastly, the amending budget's belated arrival (end of October) did not make it possible to envisage making all the purchases forecast before the end of the year (surplus of approximately EUR 40 000).

As regards Article 216, the gradual arrival of the additional judges to the General Court and the fact that three of those judges have not yet been appointed enabled a reduction in the costs of hiring official cars, which accounts for the surplus appropriations recorded.

3.2.3 CHAPTER 23 – CURRENT ADMINISTRATIVE EXPENDITURE

The final appropriations in this Chapter, amounting to EUR 1 460 500, were committed to the extent of EUR 1 157 473, which results in a rate of implementation of 79.3% (compared with 96% in 2015).

It may usefully be noted that:

- expenditure in Article 230 'Stationery, office supplies and miscellaneous consumables' amounted to EUR 694 000 in 2016 (implementation of all appropriations as in 2015).
- expenditure in Article 231 'Financial charges' amounted to EUR 10 088 in 2016 (rate of implementation of 20.18% as against 48.1% in 2015). In point of fact, in 2016 the assumption that negative interest would have to be incurred on the Institution's current account was not borne out. The budget surplus recorded was not subject to a transfer of appropriations to other budget lines, unlike in 2015.
- expenditure in Article 232 'Legal expenses and damages' amounted to EUR 14 150 in 2016 (rate of implementation of 20.21% as against 24.8% in 2015). In fact, for 2016 it had been considered necessary to provide for an increase in appropriations under that line in order to meet lawyers' costs and fees in the context of actions for damages brought against the Court for the failure on the part of the General Court to adjudicate within a reasonable time. The appropriations provided for in respect of that line were ultimately used only in part.
- expenditure in Article 236 'Postal charges' was EUR 111 000 (rate of implementation of 52.9%, as against 91.7% in 2015). The appreciable reduction in expenditure on this article (- 28% compared to 2015) is the result of ever increasing use of e-Curia (limiting greatly the need to send registered post).
- expenditure in Article 238 'Other administrative expenditure' amounted to EUR 328 236 in 2016 (rate of implementation of 75.2% as against 93.1% in 2015). 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 Ville de Luxembourg for the use of the urban bus network by the Institution's

staff. The amount finally payable, on the basis of the Ville de Luxembourg's new estimates, was EUR 20 000 lower than the initial estimate. It should also be noted that there was a considerable under-utilisation of approximately EUR 40 000 in removal-related expenditure, there being fewer removals than initially forecast.

3.2.4 CHAPTER 25 – EXPENDITURE ON MEETINGS AND CONFERENCES

The final appropriations in this Chapter, amounting to EUR 521 500, were committed to the extent of EUR 498 004, which results in a rate of implementation of appropriations of 95.5% compared with 87.45% in 2015, excluding that part of former Article 256 'Expenditure on information and on participation in public events', which covered expenditure linked to information/communication, which is expenditure included in 2016 within item 2742 'Other information expenditure' in Chapter 27. Once that correction is made in order to make the figures comparable, expenditure in Chapter 25 increased between 2015 and 2016 by + 10.76%.

The increase in the rate of implementation of appropriations is attributable to the increased number of events organised in 2016. 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 calendar for the 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 2 587 500, were committed to the extent of EUR 2 477 929 in 2016, which results in a rate of implementation of 95.8% as against 99.7% in 2015.

The appropriations in this chapter are divided between three budget articles:

- expenditure in Article 272 'Documentation, library and archiving expenditure', which amounted in 2016 to EUR 1 545 734 (an implementation rate in 2016 of 100% as in 2015). In 2016, that article also includes expenditure by the Court in relation to its historical archives deposited in Florence, expenditure estimated at EUR 120 000 per year (see point 2.2.4 above). That last amount was transferred from Article 274;
- expenditure in Article 274 'Production and distribution of information', which amounted in 2016 to EUR 932 195, approximately 16% of which corresponds to the expenditure in new item 2742 'Other information expenditure'. As explained in point 3.2.4 above, the expenditure covered in 2016 by item 2742 was included in 2015 in former article 256 of Chapter 25, which was deleted in 2016. Consequently, excluding the expenditure in new item 2742, the remaining expenditure within Article 274 increased in 2016 by + 23.5% compared with the same type of expenditure in 2015.

That increase is the result of the increased appropriations in 2016 to finance the costs of the Court's publications in the Official Journal of the European Union. In that regard, that expenditure, including the amount of 2014 assigned revenue which was used to finance part of the expenditure for 2015 (EUR 100 000), increased by + 16.13% between 2015 and 2016, on the basis of an increase in 2016 in the amount of the indirect costs charged by the Publications Office to the Institution compared with the figure charged in 2015, despite the fact that the number of published pages was reduced by 3.77% between 2015 and 2016.

In addition, the appropriations in this article finance the cost of the European Court Reports. In that regard, the effect of the new electronic method of publishing the case-law, more efficient than the traditional paper publications, accounts for the reduction in expenditure in 2016, and also the surplus of appropriations which

have become available in this article, which made it possible to make the two reinforcements of appropriations already referred to: an initial transfer of appropriations of EUR 120 000 to Article 272 in order to finance the Court's historical archives and a second transfer of appropriations of EUR 110 000 to Article 214 of Chapter 21 in order to renew the machines in the Institution's reproduction workshop.

Lastly, the appropriations for Article 274 continued to cover also the cost of publishing the Court's Annual Report and information material (brochures, folders and other multimedia material) for the various kinds of visitor. It is to be stressed that the amount of that expenditure is identical to that in 2015.

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 consists solely of the appropriations in Chapter 37 for item 3710 'Court expenses'. For the financial year 2016, those appropriations amounted to EUR 59 000 and were committed to the extent of EUR 7 000, which gives a rate of implementation of 11.9% (56.3% in 2015).

That 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 2015 AND 2016

(in euros)

Chapters/ Articles	HEADING	ESTABLISHED ENTITLEMENTS 2016	ESTABLISHED ENTITLEMENTS 2015	DIFFERENCE	DIFF.%
400	Proceeds from taxation on the salaries, wages and allowances of Members of the institution, officials and other servants	25.244.159,20	23.811.950,18	1.432.209,02	6,01%
404	Proceeds from the special levy on the salaries of Members of the institution, officials and other servants in active employment	4.474.812,11	4.153.357,17	321.454,94	7,74%
40	Miscellaneous taxes and deductions	29.718.971,31	27.965.307,35	1.753.663,96	6,27%
410	Staff contributions to the pension scheme	18.041.688,55	17.921.404,32	120.284,23	0,67%
411	Transfer or repayment of pension rights by staff	1.284.932,51	2.741.571,74	-1.456.639,23	-53,13%
412	Contributions to the pension scheme by officials and temporary staff on leave on personal grounds	6.583,79	3.299,01	3.284,78	99,57%
41	Contribution to the pension scheme	19.333.204,85	20.666.275,07	-1.333.070,22	-6,45%
TITLE 4		49.052.176,16	48.631.582,42	420.593,74	0,86%
500	Proceeds from the sale of movable property - Assigned revenue	125.406,32	133.945,55	-8.539,23	-6,38%
502	Proceeds from the sale of publications, printed works and films - Assigned revenue	42.875,00	3.875,00	39.000,00	1006,45%
50	Proceeds from the sale of movable and immovable property	168.281,32	137.820,55	30.460,77	22,10%
520	Revenue from investments or loans granted, bank and other interest on the institution's accounts	13,16	2,94	10,22	347,62%
52	Revenue from investments or loans granted, bank and other interest	13,16	2,94	10,22	347,62%
550	Revenue from the proceeds of services supplied or work carried out for other institutions or bodies - Assigned revenue	243,97	0,00	243,97	NA
55	Revenue from the proceeds of services supplied or work carried out	243,97	0,00	243,97	NA
570	Revenue from the repayment of sums paid though not due - Assigned revenue	27.293,47	64.630,32	-37.336,85	-57,77%
573	Other contributions and refunds connected with the administrative operation of the institution - Assigned revenue	566.849,64	664.635,46	-97.785,82	-14,71%
57	Other contributions and refunds connected with the administrative operation of the institution	594.143,11	729.265,78	-135.122,67	-18,53%
581	Revenue from insurance payments received - Assigned revenue	71.370,62	11.770,19	59.600,43	506,37%
58	Miscellaneous compensation	71.370,62	11.770,19	59.600,43	506,37%
TITLE 5		834.052,18	878.859,46	-44.807,28	-5,10%
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		49.886.228,34	49.510.441,88	375.786,46	0,76%

ANNEX 2

REVENUE SITUATION IN 2016 - ESTABLISHED ENTITLEMENTS AND ENTITLEMENTS CARRIED OVER

Budget lines	Heading	Initial budget	Established entitlements 2016	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	27.907.000,00	25.244.159,20	25.244.159,20	0,00
4040	Proceeds from the special levy on the salaries of Members of the institution, officials and other servants in active employment	5.147.000,00	4.474.812,11	4.474.812,11	0,00
	<i>total Chapter 40</i>	<i>33.054.000,00</i>	<i>29.718.971,31</i>	<i>29.718.971,31</i>	<i>0,00</i>
4100	Staff contributions to the pension scheme	18.451.000,00	18.041.688,55	18.041.688,55	0,00
4110	Transfer or repayment of pension rights by staff	0,00	1.284.932,51	1.284.932,51	0,00
412	Contributions to the pension scheme by officials and temporary staff on leave on personal grounds	0,00	6.583,79	6.583,79	0,00
	<i>total Chapter 41</i>	<i>18.451.000,00</i>	<i>19.333.204,85</i>	<i>19.333.204,85</i>	<i>0,00</i>
	Title 4	51.505.000,00	49.052.176,16	49.052.176,16	0,00
5001	Proceeds from the sale of other movable property - Assigned revenue	0,00	125.406,32	125.406,32	0,00
5020	Proceeds from the sale of publications, printed works and films - Assigned revenue	0,00	42.875,00	40.000,00	2.875,00
	<i>total Chapter 50</i>	<i>0,00</i>	<i>168.281,32</i>	<i>165.406,32</i>	<i>2.875,00</i>
5200	Revenue from investments or loans granted, bank and other interest on the institution's accounts	0,00	13,16	13,16	0,00
	<i>total Chapter 52</i>	<i>0,00</i>	<i>13,16</i>	<i>13,16</i>	<i>0,00</i>
5500	Proceeds from the supply of services and works for other institutions or bodies - Assigned revenue	0,00	243,97	0,00	243,97
	<i>total Chapter 55</i>	<i>0,00</i>	<i>243,97</i>	<i>0,00</i>	<i>243,97</i>
5700	Revenue from the repayment of sums paid though not due - Assigned revenue	0,00	27.293,47	27.011,05	282,42
5730	Other contributions and refunds connected with the administrative operation of the institution - Assigned revenue	0,00	566.849,64	561.459,66	5.389,98
	<i>total Chapter 57</i>	<i>0,00</i>	<i>594.143,11</i>	<i>588.470,71</i>	<i>5.672,40</i>
5810	Revenue from insurance payments received - Assigned revenue	0,00	71.370,62	71.370,62	0,00
	<i>total Chapter 58</i>	<i>0,00</i>	<i>71.370,62</i>	<i>71.370,62</i>	<i>0,00</i>
	Title 5	0,00	834.052,18	825.260,81	8.791,37
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	51.505.000,00	49.886.228,34	49.877.436,97	8.791,37

Budget lines	Heading	Carried over 2015 to 2016	Variations during 2016	Total carried over 2015 to 2016	Revenue from commitments carried over	Still to be recovered
4110	Transfer or repayment of pension rights by staff	7.367,39	-6.810,84	556,55	556,55	0,00
	<i>total Chapter 41</i>	<i>7.367,39</i>	<i>-6.810,84</i>	<i>556,55</i>	<i>556,55</i>	<i>0,00</i>
	Title 4	7.367,39	-6.810,84	556,55	556,55	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	2.068,75	-111,25	1.957,50	1.705,00	252,50
	<i>total Chapter 50</i>	<i>2.068,75</i>	<i>-111,25</i>	<i>1.957,50</i>	<i>1.705,00</i>	<i>252,50</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	0,00	0,00	0,00	0,00	0,00
	<i>total Chapter 55</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
5700	Revenue from the repayment of sums paid though not due - Assigned revenue	26.298,21	-2,58	26.295,63	21.373,92	4.921,71
5730	Other contributions and refunds connected with the administrative operation of the institution - Assigned revenue	43.397,89	-31,96	43.365,93	33.264,54	10.101,39
	<i>total Chapter 57</i>	<i>69.696,10</i>	<i>-34,54</i>	<i>69.661,56</i>	<i>54.638,46</i>	<i>15.023,10</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	71.764,85	-145,79	71.619,06	56.343,46	15.275,60
	Total	79.132,24	-6.956,63	72.175,61	56.900,01	15.275,60

ANNEX 3

COMPARISON BY CHAPTER OF THE IMPLEMENTATION OF APPROPRIATIONS IN 2015 AND 2016

(in euros)

Chapters	HEADING	COMMITMENTS 2016	COMMITMENTS 2015	DIFFERENCE	DIFF.%
10	Members of the institution	30.329.098,12	26.555.323,87	3.773.774,25	14,21%
12	Officials and temporary staff	225.901.709,22	213.572.072,16	12.329.637,06	5,77%
14	Other staff and external services	20.649.295,78	18.614.537,77	2.034.758,01	10,93%
16	Other expenditure relating to persons working with the institution	5.989.075,59	5.160.824,54	828.251,05	16,05%
	TITLE 1	282.869.178,71	263.902.758,34	18.966.420,37	7,19%
20	Buildings and associated costs	64.742.188,16	65.256.005,60	-513.817,44	-0,79%
21	Data processing, equipment and movable property: purchase, hire and maintenance	21.519.393,96	20.336.396,64	1.182.997,32	5,82%
23	Current administrative expenditure	1.157.473,20	1.615.781,89	-458.308,69	-28,36%
25	Expenditure on meetings and conferences	498.003,91	538.876,90	-40.872,99	-7,58%
27	Information: Acquisition, archiving, production and distribution	2.477.929,47	2.021.149,16	456.780,31	22,60%
	TITLE 2	90.394.988,70	89.768.210,19	626.778,51	0,70%
37	Expenditure relating to certain institutions and bodies	7.000,00	30.382,67	-23.382,67	-76,96%
	TITLE 3	7.000,00	30.382,67	-23.382,67	-76,96%
	GENERAL TOTAL	373.271.167,41	353.701.351,20	19.569.816,21	5,53%

ANNEX 4a

DETAILED IMPLEMENTATION OF APPROPRIATIONS IN 2016 (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	28.345.000,00	-640.000,00	27.705.000,00	26.253.205,77	26.253.205,77	0,00	1.451.794,23	0,00	0,00	0,00	
1002 Rights connected with entering the service, transfer, and leaving the service	1.595.000,00		1.595.000,00	1.335.000,00	925.577,74	409.422,26	260.000,00	223.893,80	346,59	223.547,21	
1003 Temporary allowances	2.718.000,00		2.718.000,00	2.135.267,60	2.135.267,60	0,00	582.732,40	0,00	0,00	0,00	
1004 Pensions	342.000,00	0,00	342.000,00	322.281,52	45.523,83	0,00	19.718,48	254.290,93	114.055,31	140.235,62	
1005 Missions	539.500,00		539.500,00	262.931,23	136.562,90	0,00	276.568,77	160.384,31	46.789,81	113.594,50	
1006 Training		0,00				0,00	0,00	0,00	0,00	0,00	
1009 Provisional appropriation		0,00				0,00	0,00	0,00	0,00	0,00	
Chapter 10 Members of the institution	33.539.500,00	-640.000,00	32.899.500,00	30.329.098,12	29.516.349,84	812.748,28	2.570.401,88	638.569,04	161.191,71	477.377,33	
1200 Remuneration and other rights	229.849.000,00	-5.178.000,00	224.671.000,00	223.279.267,85	223.279.267,85	0,00	139.173,15	0,00	0,00	0,00	
1202 Paid overtime	664.000,00		664.000,00	646.971,89	646.971,89	0,00	17.028,11	0,00	0,00	0,00	
1204 Rights connected with entering the service, transfer and leaving the service	2.292.500,00		2.292.500,00	1.975.469,48	1.860.518,37	114.951,11	317.030,52	31.114,35	28.547,70	2.566,65	
1202 Allowances on early termination of service	230.000,00		230.000,00	0,00	0,00	0,00	230.000,00	0,00	0,00	0,00	
1209 Provisional appropriation		0,00				0,00	0,00	0,00	0,00	0,00	
Chapter 12 Officials and temporary staff	233.035.500,00	-5.178.000,00	227.857.500,00	225.901.709,22	225.786.758,11	114.951,11	1.955.790,78	311.114,35	28.547,70	2.566,65	
1400 Other agents	6.271.500,00	131.424,08	6.402.924,08	6.174.871,76	6.174.871,76	0,00	228.052,32	0,00	0,00	0,00	
1404 In-service training and staff exchange	697.000,00		697.000,00	682.000,00	659.472,74	22.527,26	15.000,00	25.757,96	0,00	25.757,96	
1405 Other external services	263.000,00		263.000,00	221.640,00	146.169,72	75.470,28	41.360,00	79.270,44	9.123,90	70.146,54	
1406 External services in the administrative field	12.158.500,00	668.525,92	13.827.025,92	13.570.784,02	9.570.613,90	4.000.170,06	256.291,90	2.619.335,69	3.439.083,50	180.252,10	
1409 Provisional appropriation		0,00				0,00	0,00	0,00	0,00	0,00	
Chapter 14 Other staff and external services	19.390.000,00	1.800.000,00	21.190.000,00	20.649.295,78	16.551.128,18	4.098.167,60	540.704,22	2.724.364,09	2.448.207,49	276.156,60	
1610 Miscellaneous expenditure for staff recruitment	216.000,00		216.000,00	150.825,61	116.154,21	34.671,40	65.174,39	52.428,63	5.223,51	47.205,12	
1612 Further training	764.500,00		764.500,00	1.603.192,11	665.786,71	937.405,40	161.307,89	664.795,95	516.487,61	148.308,34	
1620 Missions	367.500,00		367.500,00	358.719,60	219.238,59	139.191,01	2.780,40	91.573,06	50.557,19	41.015,87	
1630 Social welfare	21.000,00		21.000,00	2.917,50	667,50	5.230,00	15.082,50	6.072,00	5.394,77	67,23	
1632 Social contacts between members of staff and other welfare expenditure	284.500,00		284.500,00	257.340,83	247.878,53	9.462,30	27.159,17	25.586,99	1.286,74	24.300,25	
1650 Medical service	188.500,00		188.500,00	112.586,24	76.189,74	36.396,50	75.913,76	42.611,02	19.688,11	22.922,91	
1652 Restaurants and canteens	80.000,00		80.000,00	79.993,70	38.714,28	41.279,42	6,30	14.294,51	13.424,52	869,99	
1654 Early childhood centre	3.184.500,00	215.000,00	3.399.500,00	3.393.500,00	2.742.593,56	656.906,44	304.319,13	304.319,13	233.423,75	70.895,40	
1656 Social welfare in the administrative field	21.000,00		21.000,00	21.000,00	21.000,00	0,00	0,00	0,00	0,00	0,00	
Chapter 16 Other expenditure relating to persons working with the institution	6.121.500,00	215.000,00	6.336.500,00	5.989.075,59	4.128.513,12	1.860.562,47	347.424,41	1.201.681,29	845.486,18	356.195,11	
Title 1 Persons working with the institution	292.086.500,00	-3.803.000,00	288.283.500,00	282.869.178,71	275.982.749,25	6.886.429,46	5.414.321,29	4.595.728,77	3.483.433,08	1.112.295,69	

Budget lines	Index I (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)	
2000 Rent	2 776 000,00	-5 564 641,26	4 211 358,74	4 211 358,74	4 211 358,73	0,00	0,00	207 460,01	207 460,00	0,01	
2001 Lease/purchase	32 390 000,00	6 664 641,26	39 054 641,26	39 053 669,38	38 692 622,33	361 047,05	971 883	359 161,78	357 896,29	1 265,49	
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	
2005 Acquisition of buildings	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	500 000,00	2 465 000,00	2 965 000,00	2 803 868,99	1 243 516,85	1 560 352,14	161 131,01	1 155 528,28	1 125 604,57	29 923,71	
2008 Studies and technical assistance in connection with building projects	1 270 000,00	90 000,00	1 360 000,00	1 332 894,48	866 142,80	466 751,68	27 105,52	437 306,51	400 824,18	36 482,33	
2022 Cleaning and maintenance	7 693 500,00	85 000,00	7 778 500,00	7 581 074,55	5 359 182,53	2 228 892,02	196 825,45	7 723 769,90	1 590 707,49	6 133 062,41	
2024 Construction of buildings	2 585 500,00	405 000,00	3 000 000,00	2 140 661,34	1 824 243,08	316 418,26	39 838,66	328 015,20	250 692,17	77 323,03	
2026 Security and maintenance of buildings	6 332 000,00	700 000,00	7 032 000,00	7 196 663,27	6 333 093,50	863 569,72	35 436,28	3 129 947,75	2 531 125,41	598 822,34	
2028 Insurance	100 000,00	1 500,00	1 600 000,00	1 079 862,52	6 000 000,00	5 000 000,00	0,00	0,00	0,00	0,00	
2029 Other expenditure on buildings	112 000,00	115 500,00	227 500,00	212 468,80	102 742,03	110 726,77	0,00	88 450,54	70 749,22	17 701,32	
Chapter 20 Buildings and associated costs	61 068 000,00	4 155 000,00	65 223 000,00	64 742 188,16	58 848 015,26	5 894 172,90	480 811,84	5 661 247,97	5 239 109,33	422 138,64	
2100 Purchase, servicing and maintenance equipment and software	6 131 500,00	1 036 000,00	7 167 500,00	7 167 066,04	4 532 523,46	2 634 542,58	433,96	3 037 808,67	3 016 730,95	21 077,72	
2102 External services for operation, creation and servicing of software and systems	10 515 500,00	795 000,00	11 310 500,00	11 305 568,89	6 262 310,75	5 043 258,14	4 931,11	5 106 403,77	4 990 439,11	115 964,66	
2103 Telecommunications	825 000,00	528 000,00	1 353 000,00	295 422,75	219 025,25	76 467,50	5 237,25	38 483,55	109 175,82	29 307,73	
2104 Furniture	762 500,00	0,00	762 500,00	628 415,91	410 700,88	268 415,03	83 684,00	400 274,46	39 777,40	2 097,06	
2105 Technical equipment and installations	407 000,00	270 000,00	677 000,00	523 717,21	181 241,12	301 253,59	174 652,59	69 232,60	231 177,83	4 014,72	
2106 Vehicles	1 651 500,00	0,00	1 651 500,00	1 550 122,66	1 339 159,55	190 962,11	121 377,34	95 265,83	20 462,16	74 803,67	
Chapter 21 Data processing, equipment and movable property; purchase, hire and servicing	20 294 000,00	1 573 000,00	21 867 000,00	21 519 993,96	12 944 294,01	8 575 099,95	347 006,04	8 947 970,88	8 662 703,29	285 267,59	
230 Stationery, office supplies and various consumables	694 000,00	0,00	694 000,00	693 999,94	427 046,67	266 953,27	0,06	117 558,96	113 871,47	3 687,49	
231 Financial charges	50 000,00	0,00	50 000,00	50 000,00	1 000,00	49 000,00	39 912,25	7 786,66	1 456,00	6 330,66	
232 Legal expenses and damages	70 000,00	0,00	70 000,00	14 150,00	11 000,00	3 150,00	5 850,00	3 975,00	985,00	2 990,00	
233 Post and telecommunications	210 000,00	0,00	210 000,00	111 000,00	87 384,50	23 615,50	99 000,00	21 323,06	11 889,83	9 433,23	
238 Other expenditure	435 500,00	0,00	435 500,00	328 235,51	277 227,33	51 008,18	108 264,49	72 659,12	54 066,25	18 592,97	
Chapter 23 Current administrative expenditure	1 460 500,00	0,00	1 460 500,00	1 157 473,20	807 232,45	350 240,75	303 026,80	223 302,80	182 209,05	41 093,75	
252 Entertainment and representation expenses	138 000,00	0,00	138 000,00	138 000,00	127 964,83	10 035,17	0,00	23 363,93	15 733,86	7 630,07	
254 Meetings, congresses and conferences	383 500,00	0,00	383 500,00	360 003,91	141 421,81	218 582,10	23 496,09	60 074,54	7 959,91	52 114,63	
256 Expenditure on information and on participation in public events	0,00	0,00	0,00	0,00	0,00	0,00	0,00	43 061,23	20 234,75	22 826,48	
257 Legal information service	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	521 500,00	0,00	521 500,00	498 003,91	269 386,64	228 617,27	23 496,09	126 499,70	43 928,52	82 571,18	
260 Limited consultations, studies and surveys	426 000,00	0,00	426 000,00	426 000,00	294 367,21	251 367,05	265,74	235 180,25	211 424,98	23 755,27	
272 Documentation, library and archiving expenditure	120 000,00	0,00	120 000,00	58 722,25	493 750,00	0,00	6 500,00	0,00	0,00	0,00	
2740 Official Journal	500 000,00	0,00	500 000,00	493 750,00	292 135,34	207 614,66	92 864,66	0,00	0,00	0,00	
2741 General publications	615 000,00	230 000,00	845 000,00	292 135,34	92 117,03	0,00	0,00	0,00	0,00	0,00	
2742 Other information expenditure	156 500,00	0,00	156 500,00	146 509,87	0,00	0,00	0,00	0,00	0,00	0,00	
Chapter 27 Information: acquisition, archiving, production and distribution	2 697 500,00	-110 000,00	2 587 500,00	2 477 929,47	2 172 369,58	306 559,89	109 570,53	235 180,25	211 424,98	23 755,27	
Title 2 Buildings, furniture, equipment and miscellaneous operating expenditure	86 041 500,00	5 618 000,00	91 659 500,00	90 394 988,70	75 041 297,94	15 353 690,76	1 264 511,30	15 194 201,60	14 339 375,17	854 826,43	
3710 Court expenses	59 000,00	0,00	59 000,00	7 000,00	7 000,00	0,00	52 000,00	20 527,28	12 060,80	8 466,48	
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	
Chapter 37 Expenditure relating to certain institutions and bodies	59 000,00	0,00	59 000,00	7 000,00	7 000,00	0,00	52 000,00	20 527,28	12 060,80	8 466,48	
Title 3 Expenditure resulting from special functions carried out by the institution	59 000,00	0,00	59 000,00	7 000,00	7 000,00	0,00	52 000,00	20 527,28	12 060,80	8 466,48	
100 Provisional appropriations	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	
Title 10 Other expenditure	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
TOTAL	378 187 000,00	1 815 000,00	380 002 000,00	373 271 167,41	351 031 047,19	22 240 120,22	6 730 832,59	19 810 457,65	17 834 869,05	1 975 586,60	

ANNEX 4b

IMPLEMENTATION OF COMMITMENT APPROPRIATIONS BY SERVICE

SERVICES	FINAL APPROPRIATIONS IN THE FINANCIAL YEAR	COMMITMENTS
Directorate-General Personnel and Finance		
Chapter 10	32.557.500,00	30.006.816,60
Chapter 12	227.857.500,00	225.901.709,22
Chapter 14	7.239.924,08	6.985.471,76
Chapter 16	6.128.183,00	5.783.545,29
Chapter 23	50.000,00	10.087,75
Chapter 25	8.300,00	8.300,00
Total	273.841.407,08	268.695.930,62
Directorate-General Infrastructure		
Chapter 14	123.000,00	93.040,00
Chapter 16	80.000,00	79.993,70
Chapter 20	65.223.000,00	64.742.188,16
Chapter 21	21.865.500,00	21.519.393,96
Chapter 23	1.329.000,00	1.126.807,65
Chapter 27	735.000,00	635.885,34
Total	89.355.500,00	88.197.308,81
Directorate-General Translation		
Chapter 14	11.497.575,92	11.277.800,02
Total	11.497.575,92	11.277.800,02
Interpretation Directorate		
Chapter 14	2.272.000,00	2.272.000,00
Total	2.272.000,00	2.272.000,00
Directorate-General Library, Research and Documentation		
Chapter 14	57.500,00	20.984,00
Chapter 27	1.426.000,00	1.425.798,26
Total	1.483.500,00	1.446.782,26
Protocol and Visits Directorate		
Chapter 21	1.500,00	0,00
Chapter 23	11.500,00	6.427,80
Chapter 25	513.200,00	489.703,91
Total	526.200,00	496.131,71
Communication Directorate		
Chapter 27	426.500,00	416.245,87
Total	426.500,00	416.245,87
Other services (Court Registries and Legal Adviser on Administrative Matters)		
Chapter 10	342.000,00	322.281,52
Chapter 16	128.317,00	125.536,60
Chapter 23	70.000,00	14.150,00
Chapter 37	59.000,00	7.000,00
Total	599.317,00	468.968,12
General Total	380.002.000,00	373.271.167,41

ANNEX 5

USE OF ASSIGNED REVENUE IN 2016

	ASSIGNED REVENUE CARRIED OVER 2015 TO 2016	ASSIGNED REVENUE 2016	PAYMENTS	CANCELLATION OF ASSIGNED REVENUE FOR 2015 NOT ELIGIBLE FOR CARRYING OVER	ASSIGNED REVENUE CARRIED OVER ¹ 2016 TO 2017
10 - Members of the institution	0,00	570,66	0,00	0,00	570,66
12 - Officials and temporary staff	29.458,15	98.427,26	14.910,70	14.547,45	98.427,26
14 - Other staff and external services	257.361,69	256.131,61	256.435,15	926,54	256.131,61
16 - Other expenditure relating to persons working with the institution	7.405,33	13.783,93	7.510,73	13,71	13.664,82
Title 1 - Persons working with the institution	294.225,17	368.913,46	278.856,58	15.487,70	368.794,35
20 - Buildings and associated costs	157.713,71	282.389,30	237.538,54	300,75	202.263,72
21 - Data processing, equipment and movable property: purchase, hire and maintenance	291.557,41	150.392,48	267.721,93	23.835,48	150.392,48
23 - Current administrative expenditure	32.979,77	33.701,21	34.150,18	0,00	32.530,80
25 - Meetings and conferences	215,70	951,59	0,00	215,70	951,59
27 - Information: acquisition, archiving, production and distribution	6.937,76	42.852,07	7.843,30	0,00	41.946,53
Title 2 - Buildings, furniture, equipment and miscellaneous operating expenditure	489.404,35	510.286,65	547.253,95	24.351,93	428.085,12
37 - Expenditure relating to certain institutions and bodies	20.553,50	2.391,00	5.000,00	15.553,50	2.391,00
Title 3 - Expenditure resulting from special functions carried out by the institution	20.553,50	2.391,00	5.000,00	15.553,50	2.391,00
TOTAL	804.183,02	881.591,11	831.110,53	55.393,13	799.270,47

¹ Internal assigned revenue is carried over for one year only, in accordance with Article 14(b) of the Financial Regulation.

ANNEX 3

REPORT ON NEGOTIATED PROCEDURES

Article 53 of the rules of application of the Financial Regulation establishes the obligation, for each institution, to forward to the budgetary authority a report on negotiated procedures. Authorising officers by delegation are to record, for each financial year, contracts concluded by negotiated procedures.

During the financial year 2016, eight contracts of an amount over EUR 60 000 were concluded by negotiated procedures, amounting in total to EUR 2 777 904¹.

The proportion of negotiated procedures in relation to the number of contracts awarded comes to 13.6% (12.9% in 2015). 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 relatively small (8.1%, as compared to 6.5% in 2015).

The increase, in comparison to 2015, can be explained in particular by the need to put two significant contracts up for tender linked to the strengthening of the security of the Institution. One contract was for the installation of individual access controls and a second contract, which had to be put up for tender under a negotiated procedure following the failure of a first restricted procedure, was to carry out work/services to secure premises where classified FIDUCIA information is processed and stored, under the new Rules of Procedure of the General Court, which entered into force in 2015².

The other negotiated procedures in question come under the remit of the Buildings Directorate (mainly heating, water consumption, technical modifications to the buildings) and of the Directorate for Information Technologies (concerning contracts for the operation and maintenance of multimedia installations).

The reasons most frequently invoked by the departments refer to Article 134(1)(b) of the rules of application of 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 monopoly situation.

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

2 | Article 105 of the new Rules of Procedure of the General Court provides for specific security measures for information or documents relating to the security of the European Union or of one or more of its Member States or to the conduct of their international relations, which have made it necessary to modify the premises where FIDUCIA information is processed and stored.

ANNEX 4

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

Article 92(1) of the Financial Regulation establishes the payment periods for expenditure operations.

Article 111(4) of the rules of application of the Financial Regulation specifies the circumstances in which creditors paid late are entitled to receive default interest charged to the line from which the principal was paid¹. That article also lays down in subparagraph 5, 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 creditors².

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

1 | Art. 111(4) of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union: *'On expiry of the time limits laid down in Article 92(1) of the Financial Regulation, the creditor shall be entitled to interest in accordance with the following conditions: (a) the interest rates shall be those referred to in Article 83(2) of this Regulation; (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 Article 92(1) of the Financial Regulation up to the day of payment. However, when 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 upon a demand submitted within two months of receiving late payment.'*

2 | Art. 111(5) of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union: *'Each institution shall submit to the European Parliament and Council a report on the compliance with the time limits and on the suspension of the time limits laid down in Article 92 of the Financial Regulation. The report of the Commission shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.'*

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

- 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.

The analysis of data for the financial year 2016 shows that no case of payment of mandatory default interest (a case where the amount of default interest exceeds the threshold of EUR 200 defined in Article 111(4) of the rules for application of the Financial Regulation) was recorded in that year.

In general, the means described above together enable proper control of payment delays, the average still being 34 days, as shown in the table below:

Year	Invoices		Average payment period (in days)
	Number	Amount (in EUR)	
2014	10 225	47 818 535	27.45
2015	10 787	49 304 826	30.32
2016	12 877	55 745 198	33.73

The slight increase in the average payment period in 2016 compared to 2015 is due primarily to the average period for payment of external translators (which alone represent 60% of the volume of invoices paid), which went from an average of 32.90 days in 2015 to 38.64 in 2016, but which is still well below the contractual period of 60 days applicable for those services, given the quality controls that are necessary.

The very reasonable 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 since, under Article 92(1) of the Financial Regulation, many invoices had a contractual payment period of 60 or 90 days (technical services or actions which are particularly complex to evaluate and for which payment depends on the approval of a report or a certificate).

Thus, this result is perfectly in line with the efforts proposed by the European Commission in April 2009³ in order to improve the financial situation of undertakings.

ANNEX 5

REPORT TO THE BUDGETARY AUTHORITY 'UPDATED PLAN OF INVESTMENT IN BUILDINGS 2017-2022'

ACTIONS RELATING TO ENVIRONMENT AND INTER- INSTITUTIONAL COOPERATION

INTRODUCTION

The Court of the European Union ('the Court' or 'the Institution') has drawn up this annual property report in accordance with the provisions of Article 203 of the Financial Regulation applicable to the general budget of the European Union, which provides that:

'Each 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;

(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 the Council under the procedure established in paragraphs (4) and (5) and not included in the preceding year's working documents.'

This report updates and complements, (1) for the period 2017-2022, the reports drawn up 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 REMARKS

The Court considers that it is useful to set out, in section 1, the Institution's buildings policy, 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, the Court's aim is to reunite all its departments on a single site, in order to optimise the performance of its tasks;
- second, 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.

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

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

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 because 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 Perrault). That project, whose design is strong both architecturally and functionally, was based on the estimated

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 inter-institutional buildings group (the GICL for the institutions established in Luxembourg).

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 the administrative services).

In addition, after the 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 completed construction project relating to the new extensions (Chapter II) has been operational since 2008. Occupation of those extensions 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, the total capacity of the main site continues to fall short of foreseeable needs. The Court is, therefore, compelled to continue to rent the T/Tbis buildings as shown in **Annex 2**.

Further, 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 therefore in services) and taking into account the efforts required concerning reduction of staff.

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. Consequently, 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 had agreed to the proposed 5th extension by refraining from issuing an opinion.

The European Parliament's Committee on Budgets had 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.

Since 2016, the construction of a 5th extension of the Court's buildings has been underway.

As an aid to understanding how the Court's buildings have changed, a plan indicating the periods of construction of the current buildings (and the future extension) is attached as **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. With the renovated and extended complex which was completed in 2013, 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. In 2016, the Court received an increased number of visitors (14 500 visitors compared with 12 500 visitors in 2015).

It may be added that the various parts of the complex are connected by means of an extensive 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 was a major project 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 the good practices followed by the Court in that project (increased competition through open invitations to 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).

Last, 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 costs 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 remains within the budget (indexed) which had originally been 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 former annex buildings of the Palais (the Erasmus, Thomas More and 'C' buildings).

1. FINANCING 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 an invitation to 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 a lease-sale agreement which adds specification to that framework 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 could 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 Justicia property company, given that the Court's budget will have to bear the cost of those operations through the lease-purchase agreement.

To date, loan funds amounting to EUR 308 074 000 have been taken up on five occasions between 2008 and 2016. In this 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 more than EUR 20 million over the whole period)), the annual amount of which (EUR 24.1 million in 2017) would otherwise be 18% higher.

1.3. COST OF FINAL CONSTRUCTION AND BALANCE OF FUNDS TO BE TAKEN UP

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, first, to the impact, estimated but not yet determined at this time, of application of the Luxembourg legislation on public contracts which provides that contractors who suffer losses because of significant and unforeseeable rises in costs are entitled to request an increase in prices (Article 103 of the Grand-Ducal Regulation of 3 August 2009 implementing the law of 25 June 2009 on public contracts, and amending the threshold laid down in Article 106(10) of the amended municipal law of 13 December 1988) and, secondly, the financial impact of any legal proceedings.

At the end of 2016, the balance of funds to be taken up is under EUR 8 million and predominantly corresponds, first, to the sums of performance bonds held until the withdrawal of reservations and, secondly, to the increases in prices mentioned in the preceding paragraph, the amounts of which must be agreed by the parties.

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, current 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, as is the 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 of the former Financial Regulation. 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 of about EUR 500 000 throughout the duration of the contract.

Further, appropriations amounting to EUR 300 000 have been requested annually since 2011 to cover the maintenance and repair of what might be called architectural features (the outer surfaces, weather-tight fabric and roof, final outfitting, woodwork, etc.).

As from 2017, EUR 450 000 will be allocated to the architectural maintenance of the 4th extension buildings, but also the Erasmus, Thomas More and 'C' buildings. The Court's objective is, further, to obtain in the medium term an architectural maintenance contract for a fixed sum to cover all its buildings.

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

As stated in Chapter I, the buildings annexed to the Palais (the 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 an invitation to 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 2016 was EUR 1.63 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), façades 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 renovation of the Palais and extension of the buildings (cf. Chapter II).

1. FINANCING 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 4.9 million (2017).

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 55.65 million).

At the end of 2016, the balance of funds to be taken up is EUR 1.3 million and predominantly corresponds to the sums of performance bonds held until the withdrawal of reservations.

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 2017-22.

Major maintenance of technical installations, on the other hand, will be incorporated in the contract referred to in the second and third paragraphs of Chapter II.2 (up to an additional amount of approximately EUR 320 000 per annum).

V. CONSTRUCTION OF A FIFTH EXTENSION

As is apparent from Chapter I.2 above, the reuniting of all the Institution's departments on a single site will be possible only at the cost of constructing an additional extension, the capacity of which should contain approximately 30 000 m² of office space if it is to be possible to vacate the buildings still leased by 2019 and to meet the challenges of the growth of the Institution and enlargement in the future.

The project is part of a town 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 will make 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. The precise layout of that building is still the subject of an ongoing architectural study.

As stated above in Chapter I.2, both arms of the budgetary authority have issued favourable opinions with respect to this construction project, which is now underway with a view to being completed to 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. The construction work began during the second quarter of 2016.

1. FINANCING PLAN

The maximum budget for the realisation of the 5th extension amounts to EUR 146 181 054 (excluding VAT – construction cost index for the month of April 2016).

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 2016, an advance payment of EUR 7 521 000 was made.

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 is currently being finalised and will be submitted to the budgetary authority in the course of 2017, in accordance with Article 203(5) of the Financial Regulation.

The works envisaged concern:

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. Security and safety equipment and systems, such as video surveillance and intrusion detection systems;
4. Protection of the front of sensitive areas by installing reinforced glazing;
5. Reinforcement of a courtroom and creation of a secure visitors' room (in the future third tower).

The budget for the project could be in the region of EUR 19 million. At this stage, works are scheduled to begin in the second half of 2017 to be concluded at the end of 2018/early 2019 (with the exception of point 5 above).

VII. RENTED BUILDINGS

The Court's building policy is aimed at the installation of all its bodies and services 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 space (m ²)	Contractual basis	Lease expiry year/date	Annual cost (2017)
T	1/1998	23 504	Merged lease agreement of 20/12/2012	2019	EUR 9 648 207
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) resulted in 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. It was possible to vacate finally 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 an IT room of 72 m² rented since May from a private contractor to host the backup 'data centre' of the Court of Justice.

VIII. PERFORMANCE INDICATORS

Management of the Court's building projects takes into account three key indicators: keeping within the cost of the project, compliance with the time-limits for completion of work and delivery of the buildings, and compliance with the programme, 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 and described it as good practice to ensure the administrative, technical and financial control of building projects.

Taking into account the 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 stay within the budget, subject to any increase imposed by law.

In relation to the project referred to in Chapter II, the data currently available allows the conclusion that that objective should generally be achieved. Although the final accounts of the project are not entirely completed, we have reasonable assurances on which to conclude that the budgetary framework will be respected.

As regards the renovation project (cf. point IV), the information (non-final) received from the Luxembourg authorities assures us that the budget will ultimately be complied with.

2. TIME-LIMITS

The buildings covered in Chapter II (renovation of the Palais and 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 work ensured that the planned schedule was observed, namely, the bringing into service of the renovated buildings and moving into those buildings for the start of the new judicial term in September 2013.

3. QUALITY

Very stringent acceptance procedures were followed to ensure that the requirements of the tendering specifications were scrupulously respected. A process of withdrawing reservations presented during those procedures in respect of the buildings covered by Chapters II and IV is currently underway.

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 and was established by the British organisation, the Building Research Establishment (BRE).

IX. ENVIRONMENTAL ACTION

The Court's buildings policy 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 façades make it possible to take optimal advantage of natural light and savings on lighting.

Photovoltaic cells were installed in areas of roofing measuring 2 750 m², representing an electricity production capacity of 206 450 kWh per annum.

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 systematic 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.

As regards water, consumption in sanitary installations is monitored using a system of magnetic valves which ensure the flow of only a restricted quantity of water. A large number of toilet areas 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.

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 BREAAAM 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;
- ▶ Solar 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 addition, in the context of its building projects, the overall management of building site waste was the subject of a specific waste treatment plan established by the body 'Superdreckskëscht fir Betriber' (joint initiative of the Luxembourg Ministry of the Environment and the Chamber of Trade) in order to obtain the 'label vert' ('green label') issued by that body.

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

In an initial phase, an external company specialising in the environmental certification sector was commissioned to conduct a scoping study, defining the roadmap of the EMAS project at the Court. The main objectives of that study were to produce an environmental 'inventory' and to determine the steps necessary to obtain the desired EMAS registration. The final report was published in 2013.

At the same time, a study was carried out in order to determine the Institution's carbon footprint, in particular that of its buildings, and to establish the main lines of action with a view to reducing it. This enabled a work plan to be drawn up to implement specific proposals for reducing carbon emissions, proposals which were included in the 2014 EMAS programme. In January 2014, the key items of the Court's 2010 carbon balance were updated for the years 2011 and 2012. It is pleasing to note that the Court's emissions for the items 'Energy', 'Travel', 'Refrigerant gases' and 'Waste' have decreased overall since 2010, in particular as a result of the establishment of a green energy contract concluded with the electricity supplier, improvements in the area of insulation, the optimisation of the energy programming of certain buildings and a more precise assessment of the emissions linked to 'commuting' and 'the leakage of refrigerant gases'.

More recently, the Court's environmental policy has been formally validated and the environmental analysis completed, two stages which, together with the positive result of the environmental audit, enabled EMAS registration to be obtained at the end of 2016.

X. INTER-INSTITUTIONAL COOPERATION

In general, there is very active inter-institutional 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.

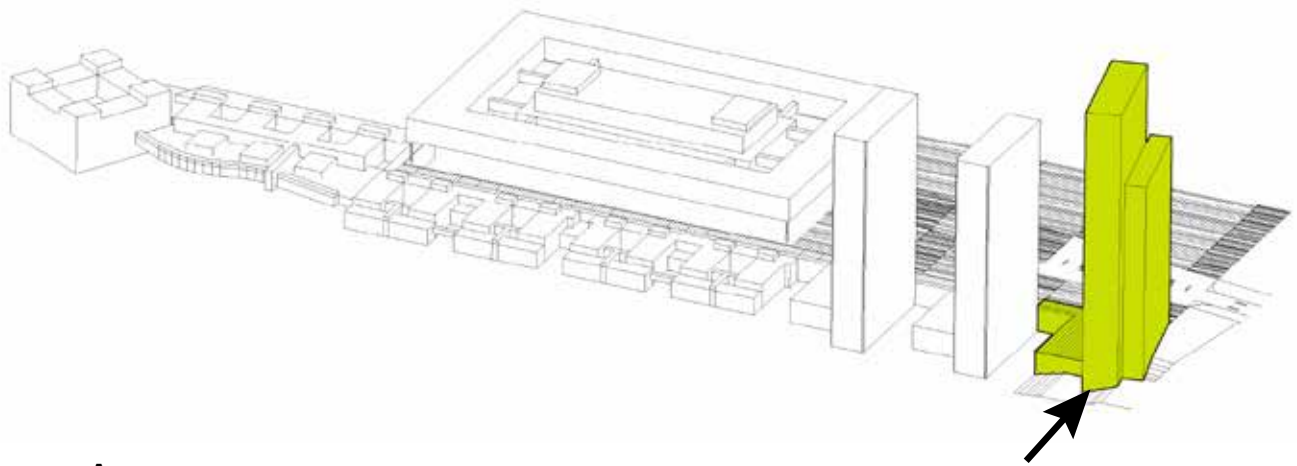
The working group on buildings coordination in Luxembourg (GICIL) continues to inspire the exchange of best practice and information, and to promote the harmonisation of activities among the institutions established in Luxembourg.

At its instigation, inter institutional 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 inter-institutional calls for tenders (institutions based in Luxembourg) in order to conclude contracts relating to, first, technical assistance services in the buildings field, second, the production of a manual defining the technical specifications of a standard building for the European institutions in Luxembourg and, third, services to assist compliance monitoring.

Last, on the initiative of the Court, an inter institutional 'Security' 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.

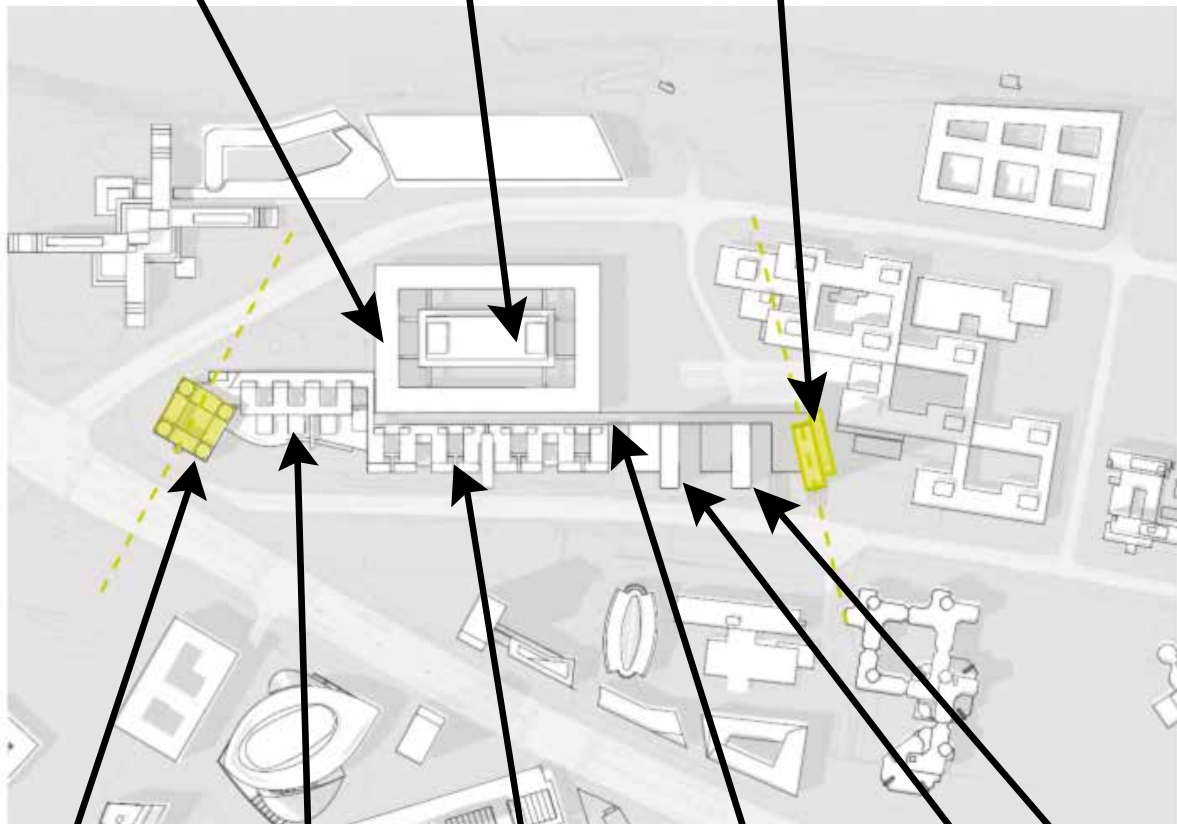
ANNEX 1 : PLAN OF THE BUILDINGS COMPLEX OF THE COURT OF JUSTICE OF THE EUROPEAN UNION
(main site incorporating the buildings subject to a lease purchase contract)



**Anneau
2008**

**Renovated
Palais
2008**

Project for the 5th extension - delivery 2019



Annex 'C'
1994
Renovated in 2013

**Thomas More
(Annex 'B')**
1993
Renovated in 2013

**Erasmus
(Annex 'A')**
1988
Renovated in 2013

**Gallery
2008**

**Tower A
2008**

**Tower B
2008**

ANNEX 2

SPACE AND APPROPRIATIONS BY BUDGETARY LINE AND BUILDING

BUDGETARY LINE	BUILDING	SURFACE AREA ABOVE-GROUND 2017 (in m ²)	CONTRACT TYPE	BUDGET 2017 (EUR)	DRAFT BUDGET 2018 (EUR)
2000	Rent				
	<i>OFFICE SPACE</i>	23.504	Lease	6.888.950	7.133.696
	<i>Sub-total office space</i>	23.504		6.888.950	7.133.696
	<i>'NON-OFFICE' SPACE</i>	9.113	Lease	2.759.257	2.653.153
	<i>Sub-total 'non-office' space</i>	9.213	Lease	2.821.050	2.743.304
TOTAL LINE 2000		32.717		9.710.000	9.877.000
2001	Lease-purchase				
	<i>OFFICE SPACE</i>	23.164	Lease-purchase	2.016.345	2.175.251
	New Palais complex 5th extension - under construction	49.551	Lease-purchase	10.579.927	10.294.880
		<i>(p.m. : 30.400)</i>	Lease-purchase	719.104	1.691.426
	<i>Sub-total office space</i>	72.715		13.315.376	14.161.557
	<i>'NON-OFFICE' SPACE</i>	26.126	Lease-purchase	3.724.283	4.017.792
	New Palais complex 5th extension - under construction	33.444	Lease-purchase	14.808.396	14.409.424
	Security updating project (C110)	<i>(p.m. : 12.046)</i>	Lease-purchase	284.945	670.227
		<i>n/a</i>	Lease-purchase	0	850.000
	<i>Sub-total 'non-office' space</i>	59.570		18.817.624	19.947.443
TOTAL LINE 2001		132.285		32.133.000	34.109.000

Remarks

(1) The spaces 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 space allocated to offices, corridors, lifts, toilets, archives, meeting/training rooms, cafeterias/restaurants, etc.

- The 'NON-OFFICE' space includes specific spaces 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 space although the annual budgetary cost indicated also takes the cost of that space into account.

ANNEX 3**MULTI-ANNUAL PLANNING (office spaces)**

	2017	2018	2019	2020	2021	2022
Long term lease with option to purchase	72.715	72.715	72.715	103.115	103.115	103.115
Renovated 'Annex' buildings ABC	<i>23.164</i>	<i>23.164</i>	<i>23.164</i>	<i>23.164</i>	<i>23.164</i>	<i>23.164</i>
Buildings complex of the new Palais	<i>49.551</i>	<i>49.551</i>	<i>49.551</i>	<i>49.551</i>	<i>49.551</i>	<i>49.551</i>
5th extension project				<i>30.400</i>	<i>30.400</i>	<i>30.400</i>
Leasing	23.504	23.504	25.454	0	0	0
T and Tbis buildings	<i>23.504</i>	<i>23.504</i>	<i>25.454</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL AVAILABLE (A)	96.219	96.219	98.169	103.115	103.115	103.115
Vacating at end of lease (B)	0	0	-25.454	0	0	0
T and Tbis buildings - lease termination			<i>-25.454</i>			
Ready for occupation/projects (C)	0	1.950	30.400	0	0	0
Leasing additional space T and Tbis 5th extension project (detailed pilot study)		<i>1.950</i>	<i>30.400</i>			
Available end of year (=A+B+C)	96.219	98.169	103.115	103.115	103.115	103.115

ANNEX 6

DECLARATION OF ASSURANCE 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 2016 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.



Alfredo CALOT ESCOBAR
Registrar

Done at Luxembourg, on 4 May 2017



COURT OF JUSTICE
OF THE EUROPEAN UNION