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DRAFT REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV – Court of Justice (2017/2139(DEC))

Committee on Budgetary Control

Rapporteur: Marco Valli

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	5

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV – Court of Justice (2017/2139(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2016¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0356 – C8-0250/2017)²,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' replies³,
 - having regard to the statement of assurance⁴ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁵, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Legal Affairs (A8-0000/2018),
1. Grants the Registrar of the Court of Justice of the European Union discharge in respect of the implementation of the budget of the Court of Justice of the European Union for the financial year 2016 / Postpones its decision on granting the Registrar of the Court of Justice of the European Union discharge in respect of the implementation of the budget of the Court of Justice of the European Union for the financial year 2016;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Court of Justice of the European Union, the European Council, the Council, the Commission, the Court of Auditors, the European Ombudsman, the

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 322, 28.9.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 10.

⁵ OJ L 298, 26.10.2012, p. 1.

European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV – Court of Justice (2017/2139(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV – Court of Justice,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Legal Affairs (A8-0000/2018),
1. Notes that in its 2016 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Court of Justice of the European Union (CJEU);
 2. Notes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2016 for administrative and other expenditure of the institutions and bodies were free from material error;
 3. Notes that in 2016, the CJEU had appropriations amounting to EUR 380 002 000 (compared to EUR 357 062 000 in 2015) and that the implementation rate was 98,2%; notes the decrease of the utilisation rate when compared to previous years;
 4. Notes that the CJEU's budget is mostly administrative, with around 75% being used on expenditure concerning persons working within the institution and the remaining on buildings, furniture, equipment and special functions carried out by the institution; notes that, following the Parliament's request, the CJEU has asked its administrative services to introduce the results-based budgeting principle in their field of activity; asks the CJEU to continue applying that principle in its daily administrative operations;
 5. Notes the judicial activity of the CJEU in 2016, with 1604 cases brought before the three courts and 1628 cases completed in that year; also notes that the average duration of proceedings was 16,7 months which was slightly higher than in 2015 (16,1 months); recalls the necessity to guarantee the quality and rapidity with which the CJEU delivers its decisions in order to avoid any significant costs for the parties concerned, arising from the excessive length of time taken;
 6. Notes that the Court of Justice completed 704 cases in 2016 (616 completed cases in 2015) and had 692 new cases brought before it (compared to 713 in 2015), with an increase in cases for preliminary rulings and appeals;

7. Notes that in 2016, the General Court received 974 new cases (compared to 831 in 2015) and dealt with 755 cases (987 in 2015), with an increase in the number of pending cases compared to previous years;
8. Acknowledges that the Civil Service Tribunal ceased to exist on 1st September 2016 and therefore its activity must be considered over a period of only eight months; notes that it completed 169 cases and had 77 new cases, with a considerable decrease in the number of pending cases (compared to 231 in 2015, and 139 in 2016); reiterates its call for an in-depth assessment of the ten years of the tribunal's existence;
9. Notes the entry into force of the Code of Conduct for Members and former Members of the Court of Justice of the European Union which sets rules reflecting several of the Parliament's concerns regarding declarations of interest and external activities; supports the CJEU's decision to set up rules on 'revolving doors' in 2018;
10. Notes that in 2016, following reform of the judicial architecture of the CJEU, staff cases were the third most frequent type of proceedings in the General Court; calls on the CJEU to continue providing statistics on its judicial activities;
11. Notes with regret that in 2016, the General Court exceeded the reasonable period of time within which a litigant is entitled to expect judgement to be delivered; calls on the Court to include in its annual activity report the number of cases where it exceeded the reasonable period of time, whether the litigant asked for an indemnity and the amount of any corresponding payment;
12. Maintains that information on the external activities of each judge should be made accessible to the general public and therefore published on the website of the CJEU and included in its annual activity report;
13. Is of the opinion that the CJEU should produce minutes of meetings held with lobbyists, professional associations and civil society actors, when this does not undermine the confidentiality of ongoing cases;
14. Criticises the Court for refusing access for the Court of Auditors to all the documents relevant in audit of the performance review of the CJEU and for only allowing the auditors to consult publicly available documents; reminds the CJEU that the Court of Auditors' Members and its auditors are bound by confidentiality and professional secrecy in the performance of their duties¹; regrets that *référéndaires* could not be interviewed despite their crucial role in the CJEU's work;
15. Notes that the *référéndaires* are very influential within the CJEU but that their role and the rules governing their conduct remain unknown to the outside world;
16. Notes that following the reform of the CJEU's judicial structure, the allocation of judges to the chambers is made according to the caseload in different areas; is interested

¹ Please see the Code of Conduct for Members of the European Court of Auditors in article 6 and the Ethical guidelines for the European Court of Auditors applying to the staff in paragraph 4 concerning professional secrecy.

to know how this allocation is made and whether specialised chambers are in place for certain areas;

17. Notes the process for assigning cases referred to the Courts; asks the CJEU to provide the rules stipulating the procedure of assignment in both Courts;
18. Notes that intellectual property issues are involved in a significant number of cases in both Courts; encourages the CJEU to analyse ways of simplifying the procedures for these cases and consider a pre-review by its research and documentation services;
19. Observes that the CJEU continues to comply with the interinstitutional agreement to reduce staff by 5% over the period of five years despite the creation of 137 new posts related to the increase in the number of judges and advocates-general;
20. Notes the high rate of occupation of posts (almost 98%) despite the high staff turnover rate; notes the difficulties stated by the CJEU with recruiting permanent staff in entry-level grades;
21. Welcomes the CJEU's exchange of staff with the European Central Bank and the project to establish a framework for exchanges for lawyer-linguists between the various institutions;
22. Welcomes the cooperation with the European Commission and the European Parliament interpretation services within the Interinstitutional Committee for Translation and Interpretation (ICTI);
23. Notes with appreciation that the CJEU became full member of the Interinstitutional Working Group on Key Interinstitutional Activity and Performance Indicators and provided the costs of translation according to the harmonised methodology agreed within the working group;
24. Encourages the CJEU's actions taken in 2016 to improve gender balance in senior and middle-management posts; notes with concern the geographic imbalance at middle and senior management level and calls on the CJEU to work towards improvements in this regard;
25. Notes the CJEU's investment in IT tools to improve case management; asks the CJEU to provide detailed financial information on IT projects within the CJEU since 2014;
26. Notes that the CJEU followed up on the Parliament's recommendation on the use of official vehicles in the 2015 discharge resolution in a phased manner; finds that the actions taken to rationalise the management of the fleet go in the right direction; welcomes the new interinstitutional call for tender on car leasing procurement procedure launched in 2016 which aims to provide economic savings in this regard;
27. Welcomes the CJEU's commitment to ambitious environmental targets and calls for these objectives to be reached in a timely manner;
28. Notes the detailed information on the buildings policy, particularly with regard to the construction of a fifth extension of the current buildings complex;

29. Welcomes the CJEU's adoption of guidelines on information for and protection of whistleblowers in the beginning of 2016 and recalls that the protection of whistleblowers is one of the main issues in public administration.