



The Director

**REPORT OF THE DIRECTOR ON THE MEASURES TAKEN BY THE
TRANSLATION CENTRE FOR THE BODIES OF THE EUROPEAN UNION
IN LIGHT OF THE**

European Parliament resolution of 14 May 2020 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2018 (2019/2072(DEC))

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Observation of the Discharge Authority	Response and measures taken by the Agency	Status/Reference
<i>Performance</i>		
<p>2. Notes that the Centre uses input and output indicators as key performance indicators to assess the results of its activities and several indicators to enhance its budget management; notes the revised ex ante evaluation and the ongoing ex post revision of the Centre's programmes and activities; invites the Centre to further develop the key performance indicators to assess the outcome and impact of its activities in order to gain qualitative advice on how to provide more added value for the Centre's output and improve the Centre's business model;</p>	<p>Given that the Centre's primary mission is to provide translations and related language services to the EU institutions, agencies, offices and bodies, the Centre uses input and output indicators to ensure the implementation of its planned actions and to evaluate whether or not its activities achieved the intended objectives or outcomes. These indicators measure the direct outcome associated with the activities undertaken by the Centre.</p> <p>The Centre has also established strategic key performance indicators (SKPIs) linked to its Strategy 2016-2020. The Centre's SKPIs have multidirectional perspectives combining those of the balanced scorecard as well as five sustainability areas.</p> <p>As a result of its transformation plan the Centre has delivered new type of linguistic services targeted to its clients' needs.</p>	<i>Ongoing</i>
<p>7. Welcomes the progress made on the external evaluation of the Centre's business model, which was carried out in 2017; calls on the Centre to report to the discharge authority on the outcome of the final evaluation;</p>	<p>The final report of the external evaluation (the Study) concluded that the rationale for the Translation Centre as a shared linguistic service provider for the EU agencies, bodies and offices remains fundamentally valid. The report suggested a business model that would embrace changes, to help the Centre become more relevant to its clients whilst putting the Centre onto a more sustainable footing.</p> <p>Following the completion of the Study the Centre's management board adopted a transformation plan which set out the projects and actions to be undertaken between 2019 and 2020 in order to transform the Centre.</p>	<i>Closed</i>
<p>9. Urges the Centre to adopt a sustainable business model in accordance with the transformation plan devised following</p>		<i>Ongoing</i>

<p>the external study entitled 'Study on the Translation Centre as the Linguistic Shared Service Provider for the EU Agencies and Bodies'; encourages the Centre to fully implement those actions which would help adapt the new business model to technological advances, such as the web translation and speech recognition project;</p>	<p>From its conception, the transformation plan aims to implement a financially sustainable business model based on translation technologies and the provision of added value services to clients.</p> <p>The various projects and actions of the transformation plan are divided into four transformation areas: (1) translation technology, (2) human resources, (3) quality and client orientation, and (4) institutional aspects. The transformation plan has been developed in conjunction with a programme developed in close partnership with the EUIPO and comprising five IT projects: (P1) Quality Enhancement, (P2) Machine Translation, (P3) Speech Recognition and Web Translation, (P4) Modernisation of IP Translation Systems, and (P5) Modernisation of IT Infrastructures. The implementation of both the transformation plan and the projects included in the programme is being monitored and reported.</p>	
<p>10. Notes with concern that the Centre has not completed the anti-fraud plan which was targeted to be implemented by the end of 2018 and which had an implementation rate of 66 % in 2018; urges the Centre to speed up the implementation of that plan;</p>	<p>The actions not finalised in the anti-fraud plan in 2018 have been added to the set of new measures in the anti-fraud plan 2019-2020. This set of measures is to be completed altogether by the end of 2020.</p>	<p><i>Ongoing</i></p>
<p>12. Acknowledges the Centre's follow-up on their commitment to make a new version of IATE available to the Union institutions by the end of 2018, which was done in November 2018; notes that the Centre released the interinstitutional version of IATE in February 2019;</p>	<p>The IATE Support and Development Team focused on features that concern the EU central terminology coordinators and provided support to the IATE partners. The team supported the Court of Justice of the European Union in the migration of the terminology from its internal database CuriaTerm to IATE. An improved communication mechanism to deal with feedback from internal and public users is in place.</p>	<p><i>Closed</i></p>
<p><i>Staff policy</i></p>		
<p>15. Encourages the Centre to develop a long term human resources policy framework to address the work-life balance of its staff, lifelong guidance and career development, gender balance, teleworking, non-discrimination, geographical</p>	<p>The Centre has a flexible approach to working time, which is an essential component of the Centre's human resources management. As envisaged in the working time rules, staff members can adjust their working hours while taking into consideration the needs of the service. With the flexitime regime, staff can</p>	<p><i>Closed</i></p>

<p>balance and the recruitment and integration of disabled people;</p>	<p>more easily balance the work-life needs. With the same objective, the Centre also adopted rules on parental, family and maternity leaves, part-time and job-sharing, as well as an open and versatile leave policy. In addition, in order to support the work-life balance of the staff, the Centre adopted in 2018 new implementing rules for teleworking, which allow greater flexibility for work organisation and a better work-life balance of staff by increasing autonomy and making better use of new information technology. In the same year, the Centre also adopted a new learning and development framework, which together with the established appraisal, promotion and reclassification systems ensure the lifelong guidance and career development of staff. In line with the Staff Regulations, the Centre prohibits any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age, or sexual orientation. Such principles are the pillars of the selection and recruitment policy and are reflected in the vacancy notices published by the Centre. The same policy includes rules on recruitment of disabled persons, and the Centre gives the necessary attention to the special needs of its candidates and staff. Finally, the geographical balance among staff is closely monitored, with 27 nationalities represented among the staff at 31.12.2019.</p>	
<p><i>Procurement</i></p>		
<p>16. Notes that, according to the Court's report, by the end of 2018 the Centre had introduced e-invoicing but had not yet introduced the e-tendering and e-submission tools launched by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Centre to introduce all the necessary tools to manage procurement procedures and to report to the discharge authority on their implementation;</p>	<p>E-tendering has been put in place in the Translation Centre in 2019, e-submission should have been put in place beginning of 2020 but has been delayed due to the covid19 crisis.</p>	<p><i>Ongoing</i></p>
<p><i>Prevention and management of conflicts of interest and transparency</i></p>		

<p>18. Notes with concern that, although the Centre is not fee-financed, it depends on revenue received from its clients, who are represented on the Centre's management board, and that there is therefore a high risk of conflict of interest regarding the pricing of the Centre's products, which could be remedied if the Commission collected fees on behalf of the Centre's clients, leading to the Centre being fully funded from the Union budget; acknowledges the Centre's comment that the possibility of being funded from the Union budget would require an agreement between the Commission and the budgetary authority; calls on the Centre to report to the discharge authority on measures taken in order to mitigate such a risk;</p>	<p>The Centre, as a self-financed agency, has successfully managed in recent years to balance its budget through the consumption of the reserve for pricing stability. Along with the considerable reduction of this reserve, the Centre is finalising the implementation of its transformation plan laying the foundations of a future business model meant to ensure its long-term financial sustainability and balanced budgets. The business model will be built in three steps: 1) implementation of new language technologies and optimised workflow management tools to increase performance; 2) new approach to delivering services to clients by moving from a one-fits-all translation service to a richer, more diversified service offer which will respond to the specific needs of our clients; 3) revising its financing model and how services are invoiced.</p> <p>There has been no pressure from the Centre's clients to modify the prices that the Centre is charging for the services it provides. Furthermore, the degree of influence by a client to the prices the Centre is setting and subsequently charging for its services is very slim.</p>	<p><i>Closed</i></p>
<p>Other comments</p>		
<p>20. Encourages the Centre to pursue the digitalisation of its services;</p>	<p>In the context of the revolution that is sweeping through the translation world - with the widespread use of machine translation - the Centre has been concentrating its efforts to increase its productivity and the level of service. The sustainable business model that is being developed is based in the use of state-of-the-art language technologies and the expertise of the Centre's staff.</p>	<p><i>Ongoing</i></p>
<p>21. Regrets the fact that the European Union Intellectual Property Office (EUIPO) decided, on 26 April 2018, to terminate the translation arrangement it concluded with the Centre, despite its legal obligation to avail of the services of the Centre, as provided for in Article 148 of Regulation (EU) 2017/1001, which established the EUIPO; notes the legal action brought before the General Court by the Centre on 6 July 2018 and the closure of the oral phase of the hearing on 4 June 2019; notes that a new arrangement for two years</p>	<p>The legal action before the General Court has been closed and the EUIPO and Translation Centre resumed a fruitful cooperation from beginning of 2019 onwards. Furthermore, on 26 June 2020, the Centre has signed a three-years arrangement with the EUIPO for the provision of translation services. This arrangement is balanced for both parties and guarantees a minimal amount of revenue from the EUIPO even in case the number of translated EUTM would be reduced dramatically.</p>	<p><i>Closed</i></p>

only was signed on 7 December 2018 between the Centre and the EUIPO; calls on the Centre to keep the discharge authority updated on the development of the legal proceedings;		
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