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REPORT

on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section IV – Court of Justice (COM(2012)0436 – C7-0227/2012 – 2012/2170(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section IV – Court of Justice (COM(2012)0436 – C7-0227/2012 – 2012/2170(DEC))

The European Parliament,

- having regard to the European Union general budget for the financial year 2011¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012)0436 – C7-0227/2012)²,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, 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 2011 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 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - 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 1605/2002⁶, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0090/2013),
1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the Court of Justice's budget for the financial year 2011;
 2. Sets out its observations in the resolution below;

¹ OJ L 68, 15.3.2011.

² OJ C 348, 14.11.2012, p. 1.

³ OJ C 344, 12.11.2012, p. 1.

⁴ OJ C 348, 14.11.2012, p. 130.

⁵ OJ L 248, 16.9.2002, p. 1.

⁶ OJ L 298, 26.10.2012, p. 1.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, 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 the discharge for implementation of the European Union general budget for the financial year 2011, Section IV – Court of Justice (COM(2012)0436 – C7-0227/2012 – 2012/2170(DEC))

The European Parliament,

- having regard to the European Union general budget for the financial year 2011¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012)0436 – C7-0227/2012)²,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, 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 2011 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 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - 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 1605/2002⁶, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0090/2013),
1. Welcomes the fact that in 2011, the Court of Justice of the European Union ('Court of Justice') had commitment appropriations amounting to EUR 335 904 453,30 (EUR 323 784 221,30 in 2010) and that the rate of implementation of appropriations for the Section

¹ OJ L 68, 15.3.2011.

² OJ C 348, 14.11.2012, p. 1.

³ OJ C 344, 12.11.2012, p. 1.

⁴ OJ C 348, 14.11.2012, p. 130.

⁵ OJ L 248, 16.9.2002, p. 1.

⁶ OJ L 298, 26.10.2012, p. 1.

IV – Court of Justice, remained very high in 2011 (more than 98% in all, and even higher than 99% for the appropriations in Title 2); stresses that the rate of implementation could have reached 99% had it not been for the Council’s refusal to follow the Commission’s proposed salary adjustment (+1,7% backdated to 1 July 2011);

2. Stresses that the Court of Justice's budget is purely administrative, with 75% spent on persons working in the institution and 25% on buildings, furniture, equipment and miscellaneous operating expenditure;
3. Notes with satisfaction that in its 2011 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to human resources and procurement for the Court of Justice;
4. Welcomes 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 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
5. Expresses concern that the amount of pending cases in the General Court is still very high in 2011 (i.e. 1300 pending cases in 2010 and 1308 pending cases in 2011); stresses the importance of the rapid administration of justice for the smooth operation not only of the institutions, but also of the economy because it increases legal certainty;
6. Urges the Court of Justice to examine what type of organisational changes could lead to a the reduction in the number of pending cases and also believes that the General Court needs human resources reinforcement; is of the opinion that the proposal for the creation of additional appointments of judges in the General Court - which is still under examination in the Council - could contribute to the moderation of that trend; calls on the General Court to assess whether there are any additional proposals not related to human resources to reverse this trend;
7. Points out that the statistics concerning the Court of Justice’s activity in 2011 show, overall, a need of improvement in efficiency as regards the duration of proceedings: as far as preliminary rulings are concerned, the average period taken to deal with a case is 16,4 months, compared to the figure for the year 2010 (16 months). The average time taken to deal with direct actions and appeals in 2011 was 20,2 months and 15,4 months respectively (compared to 16,7 months and 14,3 months in 2010);
8. Notes that the Civil Service Tribunal has a steady evolution of new and completed cases in recent years (i.e. 139 new cases in 2010 compared with 159 in 2011 and 129 completed cases in 2010 and 166 in 2011);
9. Notes that the Court of Justice completed 550 cases in 2011, an appreciable increase compared with the previous year (522 cases completed in 2010), and that of those cases, 370 were dealt with by judgment and 180 gave rise to an order;
10. Welcomes the eCuria application, which came into operation in November 2011, enabling procedural documents to be lodged and notified electronically; notes with satisfaction that this application has contributed, as far as the Court of Justice is concerned, to a 25% decrease in the use of paper between 2011 and 2012 and to savings of EUR 150 000;

11. Stresses that e-Curia must, in due course, make it possible to do away with a great proportion of exchanges of correspondence and with the scanning of documents coming in and going out, and enable the optimisation of internal work flows; asks Parliament's Committee on Budgetary Control to be given an accurate description of costs relating to the creation, maintenance and updating of the eCuria application;
12. Asks to be informed of the measures taken to resolve informatics breakdowns which can affect the eCuria performance;
13. Considers very positive that by the end of 2012, 14 Member States, two European Free Trade Association countries and five European institutions (in particular Parliament, the Council and the Commission) were active users of eCuria;
14. Welcomes the development and improvement of the integrated management system SAP which was established in 2008 on an interinstitutional basis by the Council, the Court of Auditors and the Court of Justice, and which forms the essential instrument for handling all financial and budgetary transactions of the Court of Justice; considers, therefore, that it is important to assure the smooth functioning of the SAP;
15. Supports the initiative taken by the Court of Justice to reform its Statute and Rules of Procedure in view of the challenges it faces in connection with the increased number of cases; notes that various changes agreed by the legislators have already entered into force and are being implemented; hopes that further, urgent structural measures allowing in particular for the appointment of additional judges at the General Court will be adopted in 2013;
16. Notes with satisfaction the creation of a new search engine for consulting case law and the availability of the catalogue of the Court of Justice's library online in order to bring citizens closer to the Court of Justice as a Union institution;
17. Takes note of the modification of the Court of Justice's administrative structure with the creation of a Directorate of Protocol and Information; expects that the annual activity report 2012 gives a detailed description of the benefits that the change has brought for the Court of Justice's performance;
18. Finds the engagement of the Court of Justice in holding a collection of works of art representative of the Union's artistic heritage an ambitious project requiring specialised resources; invites the Court of Justice to explain how this project articulates with the traditional activities of the Court of Justice; takes note that in 2012, the Court of Justice paid EUR 7500 to insure a collection valued at EUR 2 400 000;
19. Welcomes the fact that the Court of Justice allowed 5% of its permanent interpreters to add another working language to their language combinations in 2011; highlights that this was possible due to intensive language training;
20. Notes that the number of hearings and other meetings with interpretation continue to grow in 2011, which was mainly attributable to enlargement and the entry into force of the Treaty of Lisbon;

21. Recognises that interinstitutional cooperation in regard to the recruitment of interpreters represents considerable savings for the Court of Justice;
22. Takes note of the new activities in 2011 of the Directorate General for Infrastructure and asks that the Court of Justice give further information to Parliament's Committee on Budgetary Control on the building project for the fifth extension to the Court of Justice's buildings;
23. Welcomes the fact that the Court of Justice has prepared such a thorough and detailed annual activity report and has included in it in-depth information on its human resources management, as requested by Parliament.

28.1.2013

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the European Union general budget for the financial year 2011, section IV – Court of Justice
(C7-0227/2012 – 2012/2170(DEC))

Rapporteur: Eva Lichtenberger

SUGGESTIONS

The Committee on Legal Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes that the rate of implementation of appropriations for the Section IV – Court of Justice, remained very high in 2011 (more than 98% in all, and even higher than 99% for the appropriations in Title 2). In addition, it is to be stressed that the rate of implementation could have reached 99%, had it not been for the Council's refusal to follow the Commission's proposed salary adjustment (+1.7% backdated to 1.7.2011);
2. Stresses that the budget of the Court of Justice is purely administrative, with 75% spent on persons working with the institution and 25% on buildings, furniture, equipment and miscellaneous operating expenditure;
3. Expresses its satisfaction that the Court of Auditors, in its 2011 Annual Report, has made no observation concerning the Court of Justice, as was already the case for the year 2010;
4. Points out that the statistics concerning the Court of Justice's activity in 2011 show, overall, a need of improvement in efficiency as regards the duration of proceedings: as far as preliminary rulings are concerned, the average period taken to deal with a case is 16.4 months, compared to the figure for the year 2010 (16 months). The average time taken to deal with direct actions and appeals in 2011 was 20.2 months and 15.4 months, respectively (compared to 16.7 months and 14.3 months in 2010);
5. Notes that the Court completed 550 cases in 2011, an appreciable increase compared with the previous year (522 cases completed in 2010). Of those cases, 370 were dealt with by

judgment and 180 gave rise to an order;

6. Welcomes the development of the 'e-Curia' application, enabling procedural documents to be lodged and notified electronically; stresses that e-Curia must in due course make it possible to do away with a great proportion of exchanges of correspondence and with the scanning of documents coming in and going out, and enable the optimisation of internal work flows;
7. Supports the initiative taken by the Court of Justice to reform its Statute and Rules of Procedure in view of the challenges it faces in connection with the increased number of cases; notes that various changes agreed by the legislators have already entered into force and are being implemented; hopes that further, urgent structural measures allowing in particular for the appointment of additional judges at the General Court will be adopted in 2013.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	22.1.2013
Result of final vote	+: 23 -: 0 0: 0
Members present for the final vote	Raffaele Baldassarre, Luigi Berlinguer, Sebastian Valentin Bodu, Françoise Castex, Christian Engström, Giuseppe Gargani, Lidia Joanna Geringer de Oedenberg, Sajjad Karim, Antonio Masip Hidalgo, Jiří Maštálka, Alajos Mészáros, Evelyn Regner, Francesco Enrico Speroni, Dimitar Stoyanov, Rebecca Taylor, Rainer Wieland, Cecilia Wikström, Tadeusz Zwiefka
Substitute(s) present for the final vote	Piotr Borys, Vytautas Landsbergis, Eva Lichtenberger, Dagmar Roth-Behrendt, József Szájer, Axel Voss

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	19.3.2013
Result of final vote	+: 19 -: 2 0: 0
Members present for the final vote	Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Zuzana Brzobohatá, Ryszard Czarnecki, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Cătălin Sorin Ivan, Bogusław Liberadzki, Jan Mulder, Eva Ortiz Vilella, Crescenzo Rivellini, Petri Sarvamaa, Bart Staes, Georgios Stavrakakis, Søren Bo Søndergaard
Substitute(s) present for the final vote	Philip Bradbourn, Esther de Lange, Derk Jan Eppink, Ivailo Kalfin, Derek Vaughan