

RESOLUTION (EU) 2019/1444 OF THE EUROPEAN PARLIAMENT**of 26 March 2019****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 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its 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 2017,
 - 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 Culture and Education (A8-0122/2019),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2017 was EUR 49 429 100, representing a decrease of 2,27 % compared to 2016; whereas 88,93 % of the Centre's budget derives from direct contributions from institutions, other agencies and bodies;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2017 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 93,12 %, representing an increase of 3,75 % compared to the previous year; observes that the payment appropriations execution rate was 85,40 %, representing an increase of 3,21 % compared to the previous year;

Cancellation of carry-overs

2. Notes with concern the relatively high level of cancelled carry-overs in 2017 amounting to EUR 317 986,20 and still representing 8,76 % of the total amount carried over, despite a decrease of 1,34 % in comparison to 2016;

Performance

3. Notes that the Centre uses input and output indicators as Key Performance Indicators (KPIs) to assess the results of its activities and several indicators to enhance its budget management; invites the Centre to further develop the KPIs 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 outputs and improve the Centre's business model;
4. Notes that the Centre has started revising the ex-ante evaluation of programmes and activities in line with the guidance provided by the Commission and that input and output indicators are now in place in the Centre's work programmes;
5. Notes that the implementation rate of the Centre's amended work programme for 2017 was 87,7 %;
6. Notes with satisfaction the impact of the new pricing structure for the translation of documents, which corresponded to a saving of EUR 3,2 million for the Centre's clients in 2017, while the Centre's revenues remained stable during 2017 notwithstanding the impact of the new pricing structure;
7. Welcomes the cooperation agreement signed with the European School Luxembourg II (EEL2), bringing the Centre's portfolio to 65 clients at the end of 2017;

⁽¹⁾ OJ C 415, 5.12.2017, p. 1.

8. Notes with satisfaction that the Centre implemented two actions to share resources with other agencies on overlapping tasks through the EU Agencies Network: a shared services catalogue, which lists all the services that could be shared by the agencies and a joint procurement portal, on which the agencies' procurement plans are shared;
9. Welcomes the Centre's efforts to streamline multilingualism into its products, acknowledged by the European Ombudsman in 2017 by awarding the Centre together with the European Union Intellectual Property Office (EUIPO) and the European Agency for Safety and Health at Work (EU-OSHA) with the Ombudsman's Award for Good Administration in the category 'Excellence in citizen/customer focused services delivery', for their jointly developed innovative project that facilitates the translation management of multilingual websites;
10. Welcomes the fact that the Centre has made available to the Union institutions the new version of the IATE (InterActive Terminology for Europe), ensuring that the interinstitutional terminology database keeps pace with innovation;
11. Welcomes the external evaluation of the Centre's business model, carried out in 2017; calls on the Centre to report to the discharge authority on the outcome of the final evaluation;

Staff policy

12. Notes that, on 31 December 2017, the establishment plan was 96,9 % executed, with 189 officials or temporary agents appointed out of 195 temporary agents and officials authorised under the Union budget (compared with 197 authorised posts in 2016); notes that, in addition, 26 contract agents worked for the Centre in 2017;
13. Insists on the adequate geographical distribution of its staff as well as of its middle and high management;
14. Notes that the Centre adopted a policy on protecting the dignity of the person and preventing harassment;

Procurement

15. Notes that, according to the Court's report, by the end of 2017 the Centre had not yet been using all of the tools launched by the Commission aimed at introducing 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 of the necessary tools to manage procurement procedures and report to the discharge authority on their implementation;

Prevention and management of conflicts of interest and transparency

16. Notes that the Centre opted for the publication of only declarations of interests, without CVs, due to the management problems associated with the size of its management board (approximately 130 members and alternate members); notes that the director's CV and declaration of interests are published on the Centre's website; calls on the Centre to report to the discharge authority on the measures taken in this regard;
17. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Centre's director and management board; welcomes the steps already taken in order to ensure the independence of the accounting officer;
18. Notes 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 risk of conflicts of interests regarding the pricing of the Centre's products which could be solved if the Commission collected the fees on behalf of the Centre's clients and would prompt the Centre to be mainly funded from the Union budget; calls on the Centre to report to the discharge authority on measures taken in order to mitigate such a risk;

Internal controls

19. Notes that the Commission's Internal Audit Service (IAS) performed an onsite risk assessment in 2017 covering all operational and support activities of the Centre; notes that the result of the risk assessment was the IAS Strategic Internal Audit Plan 2018-2020, which was approved by the management board;

20. Acknowledges that the follow-up on the outstanding recommendations of the audit on Business Continuity Management and the audit on the Management of the Workflow for Translation of Documents concluded that all recommendations have been adequately and effectively implemented;

Other comments

21. Reaffirms its strong commitment to multilingualism in the European Union as one of the fundamental prerequisites for the proper functioning of the Union's democratic system; points to the role that the Translation Centre plays in delivering high-quality translation and language services;
22. Notes with concern that, according to the Court's report, several agencies and bodies make increasing use of other solutions instead of the Centre's translation services, meaning that the Centre's capacity is underused, that there is a duplication of systems and that the Centre's business model and continuity could be at risk; invites the Centre and the Commission to proactively consider solutions to the issue at hand and improvements to its business model in order to be able to mitigate those risks;
23. 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 of the European Parliament and of the Council ⁽²⁾, which established the EUIPO; takes note of the legal action brought before the General Court by the Centre on 6 July 2018; calls on the Centre to keep the discharge authority updated on the developments of the legal proceedings;
24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽²⁾ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ L 154, 16.6.2017, p. 1).

⁽³⁾ Texts adopted, P8_TA(2019)0254 (see page 361 of this Official Journal).