



Finance Committee

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Review of costs of conference services and possible further cost-saving measures

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Report of the Secretary-General

I. Introduction

1. At its meeting during the twenty-second session, the Finance Committee expressed its concern with regard to the large increase in expenditure on conference services in recent years. Following discussions, the Secretary-General and the Committee agreed to take the following steps to effect savings with respect to conference services:

(a) The Secretary-General will initiate high-level consultations with the United Nations on the terms and conditions of conference services provided in the future;

(b) The interpretation services for the meetings of the Legal and Technical Commission and the Finance Committee will be procured in the form of an open tender starting in 2017;

(c) New York-based United Nations support staff will be replaced by national personnel in Jamaica beginning in 2017;

(d) The Secretary-General will look into the possibility of reducing the number of languages interpreted during meetings of the Legal and Technical Commission and the Finance Committee in cases where the membership of those bodies eliminates the need to interpret into any of the six languages from the outset;

(e) The Secretary-General will present a thorough report on the costs of conference services and possible further cost-saving measures to the Committee in 2017.

2. The present report is submitted pursuant to those steps.

* ISBA/23/FC/L.1.



II. Trends in the costs of conference services

3. As requested by the Finance Committee, a thorough review of the costs of conference services was carried out for the years 2014 to 2016. As shown in table 1, the gross cost of all expenditures on conference services increased by \$200,000 in 2015 compared with 2014, but subsequently decreased in 2016. The costs incurred in 2016 were not significantly higher than in 2014. Furthermore, expenditure on certain line items (printing and supplies, local transportation and miscellaneous conference servicing costs) decreased quite significantly as a result of cost-saving measures already implemented by the secretariat.

Table 1
Conference servicing costs, 2014-2016

(United States dollars)

<i>Costs</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Printing and supplies	3 709	4 939	893
Miscellaneous conference servicing costs	168 890	49 128	46 619
Staff travel	296 762	359 513	353 467
Rental of conference centre	64 567	67 916	70 199
Temporary assistance (meetings)	59 104	66 297	65 689
Rental of equipment	11 263	9 974	9 272
Local transportation	5 100	4 103	2 707
Meeting services	559 720	749 678	691 897
Documentation	742 962	801 366	818 360
Total	1 912 076	2 112 914	2 059 102
Revenue from application fees	(687 993)	(224 959)	(593 202)
Total, offset against application fees	1 224 083	1 887 955	1 465 900

4. It is clear from table 1 that the most costly components of the conference servicing budget are documentation (translation and reproduction of official documents), meeting services (conference services, including interpretation provided by the United Nations) and staff travel (travel for interpreters and New York-based support staff). Accordingly, the emphasis of the present report is on identifying possible ways of constraining the costs attributable to documentation, interpretation and conference support.

5. In general terms, these costs depend on the number of meetings held during the annual sessions and on the volume of the documents to be translated. The costs in relation to interpretation and support services can be predicted with relative accuracy. Translation costs are, however, less predictable and depend on the number of documents submitted. All conference services are currently provided by the Department for General Assembly and Conference Management of the United Nations under the Agreement concerning the Relationship between the United Nations and the International Seabed Authority (General Assembly resolution [52/27](#)). There are many advantages to this arrangement, including the assured quality of United Nations services, as well as the familiarity of United Nations interpreters with the subject matters under discussion. In addition, all official documents of the Authority are archived and available online to all delegations using the Official Document System of the United Nations (<http://documents.un.org>).

III. Terms and conditions of the conference services provided by the United Nations

6. In January 2017, the secretariat held discussions with the Department for General Assembly and Conference Management in order to analyse the costs of providing conference services to the Authority and identify potential areas where savings could be made. The transition by the United Nations to Umoja, a tailored enterprise resource planning software, makes it possible to more accurately account for translation costs, which should lead to modest cost savings, depending on the number of official documents translated. The secretariat has also introduced additional internal controls to manage document production more efficiently, reduce waste and restrict the length of documents and reports, while maintaining quality and integrity. Furthermore, the translation of contractors' reports and other documents that do not need to be produced as official documents has been outsourced locally, also resulting in some cost savings.

7. In addition, following the internal reorganization of the secretariat in January 2017, the secretariat carried out a detailed assessment of needs in order to address the question of New York-based United Nations support staff. As a result, from 2017, the number of New York-based staff members providing support at the session will be reduced from nine to two. The anticipated cost savings from this measure will amount to \$129,028, as shown in table 2.

8. The secretariat has also continued to tighten expenditure on locally recruited conference servicing staff, including by reducing numbers, reducing or eliminating overtime payments and outsourcing certain services, such as transportation and conference reporting. In 2016, the paper-smart system was introduced on a trial basis to reduce the costs associated with the reproduction and distribution of documents, which had previously been done manually. As shown in table 1, this system reduced the cost of printing and supplies by approximately 75 per cent (from \$4,939 to \$893). The Authority will continue to apply the paper-smart system in 2017, even though it is noted that many delegations still insist on having paper copies of documents, despite the fact that the practice of distributing paper copies has been discontinued at United Nations Headquarters.

9. Table 2 shows the total estimated savings in support staff costs for the session in 2017 compared with 2016.

Table 2

Comparison of expenditure on conference support staff for the twenty-second session and projected expenditure for the twenty-third session

	<i>Twenty-second session, July 2016 (United States dollars)</i>	<i>Number of staff</i>	<i>Twenty-third session, July-August 2017 (United States dollars)</i>	<i>Number of staff</i>	<i>Saving (United States dollars)s</i>
Local staff	57 463	33	22 568	25	
United Nations support staff	121 028	9	26 895	2	
Subtotal	178 491		49 463		129 028
Press services	30 182	8	56 000	5	
Total	208 673		105 463		103 210

IV. Interpretation costs

10. The meetings of the organs of the Authority are conducted with simultaneous interpretation into the six official languages of the Authority (Arabic, Chinese, English, French, Russian and Spanish), provided by the Department for General Assembly and Conference Management. Such services are provided pursuant to the Agreement concerning the Relationship between the United Nations and the International Seabed Authority on a cost-recovery basis. The costs include outlays on salaries, travel and per diem allowances. The interpretation costs for two meetings held in July 2016 and in February 2017 amounted to \$702,757, as shown in table 3.

11. While meetings of the Legal and Technical Commission and the Finance Committee are also conducted in the six official languages, it has been the practice in the past to omit one or more languages where the body in question does not require such services, with a view to realizing cost savings. However, this is possible only when the secretariat is aware in advance that a particular language is not required or that a particular member or members will not be attending. In view of their present constitution, the Legal and Technical Commission usually requires all six official languages and the Finance Committee usually requires five languages.

12. For several years, until 2011, interpretation for the Finance Committee and the Legal and Technical Commission was outsourced to a Cuban company because of its competitive prices. However, during the seventeenth session in 2011, complaints were made in the Council regarding the perceived poor quality of the interpretation provided. As a result, a decision was made to revert to the interpretation services of the United Nations.

13. Pursuant to a request by the Finance Committee, the secretariat issued an open international tender for interpretation services in March 2017. Only one bid was received, from InterpreNet, which proposed to provide remote services through a cloud-based remote interpreting platform.

14. According to the proposal, InterpreNet would require a technician to be present in Kingston to connect the high-quality video stream and the audio stream via the Internet and a specific platform to the interpreters, who would be located in a state-of-the-art facility equipped for remote simultaneous interpretation services in Chicago, United States of America. The high-quality audio streams from the interpreters would be fed back to the audio transmitters used by the audience in the conference room. It is claimed that any delay would be hardly noticeable to participants as the dedicated high-speed Internet connection would deliver near real-time performance. An added advantage would be that participants would be able to follow the discussions from anywhere in the world using their smart phone or laptop, as long as they had access to the Internet. The company would also provide all equipment needed, with the exception of two dedicated high-speed Internet connections.

15. Table 3 compares the actual expenditure on interpreting for two meetings, held in July 2016 and February 2017, with the estimated expenditure had remote interpretation services been used. It shows that using remote interpretation would have resulted in estimated savings of \$338,462, representing about half the cost of using United Nations interpreters. The savings would have been substantial, even anticipating unforeseen expenses of between 5 per cent and 15 per cent, as well as the cost of the dedicated Internet connection.

16. In order to help the Finance Committee to make a recommendation on this matter, the secretariat and InterpreNet propose to organize a live demonstration of

its remote interpretation services for the Finance Committee and the Legal and Technical Commission during the twenty-third session.

Table 3
Cost comparison of United Nations interpreters and remote interpretation

(United States dollars)

<i>Meetings</i>	<i>Cost items</i>	<i>Actual costs with United Nations interpreters</i>	<i>Projected costs according to the proposal for remote interpretation</i>	<i>Potential savings</i>
July 2016	Travel	188 188	14 700	
	Interpretation	256 254	191 700	
	Equipment and miscellaneous	–	22 720	
	Project management and quality assurance	–	3 600	
	Subtotal	444 712	232 720	211 992
February 2017	Travel	89 579	9 800	
	Interpretation	168 466	106 500	
	Equipment and miscellaneous	–	12 075	
	Project management and quality assurance	–	3 200	
	Subtotal	258 045	131 575	126 470
	Total	702 757	364 295	338 462

V. Conclusion and recommendation

17. The measures taken to date by the Secretary-General, as well as the further measures identified in the present report, should result in modest cost savings in certain areas as a result of tighter control over expenditure. It is anticipated that large increases in spending on conference services can be avoided through improved budgetary control and more accurate needs forecasting. The Secretary-General is grateful to the Department for General Assembly and Conference Management for its cooperation in terms of improved transparency of costs and budget methodology.

18. As far as the translation of official documents is concerned, there is no realistic alternative to using the services of the United Nations, without compromising on the quality and accessibility of the official documentation of the Authority. The associated costs will remain subject to the number and length of the documents produced, which are variable.

19. Unless the Finance Committee wishes to propose more radical solutions, such as reducing the number of official languages, the only area in which further cost savings could be envisaged is in interpretation. The Finance Committee is invited to consider the possible alternative that has been identified, following a live demonstration.

20. Further savings in support services cannot reasonably be expected without compromising on the quality of the services expected by delegations.

21. The Finance Committee is invited to take note of the measures taken by the Secretary-General to constrain any further unexpected increases in the overall cost of conference services.