

I

(Information)

COURT OF AUDITORS

SPECIAL REPORT No 5/2005

**Interpretation expenditure incurred by the Parliament, the Commission
and the Council, together with the institutions' replies***(pursuant to Article 248(4), second subparagraph, EC)*

(2005/C 291/01)

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EXECUTIVE SUMMARY

I. Twenty-one languages have the status of official and working languages of the European institutions. The institutions which, because of the nature of their activities, need the largest volume of interpretation services are the Parliament, the Commission and the Council. The Parliament has its own interpretation department. The interpretation needs of the Council and the Commission are catered for by the Directorate-General for Interpretation of the Commission (DG Interpretation).

II. Because of the uneven spread of demand over the year the European institutions employ not only permanent staff interpreters (officials), but also freelance interpreters recruited as auxiliary staff (called ACIs: Auxiliary Conference Interpreters).

III. The purpose of the Court's audit was to assess the soundness of the financial management of interpretation services at the Parliament, the Commission and the Council. In particular, the audit aimed to establish whether these institutions have adequate tools and procedures to ensure that:

- the interpretation services provided do not exceed the real needs,
- all the interpretation services needed can be provided,
- interpretation services are provided at the lowest possible cost,
- interpretation is of high quality.

IV. The audit has shown that the quality of interpretation mostly meets needs and expectations, but that a number of measures need to be taken to reduce cost and to avoid the provision of interpretation that was requested but not used.

V. The institutions have adopted differing approaches in responding to requests for interpretation. Whereas the DG Interpretation examines, together with the requesting Commission DGs, which interpretation services are really needed and decides which requests are to be met, there is no such examination at the Parliament, where all requests which formally comply with the rules are accepted as far as resources are available. In 2004 the Council adopted a new procedure providing clear incentives to limit interpretation requests.

VI. A calculation made by the Court shows that in 2003 the total cost of interpretation was around 57 million euro at the Parliament and around 106 million euro at the Commission, the Council, the Committees and some agencies. The average cost per interpreter of an interpretation day was 1 476 euro at the Parliament and 1 046 euro at the Commission and the Council.

VII. While the institutions have been successful in limiting the interpretation, further savings could be made if late cancellations, last-minute meeting requests, unequal distribution of meetings over the course of the week and the year, and high travel costs for ACIs were avoided. As these elements are largely beyond the control of the interpretation departments, savings could only be achieved by more forethought on the part of the meeting organisers.

VIII. Session reports indicating which languages have been used during the meetings are a very useful tool for assessing whether the interpretation arrangements provided correspond to the needs of the meeting participants, but they are not prepared in a significant number of cases. Providing a statement of the cost of cancelled meetings to the meeting organisers, as the Council does, is good practice which should be extended to the other institutions.

INTRODUCTION

1. According to Article 290 of the Treaty establishing the European Community the Council is empowered to determine unanimously the rules governing the languages of the institutions of the Community.
2. Under Regulation No 1, updated after every accession of States to the European Union, the Council has given 21 languages (Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovak, Slovenian, Spanish and Swedish) the status of official languages and working languages of the institutions ⁽¹⁾.
3. Based on Regulation No 1 interpretation services are necessary when various working languages are used at a meeting.
4. The institutions which, because of the nature of their activities, have to provide the largest volume of interpretation services are the Parliament, the Commission and the Council. In 2003 the total cost of interpretation was around 57 million euro for the Parliament and around 106 million euro for the Commission, the Council, the Committees and some agencies.
5. The Parliament's Directorate for Interpretation provides for all the interpretation needs of the Parliament itself (for meetings held in Brussels, Strasbourg or elsewhere), the Ombudsman, the Commission in Luxembourg and the Court of Auditors. Since the completion of the audit the Parliament also provides interpretation to the Committee of the Regions on certain days.
6. The Commission's Directorate-General for Interpretation (DG Interpretation) covers the interpretation needs of the Commission (about 40 % of the interpretation days provided) — except for meetings taking place in Luxembourg — the Council (more than 50 % of the interpretation days provided), the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank and some European agencies.
7. The Council has only a small Conferences Unit that organises the meetings and orders interpretation services from the DG Interpretation.
8. Because of the uneven spread of demand over the year, depending on the frequency of meetings and the language combinations requested, the European institutions employ not only permanent staff interpreters (officials) ⁽²⁾ but also freelance interpreters recruited as auxiliary staff (called ACIs ⁽³⁾: Auxiliary Conference Interpreters). Working conditions, remuneration and reimbursement of expenses are governed, for ACIs, by the 'Conditions of employment of other servants of the European Communities' and by an Agreement signed between the largest professional organisation of interpreters, the International Association of Conference Interpreters (IACI), and the three EU institutions employing interpreters (i.e. the Commission, the Parliament and the Court of Justice); permanent staff interpreters are governed by the Staff Regulations ⁽⁴⁾.
9. In 2003 a total of about 150 000 interpretation days was provided to the European institutions. The Council accounted for approximately 39 % of this total, the Commission in Brussels 26 %, the Commission in Luxembourg 4 % and the Parliament 21 %. The other European institutions and bodies (the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank, the agencies, etc.) account for the remaining 10 %. On the providers' side, the DG Interpretation represents about 70 %, the Parliament 27 % ⁽⁵⁾ and the Court of Justice 3 % of the interpretation services supplied.

⁽²⁾ Before the May 2004 EU enlargement, the DG Interpretation employed nearly 500 staff interpreters, the Parliament over 200 and the Court of Justice 33.

⁽³⁾ Freelance interpreters are also known under the French acronym AIC (*Auxiliaire Interprète de Conférence*).

⁽⁴⁾ The Staff Regulations of officials of the European Communities and the Conditions of employment of other servants of the European Communities are laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 (OJ L 56, 4.3.1968, p. 1), last amended by Regulation (EC, Euratom) No 723/2004 (OJ L 124, 27.4.2004, p. 1).

⁽⁵⁾ For statistical purposes, the DG Interpretation defines an interpreter day as two half-days during which an interpreter really did at least some interpretation (i.e. excluding travelling and all other activities). Because the DG Interpretation, the Parliament and the Court of Justice use different methods to calculate the number of interpreter days provided, the auditors have adjusted the figures for the other institutions to make them comparable with the DG Interpretation's figures in order to calculate the share of each institution in the total consumption and to calculate the cost per interpretation day.

⁽¹⁾ Council Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385/58), as amended.

Table 1

**The volume of interpreter/days provided to EU institutions (index 1998 = 100) ⁽¹⁾,
including the languages of the new Member States**

	1998	1999	2000	2001	2002	2003	2004
Council	100	96,8	96,3	105,6	109,1	103,9	89,9
Commission	100	101,5	100,4	94,7	85,8	85,1	85,1
Other DG Interpretation	100	95,2	102,7	112,3	91,0	88,8	95,8
Total DG Interpretation	100	98,5	98,5	101,8	98,2	95,0	88,9
Parliament	100	85,0	92,7	97,8	97,7	97,2	103,1
Total	100	93,8	96,5	100,4	98,0	95,8	93,9

⁽¹⁾ To facilitate comparison, 1998 was chosen as the base year because 1998 and 2003 are both years preceding a year of Parliamentary elections and a renewal of the Commission. Moreover, both years had the same number of official languages (11), as the penultimate EU enlargement took place in 1995.

10. Table 1 shows that in recent years the EU institutions managed to reduce the use of the interpretation services provided to them. The Council was the only one of the three largest institutions where the number of interpretation days increased between 1998 and 2003, but the new 'on request' system introduced as from 1 May 2004 appears to have reversed that trend (see paragraph 27). However, 2004 was a transitional year and may therefore not be representative.

11. The evolution in the use of interpretation services at the Council between 1998 and 2003 is explained not only by the increasing number of meetings, but also by the increasing number of active and passive languages ⁽¹⁾ used for meetings at that institution.

12. Article 6 of Regulation No 1 states that 'the institutions of the Community may stipulate in their rules of procedure which of the languages are to be used in specific cases'. This provision makes it possible to tailor language arrangements to the specific needs of each institution. The institutions have made use of this possibility to differing degrees, as shown in Annex I.

THE AUDIT OBJECTIVE AND SCOPE

13. The objective of the Court's audit was to assess the soundness of the financial management of interpretation services at the Parliament, the Commission and the Council. The audit covered 97 % of the supply of interpretation services (i.e. all supplies, except for the Court of Justice, which has its own

⁽¹⁾ Active languages are languages into which interpretation is provided. Passive languages are the languages which can be spoken at the meeting. If the number of active and passive languages is not the same, the meeting has an asymmetric language configuration. Example: a 7/6 configuration is a configuration with 7 passive and 6 active languages.

interpretation service). In particular, the audit aimed to establish whether the institutions audited have adequate tools and procedures which ensure that:

- the interpretation services provided do not exceed the real needs,
- all the interpretation services needed can be provided,
- interpretation services are provided at the lowest possible cost,
- interpretation is of a high quality.

14. The audit covered expenditure during the 2003 financial year, but changes occurring in 2004 as a consequence of the most recent enlargement of the European Union have also been taken into consideration.

OBSERVATIONS

The procedures applied to avoid providing interpretation services which exceed the real needs

15. The actual use of languages at meetings shows that on occasions the interpretation services provided exceed the real interpretation needs (certain participants might prefer using, instead of their mother tongue, another more widely known official language; expected participants might be absent, making certain specific interpretation arrangements superfluous). The Court examined the extent to which the institutions audited have appropriate procedures in place in order to forecast as precisely as possible the expected use of languages and to monitor actual use, so as to dissuade meeting organisers from requesting interpretation services exceeding such forecasts.

Parliament

16. The rules of procedure (see *Annex I*), which state that each of its Members has the possibility of speaking in the official language of his/her choice and that interpretation is provided into the other official languages, oblige the Parliament to make large interpretation resources available.

17. In order to organise and control the provision of interpretation services, the Bureau of the European Parliament adopted in 1999 a 'Code of Conduct on Multilingualism', updated in 2004. The basic principles inspiring this code are that, while respecting the equal rights of the Members, the costs of multilingualism should be kept within acceptable budgetary limits, resources used more effectively and the users of language facilities should be made aware of the necessity for responsible use of language facilities, based on real needs.

18. Interpretation may be requested from the Parliament's Directorate for Interpretation only for the categories of meetings listed in the Code of Conduct (Parliament's plenary sessions, Parliament's governing bodies, committees, delegations, etc.). Interpretation is not available to Members acting individually or to outside bodies, but exceptions may be authorised by the Bureau. The Directorate for Interpretation provides the requested interpretation service according to the priorities and within the limits set in the Code of Conduct.

19. The Code of Conduct, as updated in 2004, states that every parliamentary body needing interpretation services ('user' in the wording of the Code) should draw up and regularly update an 'interpretation language profile' based on the languages requested and actually used by its Members. This is a very useful tool for ensuring that requests correspond to real needs. However, as no obligation exists for Members of the European Parliament (MEPs) to confirm their presence at a meeting in advance, the 'interpretation language profile' is not sufficient to prevent the provision of unnecessary interpretation, if MEPs for which specific interpretation services had been planned do not actually attend.

20. According to the Code of Conduct, at the end of each meeting the head of the team of interpreters is required, in agreement with the secretariat of the meeting, to draw up for the Director of Interpretation a list of the interpretation facilities requested but not used. A copy of that list has to be forwarded to the

secretariat of the meeting concerned. In practice, this procedure has applied since September 2004 to committee and delegation meetings.

21. The resources provided in compliance with the Rules of Procedure exceed the real needs if, at a given meeting, not all the supposed official languages are used. The Parliament has never carried out a survey to assess the frequency and the consequences of such cases.

Commission

22. In each Directorate-General (DG) an administrative unit centralises the requests for interpretation support at specific meetings and transfers them electronically to the DG Interpretation, through the DOR (Demande d'Organisation de Réunion) system. Each DG proposes a desired language configuration and ranks the meetings requested for the same day by order of priority. At internal weekly 'arbitration' meetings, the DG Interpretation decides which requests can be met, taking into account the availability of interpreters and meeting rooms. At further coordination meetings, specific language configurations are assigned to each of the meetings scheduled to take place six weeks later. The number of active and/or passive languages assigned by the DG Interpretation is often lower than the number initially requested and is the result of negotiations between the DG Interpretation and the DG organising the meeting.

23. At the DG Interpretation, the interpretation team leader is required to draft a session report (rapport de séance), in which he/she indicates what languages have been used during the meeting. In 2004 such reports were drawn up in 82,5 % of the 8 107 meetings with interpretation. In 17,7 % of the reports the team leaders stated that passive interpretation had been requested and provided in excess of the real needs, for one or more of the following reasons: certain national delegations did not speak their official languages, did not speak at all, or were absent. Non-use of active interpretation requested and provided was mentioned in 7,2 % of the reports. These occurrences result in at least ⁽¹⁾ 1 750 interpreter days paid but not used, costing between 1,5 and 2 million euro.

⁽¹⁾ Based on the prudent hypothesis that the problem affected only one delegation. The average cost of an interpreter day is shown in *Table 4*.

24. Although the current procedures giving the DG Interpretation the final word in deciding between conflicting requests from different DGs contain the demand, it is difficult for an interpretation service to decide which meetings are more urgent or more important. Other international institutions have implemented systems that are more resource-management oriented:

- the Council of Europe has introduced a system of internal billing,
- Unesco applies a quota system, whereby the interpretation days exceeding the quota are charged back to the meeting requester.

Among the European Union institutions, the Council has adopted the system mentioned in paragraph 27, which increases the cost awareness of national delegations. Under the new Activity Based Management system similar arrangements could be considered by the DG Interpretation.

Council

Procedures applied before the 2004 enlargement of the European Union

25. The nomenclature used before the enlargement to determine the language configuration provided for each meeting was based on tradition and was not regularly updated. There was no procedure to verify whether those attending meetings really needed interpretation into their mother tongue or whether they really expressed themselves in their own language.

26. An excess of languages on offer was shown by a 2001 survey of 799 Council and Commission delegates⁽¹⁾. Although 73 % of the delegates stated that they had the possibility of expressing themselves in their mother tongue, only 59 % of them said they had actually spoken that language. This would often have been the case of delegates who have as their mother tongue a not much diffused language and who are fluent in a more widely known official language. It is improbable that delegates who spoke an official language needed interpretation into their mother tongue from an official language which they used. It is therefore reasonable to consider that the languages for which interpretation is needed are the languages actually spoken at a meeting.

⁽¹⁾ Algoé Consultants, *Evaluation de la qualité des prestations fournies par le SCIC en matière d'interprétation*, Lyon-Ecully, 26 June 2001.

Procedures for the period after the enlargement

27. Decision No 56/04 of the Secretary-General of the Council⁽²⁾ governing the language arrangements for the period after the enlargement has substantially changed the use of interpretation services. The new system adapts the language arrangements to the real needs of the delegations, increases their cost awareness and gives Member States an incentive to cut down on unnecessary interpretation requests, with a consequent reduction of interpretation costs.

28. As of 1 July 2004, interpretation is no longer provided for the meetings of 25 preparatory bodies (committees, groups and working parties). As a result, the average number of meetings with interpretation held at the Council has decreased from 13 to 11 per day. The full 20/20 language configuration is financed by the Council's budget for meetings of the Council, the European Council and a maximum of 20 preparatory bodies.

29. For other preparatory bodies, active or passive interpretation is only provided if requested by the national delegations. To cover these costs, delegations can draw on a financial allocation of 2 million euro per language. 66 % of any unused amount is transferred to the amount of the budget appropriations for delegates' travel expenses allocated to the Member State concerned. National delegations have the possibility of adapting their requests every six months, with two months' notice. As a result, during 2004 one or more languages were dropped from the language arrangements for a number of preparatory bodies.

The capacity to provide all the interpretation services needed

30. Requests for interpretation concerning the pre-enlargement official languages can generally be met. The situation is different for the new official languages, because of an insufficient number of interpreters satisfying the specific linguistic needs⁽³⁾ of the European Union.

⁽²⁾ Decision of the Secretary-General of the Council/High Representative for the Common Foreign and Security Policy No 56/04 of 7 April 2004 concerning interpretation for the European Council, the Council and its preparatory bodies, SN 1327/04 REV 1.

⁽³⁾ To ensure high quality interpretation, EU interpreters are, in principle, requested to provide interpretation only into their mother tongue. The high number of working languages makes it very difficult to find interpreters for all language combinations.

31. The European Personnel Selection Office's (EPSO) competitions for the recruitment of interpreters for the new official languages were not finalised until after the date of the enlargement. There were no successful candidates for Maltese and the number of successful candidates for the other official languages was not sufficient to cover the needs of the EU interpretation services.

32. Difficulties arose in 2004 at the Council, where demand for interpretation into some new official languages was even higher than for the other official languages. The DG Interpretation was not able to meet 37 % of the requests for meetings taking place from May to December 2004.

The cost of interpretation

Cost calculations

Cost calculations made by the audited institutions

33. In order to manage expenditure in accordance with the principles of sound financial management — economy, efficiency and effectiveness — it is necessary to know the full cost of services provided to serve as a basis for a rational allocation of resources.

34. The Parliament has no estimates of the average full daily cost of ACIs and permanent interpreters. It calculates the direct cost (essentially remuneration and reimbursement of travel expenses) only of interpretation services provided by ACIs and does not update its calculations on a regular basis.

35. Each year the DG Interpretation calculates an average cost for an interpreter 'Being Made Available' (hereinafter: BMA) ⁽¹⁾ for a full day or for half a day. This calculation is used as a basis for charging interpretation services to institutions and bodies (interinstitutional billing) to which the DG Interpretation provides interpretation services. As cancelled interpretation orders are also considered as BMA, this concept measures the cost of the interpretation services made available but not the cost of the interpretation services actually used. Moreover, the cost per BMA calculated by the DG Interpretation does not take into account all overhead costs or pension contributions for permanent staff. As all staff pensions are paid from the Commission budget, this method seems appropriate for interinstitutional price setting, but underestimates the full cost per BMA. The same goes for Community tax on the remuneration of permanent and freelance interpreters, which ought to be deducted from the cost, as it is revenue for the EU budget.

Cost calculations made by the Court of Auditors

36. The Court has developed the method described in *Annex II* for estimating the total cost of interpretation and the full cost per interpretation day performed by ACIs and by permanent staff. The same method was used to calculate the cost to both the Parliament and the DG Interpretation.

37. The results of the auditors' calculations for 2003 are as follows:

Table 2

The cost of an interpretation day provided by a permanent interpreter

	Parliament		DG Interpretation (Commission + Council)	
	before tax and pension	after tax and pension	before tax and pension	after tax and pension
Direct cost ⁽¹⁾	1 205	1 232	942	970
Indirect cost ⁽²⁾	220	227	227	232
Full cost	1 425	1 459	1 169	1 202

⁽¹⁾ Direct costs are the remunerations of staff interpreters and ACIs, including travel and subsistence allowances.

⁽²⁾ Indirect costs are defined here as all other costs related to the interpretation activity: remunerations of management and staff responsible for planning, finance, human resources management and other administrative tasks, training, IT and office costs, etc.

⁽¹⁾ This is a translation of the French term *mise à disposition* (MAD) used at the DG Interpretation. All interpreters ordered and not cancelled at least six working days before the meeting are invoiced as BMA.

Table 3

The cost of an interpretation day provided by an ACI

(euro)

	Parliament		DG Interpretation (Commission + Council)	
	before tax	after tax	before tax	after tax
Direct cost	1 390	1 250	839	744
Indirect cost	245	245	168	171
Full cost	1 635	1 495	1 007	915

Table 4

The weighted average and total cost of interpretation provided by permanent interpreters and ACIs

(euro)

Cost per interpretation day per interpreter	Parliament		DG Interpretation (Commission + Council)	
	before tax and pension	after tax and pension	before tax and pension	after tax and pension
Direct cost	1 292	1 240	886	847
Indirect cost	232	236	195	199
Full cost per interpretation day ⁽¹⁾	1 523	1 476	1 081	1 046
Total number of interpretation days (harmonised method)	38 803	38 803	101 331	101 331
Total cost of interpretation	59,1 mio	57,2 mio	109,5 mio	106,0 mio
Total number of BMA calculated by the DG Interpretation	n/a	n/a	147 751	147 751
Full cost per BMA	n/a	n/a	742	718

⁽¹⁾ The figures for the average full cost per interpretation day in 2003 (1 081 euro before tax and pension or 1 046 euro after tax and pension) are much higher than the cost per BMA because they include more overhead costs than those considered by the DG Interpretation and take account only of full interpretation days (or two half-days) for meetings which actually took place, whilst, as set out in paragraph 35, cancelled meetings and half-day meetings also count for the calculation of the cost per BMA as such meetings are charged to the meeting organisers.

38. At an average cost per interpretation day after tax and pension contributions of 1 476 euro at the Parliament and 1 046 euro at the DG Interpretation, a full-day meeting with full interpretation coverage cost about 40 000 and 34 500 euro respectively before enlargement (11/11 coverage with 3 interpreters per language booth or 33 interpreters in total) and about 88 500 and 63 000 euro respectively after enlargement (20/20 coverage with 3 interpreters per language booth or 60 interpreters in total).

Where there are 4 interpreters per booth, which is not uncommon for meetings at the Parliament, the interpretation cost for a one-day meeting can amount to 118 000 euro (or 84 000 euro if the interpretation is provided by DG Interpretation). A meeting with a small 3/3 regime (English, French and German as passive and active languages, with 6 interpreters in total) costs just 8 900 euro at the Parliament and 6 300 euro at DG Interpretation. This illustrates the importance of basing requests for interpretation on real needs.

Analysis of the cost of interpretation

Parliament

39. Although the remuneration system of permanent and freelance interpreters is the same for both institutions, the Parliament's cost per interpretation day is much higher than at the DG Interpretation. The Court found that this difference is mainly due to a number of constraints on which the management has little influence, namely:

- (a) Unlike in Brussels, there are very few local ⁽¹⁾ freelance interpreters in Strasbourg. This increases freelancers' travel and hotel expenses. In 2003, these costs represented 22 % of all payments to ACIs. Two thirds of the ACIs hired by the European Parliament in 2003 were non-local, as against less than 40 % of those hired by the DG Interpretation.
- (b) As all staff interpreters are based in Brussels and 12 plenary session weeks a year are held in Strasbourg, the Parliament total travel costs for permanent staff are much higher than at the Commission.
- (c) Shorter working weeks with relatively little parliamentary activity on Mondays, Thursday afternoons and especially on Fridays, and a much higher demand for interpretation services during plenary session weeks in Strasbourg than during weeks in Brussels where only committee or political group meetings take place mean that many permanent interpreters spend up to 32 days a year without an assignment.
- (d) Late-evening or night meetings are frequent at the Parliament. The consequence is that the interpreters have a right to paid rest for the next morning or day and other interpreters must be recruited. At the Commission, and to a lesser extent at the Council, these kinds of meetings are exceptional.

The DG Interpretation

40. The ACIs hired by the DG Interpretation generally cost significantly less than permanent staff (see also paragraphs 59 to 62). As the number of interpretation days provided by permanent staff dropped by 4 % from 2002 to 2003 the cost difference between both categories of interpreters inevitably increased in 2003.

41. Most ACIs hired by the DG Interpretation are local or near-local (55 % of the contract days of ACIs in 2003 and 59 % in 2004) requiring little or no hotel and travel costs and allowances. As they are remunerated only for the days for which they have been contracted, local freelancers cost less than permanent interpreters. Non-local ACIs, on the other hand, are more expensive, as a study carried out on behalf of the Commission shows ⁽²⁾.

⁽¹⁾ Local ACIs have their declared professional domicile within less than 60 kilometres from the meeting venue.

⁽²⁾ PriceWaterhouseCoopers, *Etude sur le coût total des interprètes fonctionnaires et des interprètes A.I.C.*, 5 October 2001.

Other questions affecting the cost of interpretation

Parliament

Late requests and cancellations

42. Providing interpretation services at short notice is particularly costly, as travel expenses may have to be paid to ACIs for a short work assignment (for example, a single meeting), whereas requests made sufficiently in advance make it possible to plan the employment of freelance interpreters for a longer period (for example, a full week in which various meetings are held).

43. The audit showed that, in 2003, in a large number of cases the deadlines set by the Code of Conduct were not respected: 853 requests (an average of 17 per week) and 650 cancellations (13 a week on average) were made after the deadline.

44. Late cancellation of meetings, although sometimes unavoidable, causes a waste of financial resources if the interpreters assigned cannot be switched to other meetings. If the interpreters used are ACIs, their remuneration is a pure loss for the institution; if they are officials, they could have been employed for other meetings for which ACIs had been recruited on the assumption that permanent staff were not available. The 'GERI' (acronym for *Gestion des Réunions et des Interprètes*) computer system used at the Parliament in 2003 makes it possible to determine the number of half-days of interpretation requested and made available, but not needed due to the cancellation of meetings ⁽³⁾. In 2003, this totalled 6 298 half-days (2 864 half-days for permanent staff and 3 434 half-days for ACIs). This corresponds to about 8 % of the interpretation days performed and 7,5 % of those requested. As a result, about 4 million euro was spent on services made available but not used. Better planning could have allowed the staff interpreters assigned to the cancelled meetings to replace ACIs employed for other meetings (on this question see also paragraph 47).

⁽³⁾ In 'GERI' the unit of measurement of the employment of interpreters is the 'half-day'. When a meeting is cancelled in GERI, the interpretation half-days allocated to that meeting are automatically shown as 'suspended half-days' (*demi-journée suspendue*) for each interpreter booked for the meeting. Should the available interpreter be reassigned to another meeting, then the 'suspended' code is replaced by the code of the new meeting. Hence, the sum of all the 'demi-journées suspendues' in GERI is the 'net loss in interpretation resources' expressed in half-days.

Commission*Cancellation or short duration of meetings*

45. The late cancellation and the short duration of meetings, together with DG Interpretation's need to hold a few interpreters per language in reserve, so as to cover last-minute meetings or unforeseen absences of interpreters, are the main reasons behind the high number of cases of so-called 'implicit or explicit stand-by duty' ⁽¹⁾, i.e. interpreters who are present but have to be put on stand-by because their services are not needed. In 2003, permanent interpreters spent on average 33 days on 'implicit stand-by duty'. A high number of cases of 'implicit stand-by duty' (about 130 interpreters per day, corresponding, in 2003, to more than a quarter of the number of the staff interpreters) occur in August when very few meetings take place. As a result, a total of 15 000 interpreter days, corresponding to around 15 % of the working days of the staff interpreters, were not used. ACIs had a total of more than 6 000 days of 'implicit stand-by duty'. The total cost of 'implicit stand-by duty' in 2003, at an average cost of 865 euro per day, available for interpretation ⁽²⁾, can be estimated at about 18 million euro. While a significant portion of the standby costs may be unavoidable under the current working arrangements, every effort should be made to reduce those costs.

46. In 2003, 15 % of the interpreter days requested by Commission departments were cancelled, but no figures are available for the number of cases in which no resources were lost because the interpreters booked for the cancelled meetings could be assigned to other meetings.

47. In 2003, there were nine working days on which at least 100 permanent interpreters (or more than 20 % of the total number of permanent interpreters) assigned to cancelled meetings were on 'implicit stand-by duty' whilst at the same time more than 100 ACIs had been recruited.

48. Meetings lasting a very short time result in a kind of 'implicit stand-by duty', as interpretation is needed only for a small part of the interpreter day or half-day booked. One reason for very short meetings is that some working parties, whose meetings are scheduled at regular intervals, meet even when they have very few, non-urgent points on the agenda.

⁽¹⁾ 'Implicit' stand-by duty differs from 'explicit' stand-by duty in that the latter corresponds to reserve teams included in the planning to replace absent interpreters. According to the established working conditions ('Provisions applicable to staff interpreters', SCIC (87)25), interpreters can be assigned to meetings for a maximum of 18 sessions (half-days of 3,5 hours) per period of two weeks.

⁽²⁾ The average cost per day available for interpretation is calculated as the total cost of the DG Interpretation after tax and pension calculated above (106 million euro) divided by the sum of interpreter days (101 000) and implicit stand-by duties (21 000).

Council*Cancellation of meetings*

49. In 2003, according to the Council's own estimates, more than 5 % of the Council's interpretation expenditure (2,4 out of 45,7 million euro) represented payments for cancelled meetings, where the interpreters could not be employed by the Council for other meetings held on the same day. This corresponds to a net yearly waste of almost 4 000 interpreter days.

Meetings invoiced at higher rates

50. Late requests for new meetings or for the addition of one or more languages, made fewer than six working days before the meeting, were invoiced in 2003 at the rate of 835 euro, that is about one third more than the normal rate of 632 euro. In 2003, these late requests corresponded to about 3 % of the total amount invoiced to the Council.

51. It is important to make meeting organisers aware of the high cost of cancellations and late requests. The statement of the cost of cancelled meetings sent at the end of each month to the Head of the central coordination unit of the Member State holding the rotating Council Presidency can be regarded as an example of good practice if exploited for management purposes.

The interinstitutional billing system of the DG Interpretation

52. In order that the DG Interpretation recovers the costs of the interpretation services provided to other institutions (costs that are to be charged to the administrative budget of these institutions) an interinstitutional billing system has been set up, based on 'service level agreements' between the DG Interpretation and the institutions concerned.

53. In 2003 the DG Interpretation invoiced the Council at a basic rate of 632 euro per day or 369 euro per half-day for interpreters ordered at least six weeks in advance for meetings held in Brussels. Higher rates were applied to missions and late orders.

54. The following points were noted with respect to the current billing:

- (a) The price structure is not based on the real cost of each type of request (timely requests, late requests, requests withdrawn, requests for languages with higher ACI travel costs, etc.).
- (b) For the DG Interpretation revenue standard rates based on an estimated level of activity are used. Most of the costs borne by the DG Interpretation are fixed costs (only the cost of the ACIs is entirely variable). As a result, if the volume or the composition of the actual demand for interpretation services is different from that forecast, the DG Interpretation incurs either a deficit or a surplus.

- (c) The price does not incorporate the full cost of the interpretation services, because, as mentioned in paragraph 35, it does not include all overheads.
- (d) The limitation of the number of interpreters and meetings per day specified in the Service Level Agreement prevents high peaks in demand, but does not prevent troughs (early January, August, etc.).
- (e) The lack of a link between the computer systems of the Council and the DG Interpretation makes the billing labour intensive and error prone. The downward corrections made to the 2002-2003 DG Interpretation invoices sent to the Council amounted to almost 6 % of the amount initially invoiced.

The interinstitutional cooperation

55. Based on the work of the Interinstitutional Committee on Translation and Interpretation (ICTI) and the 'Chêne Report' ⁽¹⁾ of 2002, considerable progress was made towards more cooperation between the EU institutions in the area of interpretation. The main achievements include:

- joint competitions for staff interpreters organised by EPSO,
- a joint selection procedure and a joint list of accredited ACIs,
- a common system and unit for payments to ACIs (since October 2004),
- an exchange of interpreters for the new languages, who are in short supply.

56. Further savings and efficiency gains could be made in several other areas, but enhanced cooperation is hampered by the current organisation involving three independent interpretation service providers (the DG Interpretation, the Parliament and the Court of Justice).

57. The division of labour between the Parliament and the Commission (the DG Interpretation) is not efficient for the following reasons:

- (a) Both institutions are competing to recruit ACIs for meetings in Brussels.
- (b) The institutions do not systematically communicate their availability or need of resources to each other. The DG Interpretation recruits ACIs on days on which the Parliament still has permanent interpreters without any task assignment. Where meetings are cancelled or interpreters are only needed for half a day or less, the separate organisational structures combined with the lack of information flowing between both institutions make it almost impossible for the other institution to use these resources. During the European Parliament

election period (from 10 May to 2 July 2004), dozens of permanent Parliament interpreters, especially from the smaller languages, had no task assignment. At the same time, the DG Interpretation hired on average 253 ACIs per day, resulting in significant costs charged to budget appropriations (more than 900 euro per day and per interpreter).

- (c) The current organisation makes it more difficult to reduce travel costs by taking advantage of the presence of non-local ACIs already contracted by the other institution for adjacent days.
- (d) Further economies of scale in human resources, financial, operational and IT management and the integration of IT systems could be achieved through a common organisation.

58. It should therefore be analysed whether the abovementioned problems could be solved by creating one single interinstitutional office or agency providing interpretation services to all EU institutions or by improving the interinstitutional cooperation. Centralising the provision of interpretation services would be compatible with the autonomy of each institution, as proven by the fact that the Council has relied on the Commission for the provision of interpretation for years, without any noteworthy disruptions. The Service Level Agreement signed between the Council and the DG Interpretation shows that it is perfectly feasible to guarantee the client institution an agreed number of interpreters per day.

Specific observations concerning the expenditure for freelance interpretation

The optimal ratio of permanent to freelance interpreters

The DG Interpretation

59. The appropriateness of employing ACIs instead of permanent staff depends on a large number of factors such as the way in which meetings are spread out over the year and the week, the availability of local freelance interpreters or the distance between the professional domicile of the interpreter and the meeting venue. The Court considers that the results of the study already mentioned made on behalf of the DG Interpretation ⁽²⁾ are generally valid. They indicate, as a global optimal ratio, 51 % of interpretation days to be performed by permanent interpreters. The share of interpretation days performed by permanent interpreters dropped from 53 % in 2000 to 46 % in 2002 and 2003, but went up to 50 % in 2004.

⁽¹⁾ Report of the ad hoc Working Group of the CITI, *Synergies et économies d'échelle susceptibles d'être obtenues grâce à la coopération entre les services d'interprétation et de traduction des institutions et des organes communautaires*, Brussels, 22.4.2002.

⁽²⁾ PriceWaterhouseCoopers, *Etude sur le coût total des interprètes fonctionnaires et des interprètes A.I.C.*, 5 October 2001.

60. However, an overall target ratio of 51:49 is not suitable for all languages. The DG Interpretation has not calculated the optimal ratio for each language. For example, the ratio of Dutch-speaking freelancers (54 % in 2003) should be higher, as many 'locals' (ACIs living in or around Brussels) and not so costly 'non-local' (ACIs living not far from Brussels) freelancers are available.

61. On the other hand, more permanent interpreters might be recruited, for example, for Portuguese and Greek, as travel costs for Greek and Portuguese ACIs are above the average for all the ACIs. For these languages, the reliance on ACIs is relatively high (respectively 59 % and 67 % of the interpretation days in 2003), permanent interpreters have one of the highest workloads of all languages (116 and 108 days respectively, against 104 on average in 2003) and the percentage of local ACIs is the lowest (only 30 % for Portuguese and 42 % for Greek against an average of 56 % in 2003).

Parliament

62. The Parliament has not made any specific calculation in order to establish the optimal proportion of freelancers and permanent interpreters. In 2003, 57 % of the interpreter days were provided by ACIs. Notwithstanding the higher cost, a higher percentage of freelance interpretation than at the DG Interpretation seems justified because of more uneven demand. However, the five languages with the highest percentage of freelance interpretation (in decreasing order: Spanish, Italian, English, Finnish and Swedish) are languages for which the travel costs of ACIs are above average.

The allowances of ACIs

Reimbursement of travel expenses and daily allowances

63. The travel costs for ACIs are substantially higher than for permanent officials. Due to the Agreement, which grants ACIs a travel allowance, a daily allowance and reimbursement of travel and hotel costs, ACIs benefit from more favourable travel conditions than their permanent colleagues. For meetings held outside Brussels, this results in unequal travelling conditions for interpreters of the same level performing the same job. According to IACI Agreements with other international organisations, ACIs benefit from the same conditions for reimbursement of travel expenses as permanent staff of a similar level ⁽¹⁾.

⁽¹⁾ Article 15 of the Agreement governing the conditions of employment of conference interpreters remunerated by the day between the IACI and the Coordinated Organisations (Accord régissant les conditions d'emploi des interprètes de conférence rémunérés à la journée entre l'AIIIC et les Organisations coordonnées) stipulates that, save as otherwise provided and mutually accepted, the rules governing travel expenses are to be those in force in each Organisation; this is confirmed by Article 2 of the Additional Agreement between the IACI and the Council of Europe, which stipulates that the conditions of travel and reimbursement of expenses applicable to Council of Europe staff on duty travel are to apply to interpreters.

Article 13 of the IACI-United Nations Agreement (2000-2005): 'Except as may be otherwise provided in this Agreement, the travel rules applicable to the regular staff of the employing organisation on missions of similar duration shall be applicable to the travel of the freelance interpreters employed thereby. (...)'

64. According to Article 10 of the Commission rules implementing the Agreement between the IACI and the EU institutions ⁽²⁾, an ACI is entitled to the reimbursement, on presentation of supporting documents, of an exchangeable and reimbursable IATA ticket at the lowest rate that is not subject to quotas. The implementing rules applicable to the ACIs working for the Luxembourg-based EU institutions ⁽³⁾ contain a similar clause.

65. The Agreement should be changed to ensure that an ACI is generally paid no more than the amount corresponding to the cost of a ticket with restrictions (i.e. a ticket at the lowest rate). This amount should, however, also be paid in the event of no show due to illness, cancellation of the meeting or any other reason beyond the ACI's control.

Parliament

66. An examination of a sample of payments made to ACIs showed that a majority of the ACIs travelling by plane obtained reimbursement of a business class ticket, without any evidence, in the file, of the necessity of buying such a ticket.

67. Contrary to the rules stating that an ACI is not entitled to a full daily allowance when a permanent official would get only part of such an allowance, a full daily allowance is granted even for a period of less than 12 hours ⁽⁴⁾.

The DG Interpretation

68. An examination of a sample of 17 payments made to ACIs who travelled by plane showed that four of them obtained reimbursement of a business class ticket, without any evidence, in the file, of the necessity of buying such a ticket.

⁽²⁾ European Commission, Rules for implementing certain provisions of the Agreement (Modalités d'application de certaines dispositions de la Convention).

⁽³⁾ Provisions for implementing the Rules concerning freelance conference interpreters working for the Luxembourg-based institutions (Dispositions d'application relatives aux Réglementations concernant les interprètes de conférence free-lance travaillant pour les institutions de Luxembourg), § III. Travel expenses.

⁽⁴⁾ Article 9§2 of the Agreement mentioned in paragraph 8 states that 'the daily subsistence allowance and supplementary daily allowance for interpreters who are not staff members of an institution shall be equal to the mission allowance paid to LA4 and LA8 officials in the institution which applies the most favourable rate. For interpreters whose contracts are covered by Article 78 of the CEOS, the rate shall be that in force in the institution for which they have been recruited'.

Comparison with other international organisations

69. The daily fee paid by the European institutions in 2004 at a fixed rate of 483,98 euro per day for experienced interpreters is in line with current market conditions in the private sector. However, it is lower than the gross average rate paid by other international organisations, which have also signed Conventions with the IACI. The much higher volume of employment and the longer contracts that the EU institutions are able to offer, as well as the favourable tax treatment (ACIs pay a community tax and are as a consequence exonerated from national income taxes) explain the difference.

70. The effect of the favourable tax treatment is that, in spite of a lower gross rate, the net amount received by the freelance interpreter from DG Interpretation and the Parliament is higher than the net amount earned by working for the private sector or for other international organisations. This means that the EU institutions can afford to apply high standards in recruiting ACIs, but also have to carefully observe the market conditions in order to avoid overpaying their ACIs.

71. Contrary to the European institutions, the Organisation for Economic Cooperation and Development pays a reduced rate in the case of cancelled meetings, meetings which end early and general or non-technical meetings ⁽¹⁾.

The quality of interpretation

Parliament

72. A survey performed by the Court amongst the political groups did not reveal any complaints about the quality, reliability or helpfulness of the interpretation service, but the limitation of interpretation sessions to three and a half hours was considered too restrictive.

Commission and Council

73. About 1,2 % of the session reports ⁽²⁾ in 2003, and 0,5 % in 2004, mentioned an informal complaint, mainly concerning the language arrangements. A 2001 evaluation of the quality of interpretation services provided by the DG Interpretation conducted by external consultants, including a survey among the delegates attending Commission and Council meetings with interpretation, showed that 91 % of these delegates were generally satisfied or very satisfied with the quality of the DG Interpretation's interpretation. The weakest point was considered to be the knowledge of the issues discussed at the meetings. This problem seemed to be linked to late distribution or unavailability of the meeting documents, which the interpreters' survey pointed out as the biggest problem. More than half of the interpreters were dissatisfied with the documentation. Particularly the unavailability of the documentation in their active language was considered to be a problem.

⁽¹⁾ See 'Terms and conditions of employment of free-lance interpreters at the OECD in 2003'.

⁽²⁾ See paragraph 23.

74. Since the fourth quarter of 2003, the DG Interpretation has requested the meeting organisers to complete a short questionnaire after each meeting. 94 % of them have declared themselves very satisfied or satisfied with the DG Interpretation's services and the quality of interpretation.

75. This picture was largely confirmed to the auditors by various Heads of the central coordination unit created by each Member State holding the rotating Council Presidency (hereafter called Council Presidency Coordinator) and meeting requesters at the Commission. The quality of interpretation was almost unanimously mentioned as the main strength of the DG Interpretation.

76. As an aid to ensuring the quality and consistency of interpretation, the DG Interpretation's interpreters have at their disposal on-line multilingual glossaries for a large number of subjects. Meeting documentation, on the other hand, is often only available in English and has therefore to be supplemented by the interpreters themselves through database searches. Quality could also be further improved through more stable interpretation teams for successive meetings. This seems particularly appropriate for the most technical meetings.

77. The helpfulness of the officials of the DG Interpretation is also considered to be one of the DG Interpretation's main strengths. In the event of the interpretation request being partly or entirely turned down by the DG Interpretation during its weekly arbitration or coordination meetings, the requested meeting is normally rescheduled to the following week or held with a reduced language configuration. Any significant delays in the progress of committees or working groups are said to be exceptional.

78. The most frequently mentioned negative point during the Court's interviews with Commission and Council clients was, as in the Parliament, the limitation of interpretation sessions to three and a half hours.

79. The Council has no system for evaluating the quality of interpretation and measuring the satisfaction of the delegates.

80. The 2002-2003 Council Presidency Coordinators interviewed by the Court's auditors almost unanimously mentioned the quality of interpretation as the main strength of the DG Interpretation. Official complaints on the part of meeting organisers or delegations are exceptional. In both 2002 and 2003 the DG Interpretation received only four or five such complaints, of which each year only two were linked to the quality of the interpretation.

81. Council Presidency Coordinators also consider that the required six weeks' advance notice imposed by the DG Interpretation is too long and inevitably entails a large number of changes. It was also suggested that clearer and more detailed written instructions addressed by the Secretariat-General to the Council Presidency Coordinator and to the meeting organisers would make it possible to improve the planning of meetings and to avoid the frequent cancellation of meetings especially during the first weeks of a new presidency.

CONCLUSIONS AND RECOMMENDATIONS

The procedures applied to avoid providing interpretation services which exceed the real needs

82. The audit found that the institutions have managed to contain expenditure on interpretation over the past five years despite an increase in the number of official languages from 11 to 20 in May 2004. Systems to ensure that interpretation is only provided when there is a real need have been set up by the Commission and the Council. The best practices observed in these institutions should be extended to the Parliament (paragraphs 15 to 29).

The capacity to provide all the interpretation services needed

83. The needs for interpretation concerning the official languages prior to enlargement are generally met, but an insufficient number of interpreters is available to interpret from the new official languages or into the new official languages (paragraphs 30 to 32).

84. The increase in the number of working languages raises practical and financial problems that can only be overcome by controlling the demand for interpretation services and the related costs. The accession of small countries creates a huge increase in demand in small interpretation markets, where supply is rather limited, making it increasingly difficult to meet all requests for interpretation. The EPSO competitions organised to select staff interpreters for the new languages were not finished until after the date of the enlargement and did not provide enough successful candidates to cover the needs of the EU interpretation services (paragraphs 30 and 31).

The cost of interpretation

85. Around 80 % of the cost of interpretation is accounted for by the remuneration of the interpreters. Additional costs relate to management, administration, training, information technology, etc. The Court estimates that in 2003 the full cost of the interpretation services provided by the Parliament and by the DG Interpretation was around 57 and 106 million euro respectively. Including the Court of Justice, the total cost of interpretation of the EU institutions before the enlargement of the Union can be estimated at about 170 million euro. The cost of an interpretation day at the Parliament is much higher than at the DG Interpretation, mainly because of the way in which the Parliament's meetings are organised (paragraphs 33 to 41 and *Annex II*).

86. Despite the measures taken to contain and reduce interpretation costs, there is still the potential for further savings through better management of meetings, in particular by ensuring that last-minute changes and cancellations are kept to a minimum (paragraphs 42 to 51).

87. Furthermore, the institutions should review their policy for the level of reserve interpretation resources kept on standby, in order to minimise the costs involved (paragraph 45).

88. As shown in paragraphs 44 and 49, in 2003 at the Parliament and the Council over 6 million euro was spent for interpretation services requested but not used because of the cancellation of meetings. Meetings were cancelled also at the Commission, but, for the reason set out in paragraph 46, the cost of the cancellations cannot be estimated.

89. The Commission provides interpretation services to itself and the Council and other institutions through DG Interpretation. Interpretation costs are billed to the other institutions — which represents an effective resource management tool — but the Court found that the billing rate does not take account of the full costs. While this has no net effect on the EU budget, it could result in inappropriate management decisions concerning the use of available resources.

90. Cost savings could also be achieved through a stricter application of the Agreement with the IACI, a further integration of computer systems and closer interinstitutional cooperation.

91. As to the Agreement with the IACI, consideration should be given to the possibility of negotiating an agreement to let them benefit from the same arrangements as exist for permanent staff. The example of the United Nations shows that a centralisation of travel arrangements for freelance interpreters is feasible ⁽¹⁾. Consultations with the IACI could be started on the basis of Article 19 of the Agreement, with a view to amending the Agreement on this point (paragraphs 63 to 71). Consideration should also be given to the possibility of negotiating special fares for ACIs with travel agencies, air companies, hotels, etc.

92. The general policy of providing interpretation either by permanent staff or by ACIs is not clear-cut, but depends on a large number of factors: the way in which meetings are spread out over the year and the week, the availability of local freelance interpreters, the required language combinations, the distance between the professional domicile of the interpreter and the meeting venue, etc. Local ACIs generally cost less than staff interpreters, whereas non-local ACIs are on average more expensive (paragraphs 39 to 41).

The quality of interpretation

93. The users are generally satisfied with the quality of the interpretation services provided (paragraphs 72 to 75), although many users have called for greater flexibility in the time limits established for meetings.

⁽¹⁾ See also Article 14 of the IACI — United Nations Agreement (2000-2005): 'When an organisation offers the interpreter a contract it shall endeavour to inform him of the arrangements it intends to make for transportation. If the interpreter accepts the contract, he shall accept whatever travel arrangements are made, unless his professional obligations prior to and subsequent to his contract are such as to render impractical, in the opinion of the organisation, participation in such arrangements. (...)'

Possible developments

94. An independent evaluation should be made of the possible benefits of creating one single interinstitutional office providing interpretation services to all EU institutions, compared with those from an increased interinstitutional cooperation (paragraph 58).

95. Each enlargement of the European Union has led to an increase in the number of working languages and the complexity of demands for interpretation services. This report shows that, without calling into question the principle of multilingualism, the institutions have been able to take pragmatic steps to limit and control interpretation costs. The Court recommends that the institutions should continue such efforts.

This Report was adopted by the Court of Auditors in Luxembourg at its meeting of 22 September 2005.

For the Court of Auditors
Hubert WEBER
President

ANNEX I

The specific provisions applying at the Parliament, the Commission and the Council**Parliament**

1. According to Rule 138 of the Parliament's Rules of Procedure, all Members have the right to speak in Parliament in the official language of their choice. Speeches delivered in one of the official languages are simultaneously interpreted into the other official languages. The same Rule also states that in committee and delegation meetings interpretation is provided from and into the official languages used and requested by the members of each committee or delegation. In practice, for all plenary sessions and a number of meetings of large political groups, interpretation is provided from and into all official EU languages (11 active and passive languages before enlargement, 19 after enlargement because of insufficient availability of Maltese interpreters). For parliamentary committee meetings, interpretation is provided for the languages of all committee members.

Commission

2. As far as the use of languages is concerned, the Commission's Rules of Procedure ⁽¹⁾ and their implementing rules ⁽²⁾ allow more flexibility. For meetings of the European Commission itself, there is interpretation in just three languages (English, French and German). For 'Comitology Committees' ⁽³⁾, the number of languages differs from one Committee to another, taking into account the requests of the national delegates. In most cases, these committee meetings are held with interpretation into between three and seven languages.

Council

3. Pursuant to Regulation No 1 and Article 14 of the Council's Rules of Procedure, full interpretation (11 active and passive languages before enlargement, 20 languages after enlargement) is provided for Ministers' meetings. Coreper (the Committee of Permanent Representatives) meetings are held with only three active and passive languages (English, French and German). For the numerous other preparatory bodies (committees, groups, working parties), a particular language configuration is agreed at the time each body is set up. The language configurations for each body are listed by the General Secretariat of the Council in a specific nomenclature.

4. When receiving meeting requests from the Council's Presidency, the Conference Unit of the General Secretariat of the Council automatically assigns a language configuration to each meeting request according to the nomenclature. All requests for meetings with interpretation are met by the DG Interpretation as long as the total number of meetings with interpretation and the number of interpreters per day do not exceed the ceilings set in a 'Service Level Agreement' (SLA), concluded between the Commission (the DG Interpretation) and the Council in December 2002 in order to formalise the main obligations of both parties.

⁽¹⁾ Rules of Procedure of the Commission, C(2000) 3614 (OJ L 308, 8.12.2000, p. 26).

⁽²⁾ Rules to give effect to the Rules of Procedures of the Commission. C(2001) 1.

⁽³⁾ Advisory Committees, Management Committees and Regulatory Committees governed by Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (OJ L 184, 17.7.1999, p. 23) replacing Decision 87/373/EEC (OJ L 197, 18.7.1987, p. 33).

ANNEX II

The cost calculation method developed by the Court

1. The full budgetary cost (cost before tax and pension) to the DG Interpretation, as calculated by the Court's auditors, is equal to the full cost used by the DG Interpretation to set the interinstitutional billing rates plus the overhead costs not included in the DG Interpretation calculations (cost of senior management and support staff involved in activities concerning budgetary and financial matters, human resources management and general administration).
2. By deducting the Community tax paid by staff interpreters and ACIs from the 'cost before tax and pension' and by adding the fictitious employer's pension contributions for staff interpreters (which are equal to twice the contribution paid by the official) ⁽¹⁾, the cost to the Community budget is obtained (cost after tax and pension). For ACIs the full budgetary cost already includes the pension contributions paid by both the ACI and the EU institutions to an external body.

⁽¹⁾ According to Article 83(2) of the Staff Regulations a contribution corresponding to one third of the cost of financing the pension scheme is deducted monthly from the salaries of officials. In consequence, the 'employer's contribution' is twice the official's contribution.

EUROPEAN PARLIAMENT'S REPLIES

V. Within the Interpretation Directorate, the Meetings and Conferences Unit checks whether requests for meetings accord with the rules in force before agreeing to providing interpreting services.

VII. The European Parliament stresses that, as a political institution, it must be capable of responding rapidly to political situations which by definition are in certain cases impossible to schedule. A code of conduct was adopted in 1999 and updated in 2004 in order to establish rules to provide a better framework for the provision of interpreting services.

While many meetings organised at the other two institutions referred to in this report may not require interpretation services, parliamentary meetings generally do ⁽¹⁾.

VIII. Session reports exist for meetings of committees and delegations; they will be extended to other types of meetings, including those of the political groups.

Regular drafting of periodic reports to cultivate awareness among users has suffered on account of technical difficulties. The administration undertakes to improve the situation as from September 2005.

19. Even if Members were required to confirm in advance that they would be attending a particular meeting, numerous difficulties would be encountered in attempting to respect the language profile of a meeting, including the obligation to cover language needs arising from the attendance of Ministers, Commissioners and invited experts at meetings.

20 and 21. The interpreting services regularly check with user services the need for the resources requested; since September 2004, in order to ensure optimal use of resources, they have also been making use of the reports drawn up after committee and delegation meetings, and they will shortly also start to use those drawn up after political group meetings.

⁽¹⁾ Rule 138 of the Rules of Procedure of the European Parliament reads:

1. All documents of Parliament shall be drawn up in the official languages.
2. All Members shall have the right to speak in Parliament in the official language of their choice. Speeches delivered in one of the official languages shall be simultaneously interpreted into the other official languages and into any other language the Bureau may consider necessary.
3. Interpretation shall be provided in committee and delegation meetings from and into the official languages used and requested by the members and substitutes of that committee or delegation.
4. At committee and delegation meetings away from the usual places of work interpretation shall be provided from and into the languages of those members who have confirmed that they will attend the meeting. These arrangements may exceptionally be made more flexible where the members of the committee or delegation so agree. In the event of disagreement, the Bureau shall decide.

User services (committees and delegations) keep the language profiles of their meetings up to date in order to enable the Interpretation Directorate to make optimal use of resources. This information will be periodically forwarded to Parliament's Bureau so that it can, if appropriate, decide on any changes that may be necessary.

30. The EP notes (Rule 139 of the Rules of Procedure) the fact that cover of the new official languages introduced at the time of the most recent enlargement is as yet incomplete, because of the lack of qualified personnel, whose training is a matter for the Member States.

31. Although the competition organised by EPSO to recruit Maltese interpreters was unsuccessful, Maltese is covered at part-sessions in Strasbourg by recruiting freelance interpreters; in 2006 it will also be covered at part-sessions in Brussels thanks to the availability of Maltese interpreters from a training programme financed by the institutions.

33 and 34. The EP's administration records the direct cost of interpreting services provided by freelance interpreters in accordance with the rules in force, and regularly updates the average cost of a day's interpretation provided by a freelance.

It undertakes to study and possibly adopt the method of calculation proposed by the Court in order to improve knowledge of the overall cost of the services provided, including those provided by staff interpreters, and to make available the necessary resources for management of these data.

38. The difference observed between the costs of an interpretation day at the EP and DG Interpretation is explained well in the following point 39, where the Court indicates the specific constraints which characterise the EP's work.

39. The excessive concentration of meetings in one part of the week or day (point 39(c)) is mainly attributable to the need for political groups to respect deadlines for tabling amendments before their written translation. The introduction of nine new languages has made it necessary to bring this deadline forward from the Thursday morning to the Wednesday evening before a part-session, the corollary of which is a concentration of meetings on Wednesday.

The interpretation services are aware of the need to improve the use of resources, and have therefore increased interinstitutional cooperation to mutually make permanent staff interpreters available, and hope to increase this practice, particularly during periods when there is little work at Parliament.

In 2004, the departments responsible for organising parliamentary committee and delegation meetings succeeded in increasing the number of meetings scheduled for Thursday afternoons.

Meetings are held at late hours at the EP (point 39(d)) as a result of decisions taken by the political bodies on the organisation of work; most are accounted for by meetings held during Strasbourg and Brussels part-sessions, certain meetings of the Committee on Budgets during the budget adoption period and certain meetings of conciliation committees. They represent a very small proportion of the total volume of work and are an integral part of the work pattern proper to the parliamentary institution of the 25 Member States.

42. The high cost of providing interpretation services at short notice reflects the organisational flexibility required within the EP.

As indicated in the reply to point VII above, meetings may be requested at short notice as Parliament is called upon to respond to political events.

43. The late cancellation of meetings to which interpreters have been assigned and the scope for perfecting the planning of work are cost factors which the administration regularly draws to the attention of users. It has been decided that their awareness should be fostered more by regularly informing them of the cost of these late cancellations. However, the figures quoted by the Court should be placed in perspective in order to avoid any misunderstanding. Many meetings consist of a series of sub-meetings held in the course of a single day (coordinators, chairman and vice-chairmen, working groups, etc.): the cancellation of one or more of these sub-meetings does not have any budgetary implications if the interpreters have worked during other sub-meetings. Moreover, the figures for cancellations of meetings also include 'technical' cancellations which do not have any impact on the interpretation budget because they merely entail rescheduling the same meeting which has already been requested while altering the timing, meeting room, place of work or languages requested.

44. In managing interpretation, it is necessary to reconcile the budgetary approach, which focuses on payments to freelancers (freelancers are paid a fixed daily amount, even if they work only during one brief meeting), and the timetabling of Parliament's work, where half-day slots or even shorter periods apply. Consequently, the budgetary impact of interpretation costs is only limited, or even non-existent, when a 'sub-meeting' or working group meeting is cancelled but the interpreters concerned have worked during other meetings the same day (on average, it is possible for 70 % of interpreters who become available because of cancellation of a meeting to be reassigned to other meetings). This being so, Parliament estimates that the cost of interpretation services scheduled but not used in 2003 amounted to less than 5 % of all the interpreting resources mobilised (56 298 interpreter days), or just over half the percentage and cost mentioned by the Court.

55. The EP welcomes the progress made in interinstitutional cooperation in the field of interpreting. This is not confined to the recommendations made in the 'Chêne report': in particular, it also includes ad hoc exchanges of permanent staff interpreters working in the old official languages.

Certain differences between the institutions as regards the working conditions of interpreters still hamper exchanges of staff interpreters. This subject is under consideration.

56. Irrespective of the savings and gains in efficiency which might be possible, it should be noted that the existence of three interpretation services corresponds to the particular characters and specific needs of these institutions.

The calendars of work of the institutions could be harmonised more in order to improve the efficiency and availability of the interpreting service, particularly in the case of the enlargement languages.

57. The concept of competition is not in any way applicable to pay, which is set at the same level for all the EU institutions by agreement with the profession.

The Secretaries-General of the institutions, being aware of the need to make better use of the human resources available (see point 57(b)), have very significantly stepped up interinstitutional cooperation and have initiated a programme of mutual provision of staff interpreters; they are determined to increase cooperation in this field.

Joint management of the list of freelance interpreters and greater consultation between scheduling departments is already making it possible to share travel expenses (point 57(c)) to an extent which could undoubtedly still be improved.

58. The European Parliament's political and operational autonomy could not be reconciled with an organisational practice whereby the EP would have to submit its requests for official meetings for administrative arbitration, which would become unavoidable in connection with the management of the resources available, and in sum would make the holding of Parliament's meetings subject to such technical arbitration. Thus the European Parliament cannot endorse the idea of setting up a single agency responsible for providing interpretation services to all the institutions.

Incidentally, the conclusions of the 'Chêne report', formulated in 2002 for the Secretaries-General of the institutions after a detailed study, advocated increasing synergy rather than merging services.

Lastly, in economic terms, the setting-up of a single agency responsible for providing interpreting services to all the institutions would not reduce the additional costs arising from the organisation of the EP's meetings (costs of missions to Strasbourg, more missions, objective factors which the Court describes as being justified). Nor would it make it possible to reduce the shortage of qualified interpreters for certain languages.

62. The European Parliament has always aimed for a 50/50 ratio between freelance interpreters (ACIs) and permanent staff interpreters; this ratio is of course favourable to ACIs at peak times, but in 2004 the ratio stabilised at 52 % permanent staff to 48 % ACIs.

63. Particularly since the setting-up of a single department responsible for all payments to ACIs, the EP's administration has sought to verify more carefully the travel expenses incurred by ACIs.

The aim is to apply the lowest rates possible while complying with the rules in force and as far as possible bringing the payments into line with the criteria which apply to permanent staff interpreters.

The EP is willing to renegotiate the Agreement with the IACI.

64 and 65. The type of plane ticket referred to in Article 10 of the rules implementing the Agreement currently in force (an exchangeable and reimbursable IATA ticket at the lowest rate that is not subject to quotas) does not correspond to a ticket 'subject to restrictions' [the phrase used in the French text of the Court of Auditors' preliminary observations where the English version has 'subject to quotas' — translator's note].

If appropriate, however, Parliament's administration agrees to reimburse travel expenses on the basis of a reduced rate subject to restrictions, undertaking to reimburse interpreters for any penalty incurred for reasons arising from their work for Parliament.

The administration encourages ACIs to use this formula, and to systematically call upon the services of the travel agency contracted to the EP, which is instructed to apply the negotiated rates or the best available rates.

In certain cases and on certain lines (e.g. Brussels-Strasbourg during the EP's part-sessions), no exchangeable ticket is available at less than business class rate.

66. In cooperation with the new single department responsible for paying ACIs which was set up in October 2004, the EP's administration has established a unit to monitor expenses arising from the commitments of ACIs.

67. It is true that Parliament has always applied Article 9(2) of the Agreement with the profession, considering that its purpose was to ensure that the same scales were applicable, rather than the rules on payment of fractions of daily allowances.

The provisions of the new Staff Regulations currently distinguish between the daily subsistence allowance and the accommodation allowance. Renegotiation of the Agreement with the IACI would make it possible to clarify these provisions.

72. The duration of interpretation sessions is set at three and a half hours for customary meetings. However, if the user service so requests, it can easily be increased to four hours or more, the teams of interpreters being enlarged for the purpose.

82. The best practices observed at the other institutions will be studied by EP departments which use interpreting services with the aim of improving the planning of work while respecting the political imperatives referred to in the reply to point VII.

83 and 84. The cover of needs for interpretation concerning the new official languages is progressing in step with the considerable efforts which the institutions are making to find new interpreters and to provide supplementary training. However, the new Member States have a prime role to play in training linguists.

85 and 86. Full multilingualism, which the EP desires, entails substantial costs, which can be controlled better on the basis of the type of organisation of parliamentary work and optimal planning of meetings. These costs also arise from political decisions relating to the organisation of work (calendars and places of work).

87. The EP's Interpretation Directorate pursues a minimalist policy on reserve interpretation teams. Only one reserve team per day is programmed, and that only on days of peak work; in the end, the reserve team is always used, either fully or in large part.

88. See Parliament's reply to point 44.

90 and 91. The EP's administration is currently in the process of applying the Agreement with the IACI more strictly, increasing the integration of IT systems and intensifying inter-institutional cooperation; it undertakes to continue these efforts.

The EP is open to the possibility of renegotiating the Agreement.

92. The EP considers that it should have a body of staff interpreters to guarantee the EP's independence and autonomy in this respect.

Ad hoc use of freelance interpreters as needs dictate makes it possible to cope with peaks of work while keeping the budget under control.

A 50/50 ratio seems a reasonable compromise between autonomy and flexibility of the service.

93. The duration of meetings is decided by the political and parliamentary bodies; it may exceed the duration laid down by agreement, namely three and a half hours, as mentioned at 72.

The interpreting service is required to comply with all requests which accord with the rules; to this end it assigns interpreters to meetings in accordance with the rules in force concerning working conditions.

94. It is up to the EP's political authority to determine whether it wishes to have its own autonomous interpreting service, albeit involved in extensive interinstitutional cooperation, or whether it prefers to work towards the establishment of a single agency to provide interpreting services to all the institutions.

REPLIES BY THE COUNCIL

The General Secretariat of the Council welcomes the European Court of Auditors' report on interpretation expenditure of the EU institutions, which could serve as a basis for further rationalisation of the use of interpretation facilities in the future.

Remarks on some individual points of the report

10 and 11. Table 1 and following analyses in points 10 and 11 do not give a full explanation on the increase of

interpreter days in the Council between 1998 and 2002 (+ 9 %). The main reason for this increase is the significant growth of the Council's activities and the number of meetings (+ 39 %) held within the Council during that period (see *Table 1*).

Table 1

The volume of interpreter days provided to the Council, including the languages of the new Member States, compared to the number of meetings (index 1998 = 100)

	1998	1999	2000	2001	2002	2003	2004
Council meetings	100	105,8	112,2	132,7	139	135,8	124,8
Interpreter days provided for the Council	100	96,8	96,3	105,6	109,1	103,9	89,9

As for the decrease of – 13 % in interpretation days in the Council in 2004, it should be noted that the number of meetings went down by – 8 % in 2004. Moreover the following factors must be taken into account:

- Since 1 May 2004 there have been fewer meetings with interpretation based on SG/HR decision No 56/04.
- The old Member States (former EU-15) made fewer requests for interpretation in 2004 than before.
- DG Interpretation could not provide all the requested interpretation for the new languages.

28. It should be added that the Council's budget also finances 50 % of the Coreper meetings' interpretation expenditure.

35. The fact that the definition of the 'MAD' is not clear and has frequently changed over the years makes every analysis based on this concept highly questionable.

49. It should be mentioned that even if the Council cancels a meeting for which interpretation has been booked and has to be paid, it does not mean that the interpreters would stay idle. According to the Council's experience, DG Interpretation can and has assigned some of these interpreters to other meetings held in the Commission or in other institutions serviced by DG Interpretation.

94. The General Secretariat of the Council supports the idea of carrying out an independent evaluation on the possible benefits of creating one single interinstitutional office providing interpretation services to all EU institutions.

THE COMMISSION'S REPLIES

EXECUTIVE SUMMARY

I. DG Interpretation ensures multilingual communication, which is at the core of Community decision making. It ensures equal linguistic treatment of all Member States, giving each of them the possibility to use its official language(s) when addressing the institutions. It also sustains multilingualism in the Union, which has become a sensitive political matter. Matching real needs, high quality, availability and cost-effectiveness are the guiding principles followed by the Commission for the provision of interpretation.

II. Whilst taking into account the principle of satisfying real needs in a cost-effective manner, the Commission is bound to ensure the availability of interpreters of the highest quality, whose services are required by the political nature of the activities of the European Union. DG Interpretation employs staff interpreters to guarantee the availability and continuity of interpretation services with the high quality needed by the institutions. When demand for interpretation exceeds what DG Interpretation can offer, freelance interpreters (AIC) of the same quality are hired.

V. As a matter of principle the DG Interpretation of the Commission takes great care in examining the requests for interpretation and makes available to the other services information about the languages not used in any given meeting. It also coordinates with Commission services to provide only those languages that are needed, in so far as this can be foreseen.

VI. The average figure of 1 046 euro per interpreter day is a global amount that includes expenses such as training to staff interpreters, support to national training institutions, in-house and external awareness raising and advice on defining policies on the technical aspects of multilingual communication.

VIII. Session reports include details on the use of languages in any given meeting and they are produced in 82,5 % of the meetings serviced by DG Interpretation. DG Interpretation focuses on drawing the attention of Directorates-General, who repeatedly ask for languages that subsequently are not used, to the waste of resources that this involves.

INTRODUCTION

6. The Commission would point out that for a number of years it has been supplying direct to the countries exercising the presidency of the Council of the Union, at their request and at their expense, teams of interpreters for meetings organised by the presidency outside the framework agreed between the presidency and the Council. Over time these meetings have come to constitute a sizeable part of DG Interpretation's work.

8. DG Interpretation employs staff interpreters (officials) to guarantee the availability and continuity of interpretation services with the high quality needed by the institutions it serves. Staff interpreters also play a vital role in areas like training and selection, not to mention quality control. Availability of staff interpreters also allows the assignment of stable teams to high level, politically sensitive or very specific technical meetings, this being a very important factor to ensure quality interpretation is delivered on these occasions.

10. In May 2004 the Council of Ministers introduced an interpretation 'on request' system that has had a general effect of decreasing the amount of interpretation requested. This trend is confirmed for the four first months of 2005, as the total output equals that of the same period in 2004, whereas the number of languages into which and from which interpretation is requested rose from 11 to 20. However, inherent to this system is a higher risk of peaks and troughs which makes it difficult to ensure an optimised use of resources. Also, the implications of this system on the availability of interpretation must be closely monitored, as a stable minimum level of activity is needed to ensure that the necessary staffing levels and quality can be retained to meet demand during peak periods.

THE AUDIT OBJECTIVE AND SCOPE

13. In order to keep AIC travel costs as low as possible, six weeks' advance planning of meetings is necessary, but this may result in a number of cancellations as this advance notice period is perceived as too long by many Delegations.

In case of cancellation of a meeting, interpreters are, to the extent possible, immediately re-allocated to other meetings. A new system based on the counting of interpretation sessions, which DG Interpretation is eager to implement, would take due account of cancellations and give a clearer view of the cost of both requests and cancellations.

OBSERVATIONS

15. The Commission adopted procedures based on the principle of satisfying 'real needs' in 1984 and confirmed in 2002, making a distinction between political and technical meetings. DG Interpretation actively monitors language use in meetings by requiring the lead interpreter to fill in a session report and by systematically informing meeting organisers about the languages requested but not used, as an incentive towards a real needs policy. The non-use of a language depends on how a meeting evolves and on other parameters beyond the control of both the interpretation services and the meeting organisers. For requests from other institutions, DG Interpretation is not in a position to decide whether a language is necessary, nor can it anticipate which languages will actually be spoken or listened to.

23. DG Interpretation makes its best efforts to provide the requested languages and has no power to influence language regimes decided for political reasons. Non-use of a language cannot be anticipated. Delegates may use a language other than their mother tongue due to unforeseen situations in the meeting, or simply decide not to speak at all whilst still listening to interpretation. However, in case a booth proves not to be necessary, the interpreter in charge contacts the Planning who will then remove that active language and re-allocate the interpreters where possible. The quote '1 750 interpreter days paid but not used' does not take into account the re-assignment of interpreters nor that a Delegation may be listening to interpretation without taking the floor.

24. The Commission has carefully examined the possibility of introducing an internal billing system for Commission DGs and has concluded that the administrative burden entailed would be disproportionate to any possible benefits. Institutions such as the Council of Europe and Unesco are different in scale from the Commission and the volume of interpretation and the number of their working languages, for which interpreters are not in short supply, represent only a fraction of the Commission's interpretation activity.

Through a weekly negotiation process, DG Interpretation takes into account a priority ranking drawn up by each DG as well as the total available resources within a broader timescale than the date for which the meeting is requested and proposes alternatives in order to strike a balance between political needs and optimum use of resources.

The 'on request' system adopted by the Council does not totally guarantee stability in demand and makes it less predictable. DG Interpretation provides in principle a fixed number of interpretation days to the Council.

DG Interpretation is currently testing, with its clients, a new system for calculating the provision of interpretation based on sessions, which is closer to reality, because it is linked to the actual resources used, and thus, should help to reduce the level of management risks. This new system, when applied, will make available to clients more accurate forecasts and data on their use of interpretation and the cost thereof.

26. Member States are entitled to request and receive the interpretation they require and their delegations often consist of more than one person. Each delegate may have a different capacity of expressing himself or of understanding other languages and will thus use interpretation differently (e.g. some delegates may listen directly to English, but still prefer to speak their own language or speak English but listen to interpretation into their own language). For this reason it is difficult to say if a language can be considered not necessary because it was not spoken.

31. The competitions for interpreters in connection with enlargement were advertised in early April 2003, 13 months before enlargement, and were completed between March and November 2004, depending on the language (the competition for Maltese was completed in December 2003, but without any successful candidates).

For some of these new languages, one of the main reasons for the inadequate number of successful candidates was the shortage of interpreters trained to the internationally recognised standards.

35. The Commission is aware of some shortcomings of the BMA (*mise à disposition*, MAD) system used for billing its client institutions, bodies and agencies. For this reason it has prepared a new system to measure the amount of interpretation provided through the concept of 'interpretation sessions'. This new system is much closer to reality and the Commission is ready to introduce billing based on it. This includes features allowing the institutions to forecast more accurately the cost of a meeting as soon as it is requested. This concept was already presented to the Council, the EESC and the CoR in 2004 and simulations are being run in parallel with the existing BMA system, with a view to formally run the new sessions-based system in 2006.

37 and 38. The figure of 1 046 euros per average interpreter day calculated for DG Interpretation is a global amount that includes expenses such as training and support to educational schemes, in-house and external awareness raising and advice on the technical aspects of multilingual communication. DG Interpretation aims at providing interpretation as requested in order to facilitate the decision making process within the European institutions.

40. In 2003, many staff interpreters were involved in the preparations for enlargement: they were attending training for the new languages, providing assistance to various training programs in universities in the accession countries and sitting on competition juries or freelance tests. In addition two extraordinary summits in preparation of enlargement led to the cancellation of all other meetings in the Council during the periods concerned. Two strike days in 2003 accounted for about 1 % of the drop in the occupation level of staff interpreters.

45. Due to the political nature of the activity of the institutions, and to the fact that the availability and continuity of the interpretation services must be guaranteed, DG Interpretation is obliged to maintain a limited quantity of reserve interpreters. It would be a false economy not to have a reserve, as the impossibility of replacing a missing interpreter and thus ensuring the necessary linguistic coverage with all the relays needed to make it work would mean the whole interpretation team could not function. Since the unavailability of one interpreter might mean the cancellation of a whole meeting, recourse to a reserve is to be considered as a reasonable risk management measure. Moreover, linked to the nature of interpretation itself, and in order to secure a high level of quality, DG Interpretation is bound by an Agreement on Working Conditions which limits the number of working 'sessions' an interpreter is allowed to work and provides for limited standby arrangements. Two more aspects also need to be taken into account when considering standby duty:

- It is often difficult to reassign for the remaining half day staff interpreters who under the Staff Regulations are entitled to work half time on any given day.
- The Staff Regulations do not allow the institutions to insist that statutory staff take leave at a specific point of time such as periods of decreased activity.

DG Interpretation already has an active policy of encouraging leave during decreased activity periods and also concentrates training at these times. The Commission will continue its endeavours to further reduce implicit standby duty costs. However, either for the reasons given above or because of late cancellations of meetings by other institutions, there is limited scope for real savings in this area.

46. The Commission can retrieve information about cancellations and would be able to show the reallocation of interpreters but as this is an ongoing process such tracking would be time-consuming with any likely benefits being outweighed by the costs.

47. The fact that there were nine working days on which at least 100 permanent interpreters were on implicit stand-by is merely an illustration of changes to planned agenda at short notice corresponding to exceptional circumstances: the European Council Extraordinary Summits, which caused the cancellation of all other Council meetings and two days of strike. Contracts of AICs cannot be cancelled within 60 days of the start of the contract, but to limit costs, these contracts are converted to local contracts. Staff interpreters whose meetings are cancelled are put on stand-by.

48. Interpretation services cannot determine the pace of meetings nor the content of agendas. Delegates meet when they think it is appropriate and the interpretation services provide interpretation as requested.

54.

- (a) The price system of DG Interpretation is based on a flat rate modulated to each type of request; meetings booked at short notice, late meetings, meetings held on weekends or public holidays costing more. Cancelled meetings are also billed. It is not politically acceptable to have different prices for different languages as this undermines the principle of equality embedded in the Treaty.
- (b) The Commission incurs a deficit because the client institutions have historically paid less than the full price requested by DG Interpretation. The Commission is also aware of some shortcomings of the BMA (*MAD, mise à disposition*) system. For this reason it has prepared a new system for measuring the volume of interpretation provided and will soon be ready to introduce a new billing system based on sessions. This system is closer to reality and includes features allowing sound forecasts about the cost of a meeting as soon as it is requested. Simulations have been made and the system was presented to the Council, the EESC and the CoR in 2004. The two billing systems are being run in parallel in 2005 with the aim of applying session billing to the institutions in 2006.
- (c) The price applied by DG Interpretation is suitable for inter-institutional billing but is not intended to express its full costs.
- (d) The Service Level Agreement agreed with the institutional clients corresponds to the logistics and resources available for meetings but it does not prevent troughs because demand is determined by each institution in the light of their planning and political agenda, which to date the Commission's interpretation services have no means of influencing.

(e) Even though the introduction of the new billing system would make the billing exercise less labour intensive, DG Interpretation is aware that maximum efficiency in the management of interpretation resources can only be achieved by linking the computer systems between institutions and will continue working in this direction. For reasons of security and differences in the architecture of corporate systems, establishing IT links between institutions takes time.

55. The Commission welcomes the progress interpretation services made in the area of interinstitutional cooperation. Achievements go further than the recommendations of the 'Chêne report', and include areas such as training and more recently, to a limited extent, the exchange of permanent resources.

— (4th indent) Different working conditions applying to interpreters in the different institutions still prevent an optimal rate of exchange. However, for the last years the services have been working to make progress in every area of interinstitutional cooperation.

56. Real progress has been made in interinstitutional cooperation. The different services continue adapting to the possible extent the way they function, to bring progress in areas like the reciprocal use of permanent resources and by sharing the work in periods of intense activity. However, there is still ground to develop and consolidate the cooperation highlighted in the 2002 report by an interinstitutional working group chaired by Mr Claude Chêne without calling to question the political autonomy of each institution.

57.

(a) Competition among interpretation services to recruit AIC is limited by the Agreement with IACI, which is applied by all the institutions. Improvement of coordination of recruiting services is however a clear goal at this stage of the development of interinstitutional cooperation.

(b) Interpretation services are working to improve communication systems between the institutions despite the difficulties linked to security and different corporate IT architecture. Important progress is expected to take place in 2005. An interinstitutional policy for the exchange of staff interpreters has not yet been established due to different working conditions and other staff related provisions, but the services are working with a view to overcoming these difficulties. However, ensuring a guaranteed level of service can only be achieved through binding, not ad hoc decisions.

(c) The current organisation already allows for reduced travel costs on a case-by-case basis by taking advantage of the presence of non local AICs already contracted by the other institution for adjacent days. Full IT communication between institutions on the availability and global management of freelance interpreters is expected to be operational in September 2005.

(d) Joint management of freelances, including selection, accreditation, quality control and payment will be fully operational when on line communication of the IT systems of the different institutions will be opened up in September 2005, following the ongoing test phase.

58. The creation of a single interinstitutional service providing interpretation to all EU institutions would require a decision, between institutions, at political level. The Commission believes that deepening interinstitutional cooperation could bring economies of scale and savings without calling into question the autonomy of the institutions in matters of budget, staff and the capacity to adapt priorities to the political agenda. To launch an evaluation of the advantages of a single interpretation service compared to improvements in interinstitutional cooperation it would be necessary to have a clear signal from the other institutions of their willingness to pursue such a course rather than continue with progress on interinstitutional cooperation. Indeed, enormous efforts and significant resources have already led to merging the payment offices, to creating a common list of accredited freelances and holding joint competitions and accreditation tests. These efforts should be consolidated and strengthened and the results analysed: detailed analysis of benefits and savings is necessary before a decision on further developments is taken.

59. Variations in the number of requests for interpretation makes the average ratio between staff interpreters and freelances hired for interpretation services varying from one year to another. In the run-up to enlargement, for example, the number of staff interpreters on interpreting assignments was reduced because a certain number were already present in the accession States to help prepare for enlargement. A further number of staff were sitting in the evaluation panel of accreditation tests for the new languages. For those languages, it must be remembered that interpretation services rely for the time being very significantly on accredited freelances, increasing the overall share of the latter since 1 May 2004.

60. A change in ratios cannot take place overnight. However, planning is possible in the long term. The issue of language combinations prevents interpretation services from applying strict ratios, as interpreters vary in the number of languages they know, and very often, staff interpreters have a wider language combination than freelances. Staff interpreters are also needed to maintain quality control, continuity in meetings and confidentiality at politically sensitive meetings.

61. A competition for Greek was organised in 2003 and a Portuguese one is foreseen in 2006. The share between local and non-local freelance has changed with the introduction of the 'on request' system by the Council. More local freelancers are now employed as the non-locals have changed their professional domicile to Brussels, thereby allowing a large reduction of cost.

63. Higher travel costs for AIC result from the obligation of the Commission to apply strictly the conditions of the Agreement and to respect the conditions by which it is bound to reimburse the cost of travel. AICs are encouraged to take the cheapest possible tickets through the issuing of information about travel prices, whilst staff interpreters can benefit from the corporate booking rates and restricted fares.

68. DG Interpretation is bound to respect the terms of the Agreement and its modalities, which do not require an AIC to prove that he bought the cheapest ticket available. When the terms of the Agreement are respected, DG Interpretation has to pay the ticket. The commercial policy of the airline also has an impact on the cost of tickets.

70. DG Interpretation does not have the flexibility of observing market conditions since it is bound by the terms of the Agreement. High standards in recruiting AICs are indeed applied and quality secured by respecting the Agreement on working conditions for interpreters. The quality of AICs is reported on frequently and all have passed an accreditation test to be on the interinstitutional freelance list. Language training is also available for them during low activity periods.

71. The existing Agreement does not foresee the possibility of paying less in the case of cancelled meetings. However, the Commission pays less for its AICs than other international institutions.

73. DG Interpretation is aware of the very high satisfaction rate with regard to the quality of the interpretation services it provides. It strives to maintain its reputation for quality through, for example, thematic training. Moreover, a study on better documentation is being carried out by an external company with a view to improving the provision of documentation to interpreters ahead of meetings. A final report on this subject is expected in 2005.

76. There is a definite policy of keeping teams unchanged for assignments to difficult meetings, although unforeseen events or the availability of specific resources does not always make this possible.

A 'volontariat' scheme is in place (interpreters may express an interest for specific meetings) and attention is paid to maintaining stable teams.

78. Interpretation is a highly specialised profession requiring a high level of concentration. In order to guarantee quality, specific working conditions are necessary. The limitations which exist, i.e. a maximum of 4 hours of work in the morning, a compulsory 90 minutes lunch break and the end of the normal workday at 18.30, are measures in place to ensure that the quality of interpretation is guaranteed over time. However, extensions to continue beyond 18.30 can be agreed by simple advance request by the meeting organisers.

81. In order to secure the best quality/price ratio, a six weeks' advance notice is considered by the Commission to be a reasonable timescale to allow for proper forecasting, good planning and management of resources. This may generate difficulties for other institutions, but DG Interpretation attempts to address any problems on a case by case basis. Late requests generate higher costs.

CONCLUSIONS AND RECOMMENDATIONS

82. The Commission acknowledges that its efforts to contain expenditure on interpretation over the past five years are recognised.

83. Enlargement is a process which requires advance planning. Although DG Interpretation has made numerous awareness raising actions in all the new Member States well in advance and provided considerable assistance to set up and manage conference interpreting training courses, there remains a shortage of interpreters in particular for some of the new languages. However, the Commission cannot take over the prime responsibility of Member States to provide interpretation qualifications and guarantee the supply of a number of suitably qualified interpreters.

84. The competitions for interpreters in connection with enlargement were advertised in early April 2003, 13 months before enlargement, and were completed between March and November 2004, depending on the language (the competition for Maltese was completed in December 2003, but without any successful candidates).

For some of these new languages, one of the main reasons for the inadequate number of successful candidates was the shortage of interpreters trained to the internationally recognised standards.

86. The interpretation services provide quality interpretation as and when requested. They take action upon cancellation of meetings by the organisers by reallocating those interpreters that became free to other meetings. The Commission considers that a six weeks' advance notice is a reasonable timescale to allow for proper forecasting, good planning and management of resources. This may sometimes generate difficulties for other institutions, but DG Interpretation addresses any problems on a case-by-case basis.

87. A limited reserve of interpretation resources is on stand-by as a risk-management policy to avoid cancellation costs and to allow DG Interpretation to cope with the requirement for quality, availability and continuity to which the DG is bound. Regarding the political nature of the institutions it serves, being unable to respect these requirements would render redundant the mission of the DG.

88. It would be possible for DG Interpretation to retrieve information about cancellations and show reallocation of interpreters but this being an ongoing process, it would be time-consuming to do this extensive tracking work. The cost in terms of extra staff would negate any derived benefits.

89. It is acknowledged that the billing rate, although suitable for the purposes of interinstitutional billing, is lower than what would be required to take into account the full costs, because the agreed rate results from a negotiation between DG Interpretation and its institutional customers. Moreover, DG Interpretation could not withdraw the provision of interpretation because of a failure to agree on a billing rate.

90. As regards the Commission, the Agreement with the IACI is strictly applied and no further savings can be achieved in the present conditions. The Commission believes further savings can only be achieved by renegotiating the Agreement. Further integration of computer systems and closer interinstitutional cooperation have been under way since 2002 and will continue amongst the highest priorities of the Commission in the area of conference interpretation.

91. The Commission agrees that consideration should be given to renegotiate the Agreement with the IACI, with a view to applying similar travel arrangements to freelance interpreters as to permanent staff. However, concerning special contracts with travel agencies, air companies or hotels, DG Interpretation deems that it is not efficient to duplicate the approach already taken by the Personnel and Administration DG. The possibility to renegotiate the agreement could also provide further gains if consideration is taken to bringing the remuneration structure of AIC into line with the philosophy put in place for permanent staff by the Reform of the Administration as well as to the new reality of an enlarged Union. Renegotiating the IACI Agreement requires the agreement of all the EU institutions involved.

93. Interpretation is a highly specialised profession requiring a high level of preparation and concentration. In order to guarantee a level of quality that satisfies the users, specific working conditions are necessary. The limitations which exist in the Agreement on working conditions ensure that the quality of interpretation is guaranteed over time. It should be recalled that extensions can be agreed by simple request from the meeting organisers; a change of teams or other arrangements are then made.

94. The creation of a single interinstitutional service providing interpretation to all EU institutions would require a decision at political level. The Commission believes that deepening interinstitutional cooperation could bring economies of scale and savings without calling into question the autonomy of the institutions in matters of budget, staff and the capacity to adapt priorities to the political agenda. To launch an evaluation of the advantages of a single interpretation service compared to improvements in interinstitutional cooperation, it would be necessary to have a clear signal from the other institutions of their willingness to pursue such a course rather than continue with progress on interinstitutional cooperation. Indeed, enormous efforts and significant resources have already led to merging the payment offices, to creating a common list of accredited freelances and holding joint competitions and accreditation tests. These efforts should be consolidated and strengthened and the results analysed: detailed analysis of benefits and savings is necessary before a decision on further developments is taken.

95. The Commission agrees to continue its efforts to give a positive answer to the challenge of multilingualism, whilst keeping interpretation costs under control. This could be achieved through the consolidation of interinstitutional cooperation, especially in terms of the use of permanent staff, and by exploring the possibilities to simplify and consolidate the terms of travel and remuneration of freelance interpreters, through a renegotiation of the Agreement with the IACI. Only after progress in these areas is consolidated and the institutions have a clearly defined political approach to their autonomy in interpretation matters, is it worth considering the launching of an independent study on the advantages of setting up a single interinstitutional office.