

**FOR INFORMATION**

FOURTH ITEM ON THE AGENDA

**International Training Centre
of the ILO, Turin****Introduction**

1. Further to the discussion at the 71st Session of the Board of the International Training Centre of the ILO, Turin (the Centre), and the subsequent discussion in the Programme, Financial and Administrative Committee in November 2009, it was agreed that the medium-term strategy of the Centre presented to the Committee in March 2009 provided a solid basis to go forward. It was also agreed that the relevant units at headquarters would work closely with the Director of the Centre to prepare a workplan to take this strategy forward.
2. A series of meetings took place in December 2009 and January 2010 involving the management of the Centre and the Office. The objective of these meetings was twofold: first, to identify a number of short-term measures which could be implemented immediately to address the projected shortfall in the 2010 budget and, second, to identify strategies to address the longer term financial viability of the Centre. On 29 January 2010, the Officers of the Centre's Board were informed about the results of these meetings.
3. This paper provides information on a number of steps that have already been implemented as well as medium-term measures that are planned.

Short-term measures

4. The following short-term measures have been implemented. These were primarily aimed at addressing the projected 2010 budgetary deficit of €1.3 million.
5. The Office continued and reinforced its practice of carrying out regular budget work through the Centre, whenever appropriate. The final accounts for 2009, to be submitted to the Board in November 2010, will reflect a higher level of joint funding than foreseen when the 2010 budget was presented to the Board in November 2009. In line with this approach, an additional US\$370,000 of regular budget technical cooperation (RBTC) was allocated to the Centre for activities in support of ILO constituents during 2009. These resources from the Office will improve the Centre's financial results for 2009 and thereby help to mitigate the reduction in voluntary funding foreseen for 2010 technical activities.

6. The management of the Centre has implemented measures to enhance the Centre's cost-effectiveness without reducing the quality of the services provided to ILO constituents and partners. Some of these measures are of a temporary nature such as not filling a number of vacant posts in 2010, the postponement of repairs and improvements of campus facilities and the replacement of furniture and training equipment. The Centre's management will closely monitor the implementation of these measures in order to minimize their impact on the quality of the Centre's services.
7. Other short-term measures will have an ongoing benefit. These include improved planning and deployment of existing human resources across the different teams, rationalization and reduction in travel costs through improved planning of air travel, greater use of internal staff instead of external collaborators, measures to reduce costs of utilities and other operating expenses, and improved internal processes to monitor and process donors' contributions and participants' payments. Savings from these measures are estimated at €500,000 in staff costs and €400,000 in non-staff costs in 2010. The management of the Centre has also decided to defer the planned expenditure of €200,000 in 2010 on information technology mostly by deferring the purchase of new licences. In addition, action has commenced to recover outstanding amounts for completed training activities. It is projected that €400,000 will be recovered in 2010. Any measures which impact on the staff of the Centre will continue to be discussed with its Staff Union.
8. The Office and the Director of the Centre are confident that the cumulative impact of these short-term measures will effectively eliminate the 2010 projected deficit of €1.3 million. It is also anticipated that the further reduction in voluntary contributions to the Centre in 2010 will be offset by the reprogramming of resources received in 2009 into 2010 due to the diversification of funding sources achieved in 2009 as well as to the additional financial support obtained from headquarters before the end of the last biennium. This process of diversification of funding sources will not impact negatively on the role of the Centre in capacity development of the constituents.
9. The short-term measures indicated above complement the broader strategy to enhance the medium-term sustainability of the Centre that was adopted by the Board of the Centre at its 71st Session in November 2009.¹

Medium-term measures

10. Following consultation with the regional directors, the Centre has been given direct control over regional RBTC resources for the 2010–11 biennium (US\$2.3 million). This will enable the Centre to plan more effectively so as to optimize the use of its staff time and facilities and reduce transaction and administrative costs. At the start of the biennium, the Centre will prepare with each regional office a plan for the use of these resources which will be closely integrated into the wider work planning of the Office. As in prior biennia, this allocation may be complemented by additional RBTC resources transferred for training activities to the Centre by different ILO sectors and offices.
11. The Centre worked actively with ILO outcome coordinators to include training and learning components and identify funding gaps in both country programme outcomes and global products that will feed into the 19 outcome-based workplans developed under the Programme and Budget for 2010–11. The outcome-based workplans will be the basis for allocation of the Regular Budget Supplementary Account and extra-budgetary resource

¹ Turin Centre: *Building the capacity of ILO constituents: A medium-term strategy for the Turin Centre, 2009* (Doc. CC71/5(Rev)).

mobilization going forward. The results of this exercise were positive and the operational impact of this approach on the Centre will be assessed regularly during the biennium.

12. The Centre is now examining the feasibility of consolidating the training and learning components agreed for each outcome-based workplan for more efficient and effective execution. The intention of both the Office and the Centre is to deliver joint knowledge-sharing and learning packages across regions and projects. Examples of joint activities already planned for early 2010 include employers' and workers' training, labour administration and inspection and gender equality. This approach will not fundamentally alter the Centre's modus operandi – including the distribution of activities between the campus and the regions – but will facilitate the pooling of human and financial resources between the Office and the Centre.
13. In the context of enhanced efforts to mobilize additional voluntary resources for the Centre, a common approach has been agreed in relation to the Centre's involvement in ILO partnership agreements with donors. This will support more programmatic training and learning components in technical cooperation projects. The Centre has prepared a short statement (see the appendix) explaining the value added and comparative advantages that it can bring to ILO technical cooperation programmes. The Office will promote the establishment of a specific component or budget line for capacity development by the Centre within donor partnership agreements which would be managed directly by the Centre. The impact of these measures will be regularly reported to the Board and the Governing Body.
14. As a complement to the overall ILO resource mobilization strategy a number of donors have been identified who will be contacted directly by the Centre for cost-sharing with their bilateral or staff development programmes.
15. The Office is developing a joint proposal with the Centre with a view to giving effect to paragraph 45 of the G20 Leaders' Statement concerning training and capacity building. The Centre will join forces with the Office on resource mobilization efforts for this important component of the Global Jobs Pact. The Centre is already participating in the elaboration of the ILO paper for the meeting of G20 ministers of labour to be held in Washington, DC, in April 2010. The mandate given to the ILO to develop a training strategy in collaboration with social partners and other organizations, should help to enhance the visibility of the Centre with donors.
16. The Director of the Centre is reviewing the scope for soliciting direct regular contributions from a limited number of member States. Such contributions would supplement, in particular, the subventions received from the Government of Italy (*ex lege* contribution of €8.5 million), the Government of France, the Government of the Piedmont Region, the City of Turin, and the ILO regular budget, which are essential to the funding base of the Centre. Contacts have already been initiated with a number of government representatives to explore the scope for expanding this support. The outcome of these initiatives will be reported to the Board in November 2010.
17. During 2009, the Centre's income from training activities amounted to €27 million. For 2010, the Centre has set a target of generating at least €4 million in voluntary contributions from new sources linked to the outcome of the combination of measures described under paragraphs 5, 10 and 13 above.
18. Working in collaboration with the ILO's regional offices and country offices, the Centre is contacting directly UN country teams to promote the Centre's involvement in wider UN capacity-building programmes. This may involve both country-based activities and interregional knowledge-sharing workshops. As set down in the medium-term strategy for

the Centre, active cooperation will be pursued with non-traditional donors and partners such as the European Union, UN agencies (other than UNDP), foundations and the private sector.

19. To enhance awareness of the valued added capacities and services offered by the Centre, a video on “Training and learning with the ILO’s Turin Centre” will be shown at the meeting of the Committee on Technical Cooperation in March 2010. The video was made jointly by the Office and the Centre.

Internal review

20. Further to the discussion at the PFA Committee in November 2009, and as suggested by the Director-General in his statement to the Committee, the Office has initiated an internal review to address the issue of greater integration between the Centre and headquarters at the levels of management and administration, planning, programming and budgeting in order to reduce duplication of functions, enhance cost-effectiveness and assure predictability of resources.
21. This review is being jointly led by the Treasurer and Financial Comptroller and the Director of the Bureau of Programming and Management, in close collaboration with the management of the Centre. The question of increasing productivity will also be examined together with a review of the Centre’s expenditures to identify possibilities for further savings. The findings and recommendations of this review will contribute to the preparation of the paper to be presented to the Centre’s Board in November 2010.

Geneva, 18 February 2010.

Submitted for information.

Appendix

International Training Centre of the ILO, Turin

What is the Centre?

The International Training Centre of the ILO is the training arm of the International Labour Organization (ILO). It is based in Turin, Italy.

What does it do?

It delivers training and learning programmes across the four main areas of the ILO's Decent Work Agenda. Every year, the Centre runs around 500 training and learning activities in countries around the world, on its campus and online. Through these training activities, it reaches out to around 12,000 participants each year.

How does it support the Decent Work Agenda of the ILO?

Through its programmes, the Centre makes a vital contribution to the ILO through knowledge, advocacy and capacity-building activities.

Knowledge

The knowledge produced by the ILO is transformed by the Centre into learning tools and is packaged into practical learning materials that allow constituents to access and apply ILO knowledge in their policies and programmes. Most of the participants in the Centre's training activities are mid- and senior-level national officials who are directly involved in national policy and programme development. This means that the Centre provides a crucial transmission belt to the national level for ILO knowledge and best practice.

Advocacy

Through the Centre's training activities, international labour standards and other ILO policies and strategies are disseminated and promoted to a large audience. Advocacy for decent work is a crucial means of action of the ILO and the global reach of the Centre is an important vehicle for this advocacy. The Centre's 200,000 alumni are drawn from labour ministries, workers' and employers' organizations, central and local governments, parliamentarians, media, judiciary, UN and donor agencies. This diversity ensures a multiplier effect. In many countries around the world, the alumni of the Centre are advocates for promoting the ILO's Decent Work Agenda through their national, regional and international networks.

Institutional and human capacity building

The Centre contributes to building the institutional and human capacity of labour ministries, workers' and employers' organizations. Participants acquire up to date skills across relevant areas of the Decent Work Agenda, validate their knowledge and have an opportunity to exchange their experiences and good practices. The Centre's unique *Learning Approach* provides a comprehensive framework for this capacity development, going beyond traditional technical assistance, seminars and workshops.

How is the Centre funded?

The Centre's training portfolio is funded from a combination of sources. It includes a substantial contribution from the ILO as well as the Government of Italy. The regional government of Piedmont and the City of Turin also contribute to the funding of the Centre and voluntary contributions are received from donors. Participants' fees and scholarships also contribute to its resources.

More information at www.itcilo.org.