



FIFTH ITEM ON THE AGENDA

**Proposed 2006-07 budgets for
extra-budgetary accounts**

**(b) Inter-American Research and
Documentation Centre on Vocational
Training (CINTERFOR)**

1. As in previous biennia, and in accordance with the provisions for the establishment of the extra-budgetary account of the Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR), the Committee is called upon to examine the estimates for this account.
2. The budget for the extra-budgetary account is included in Appendix I. Details of all expenditure proposed are given in Appendix II. The programme of activities is described in paragraphs 3-20.
3. CINTERFOR's programme proposals for the 2006-07 biennium focus on promoting human resource development as an efficient tool enabling women and men to secure decent employment in conditions of equity.
4. Vocational training has a strategic contribution to make to the agenda aimed at reducing the decent work deficit, overcoming poverty and achieving fair globalization.
5. CINTERFOR's programme proposals will aim at strengthening the high potential of training to reinforce tripartism and social dialogue; at ensuring that training becomes an essential component of the wide range of policies that need to converge to make decent work a guiding principle of national economic, social and environmental strategies; at giving training a prominent role in efforts within the multilateral system to recognize the importance of decent work in the context of international development objectives and to promote access to decent employment in conditions of equity.
6. To that end, CINTERFOR plans to contribute to strengthening national vocational training institutions and ministries of labour and employers' and workers' organizations in the Latin American and Caribbean countries, in order to enhance their capacity and improve the quality, relevance and efficiency of their training activities to meet the current challenges of productivity and competitiveness of individuals, enterprises, communities and countries. At the same time, training institutions will give special emphasis to the

demands for equity put forward by vast disadvantaged segments of society seeking to improve their employability – particularly young people, women, unemployed and underemployed adults and persons with different abilities.

7. The main objective of the 2006-07 programme is to stimulate the development of training policies and to consolidate training systems by increasing investments in training, and designing and implementing programmes to meet the current challenges of competitiveness and employability promotion. These policies and programmes must be designed and implemented in a context shaped by international development objectives, in an effort to achieve an inclusive and equitable globalization in accordance with the goals and principles of the Millennium Declaration and, especially, the provisions of the Human Resources Development Recommendation, 2004 (No. 195).
8. During the coming years, CINTERFOR will provide technical cooperation to the countries of the region with a view to achieving development processes based on the objective of decent work, i.e. dovetailing training policies and programmes with economic and social policies that contribute to democratic governance. With CINTERFOR assistance, vocational training institutions in the region will endeavour to devote the necessary resources to securing more and better jobs for people, and to contribute to overcoming poverty with sustainable and permanent institutional arrangements.
9. CINTERFOR's work to further the development of training contributes to one of the four pillars of decent work – creating more opportunities for women and men to secure decent employment and incomes; it has focused mainly on the operational objective of knowledge, skills and employability. Its programme is in line with the regional strategy established by the Regional Office for Latin America and the Caribbean and, substantively and fundamentally, within the biennial working plans of the Skills and Employability Department (SKILLS), ILO integration policy and the priority demands made by member States and adopted every two years at the CINTERFOR technical committee meetings.
10. It should be pointed out that CINTERFOR helps to reinforce social dialogue and to enhance the capacity of governments and employers' and workers' organizations to take part in formulating training policies and in strengthening the participation of the social partners in the process of planning and management of training in the countries of the region.
11. The following key priorities have been defined in the CINTERFOR work programme for the 2006-07 biennium.

Subprogramme 1: Strengthening training and skills development as a means of access to employment and decent work

12. CINTERFOR will continue promoting the institutional capacity building of national bodies responsible for training in the countries of the region (vocational training institutions, ministries of labour and employers' and workers' organizations in Latin American and Caribbean countries), in order to improve the quality, relevance, efficiency and scope of their programmes so that men and women can enhance their employability and incomes and help to reduce poverty levels.
13. To that end, it will continue to carry out technical cooperation activities and disseminate knowledge and information in support of institutional reform, restructuring and modernization processes; the development of competency-based training programmes; the adoption of a gender focus in training; the dissemination of quality management tools; the

analysis and dissemination of good funding practices; assistance in the formulation of national qualification frameworks and systems that enable prior learning recognition; encouragement of the use of information and communications technologies (ICTs) in distance learning programmes; training and skills updating of teaching and technical staff involved in training; promotion of local, community and sectoral initiatives that combine training, employment and development in an integrated manner.

14. Resources will continue to be assigned to promoting the dissemination of, debate and reflection on, Recommendation No. 195, and its adoption by the social partners and training stakeholders in the region.
15. Technical assistance will be provided in the context of the different trade integration processes and the challenges they pose to vocational training and the development of programmes or systems of certification that are valid at subregional level. Particular importance is attached to activities in the field of training, social dialogue and the progress made on regionally recognized qualification frameworks as part of integration processes, such as Working Subgroup 10 in the Southern Common Market (MERCOSUR), the Caribbean Community (CARICOM) through the Caribbean Association of National Training Agencies (CANTA), the Andean Community (CAN), the Central American Integration System (SICA), the North American Free Trade Agreement (NAFTA), etc.

Subprogramme 2: Poverty reduction: Development of competencies of young people and unemployed adults

16. Young people and high youth unemployment; women seeking access to employment and training on an equal basis; and adults whose educational level was not sufficient for them to keep their jobs in the face of rapid changes – all of these pose serious challenges to training. The uneven distribution of opportunities that has so far been the result of globalization, and its effects on poverty, call for developing the skills of these population groups as a means of ensuring access to employment and fair and inclusive globalization.
17. Faced with these challenges, CINTERFOR will support the design and implementation of training programmes that, combined with employment policies, seek to meet the needs of populations that are vulnerable to unemployment, such as young men and women, unemployed women and low-skilled adults. Also included are actions to promote a policy of gender equity in training and employment; programmes that promote training for young people; programmes that foster an entrepreneurial spirit to encourage both individual initiative and other more widespread initiatives such as those of local communities, cooperatives, youth organizations, workers' organizations, etc.

Subprogramme 3: Strengthening the social partners and developing social dialogue in training

18. Human resource development has become a highly promising area for social dialogue between workers, employers and governments. It brings together concerns and interests of ministries of labour and education, trade unions and employers. Many initiatives materialize each year thanks to dialogue between these stakeholders.
19. CINTERFOR will continue to support the strengthening of trade unions to enable them to work more effectively in developing programmes that enhance workers' competencies and skills. It will also offer its support to employers to identify their needs for competencies and skills enabling them to maintain and improve enterprise productivity. In addition,

CINTERFOR will support the public sector in the formulation of employment and training policies to promote access to and equality of opportunities in training.

20. There is an increasing amount of experimentation with innovative processes of bipartite management, sectoral bipartite management and local management. CINTERFOR will further the development of those initiatives through technical cooperation activities and dissemination of knowledge and information equipping the social partners to take part in the formulation, implementation and evaluation of public programmes and policies related to training, and will assist bipartite and tripartite social dialogue processes of training systems and institutions at all levels of decentralization, in terms of both their territorial coverage (regional and/or local) and sectoral coverage.

Summary of proposed 2006-07 income and expenditure

21. Contributions from the ILO, the Government of Uruguay, Spain and the countries of Latin America and the Caribbean constitute the main sources of income for the Centre. Other sources of income are sales of publications and miscellaneous financial receipts.
22. The contribution from the ILO of US\$1,685,514 covers the financing of the post of the Director, one international expert and a large part of the cost of local staff.
23. The Government of Uruguay's contribution is estimated at US\$100,000 as in 2004-05. In addition, the Government provides the Centre with rent-free premises. No contributions have been received from the Government for the past three biennia due to the economic crisis facing most countries in the region. Discussions with the Government are ongoing and there are expectations that these arrears would be received in 2006-07.
24. The countries of the region have continued to make voluntary contributions to the Centre. The total amount expected to be received in 2006-07 will be US\$450,000, the same as in the 2004-05 approved budget. Sales of publications are also expected to be at the same level as in the 2004-05 approved budget of US\$30,000.
25. The overall expenditure budget proposal is US\$2.27 million, comprising US\$1.82 million in staff costs and US\$0.45 million in non-staff costs. Although the overall level of the budget has decreased slightly when compared to 2004-05, staff costs have increased significantly due mainly to statutory obligations with respect to International Civil Service Commission recommendations for professional staff, local staff regradings, inflation and the weakening of the dollar with respect to the Uruguayan peso. Measures are, however, being put in place to prevent further incremental staff cost increases including a temporary freeze on vacant positions.
26. The level of the proposals is based on the understanding that the Director of the Centre is authorized to use the budget approved by the Governing Body only in so far as the estimated resources indicated therein are made available.
27. *The Committee may wish to recommend that the Governing Body approve the income and expenditure estimates for 2006-07 of the Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) extra-budgetary account, as set out in Appendix I.*

Geneva, 22 September 2005.

Point for decision: Paragraph 27.

Appendix I

Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR)

The proposed income and expenditure for the extra-budgetary account for the financial period from 1 January 2006 to December 2007 are given below, together with comparative figures for budgeted and estimated actual income and expenditure for 2004-05.

	2004-05 approved budget (US\$)	2004-05 forecast income and expenditure (US\$)	2006-07 proposed budget (US\$)
A. <i>Funds brought forward from previous period</i>	–	276 474	–
B. Income			
ILO contribution (including RBTC)	1 774 225	1 774 225	1 685 514
Host country contribution	100 000	–	100 000
Contributions from other countries in the region	450 000	450 000	450 000
Sales of publications	30 000	35 000	30 000
Miscellaneous income ¹	5 000	5 000	5 000
<i>Total income</i>	2 359 225	2 264 225	2 270 514
C. Total funds available	2 359 225	2 540 699	2 270 514
D. Total expenditure	2 359 225	2 540 699	2 270 514
E. <i>Funds to be carried forward to the next period</i>	–	–	–

¹ Including interest and exchange/revaluation gains/losses.

Appendix II

Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR)

Summary of proposed 2006-07 expenditure by subprogramme
(extra-budgetary account and ILO contribution)

Subprogramme	Work-year/months		Cost in US\$		
	Professional	General Service	Staff	Non-staff	Total
Technical services	2/00	2/00	520 157	20 000	540 157
Research studies and seminars		6/00	260 222	139 087	399 309
Publications, documents and general information		14/00	458 420	75 000	533 420
Administrative services		4/00	215 926	187 958	403 884
Programme management	2/00		363 744	30 000	393 744
2006-07 proposals	4/00	26/00	1 818 469	452 045	2 270 514
2004-05 budget	4/00	26/00	1 331 525	1 027 700	2 359 225