



FOR INFORMATION AND GUIDANCE

FIFTEENTH ITEM ON THE AGENDA

Other financial questions

Future development of the Turin Centre and its relations with the ILO

Background

1. During the 294th Session (November 2005) of the Governing Body, the Employers' and Workers' groups requested the Office to draw up a document setting forth the guidelines it intended to propose for the future of the Centre and for better integration with the ILO.¹
2. The present document outlines the key aspects of the future development of the Centre and on its relationship with the ILO. It reports on measures taken or planned to ensure greater programmatic and operational coordination between the Office and the Centre and raises a few issues in relation to the long-term development of the Centre in the context of the ILO's strategic directions.
3. The evolution of the ILO, UN and international cooperation over the past two decades has been marked by an increasing attention to the need to create or enhance the capacity of national institutions to steer and manage their own development process. Hence, the emphasis on sustained capacity building as a critical factor for the attainment of international development goals.

History of the Turin Centre

4. Through the creation of its International Training Centre in Turin in 1964, the ILO was and remains at the forefront of this effort. The Centre is a non-profit technical international body of the International Labour Organization. The Centre has separate legal personality pursuant to article VIII of its Statute, which was recognized by the law of the host country – Italy – and has its own autonomous statute, staff and budget. The Centre's Board is appointed in part by the ILO Governing Body and in part by others (Statute, article III). The Board is chaired by the ILO's Director-General.

¹ GB.294/8/1(Rev.), para. 38.

5. Initially born as a vocational training institution, the Centre today has become an important training and capacity-building arm of the ILO for the pursuit of decent work for all and a unique platform where professionals from all over the world share their experience of the world of work. It is also the hub of a worldwide network of partner institutions and resource persons with expertise on employment, labour, human resources development and learning methodologies.
6. Since the early 1990s, the Turin Centre has experienced a significant quantitative and qualitative growth, including the establishment of new training programmes mirroring the entire range of the Decent Work Agenda, the introduction of innovative training design and delivery modalities, such as decentralized training and open and distance learning, and the adoption of new evaluation, budgeting and management information systems. The Centre's legal and financial base obliges the Centre's management to recover a substantial share of its fixed costs from the fees charged for training activities. The Centre has succeeded in diversifying its funding portfolio in a highly competitive training market and in balancing its budget for some 15 consecutive years despite the growing gap between fixed costs and contributions received directly from the host Government, other member States of the ILO and the annual ILO subvention.
7. At the same time, a number of constituents, and notably the Workers' group, have on different occasions signalled the potential contradiction between the Centre's increasing dependence on training market demand and its continued commitment to the principles and policies of the ILO, notably the accessibility and relevance of the Centre's training programme to ILO's constituents. This concern was echoed in the External Auditor's report to the Centre's Board in November 2005 which stated "the need to ensure that the strategic aims and objectives of the Centre are properly defined and that the link with the ILO's strategic objectives is considered in the light of the growing dependence on external sources of income".
8. A closer look at the Centre's programmes shows that the current training offered is actually more representative of the Decent Work Agenda than it was five years ago. In addition, those areas of the Centre's activity that do not immediately fall under one of the ILO's strategic or mainstreamed objectives – notably management of development and training methodology and technology – do represent a potentially important service to ILO's constituents. However, taking into account the physical, human and financial limitations to a continued expansion of the Centre's programmes, the concern of ensuring and enhancing the constituents' access to the Centre's future programmes and its relevance to the Decent Work Agenda pose continuing challenges to both the Centre's and the Office's management.

Joint ILO/ITC Task Force

9. In response, the Director-General established in March 2003 a joint ILO/ITC Task Force with the mandate of proposing measures for better utilization of the Centre's capacity in ILO programmes and development cooperation activities. The Task Force, chaired by the Director of the Centre, produced a set of recommendations in February 2004 to ensure the Office's greater ownership of, and contribution to, the Centre's programmes in order to maintain and enhance their alignment with the ILO's strategic directions. A number of concrete actions have been taken and/or are in progress in the areas mentioned below.
10. **Capacity building strategy.** An Office-wide capacity building and learning strategy has been recommended by the Task Force as the basis for the future development of the Centre and its operational integration with the ILO. Proposals have been made to further develop methods and tools for capacity building for responding to the needs expressed by

constituents, institutions and individuals. This is an area where greater synergies can be achieved by working closely with the Centre in identifying specific longer term products and services. This remains a priority for 2006-07. Within the ILO's overall strategy, the Centre's role in the development of human resources, both of constituent organizations and of the Office itself, can be identified in training needs analysis and design and testing of training and learning products and tools; implementation of training components of ILO programmes and projects; training of ILO staff; support to ILO research and publication activities; and development of academic networks and programmes aiming at the dissemination of the Decent Work Agenda.

- 11. Joint planning.** Regular meetings are taking place with the relevant Office and Centre programmes. In addition, the Centre is invited to participate in joint planning exercises with the Office which are facilitated through access to the IRIS Strategic Management Module. Concerted effort has also been made in the past couple of years to share information on annual meetings with donors and ensure that the Centre is present at such major meetings. During this biennium, it is envisaged that more systematic annual planning meetings between the Centre's staff and the Office's regional and technical departments will be arranged. These exercises should result in concrete commitments on resources to be pooled from either side for joint activities. In addition, joint planning could be introduced between the Centre and the Institute with regard to the development of post-graduate courses and the design of academic networks in general. The Centre would then be better equipped to plan its activities and have a reliable basis to estimate the income from ILO regular budget, RBTC and/or extra-budgetary funds.
- 12. Technical cooperation.** An operational agreement was concluded in November 2005 between the Partnerships and Development Cooperation Department (PARDEV) and the Centre as regards some practical measures aiming at enhancing the Centre's participation in the ILO extra-budgetary technical cooperation programme. This includes: the Centre's regular attendance at planning and review meetings between the ILO and donor agencies; a timely and frequent exchange of information and briefings on existing operational and pipeline projects, as well as scheduled negotiations with donor agencies; the negotiation, wherever feasible, of core allocations for capacity building within donor partnership agreements and/or project budgets; and collaboration in competitive bidding exercises.
- 13. ILO staff development.** The dedicated resources for staff development and training in 2006-07 will offer the opportunity to discuss and plan a number of core curricula to be implemented through the Turin Centre. The Turin Centre is already collaborating with the Management Leadership and Development Programme. Potential areas for curriculum development include: training of ILO staff on training design and delivery; training on project design, management and evaluation; induction training for new ILO officials; and introduction of open and distance learning in the ILO staff development programmes. These areas could be progressively extended depending on the nature of the staff development demand and availability of resources.
- 14. Staff mobility and human resource management.** A new circular was issued in December 2005 on "Rules governing loan of staff between the ILO and the International Training Centre of the ILO". This circular sets the rules and procedures aimed at facilitating the exchange of staff between the two institutions. Under the ILO's mobility policy circular of November 2005, temporary assignments to the Centre can be considered part of the overall career development pattern of ILO officials. As long as the Centre remains an autonomous entity within the Organization, the Office is of the opinion that the Centre's management should retain ultimate authority and independence in recruiting and managing staff. However, the current practice of involving the relevant ILO departments in the selection of technical professional staff of the Centre could be expanded.

15. **Multimedia design and production.** A first joint ILO/ITC agreement was signed in 2003 giving the Centre a first right of refusal priority option for the awarding of ILO desktop publishing and multimedia production contracts up to a maximum ceiling. This agreement is subject to annual review by both parties and may possibly be expanded in the future.
16. **Information technology.** To facilitate the exchange of information, the Centre's email addresses were integrated into ILO GroupWise in early 2005. The Centre's access to the IRIS management information system is also planned as part of IRIS' future development, and the Centre's integration in a number of applications is under review. Finally, the Office is considering the potential of making use of the Centre's experience to enhance the outreach of its training and operational programmes through open and distance learning and educational technology applications.

ILO financial contributions to the Centre

17. The Office recognizes that an increase in regular budget contributions would help maintain the Centre's focus on the ILO's strategic directions and rely on a more stable basis for planning its activities and services. In this spirit, the ILO's core funding to the Centre has not been reduced in real terms for many years, contrary to other ILO programmes. However, the ILO is not in a position to make any additional commitment in the context of the current budget constraints. The Office also is cognizant of the potential for the Centre's greater involvement in delivering the capacity building and training components of the ILO extra-budgetary technical cooperation projects. This would entail an increasing adaptation of Turin's training programmes to the needs of the technical cooperation projects. While a very important factor, the financial contributions and cash flows alone do not do justice to the present level of collaboration between the Office and the Centre, as many more programmes are jointly conceived and implemented. The Office is confident that the implementation of the measures described above will, over time, yield benefits and translate into more effective participation in the ILO's operational programmes.

Looking ahead

18. The ILO is committed to the vision of a centre of excellence devoted to the development of institutional capacity in ILO member States for the promotion of decent work. The Centre's contribution to the Decent Work Agenda consists of: reaching out to a large number of individuals and institutions participating in the definition and implementation of policies and programmes in the economic, social and labour sphere; enhancing cross-fertilization and mutual learning through pooling and comparing national experiences and practices; and designing and applying cutting-edge methodologies and technologies that make training and learning accessible and affordable to developing countries.
19. The implementation of decent work country programmes (DWCPs) is the main vehicle for making decent work a global goal and a national reality, as foreseen in the ILO 2006-07 programme and budget. This will generate increasing opportunities for strengthening the knowledge and capacity of a large number of actors at the national level and, in particular, of the tripartite constituents of the ILO, thus opening new frontiers for action by the Turin Centre in this area.
20. This calls for the ILO and the Turin Centre to jointly undertake an active resource mobilization strategy to support DWCPs through extra-budgetary funding. Approaching and engaging together, the donor community will contribute to one single ILO voice and greater efficiency and impact. Sharing resources within a common framework such as the

DWCPs will enhance prospects for a more stable platform for funding of capacity-building activities.

21. The Office is endeavouring to set up an internal joint steering mechanism with the Centre in order to continue the progress and monitor the implementation of the above provisions.
22. As the Centre's senior management will be changing in the near future and the fourth development plan for 2007-11 is under preparation, the Committee's general views would be welcomed on the following questions:
 - (i) The Centre's new development plan represents an opportunity to reflect on the Centre's long-term orientation and its operational ties with the overall Decent Work Agenda. From this point of view, should the Centre align itself with the planning cycle of the ILO's Strategic Planning Framework?
 - (ii) The Centre will need to continue raising additional extra-budgetary resources for funding its training programmes in a highly competitive environment. How can the Office, in the context of the Centre's development plan, further support the development and promotion of training products and programmes in areas of the ILO's mandate and the Centre's competence?
 - (iii) How can the ILO and the Centre best work together to optimize the mobilization and sharing of extra-budgetary resources available in the donor community and ensure increasing support for training components in technical cooperation activities?

Geneva, 6 March 2006.

Submitted for information and guidance.