

**FOR INFORMATION**

SIXTH ITEM ON THE AGENDA

**International Training Centre
of the ILO, Turin****(b) Report on the 69th Session of the
Board of the Centre
(Geneva, 29–30 October 2007)**

1. The Chairperson, Ms Patricia O'Donovan, in the name of the Director-General and Chairperson of the Board of the Centre, Mr Somavia, who, because of the ILO Forum on Decent Work for a Fair Globalization in Lisbon, was unfortunately unable to be present, welcomed the Government Vice-Chairperson, Ms Lu Xiaoping, the Employer Vice-Chairperson, Mr Renique, the Worker Vice-Chairperson, Mr Sidi Said, and the members of the Board, especially those who were taking part for the first time. She extended the warmest thanks of the Chairperson of the Board to the numerous countries that supported the Centre, to the Italian authorities, to the City of Turin and to the Piedmont Region for their continuous, essential support of the Centre's activities.
- I. Director's report on the activities of the Centre in 2006–07 and perspectives for 2008. Report on the implementation of the programme and budget for the current financial year (2007), and Programme and Budget proposals for the 2008 financial year (First and second items on the agenda)**
 2. The Chairperson proposed dealing with the first and second items on the agenda together. She gave the floor to the representatives of the City of Turin and of the Piedmont Region.
 3. The representative of the City of Turin, Mr Dell'Utri, greeted the members of the Board in the name of the Mayor, Mr Chiamparino, and thanked the Director and the Deputy Director for what they had achieved. He welcomed the awareness-raising carried out with the help of the Centre, which had boosted the visibility of the United Nations (UN) in Turin and made its institutions here better known among the people of Turin. To the same end, the City of Turin wished to involve the Centre in the commemorations for the

150th anniversary of Italian unity in 2011. In that framework, the City of Turin was investing 16 million euros between now and 2011 in renovating the campus. He also confirmed that the City would continue to provide 500,000 euros a year in support and to finance scholarships for the Master's courses on international trade law and on the management of development.

4. The representative of the Piedmont Region, Ms Marcon, welcomed the members of the Board in the name of the President of the Region, Ms Bresso, who, because of talks in Rome, had been forced to cancel her participation in the 69th Session. She informed the Board that the regional law of 2003 had been modified so that the funding of the Centre could be increased to 600,000 euros a year as from 2007. She also highlighted the support which the region had agreed to provide, in conjunction with the "Compagnia di SanPaolo" Foundation, in financing postgraduate programmes. Lastly, she stressed the importance that the region attached to the Centre's presence and activities: they made it possible to generate synergy with local stakeholders and international cooperation, thereby boosting its international image.
5. The Worker Vice-Chairperson regretted that the Director-General was absent, and hoped that he would be able to take part in the next sessions of the Board. He would like the documents submitted to the Board to be sent far enough in advance for them to be examined in depth. On behalf of the Workers' group, he thanked the Government of Italy, the City of Turin and the Piedmont Region for their constant support.
6. The Employer Vice-Chairperson endorsed the Worker Vice-Chairperson's remarks about the importance of the Director-General taking part and about the support of the Italian authorities. He recommended that the next sessions of the Board be held in Turin.
7. The Director thanked the Chairperson, the Worker Vice-Chairperson, the Employer Vice-Chairperson and the Italian authorities for their commitment to the Centre. Before presenting documents CC 69/1 and CC 69/2, which he saw as connected, he took note of the remarks made by the Worker and Employer Vice-Chairpersons concerning the delay in sending out documents. He assured the Board that lessons had been learned and that the necessary measures would be taken. The year 2006 had ended with a surplus of around 1 million euros, which was clearly very satisfying. That exceptional result was evidently due largely to the Centre's having been used as a media village during the Olympic Winter Games, but also to the Centre's training activities having continued thanks to optimum planning which had prevented interruption due to the facilities being unavailable throughout the games. Turning to the content of training in 2006, the Director said that regular courses had accounted for one third of activities, with the remaining two-thirds being divided between activities in the field and distance learning, which was gaining importance year after year. This rise was the direct consequence of taking up a constant recommendation by the Board. The ideal would be to achieve synergy among the three types of training. The Centre drew its strength from its excellence at boosting the capacity of its constituents to promote decent work. In 2006, two-thirds of the Centre's activities had concerned the ILO's fundamental objectives linked to decent work, with the rest consisting of training for ILO staff, particularly in managing the planning cycle, and postgraduate courses, including Master's courses. As regards geographic spread, he pointed out that the annual figures had to be interpreted with care because they could show significant annual variation. Accordingly, he deemed it better to take a long-term view. By way of example, the fall in the number of activities held for the Asian region was due in part to the end of a big project carried out in Bangladesh. In 2006, 40 per cent of participants in the Centre's activities had been women. This fall was explained by the end of a project funded by the European Union. He pointed out the rise in participation by the social partners in 2006, thanks to the use of the Central Fund. Efforts in this direction would continue. The year 2006 had been marked by accusations in the press concerning a

European Social Fund (ESF) project. The management of the Centre had reacted straight away, ordering an immediate internal audit. This had made it possible both to establish that the accusations were baseless and to draw some lessons regarding transparency. The Director stressed that the current drop in the number of ESF projects derived essentially from the end of the funding cycle. Steps had been taken to redeploy the staff concerned in order to avoid redundancies. Turning to 2007, he declared that it was a year in which the Centre was being redirected along new lines of strategy. Accordingly, priority was from now on being given to the Centre's responsiveness to the needs of the constituents and to the development of the technical units, which would have investment priority. A second priority was to strengthen the specific nature of the Centre by improving its training skills. Among further priorities, the Director listed devising strategies to mobilize and stabilize funds in order to make longer-term budget planning possible. This was a reason for the creation of the Programme Development and Regional Cooperation Service, which would act as an interface between the Centre and its technical units, on one side, and donors, on the other. As regards the accounts for 2007, the profits would be reinvested in the three lines of strategy mentioned earlier. Concerning the Delnet programme, whose chief was leaving, he announced that the unit, whose funding was stable and assured for 2008, would probably be reorganized, keeping its positive and innovative aspects but looking for more stable and diversified funding. The prospects for 2008 were interwoven with the lines of strategy. Commenting on document CC 69/2, which he saw as a financial support document for CC 69/1, the Director welcomed the increase in the aid provided by the City of Turin, as well as the promise that it would continue. The budget proposal for 2008 contained contributions to fixed costs of 2 million euros by the ILO, 7.8 million euros by the Italian Government, 150,000 euros by the French Government (as against 100,000 previously), 400,000 euros by the Piedmont Region and 500,000 euros by the City of Turin. In addition to this regular funding, donors provided aid for different training activities. Contributions to fixed costs only covered 30 per cent of the Centre's total budget, leaving it to finance the remaining 70 per cent itself. The difficulties caused by such a ratio had been examined by the Working Party whose conclusions were presented in document CC 69/5. As indicated in point 21, the surplus for 2006 would serve to fund two posts, one dealing with human trafficking and migration, and the other with vocational training. The choice of those two subjects was dictated by two factors, namely the absence of an expert on migration and the rise in the demand for vocational training. Concerning document CC 69/1/Add.1, he stated that great attention had been given to career development, leading to 14 promotions. That had not affected the budget because those promotions had been compensated for by attaching lower grades to vacant posts. As stated in paragraph 11, the Centre had invested in boosting the skills of its staff. Following a survey of the most favourable conditions of service in Rome, the ICSC had recommended that the FAO and the other agencies located in Italy raise the salaries of staff in the General Service category. This raise turned out to be 12.16 per cent. However, the Director stressed that the raise had been absorbed. Regarding document CC 69/1/Add.2, he highlighted the fact that the renovation of the Centre made possible by the contribution of the City of Turin had significantly increased the Centre's attractiveness. As well as the City, he wished equally to thank the Piedmont Region for its financial contribution. Thanks to those contributions, the Centre could allocate other resources directly to boosting the technical capacity of its various programmes. The Director went on to point out that the various calls for tender among service providers (for cleaning, security, etc.) had allowed the Centre to save about 500,000 euros this year, which would serve to enhance staff skills. Lastly, concerning the asbestos issue, the Director informed the Board that the necessary steps had been taken to clean up the buildings.

8. The representative of the External Auditor, Mr Miller, informed the Board that he was pleased to be able to address them directly. He stated that the report of the External Auditor covered financial matters and three other important areas, namely the upgrading of the Centre's financial accounting system, risk management at the Centre and the outcome

of the use of the Centre as a media village for the Turin Olympic Winter Games. His report included 13 recommendations that he felt would improve internal control, project management, risk management and corporate governance, and thus reduce exposure to unnecessary risks in the financial management of its operations. He confirmed that the audit had revealed no weaknesses or errors that were considered material to the accuracy, completeness and validity of the financial statements for 2006 and therefore the External Auditor had given an unqualified opinion on them. On financial matters, he indicated that the Centre had reported an operating surplus of over US\$1 million, compared to US\$400,000 in 2005, and considered that US\$900,000 was due to the hosting of the media village during the 2006 Olympic Winter Games. At the close of 2006, the Centre's General Reserve was US\$9 million, the equivalent of two months' expenditure, and the general fund had cash balances of almost US\$12 million. There were four recommendations which covered aspects that he considered continued to be unsatisfactory. As reported over the last three years, the Centre remained over-dependent on the Treasurer to prepare the year-end accounts, that were only presented for audit in mid-July, some seven months after the close of the financial year; timelier reporting would benefit the financial decision-making of the Centre. He continued to recommend that the Centre involve more staff in the preparation of the accounts. He had reviewed the Centre's progress in upgrading the Oracle financial system, as the present version had no longer been supported since December 2006. He said, as on previous occasions, that the project management did not reflect best practice, was not supported by a feasibility study and had not benefited from the use of an established project management tool that would have allowed the management to report to the Board on the outcomes more effectively. As part of the audit, he had reviewed certain aspects of the Centre's risk management, including the risk of fraud and irregularity, and believed that some aspects of the Centre's arrangement showed scope for improvement. The Financial Regulations required the External Auditor to report any case of fraud or presumed fraud to the Board. One such case had come to his attention. It concerned a series of articles published in the Italian press suggesting irregularities in the use of funds managed by the Centre. The project was for 4 million euros, funded by the ESF and the Italian Ministry of Foreign Affairs between August 2003 and February 2004. The allegations made by an informer unrelated to the Centre stated that the Centre had been assigned the funds without competitive tendering, that the project manager had received a financial incentive from a supplier and that the Centre had been overcharged by two subcontractors. He noted that the Director had immediately requested an investigation by the Internal Auditor who, after investigating, concluded that the allegations were unfounded. He also noted that, because of Italian law, the Internal Auditor had not been able to contact the contractor suspected of giving financial incentives to the project manager. He went on to say that the investigation had revealed the following weaknesses: lack of structured risk analysis; lack of appropriate management monitoring and supervision; and inadequate separation of duties in the management of the project. He indicated that the internal audit had addressed these points with the following recommendations: the need to develop policies on disclosure of conflicts of interest, whistle-blowing policies, anti-fraud policies and training; the need to conduct formal risk assessment for major projects; the need to review procurement policies for major procurement; and the need to ensure that the procurement process was adequately documented. He went on to say that for the past four years he had commented on the need to enhance and bring to an acceptable level the provision of internal audit services and that they could enhance the assurance of the Centre's internal and financial controls. Also, in recent years, he had focused on the need to improve governance structures in the Centre and hoped that the Director would continue to work on improving the present governance arrangements so that the Centre could meet best practice. The UN system was working towards improved governance and accountability, particularly through improved ethical and risk management arrangements. Taking the broad view, and noting the observations and recommendations the External Auditor had made to the Board of the Centre in recent years, the absence of modern systematic risk management arrangements and the reliance

on key individuals without sufficient management supervision, meant that now was the time for a fresh consideration of the adequacy of present governance arrangements at the Centre. He then brought to the attention of the Board the fact that the Centre had profited from 23.1 million euros in improvements, at no direct cost to the Centre, provided by the City of Turin and other donors so that the Centre could be used as a media village during the 2006 Olympic Winter Games. He concluded that the Olympic Winter Games had brought a lasting financial benefit to the Centre by increasing the capacity of the campus and by a 23.1 million euro upgrade. In conclusion, he stated that he had touched on the key points of his audit report and had indicated areas that needed improvement, such as the Centre's project and financial control management, and governance generally. He was aware of the Director's commitment to improvements and closed by thanking the Director and staff for their cooperation.

9. The Chairperson thanked the External Auditor for his report. She highlighted the large number of issues raised, which the Board would be able to deal with in its general debate, and asked the Director to present the other documents submitted to the Board.
10. The Director briefly presented the other four documents, beginning with document CC 69/1/Add.4, on the follow-up to the External Auditor's previous recommendations. In essence, the recommendations had been followed by action, and appropriate measures had been taken. The next document (CC 69/2/Add.1) was an account of the process and cost of installing Oracle at the Centre; it had been the fruit of close collaboration between the finance departments in Geneva and in Turin. The third document (CC 69/2/Add.2) was a progress report on using the euro in the Centre's budget, which the Board had approved at its previous session. The changeover to the euro, however, had caused the Centre concern because billing its courses in euros had generated a 20 per cent increase over the dollar prices. The last document (CC 69/2/Add.3) did not call for comments since it was a list of the Centre's staff, broken down by geographic provenance and by grade. The Director reiterated his wish to improve the geographic spread. Efforts to do so were being made with each new recruitment.
11. The Employer Vice-Chairperson congratulated the Director on his report. He noted the slight fall in activities in 2006 due to the Olympic Winter Games, and hoped that in 2007 and 2008 it would be possible to get back to a normal level of activity. He pointed out the growth in distance training and hoped that a balance among residential, in-country and distance activities would be struck. He wanted to strengthen the Centre's role within the UN system. The Employers' group noted that the low direct contribution by the ILO, just 9 per cent of the Centre's budget, required that ways be found to ensure the Centre's financial stability. He supported the strategy proposed by the Director and suggested bolstering cooperation with the ILO on the Decent Work Country Programmes (DWCPs) and continuing efforts to diversify funding. The voluntary contributions of a growing number of constituents, the financing of training by the beneficiaries and the collaboration with the European Union were all encouraging. The Employer Vice-Chairperson invited the Centre to make better use of private sector expertise by developing public-private partnerships like those created to reduce urban poverty. Concerning the Centre's technical programmes, he recommended strengthening the skills-development activities of the Employment Programme, essential for implementing the DWCPs. He wanted the Enterprise Development Programme to include the subject of sustainable businesses: that would benefit both the Workers' Activities Programme and the Employers' Activities Programme. He was entirely satisfied with the growth in the number of both activities and participants in the Employers' Activities Programme, but pointed out that any further expansion of the programme depended entirely on increased human and financial resources. Impact-evaluation efforts should continue, as should those to improve the process of selecting participants. Turning to the report on internal administration, he congratulated the Director on the tenders and their financial impact, the measures to deal

with asbestos and the cooperation with other UN institutions on occupational safety and health, which could serve as a basis for training. Concerning human resources management, he asked for a strategic approach and for closer collaboration with headquarters. Although the Employers' group understood that specific projects called for fixed-term contracts, the same did not apply to staff working on regular activities. He invited the management to put forward solutions that would put an end to such a situation while preserving the flexibility which the Centre needed. He noted the improvement regarding sick leave and the rise in salaries of the General Service category. Regarding the second item on the agenda, the 2007 Programme and Budget and proposals for 2008, the Employers' group approved of the Director's strategy but wanted more information on the deficit forecast for 2008. Even though the sums involved were small, he suggested that the ILO stop billing the Centre for certain services, such as internal auditing and legal advice.

12. The Worker Vice-Chairperson thanked the Director for his report and the various technical programmes for their support for the Workers' Activities Programme. He took note of the growth in distance training and suggested setting up a working party on cooperation between DELTA and the other technical programmes, in particular to organize residential courses. He wondered about the figures for bipartite and tripartite activities quoted in the Director's report, which did not totally correspond with those presented to the Trade Union Training Committee. The Workers' group invited the Centre to design training programmes of interest to a tripartite audience. The system for supporting the social partners should guarantee tripartism a central place in the design and running of the Centre's programmes. It should also make it possible to increase participation by the social partners in bipartite and tripartite activities. The Worker Vice-Chairperson invited the Enterprise Development and Management of Development Technical Programmes to take the needs of trade unions into account from now on. He wanted ACTRAV to be contacted with a view to increasing the number of trade union participants and insisted that the regional dimension of training activities, especially those for Africa and Arab States, was essential. He invited the Centre to include in its next reports a chapter on how the various technical and regional programmes were taking the tripartite dimension of their activities into account. He deemed that the contribution by the international labour standards technical programme to other training activities should increase. Although he realized that the fight against child labour was important, he thought that the standards programme should intensify its activities in other standards-related areas. The Workers' group asked that trade unionists be allowed to take postgraduate courses on the basis of their skills and experience rather than diplomas or titles. He asked that ACTRAV be fully involved in the project to set up a Master's degree course on international labour law. He acknowledged the efforts made by the Centre to integrate gender issues into all its programmes, and encouraged it to pursue them and to extend mixed and sex-specific activities. He also invited the Centre to devise tailor-made programmes for the constituents on UN reform and in the context of DWCPs. The Worker Vice-Chairperson then suggested that particular attention be paid to establishing a policy on sexual harassment. It would be wise for the Centre's union representatives to be involved in drawing up such a policy to cover both staff and participants. Concerning the activities envisaged for 2008, he asked that the Enterprise Development Programme take up the subject of sustainable business, in line with the tripartite conclusions of the International Labour Conference in June 2007. Turning to document CC 69/1/Add.1, the Worker Vice-Chairperson thought that the percentage of women occupying senior positions should be raised. He invited the management to involve the Staff Union in discussions on setting up a competency-based management system. Concerning retirements likely to take place between now and 2009, he insisted on the urgent need to outline a succession plan in consultation with the Staff Union. The temporary staff mobility programme adopted by the Board in 2005 must be only a first step towards broader integration between the staff of the Centre and that of the ILO. The Programme, Financial and Administrative Committee (PFAC) would also have to discuss this. The Workers' group also thanked the Italian authorities for what they had

done to renovate the Centre's premises and asked that the Staff Union be informed about the removal of material containing asbestos, which should be done in compliance with health and safety standards, and involved in monitoring it. Concerning document CC 69/1/Add.3, the Worker Vice-Chairperson pointed out that the production of the financial statements still depended heavily on the Treasurer, and supported the recommendation that more financial staff be involved in drawing up the proposals, so that they could be presented at the end of March, as happened in Geneva. He was glad that the allegations of financial irregularities surrounding an ESF project had proved unfounded and invited the Centre to follow the External Auditor's recommendation to take the necessary measures to avoid any such situations in the future. As regards the External Auditor's recommendations on sick leave, he reiterated that his group did not support them and thought that it would be wise to take an in-depth look at human resources management in conjunction with the Staff Union. The Worker Vice-Chairperson took note of the budget proposal for 2008 and hoped that the ILO would increase its contribution. The Workers' group approved the point for decision in paragraph 17. It also took note of the progress made in updating the financial software and invited the Centre to train its users in the coming months so that it could be brought into service in the best possible way. He congratulated the Centre on the progress it had made in changing over to the euro for the Centre's budget, accounts and financial statements. Lastly, the Worker Vice-Chairperson pointed out that several of the Centre's collaborators were still employed on short-term contracts. Accordingly, he wanted the Staff Union to be consulted on striking a better balance between people on fixed-term contracts and those working on indeterminate contracts.

- 13.** The representative of the Government of South Africa thanked the Director for his comprehensive report. As for paragraph 61 of the auditor's report concerning questions of governance, he noted the proposals on systematic risk management. Closer integration with the ILO in the field of human resources strategy was essential. He pointed out that the number of training activities had fallen slightly in 2006 because of fluctuations caused by the creation of specific projects. He noted with satisfaction that Africa had maintained its high rate of participation, especially by women. As for financing, he expressed his concern at the decrease in ILO funds and expressed his sincere appreciation to the Government of Italy for its support. As for programme implementation, he regretted the decline in the field of social dialogue because that was essential in order to deal with basic labour principles and rights. He wished to see a strengthening of programmes aimed at businesses, important players in development. He hoped that, as stated in the report, a sustained effort would be made to link the Centre's activities more closely with the DWCP priorities and the results of the 11th African Regional Meeting and the Ouagadougou Declaration on poverty reduction. He reiterated his gratitude to the Government of Italy, the Piedmont Region, the City of Turin and France for their contributions to the 2008 budget. He noted with satisfaction that the Director had allocated 200,000 euros for the financing of two new P4 posts. He also supported the proposal contained in paragraph 17.
- 14.** The representative of the Government of Spain thanked the Director and the Centre for the quality of the report. He stressed the usefulness of holding the session of the Centre's Board during the first quarter of the year because of the pertinence of reviewing the activities of the previous year earlier. He stressed the importance of the Delnet programme, created ten years ago, which had continued to expand in 2006, whose goal was support for developing countries and whose strategy was based on the guidelines of the World Commission on the Social Dimension of Globalization. He informed the Centre's management that the City of Seville, an important donor for that programme, had sent a letter stating its intention not to renew the agreement on financing. He was seeking additional information concerning the possibility of creating a technical support unit for development and on steps taken in the event of cancellation of financing by a donor, especially in the case of that important donor.

15. The representative of the Government of Kenya thanked the Director for his report and the clarity of his presentation. Human resources were essential for the economic and social development process, especially in the context of decent work. During the 96th Session of the International Labour Conference (June 2007), the ILO had established a committee dealing with the strengthening of the ILO's capacity to assist constituents in achieving their goals in the context of globalization. That committee would meet again in June 2008. His delegation welcomed the role of capacity-building training for ILO constituents, successfully carried out by the Turin Centre. He stated that the strengthening of training capacities must win appropriate financial support. Furthermore, he welcomed the proposal to renovate classrooms and offices and the increased participation by the African region in the Centre's activities. He appealed to the constituents to make greater use of the Centre and stressed Kenya's concern in the light of the various challenges facing the Centre, including the specific issue of financing.
16. The representative of the Government of El Salvador expressed his satisfaction with the increased participation in 2006 by the Americas region in the Centre's activities, especially distance learning. He stressed the need to adapt the new technologies by striking a balance between the courses at Turin and distance learning. He wanted to know whether the impact of training at the Centre was the same as that of distance learning.
17. The representative of the Government of France took note of the Centre's activity report, which confirmed its role as a training tool for the ILO in achieving the Organization's strategic goals. The relevance of the training offered by the Centre stemmed from its capacity to respond and adapt to the specific needs of beneficiaries. In that vein, it was primordial to continue field activities and to promote mixed training, combining distance learning and traditional courses. She noted that international labour standards had been included 33 times in activities carried out by other technical programmes and wanted that trend to continue. She also pointed out the broad participation by social partners and stressed the importance of expanding bipartite and tripartite activities to strengthen workers' and employers' organizations. She also pointed out cooperation between the Centre, headquarters and the ILO offices, and felt that relations between the ILO and the Centre could always be strengthened. With that in mind, it would be wise for the ILO to have more frequent access to the training offered by the Centre. The creation of the PRODEV service, responsible for cooperating with the PARDEV service in Geneva, would make it possible to assign additional projects to the Turin Centre.
18. The representative of the Government of Brazil thanked the Director for the clarity of his report. She welcomed cooperation between the Centre and her Government within the framework of the programme for the Portuguese-speaking countries. She felt it essential that participants from those countries could take courses in their own language. For Brazil, that financial contribution stemmed from a historical duty vis-à-vis those countries and their history. That was why the Government of Brazil intended to continue its collaboration with the Centre in favour of the Portuguese-speaking countries.
19. The representative of the Government of the United States thanked the Director and his staff for the quality of the documents presented. She wished to express three concerns. First, she noted the gaps identified by the auditor, namely in paragraph 18, and the need to prepare for the future retirement of the Treasurer. She welcomed the various addenda, especially the addendum concerning steps taken by the Centre's management to respond to the auditor's recommendations. She hoped that the auditor's next report would detail progress in implementing those recommendations. Secondly, the United States backed recommendation No. 10, namely that the Centre prepare and implement policies on ethics and financial disclosure and change policies and procedures for awarding contracts. Those were reforms that they supported throughout the UN and that they wished to see implemented at the Turin Centre. Finally, the representative of the Government of the

United States noted that the budget proposed for 2008 implied a deficit. While she allowed that it was only a plan linked to the organization of activities, she encouraged the Centre to present balanced programme and budget proposals. The United States supported the point calling for a decision.

20. The representative of the “Organisation Internationale de la Francophonie” took note of the regional and linguistic diversity of the Centre’s activities. She recalled that the “Organisation Internationale de la Francophonie” did not promote the primacy of French, but multilingualism. She welcomed the results presented in the reports and the linguistic diversity of the Centre and its activities.
21. The representative of the Government of India congratulated the Director on his report and that of the auditor, which pointed out certain gaps in managing information, including the non-application of the PRINCE2 methodology, whose adoption in 2010 would make possible better prediction of available financial resources. He wished to see greater information concerning what was being done in the field of labour migration, an important issue for the developing countries, and in which synergy between India and the ILO could be reinforced.
22. Mr Blondel (Worker, France) regretted, as did the Worker Vice-Chairperson, the absence of the Director-General, especially as the Board was being held in Geneva and the Centre and headquarters had begun a process of rapprochement. He welcomed the presence of Ms O’Donovan, the Board’s Chairperson. The discussion as a group of no fewer than nine documents that morning had not left enough time for detailed discussion, especially given that there was a willingness in those documents to ensure transparency. While he was aware of and welcomed the Centre’s international dimension, he insisted on the specific nature of the ILO, which was based on dealing with the world of work and the development of professional organizations, which were basic conditions for peace and democracy. He declared himself in favour of an exchange with the Italian Government, but only in the fields in which the Centre and the ILO were competent. Turning to the auditor’s report, he expressed his concern at the trend to manage more and more, and that at a time when the support of private donors was being requested. He reiterated his opposition to the recommendations concerning sick leave and the conclusion that there was an abnormal rate of absenteeism. That was not the auditor’s job. He also wanted to see better staff integration between Geneva and Turin, especially in terms of succession planning.
23. Mr Adyanthaya (Worker, India) seconded Mr Blondel’s remarks and regretted that no mention had been made of domestic work, the primary source of employment in most of the developing countries. Domestic workers, of whom 90 per cent were women, were forced to work in order to survive and take on heavy burdens, neglecting their families and children. Not having proper contracts and enjoying no labour protection, they were easy targets for exploitation, even slavery. Strengthening the capacities of domestic workers was essential, and the Centre must provide them with training that met their needs.
24. Mrs Diallo (Worker, Guinea) added that, in Africa, structural adjustment programmes had forced many workers into the informal economy, in which women were in a majority, and suggested that that issue be treated in later programmes.
25. The Director took note of the comments and assured the members of the Board that they would be taken into account. In reply to various speakers, he stressed that the number of participants in 2007 was not only greater than in 2006 (when there had been a drop at the time of the Olympic Winter Games in Turin), but also greater than in 2005. The constant upward trend was confirmed. He also stated that he supported the comment concerning the role of the ILO Training Centre and that the Centre’s place in the process of UN reform must be the subject of detailed discussions. As for the issues to be developed, especially

vocational training, the Director recalled that the Centre had already begun to work on the question by creating a Professional post for two years in that very field. As for impact assessment, an evaluation was made at the end of each course. It was to be complemented by an impact study in the institution or the country concerned, which was much more complex. Nonetheless, the investment programme under way included such a study. Concerning the question of contracts at the Centre, it was important to stress that the types of contract were linked to the way the Centre was funded. The Director promised harmonization, but stressed that the question was complex because it implied looking at sources of financing. A document was being prepared by the Centre's human resources services and would be discussed with the Staff Union. As for the 2008 budget, the Director declared that the traditional presentation of a budget in deficit was driven by strategic considerations. At the time of budget preparation, not all financing had been obtained. While costs were known, it was not the same for financing. Under those conditions, the presentation of a balanced budget would be artificial. Nonetheless, all the Centre's efforts were aimed at specifically filling that deficit. Concerning the development of tripartism, the Director recalled that it was an essential aspect of the ILO. At the level of the Centre, there was a central fund for granting fellowships to workers and employers for the general courses. That fund's mechanism would benefit from a close study in order to improve its impact. The Director pointed out that workers' and employers' organizations sometimes replied late to invitations to participate, preventing the release of funds in the time required. While the participation of non-graduates in post-university courses was possible, he said that the granting of diplomas was the responsibility of the co-organizing university and not the Centre. As for sexual harassment, he was determined to ensure that adequate measures were taken. As for the problem of parity in senior posts, he assured the Board of his concern and of his efforts to begin to remedy that problem. Concerning systems for saving energy, the Centre was doing everything possible to obtain savings under the supervision of the Deputy Director. Regarding the integration of staff between Geneva and Turin, he welcomed the improvement in the movement of staff in both directions. As to the geographical distribution of staff, the Director agreed on the importance of a better balance, especially for Africa and Asia. He stressed his interest in the Delnet programme and mentioned the discussions under way to have it become a unit responsible for local development in consultation with the departments concerned at headquarters. He assured the Council that the departure of the head of Delnet would not have consequences for the reorganization under way. He stressed the importance of diversification of sources of financing for a given programme in order to prevent, as was currently the case for Delnet and the ESF Projects Unit, over-dependence on a single donor. He reiterated the Centre's commitment to taking into account the interests of the staff concerned by the reorganization of Delnet. It was a question of strengthening financial services and taking specific needs into account. The Director suggested having recourse to temporary recruitments and giving priority to resources for technical programmes. As for questions of ethics, the Director stressed that circulars were being prepared and that it was still necessary to identify the required financing. The programme dealing with migration did not have the capacity to develop a sufficient number of activities. Therefore, it had been decided that a two-year post would be created to provide that capacity.

26. The representative of the External Auditor, Mr Miller, asked for the floor, to reply to three questions addressed to him. The first question, asked by the Workers' group, had been whether any of the previous year's audit recommendations were still valid. The auditor replied that, in his opinion, five of the 11 recommendations had been met, that four out of 11 needed further progress and that there had been no change concerning the other two. The second question, asked by the representative of South Africa, had been whether the auditor considered that presenting the first and second items on the agenda together was a good way to run the Board meeting. The auditor stated that he considered that this arrangement of the agenda hindered substantive discussion, especially with so little time available. He thought that the examination of the accounts and audit report on their own

would add transparency and offer a better opportunity to discuss audit recommendations and therefore increase accountability. He went on to say that he thought that a meeting of the Board at the end of October or the beginning of November was too late to discuss accounts that had ended on 31 December the previous year, as the issues had become old. They should be forward-looking, and the current timing diluted transparency. That was only his advice, and the Board should take their own decision. The third question, asked by the representative of India, had been whether the auditor could offer solutions concerning the upgrade of the management information systems. The auditor stated that there were two answers to that question. Firstly, “No”, as it would result in self-review, and, secondly, “Yes, to some degree”, as the Centre could seek their advice on setting up IPSAS in the near future, on providing tools for the preparation of the accounts, and on providing tools that gave guidance on audit requirements. He concluded by saying that the External Auditor should stop short of a consultancy service, so as to avoid the risk of self-review.

27. The Board took note of documents CC 69/1 and its four addenda, CC 69/2, CC 69/2/Add.1, Add.2, Add.3, and approved paragraph 17 of document CC 69/2.

II. Reports of the Trade Union Training Committee and the Employers’ Training Committee (Third item on the agenda)

28. The spokesperson for the Trade Union Training Committee thanked the Programme for Workers’ Activities and its head for the work accomplished.
29. The Employer Vice-Chairperson declared himself fully satisfied with the progress made by the Programme for Employers’ Activities in terms of training content and the number of participants, and thanked the team and its leader for those results. He was pleased to note the development of training materials in conjunction with the IMO and its members. He informed the Board that new products in the fields of labour health and security, combating AIDS, and corporate social responsibility had been completed and that those concerning services to members and the role of employers’ organizations in training policies were being prepared. He declared his satisfaction with the good cooperation with the Bureau for Employers’ Activities (ACT/EMP) at headquarters and its experts in the field. Efforts to diversify donors had paid off and should be continued. He reiterated the request of the Employers’ group to strengthen the staff of the Programme for Employers’ Activities in Turin in order to permit the development and exploration of new issues such as sustainable business and health and security, which could lead to cooperation with the Programme for Workers’ Activities.
30. Mr Blondel (Worker, France) pointed out that a strict balance in financing the workers’ and employers’ programmes would not reflect the quantitative difference between workers and employers, nor the fact that it was the workers who ran into most of the problems in the world of work. He also pointed out that ACTRAV had attributed part of its budget to the Turin Centre for activities aimed at workers.
31. The Board took note of documents CC 69/3/a and CC 69/3/b.

III. Post-implementation review of the projects funded by the 2002-05 Investment Fund of the Third Development Plan (Fourth item on the agenda)

32. The Director turned to the evaluation of the previous Investment Plan and reminded the meeting that a decision was taken every four years to use part of the Centre's reserves to improve the development of activities. The Board had discussed the current Investment Plan for 2006–11 in 2006, and had also passed a resolution allowing part of the budget surpluses to be used more flexibly. The new rule would be implemented in 2008 with the creation of the two posts referred to earlier. Three lessons relevant to the implementation of the current Investment Plan could be drawn from the report. The first concerned the limited amount of time the Centre's staff had to develop new issues. They would therefore have to be given support in the form of personnel. He then stressed the need for a strategic, integrated approach to the development of the Centre's current and future activities. Finally, he reiterated the importance of addressing issues on an interdisciplinary basis by setting up groups responsible for formulating programmes linked to each training subject, and of involving the ILO departments concerned in developing new activities.
33. The Worker Vice-Chairperson took note of Ms Cornwell's report and thanked her for it. He also congratulated the Centre's management for commissioning the study. In terms of weaknesses, he referred to insufficient exploitation of cooperation between the Centre and headquarters, design, management and follow-up problems and the additional workload generated by projects financed by the Investment Fund. He was pleased that the management had learned certain lessons, which he hoped would allow the following Investment Fund to be implemented in the most effective way. The Worker Vice-Chairperson stressed the need to ensure that certain projects were followed up, particularly in terms of promoting the inclusion of gender issues and the work–life balance, areas in which he hoped the Bureau for Gender Equality would be involved. He welcomed the fact that part of the financial surplus had been allocated to the recruitment of two P4 officials, and cited the positive example of child labour to show the advantages such commitment brought. In the main, the Workers' group supported the consultant's findings and called for the recommendations to be put into effect, but felt that the supervision of projects linked to the Fourth Investment Fund should be the Training Director's responsibility.
34. The Employer Vice-Chairperson underlined the importance of the audit carried out on the Third Development Plan 2002–06, which had highlighted some lack of coherence and commitment on the part of the management of the Centre because the projects carried out were voluntary. The lessons learned had been useful for developing the Fourth Plan, which was more focused and more closely linked to the Centre's other projects. He reiterated the importance the Employers' group attached to an interdisciplinary approach to implementing the plan.
35. The representative of the Government of Kenya welcomed the document, which provided important information on projects funded by the Investment Plan 2002–05. Its findings should be taken into account in future projects and in the Fourth Development Plan. He hoped to go over the 12 projects described, and was uncertain as to its principal strengths and weaknesses, the gender issue and the statistics provided on Africa. Moving on to training technologies, he wondered how the documents had been examined and how the interviews had been carried out. He felt that the indicators provided by the analytical tools should be used in designing projects. He called for projects to be supported and advocated an interim evaluation. He concluded by highlighting the lessons to be learned from such an exercise and the need for a follow-up audit that took management indicators into account.

36. The Director turned to the network of former participants, which was a very interesting project that had been completed. He noted, however, that the inclusion of the activity in the Centre's programme had not been examined in sufficient detail. It was not only a way of continuing the training of such people but also a way of raising awareness of the Centre. It was also a tool that enabled programmes to be enhanced. Resources were required to maintain and strengthen the network. In order to carry the project forward, the grass roots had to be involved, because the offices were closer to former participants. He invited the Director of the Training Department to respond to the Board members' comments.
37. Mr Lenglet, Director of the Training Department, reiterated the importance of specifying the nature of the activities funded by the Development Plan 2005, the aim being to reinforce the Centre's own capacities in three areas: forced labour and human trafficking, social dialogue – particularly in the Arab States – and promotion of the Centre's products via the web site or the alumni network. By their very nature, these projects benefited the regions as a whole rather than one region in particular. He assured the Board that the lessons learned from the evaluation report on the Third Development Plan would be taken into account.
38. The Board took note of document CC 69/4.

IV. Working Party paper: “A funding strategy for the Turin Centre” (Fifth item on the agenda)

39. The Chairperson said that document CC 69/5 had been submitted to the Board for information and would be submitted to the PFAC for discussion.
40. The Director highlighted the importance of the document to the Centre's future, and said that it would be discussed, amended and put to the vote the following week at the 300th Session of the Governing Body of the ILO. The document, which was being discussed by the PFAC, presented the Centre's financial structures, particularly as regards ILO technical cooperation policy. The overall objective was to achieve a more stable budget and financial platform while ensuring that the Centre was more closely integrated into ILO technical cooperation activities in general. The document, which was drafted after two meetings of a Working Party made up of representatives of 18 countries and of the Workers' and Employers' groups, included a number of recommendations to be discussed at the following meeting of the Governing Body of the ILO. The main issue was to ensure that training was more widely integrated into ILO cooperation programmes, thus leading to greater consensus on project design. Sponsors were also invited to increase their voluntary contributions to the Centre, while the Centre had to seek direct voluntary contributions from a broad range of potential partners. The Director also stressed the importance of multi-annual programming. In order to strengthen relations between Turin and Geneva, he proposed that focal points should be set up in ILO technical sectors and departments and in external offices.
41. Mr Blondel (Worker, France) took careful note of the report, which was submitted to the Board for information and would be forwarded to the PFAC, where it would be discussed intensively. The debate would be the logical consequence of the process of integration with the ILO in terms of funding, strategy and personnel. He was pleased that the Working Party had finally explored new funding methods. While the funding of the Centre was a significant issue, it was not the only problem. Although he approved the main lines of the report and indicated that he would support it on the PFAC, he thought it was necessary to go further. He wished to make two comments: firstly, competition – whether perceived or real – between the Centre and the ILO in budgetary terms must not be allowed to continue;

secondly, he hoped that the management of the ILO shared that view, and that the Director-General accepted that part of the ILO's regular budget went to the Centre without it being required to make a profit. Finally, he hoped that a discussion would be initiated with donor countries to ensure that they accepted the idea that funds allocated to technical cooperation – in other words, to training – were automatically forwarded to the Centre.

42. The Employer Vice-Chairperson endorsed Mr Blondel's comments on the ILO's commitment to the Centre. The Employers' group encouraged governments to subscribe to the options set out in the report. The broadening of sources of funding would make it possible both to reduce the time devoted to collecting funds, and to give more time and attention to the Centre's basic mission, which was to help to promote decent work. He considered the report to be a step in the right direction and would support it on the PFAC.
43. The representative of the Government of Kenya took careful note of the Working Party's report, which recorded a constant rise in the number of the Centre's programmes since 1990 and indicated that the Centre had reached its limits in terms of volume of activity compared to available resources. He regretted that essential investments had had to be deferred, leading in particular to a delay in recruiting officials for vacant posts. If the Centre wished to maintain its reputation as a leading training institution, that situation could not go on. He added that the Centre should devote more time to identifying innovatory actions in response to regional training and capacity-building priorities. In that context, the Government of Kenya supported the twofold strategy, particularly the methods for mobilizing voluntary contributions. In connection with paragraph 18, he also said that he wished to be kept informed of the integration of the Centre's systems with IRIS.
44. The representative of the Government of France fully endorsed the report submitted and the methods it proposed to explore. France particularly supported the proposal calling for countries to pay a direct contribution to the Turin Centre and encouraged them to do so. The initiative would allow the Centre to dedicate more time and effort to training rather than to seeking funds. France also attached great importance to the proposal to entrust the training and capacity-building components of ILO technical cooperation programmes to the Turin Centre. That was the path France had taken in connection with the multi-annual cooperation agreement it had entered into with the ILO. It was also advisable for ILO technical cooperation programmes to make provision for performance indicators enabling the rate of implementation of the Centre's activities to be determined.
45. The representative of the Government of Spain was pleased with the Working Party's summary, which was an essential platform for allowing the Centre to modernize by adapting its training to the real world. Specialization was fundamental, since work was becoming increasingly international. He then went on to the question of voluntary contributions, a general concept involving governments, development agencies and private companies. He said that he hoped preliminary talks with donors would be organized in Turin in the first quarter of 2008. He reiterated Spain's support for the management. He also referred to the need to promote the Centre, which was everyone's responsibility, the ILO being essential in that regard.
46. The representative of the Government of Italy said that her Government welcomed the document submitted. The methods referred to were a concrete way of boosting the Centre's capacity. Training was based on strategic design. The use of the Turin Centre should always be present in ILO programming, and specific results were expected. She stressed the importance of training activities in technical cooperation projects, and said that the Centre should have a higher profile in ILO activities in order to increase governments' interest in the Turin Centre.

47. The representative of the Government of China, like all the participants in the Working Party, emphasized how important the document was to the Centre's future. She then returned to integration, a major issue, since although it was not a problem, a great deal still had to be done in that area if the Centre was effectively to form part of the ILO. Like the spokesperson for the Employers' group, she felt that a range of aspects had to be considered with the technical departments at headquarters and offices in the field. In order to apply the strategy, she recommended that the needs of "clients" should be better evaluated, and that programmes should be improved and guided in order to create tools allowing governments, workers and employers to apply them.
48. The representative of the Flemish Community of Belgium, who also spoke on behalf of the Walloon Region of Belgium, recalled that if the Centre wished to consolidate the support given by donors, it had to know how to approach such institutions. He welcomed Africa's increased participation in the Centre's activities, due in particular to the support of Belgium, and said that social dialogue had to be encouraged. In connection with the Development Plan, he referred to his Government's involvement in several actions. He added that the more transparent planning was, the easier it was for donors to get involved. Referring to the reform of the UN, he noted the position adopted by the Centre in relation to the system as a whole, a tendency he embraced. The concept of "one organization" fell within the framework of the Centre's activities. He then made reference to the Centre's integration with the ILO and the heightened synergy between the two because it had a direct influence on improving operational activities in the field.
49. Mr Blondel (Worker, France) thanked the donors, particularly France. He returned to the Centre's difficulty in raising its profile and to the importance of the alumni network. He added that many trade union activists had benefited from training at the Centre and that some had become ministers. He referred to the term "client" for the Centre, which he felt was inappropriate, and pointed out that the question of the Centre's integration into the ILO arose irrespective of the concept of "one organization".
50. The Director thanked the members of the Board for their support. He agreed with the comment of the representative of the Government of Spain as to the need for the Centre to operate on the basis of programmes. On the interpretation of the term "client" used by the representative of the Government of China, he said that it reflected the need to respond to the requirements of an ever-changing world. As regards integration, he recalled that the issue would be discussed in depth when the PFAC met.
51. The Board took note of document CC 69/5.

V. Staff questions (Sixth item on the agenda)

52. The Chairperson, according to custom, invited the Board to listen to a speech by the representative of the Staff Union Committee (see appendix).
53. The Board took note of documents CC 69/6/a and CC 69/6/b and approved paragraph 5 of document CC 69/6/b.

VI. Other business

(Seventh item on the agenda)

- 54.** Mr De Arbeloa (Employer, Bolivarian Republic of Venezuela) endorsed the comments of the spokesperson for the Employers' group. In future, he wished to receive Board documents in sufficient time to be able to study them in depth. As a member of the federation of Venezuelan enterprises, he said that he was particularly concerned by the fact that in 2006 the National Institute for Educational Cooperation (INCE), formed on a tripartite basis in compliance with ILO rules, had been criticized by the Government for its composition and objectives and renamed the "National Institute for Socialist Educational Cooperation" (INCES).
- 55.** The Director informed the Board that the Director of the Training Department, Mr Lenglet, was leaving, and thanked him warmly for his contribution during his ten years at the Centre. He recalled Mr Lenglet's key role in the Centre's development, and paid tribute to his capacity for work, his loyalty and his integrity in performing his duties. He informed the Board that Mr Graziosi, former CODEV head at the ILO, would take up his post at the head of the Training Department on 1 November 2007.
- 56.** Mr Lenglet thanked the Chairperson and the Director for their appreciation and said what a pleasure it had been to work for an institution whose aim was to promote social justice and democracy through training and learning in a rapidly changing world. He recalled his vision of the Centre, a neutral physical or virtual meeting point where participants shared and analysed common problems and formulated ways to overcome them. He said that he was proud to have taken part in the Centre's transformation and development over the last ten years. To allow the Centre to respond to its constituents' expectations in an environment in which capital and technology were developing rapidly, he recalled the importance of becoming more open, both internally and externally, the search for partnerships, the need to broaden funding beyond the traditional support of the ILO and Italy, and the need to explore new approaches and cooperation with other UN and Bretton Woods institutions, stakeholders in development and the private sector.
- 57.** The Employer Vice-Chairperson endorsed Mr Lenglet's remarks, thanked him for the excellent work he had done over the last ten years and wished him luck in the future.
- 58.** The Worker Vice-Chairperson congratulated Mr Lenglet on his competence and professionalism, thanked him for everything he had done for the Turin Centre and wished him luck in his new position. He also thanked Ms Mossa, who was about to retire.
- 59.** The Chairperson endorsed the thanks and congratulations extended to Mr Lenglet by the Employer and Worker Vice-Chairpersons.
- 60.** The representative of the Government of South Africa, on behalf of all the governments present, extended his best wishes to Mr Lenglet. He congratulated him on his work and said that he had no doubt that the management of the Centre would find a way to continue to benefit from his expertise.
- 61.** The Chairperson informed the members of the Board that the report on the 69th Session of the Board of the Centre would be made available to the PFAC of the Governing Body of the ILO from Monday, 5 November 2007. In accordance with the usual practice, and taking the very short deadline into account, she proposed that the Board delegate the task of approving the draft report to its Vice-Chairpersons.
- 62.** The Board approved the Chairperson's proposal.

VII. Date and place of the next session
(Eighth item on the agenda)

- 63.** The Chairperson proposed that the 70th Session of the Board of the Centre be held on a date to be determined by the Officers of the Board before the 303rd Session of the Governing Body of the ILO, which would be held in Geneva from 6 to 21 November 2008. The exact date would be communicated to members by the Officers of the Board, taking the other meetings of the ILO into account.
- 64.** The Board approved the Chairperson's proposal.
- 65.** The Chairperson closed the 69th Session of the Board of the Centre and thanked the participants heartily for their contributions.

Geneva, 5 November 2007.

Submitted for information.

Appendix

Address of the representative of the Staff Union Committee to the Board of the Centre (30 October 2007)

Mr Chairperson, members of the Board, ladies and gentlemen,

On behalf of the Staff Union Committee, I am pleased to have the opportunity of addressing the Board of the Centre. This year, we have decided to be very concise, and to focus only on the most important issues.

In our speech last year, we expressed our confidence in the new management and in the winds of change that were blowing. We also offered our collaboration in meeting new challenges. During the year, we have demonstrated our commitment to increasing the visibility of the Centre by hosting important Staff Union events and organizing further important ones for early February 2008.

However, the staff are currently going through a period of anxiety, with the risk of precariousness hanging over some contracts and future employment at the Centre. A large group of very good, deserving colleagues either left the Centre last year or are to leave either for reasons of retirement or for career opportunities. The officials belonging to the ESF and Delnet programmes unfortunately have their jobs at risk, mainly due to a lack of funding or for reasons yet to be clarified. The Centre is risking to lose part of its human capital, the most important resource for a training institution. We have received assurances from the management that every effort will be made to redeploy all the staff concerned. We are confident that particular attention and precedence will be given to those staff members who have been in continuous employment at the Centre for several years and who have contributed a great deal to its success and reputation.

The Staff Union and the staff of the Centre appreciated very much the efforts made by the management to find a solution to keep the posts of several colleagues of the ESF project and other precarious staff, who so far have been allowed to continue to work.

We would greatly appreciate a more regular flow of information regarding the prospects for the Centre's activities, its financial situation and implications regarding employment conditions, as well as information in general which would clarify the Centre's strategies for the future.

By the same token, to ensure job security and protect the rights of established officials, we hope that staff reductions and the abolition of posts will be limited to very exceptional circumstances.

We have noted with concern that the under-representation of women at higher levels has not been redressed. We hope this will be corrected in the near future.

In conclusion, the staff, and ourselves as their representatives, would like to be reassured about the future of our Centre and all its implications for job security. We would appreciate receiving more regular information from the management, particularly about new managerial strategies to develop the Centre.

Mr Chairperson, members of the Board, ladies and gentlemen, we want the best for our institution and we offer our collaboration in achieving new objectives.

In conclusion, we believe that involving the Union in the development of the Centre and in the solution of its problems is an essential factor in motivating the staff and achieving our shared objectives.

Your comments, suggestions and even criticism of our points of view are most welcome.

Thank you.