

**FOR INFORMATION**

SIXTH ITEM ON THE AGENDA

**International Training Centre
of the ILO, Turin****Report on the 71st Session of the Board
of the Centre (Turin, 5–6 November 2009)**

- 1. The Chairperson, Ms Patricia O'Donovan*, spoke on behalf of the Director-General of the International Labour Office and Chairperson of the Board of the Centre, Mr Somavia, who was unable to attend because of long-standing engagements. She welcomed the spokesperson of the Government group, Ms Fitting, the Employer Vice-Chairperson, Mr Renique, and the Worker Vice-Chairperson, Mr Sidi Saïd, and the members of the Board, especially those participating for the first time. She wished every success to Ms Fitting, who had just been appointed Director of the ILO and UN Department of Germany's Federal Ministry of Labour and Social Affairs. The Chairperson also welcomed Ms Marcon, the representative of the President of the Piedmont Region, Mr Cigliuti, Deputy Director-General of the City of Turin, and Mr Rosi, Deputy Director of the Industrial Union of Turin. She extended the warmest thanks of the Chair of the Board to the Italian authorities, the City of Turin and the Piedmont Region for their consistent and vital support of the Centre's activities. Finally, she expressed the Director-General's gratitude towards the growing number of countries that contributed to the Centre.
- 2. The Chairperson* invited the representatives of the Piedmont Region, the City of Turin and the Industrial Union of Turin to take the floor.
- 3. The representative of the Piedmont Region, Ms Marcon*, greeted the Board on behalf of the President of the region, Ms Bresso. She emphasized the region's continuing support for the Centre. She recalled that regional legislation had been adopted to institutionalize that support in 2003 and that, when that legislation had been renewed in 2006, the support had been doubled. That support had been maintained in 2009 despite the economic difficulties, which confirmed the Piedmont Region's interest in the Centre. The support was not only financial: the region also collaborated on training activities, which allowed it to develop its international relations in partnership with the local authorities. She also recalled the importance of that collaboration for the Piedmont Region, which was particularly useful for the training of its staff.
- 4. The representative of the City of Turin, Mr Cigliuti*, thanked the Board on behalf of the Mayor of Turin, Mr Chiamparino, and reiterated the city's commitment to the development

of the Centre. He recalled that, following the city's significant investment in modernizing the Centre in 2006 for the Olympic Games, the local Government had approved, under its three-year support plan for 2006–08, an annual allocation of 500,000 euros (€) for maintaining the campus. He highlighted that the draft agreement for 2009–11 provided for the continuation of that support, despite the city's financial difficulties, and noted that the reduced availability of funds had meant that it had not yet been possible to sign the agreement, but he hoped that it would be signed soon. Furthermore, IRIDE, an electricity company, had carried out work on the electrical installations on campus with a contribution from the city of €1,200,000.

5. *The Deputy Director of the Industrial Union of Turin, Mr Rosi*, greeted the Board on behalf of the Chairperson, Mr Carbonato. He recalled the importance of making Turin more international and wanted to strengthen the cooperation with the Centre, in particular with respect to social dialogue, safety and health at work and support for employers' organizations. The Industrial Union of Turin, which represented private enterprises that had been affected significantly by the crisis, was not in a position to contribute financially, but remained convinced that opening up internationally would be the key to resolving current problems. He hoped that the Centre would be better promoted and put to more effective use.

I. Director's report on the activities of the Centre in 2008–09 and perspectives for 2010

(First item on the agenda)

6. *The Chairperson* invited the Director of the Centre to present his report.
7. *The Director of the Centre, Mr Eyraud*, introduced the document on the item. He informed the Board that the number of activities had remained constant, and the slight decrease was linked to the fact that several activities had been regrouped around the same training. He noted, however, that the number of distance-learning activities had decreased, which could be explained by the launch of blended activities (which had both distance-learning and residential components) and by the fact that certain distance-learning projects in Latin America had not been renewed. The Centre predicted an increase in the number of participants from 11,900 in 2008 to 12,400 in 2009, which could be explained, on one hand, by better programming throughout the year and, on the other, by an increase in the number of activities in connection with the end of the ILO biennium. New training programmes had been established and new technical cooperation projects had been launched through European Union (EU) calls for tender. The Director stressed that the Centre had been better integrated with the ILO in 2009, particularly with regard to funds from the Regular Budget Supplementary Account (RBSA), especially for the African region. From a qualitative point of view, the Centre had changed its approach and was trying to regroup courses around a theme to make them more attractive. An effort to improve the quality of the teaching had been made, which was reflected in the evaluations. Ninety per cent of the Centre's activities covered issues under the Decent Work Agenda and the remaining 10 per cent related to project management and public procurement. The Director explained that one of the highlights of 2009 was the collaboration with the ILO on developing new products, for example, on green jobs and the crisis. He also highlighted the fact that there would be an increase in the training provided to ILO staff through collaboration with the Human Resources Development Department (HRD), the Bureau of Programming and Management (PROGRAM), the Evaluation Unit (EVAL) and the Partnerships and Development Cooperation Department (PARDEV). With regard to geographical distribution, he noted that the number of activities for Africa had increased

consistently since 2002, thanks to a very good collaboration in the region. In the Americas region, EUROsociAL, an important project financed by the EU, was awaiting funding for its second phase, which explained the slight reduction in the number of participants in the region. In the Arab States, a steep increase in activities was the result of a large project in Iraq. In Asia, the volume of activities was stable and the Centre was currently discussing a new form of collaboration with China. Activities in Europe had increased, in particular because of a project with the EU on gender and another on industrial restructuring. With regard to tripartism, the Director highlighted the increase in the participation of the social partners (29 per cent of the total). The participation of women in training activities was also increasing.

8. *The Director* provided some information about the Investment Programme, which included the evaluation of the impact of certain activities and the upgrade of the Oracle system. The Investment Programme had also made it possible to launch activities on labour migration, labour administration and corporate social responsibility (CSR). The Centre hoped to continue to promote the Turin Learning Approach. With regard to internal administration, thanks to the support of the City of Turin, the Centre had made significant improvements to its classrooms and the renovation of its conference centre was under way. Efforts had also been made to update the Centre's training materials. The Director highlighted that subcontracts had been renegotiated in 2007, which had made it possible to make substantial savings. Finally, with regard to safety and health at the Centre, the asbestos on the Turin campus had been either removed or sealed. Regular controls were made on water and air quality.
9. *The Employer Vice-Chairperson, Mr Renique*, speaking on behalf of his group, thanked the authorities of the Piedmont Region and City of Turin for their continuing support to the Centre, especially during the current crisis. The Employers' group was concerned by the lack of progress in implementing the recommendations of the Governing Body Working Party of 2007 regarding mechanisms for funding the Centre. At the same time the contribution from Italy had been reduced, which meant steps were needed all the more urgently to strengthen and stabilize the Centre's financial basis. The reduction in the Italian funding had in part been offset by cost reduction measures and an increase in the ILO's contributions of US\$500,000 for the 2010–11 biennium. There remained nevertheless a deficit of €1,200,000 that needed to be covered. He therefore expected that the reduction in funding from the Italian authorities would be felt in other activities that were co-funded by the Centre and other stakeholders. He noted that it was important to seek a structural solution to the problem, and awaited concrete action by the ILO, recalling the importance of reviewing potential sources of income as well as analysing costs. He noted the stabilization in 2008 of training activities, the numbers of participants and training days, compared to 2007, which had been considered a record year. The speaker emphasized that new programmes had been developed on subject areas such as CSR, the social dimension of trade and investment, equality of opportunity, green jobs, the ILO's response to the crisis and the Decent Work Toolkit. The Employers' group welcomed that encouraging performance and also noted the improvement, albeit modest, in the representation of women in training activities. With regard to the issue of tripartism, the Employers' group noted with satisfaction that the rate of participation of the social partners had increased from 13.5 per cent in 2000, to 29 per cent in 2008. However, a more detailed analysis showed that the increase was mainly due to workers' and employers' activities. The Employers' group maintained that a special effort could be made with the technical programmes in order to improve the relevance of their courses for the social partners. The group also wondered why courses on enterprise development attracted so few employers and why so few workers took part in courses on social protection. He added that the length of the courses in question might discourage employers. The Employers' Programme had grown remarkably as a result in particular of the programmes drawn up with the Cooperation Programme of the Netherlands Employers, the Belgian Confederation of

Employers and projects financed by the EU. There were good prospects for further growth and development, but only if the team's human resources were increased. Lessons could also be learned from the experience of the Employers' Programme on ways of making the Centre's courses more relevant for employers. The fact that the programme was able to attract such diverse funding was also of interest when considering the strategy for diversifying the Centre's resources. That bore witness to the ILO's added value, which lay in the practical assistance to constituents whose knowledge resulted in positive repercussions in terms of appreciation of the Centre's work. The Employers' group appreciated the investment in the vocational development of trainers and the mixed approach to training. Diversification in training methods could help to resolve the issue of the length of courses. Certification of certain courses could add value to them provided that international certification standards were observed. The speaker emphasized that the Centre's investments in enhancing the teaching skills of trainers, new equipment and infrastructure, had also helped to improve the quality of training.

- 10.** *The Worker Vice-Chairperson, Mr Sidi Saïd*, welcomed the presence of Ms O'Donovan as Chairperson of the Board and regretted the absence of the Director-General. The Workers' group warmly thanked the Italian Government for its consistent support of the training activities aiming to strengthen the capacities of the ILO constituents. He extended his thanks to the Piedmont Region and the City of Turin for their continuing support for the Centre. He reaffirmed that he considered the Centre to be integral to fulfilling the mandate of the ILO. The Workers' group considered that the Centre should be enabled to strengthen its fundamental functions, especially in the current crisis context. The Workers' group insisted on the need for a deeper and more effective integration of the Centre and the ILO, and of headquarters and the field. He recalled that the Workers' and Employers' groups, concerned by the Centre's financial vulnerability, had submitted a joint declaration in March 2009, which put forward proposals to address both the negative climate and the structural imbalance of its funding. Those proposals were based on the recommendations formulated by the Programme, Financial and Administrative Committee (PFAC) of the Governing Body in November 2007, which remained valid and should be applied. The declaration, which aimed to reconcile the growing role of the Centre in the implementation of the key elements of the ILO strategy and the need for stable and predictable funding for the Centre, had been received positively by many governments. The group welcomed the decision to increase the ILO's contribution by US\$500,000 for the next biennium. Nevertheless, the Workers' group believed that increased efforts were necessary to overcome the difficulties encountered in implementing the recommendations of the PFAC of the Governing Body. It called for truth and realism in evaluating the situation of the Centre, given the fundamental role of training with regard to ensuring the effectiveness of ILO and tripartism, and issued an appeal to all governments, including those of emerging countries, to do their best to channel resources to Turin. The Workers, like the Employers, had therefore requested that a medium-term strategy for the Centre should be developed. Furthermore, the Workers' group deplored the fact that the Centre's sources of funding did not offer long-term prospects for its viability. In that regard, the PFAC "knowledge strategy" document and the Global Jobs Pact unequivocally stated that the current dependence of the Turin Centre's programmes on market demand could make it increasingly difficult to focus on the knowledge base and objectives of the ILO.
- 11.** *The Workers' group* regretted the development reported in paragraphs 19 and 23 of the Director's report, according to which many activities directly linked to fundamental ILO issues had been cancelled or postponed in 2009 because of a lack of market demand. The Worker Vice-Chairperson emphasized that any initiative aiming to improve the mobilization of resources should benefit the activities related to the strategic objectives of the ILO. He noted with concern the reduction in the number of activities and participants in 2008 in comparison with 2007, a trend that had not been seen among female participants. The group requested that more details should be given on the different target

groups in the report. With regard to bipartite and tripartite participation, it should be possible to evaluate the quantitative and qualitative relevance of tripartism to the training activities and include that information in the report. Few details had been provided on the number of bipartite and tripartite activities carried out under each technical programme. The group noted a decrease in the number of workers participating in the Centre's courses, apart from those organized by the Bureau for Workers' Activities (ACTRAV). The Director's report indicated that the social partners represented 5.28 per cent of all participants (compared with 7.61 per cent in 2005), which was not in keeping with the commitments undertaken in the Declaration on Social Justice for a Fair Globalization. The group was concerned by the fact that the number of fellowships offered under the Central Fund had undergone a net decrease and approved the new procedure, adopted in 2009, which aimed to channel funds towards courses that were essentially tripartite in nature. The Workers' group proposed the creation of a joint standing committee, comprised of employers' and workers' representatives, responsible for defining the Centre's strategies concerning bipartite and tripartite activities and a better use of resources allocated by the Central Fund. The Workers' group asked the management to ensure that the secretariat of the Workers' group approved the nominations of trade union organizations invited to send participants. He welcomed with satisfaction the measures taken to promote equality of opportunity. He noted that the number of sessions on international labour standards in the Centre's training activities, with the exception of the Programme for Workers' Activities, remained very low. He stressed the need to make the ILO fundamental Conventions a minimum common denominator in all training courses. In particular, the standards relating to the crisis (in the Global Jobs Pact) should play a prominent role in the courses at the Centre and should be promoted in that regard. He would like to see an assessment of the operational structure of the Centre in order to improve its efficiency and responsiveness to the needs of ILO constituents. The group appreciated the intention to promote a multidisciplinary approach and the development of joint courses, but asked that the procedures to facilitate the joint activities be better defined, in order to encourage further consideration of the needs of the social partners in each technical programme. The group noted with satisfaction the role of PRODEV in accessing new sources of funding also earmarked for workers' activities, but believed that as part of an integrated relationship with the ILO, its structure and functions must be evaluated and revised. The Workers' group stressed that regional and national priorities must not be used to impose conditions or dictate priorities to the Programme for Workers' Activities. The tripartite nature of the ILO must also be reflected in negotiations with donors. The Workers' group believed that activities needed to be strengthened in the Arab States, in Central and Eastern Europe and in the newly independent countries. The Workers' group thought that the Centre's Master's programmes were useful, but that they should focus on the mandate of the ILO. Few workers' representatives participated in such training, and ACTRAV was ready to discuss that with the responsible programme. The Workers' group hoped to receive a complete list of projects awarded following invitations to tender and to find out about their impact on workers' organizations and the social partners in general. The Workers' group hoped that the Turin Learning Approach would be reinforced, particularly in respect of training on fundamental themes, and that there would be a thorough analysis of its impact. Regarding the evaluation of the Centre's activities, the group hoped that the impact of training on the institutional capacities of constituents would be better evaluated. The Workers' group noted the Investment Programme report and stressed the importance of the tripartite management of projects on migration and discrimination. As for projects on CSR, they must be oriented according to the guidelines established by the Governing Body's Subcommittee on Multinational Enterprises. The Director was also asked to submit to the next Board a mid-term review of the implementation of the Investment Programme, paying special attention to the involvement of the social partners and producing a cost-benefit analysis of its achievements. In respect of internal administration, the Workers' group stressed the need to seek a balance between outsourcing certain services and the standards required for a centre of excellence, particularly in respect of working conditions. He

stressed that the financial realignment must not be borne to a great extent or even exclusively by the lowest paid workers. The group noted with satisfaction the removal of hazardous materials but recommended an operational plan for complete asbestos removal. He expected from management a high level of participation, consultation and negotiation with the Staff Union on measures to deal with the Centre's new situation.

12. *The Government Vice-Chairperson, Ms Fitting*, welcomed the fact that the Centre had tackled the subject of the global economic crisis not just as a general topic but by instituting specific courses. She called on the Centre to pursue its efforts, in view of the requests received by the ILO at the G20 summit in Pittsburgh. She added that the Global Jobs Pact was an important element that needed to be considered in the training on offer. She also requested more information on the social protection programme, which was of crucial importance for the countries hardest hit by the current crisis. Bearing in mind the impact of the crisis for migrant workers, the establishment of the Labour Migration Academy should undoubtedly attract new donors. She hoped that the evaluation processes, in particular the impact assessments, would shed light on the matter, and eagerly awaited the results of the training for trainers. She commended the Centre for the progress made in its approach to training, especially blended courses, and emphasized that decentralization and collaboration with local and regional partners enhanced the impact of the training courses. New communication and information technologies offered significant new opportunities which needed to be explored. She added that, on the other hand, the possibility of exchanging knowledge and experiences was an important reason for maintaining residential courses. She was confident that the Centre would find the right balance between the different methods to respond to the needs of all constituents. The Government group noted, however, that some participants experienced difficulties in getting to the Centre, and encouraged the Centre to get in touch with the authorities of the countries concerned to iron out difficulties with regard to obtaining visas. In conclusion, she recalled that the Centre needed to be better integrated in the ILO, not only with regard to financial issues but also in the interests of the ILO's visibility and credibility, especially with regard to training on international labour standards and decent work.
13. *The representative of the Government of Italy* stressed the importance of increasing the number of blended courses on offer and hoped that the Centre would become an international training platform. This would involve strengthening the Centre's network and its links to other training centres. Dialogue between different regions and countries was as important as decentralization, and the Centre had a role to play in this context. The representative shared the concerns of the Worker Vice-President regarding the role of the ILO in international debate. He believed that it would be necessary to take into account the new international framework which had emerged following the crisis. The G20 in Pittsburgh had, essentially, confirmed the transformation of the international framework: there had been a shift in the balance of power between States and new powers had emerged. This should be reflected in the international organizations. Ahead of the discussion on agenda item 5, he commended the way in which the Centre had tackled the financial problems it faced. He thought that it was vital to ensure financial and political stability. The situation currently facing the Centre was not sustainable in the long term. Even if the Italian Government did not intend to reduce the level of financial support provided to the Centre over the next few years, the Centre being the only international organization for which the Italian Government's support had not decreased over the previous few years, it would still need to obtain additional funding from other governments in order to meet current challenges. The document for discussion in agenda item 5 identified two main lines of action: achieving a greater level of integration of the Centre in the ILO's activities (funding and planning of activities), and strengthening and increasing regular funding for the Centre. This money could be raised by appealing not merely to traditional donors, but also to emerging powers. He then stressed the need to return to the heart of the ILO's mandate and to refocus the Centre's activities on key training areas. The

representative reiterated his support for the Director's report and welcomed the manner in which the Centre's management had tackled the challenges it had faced. He proposed that a decision-making mechanism be created, involving member States and employers' and workers' representatives, allowing the members of the Board to take decisions on specific issues which would oblige the ILO to offer more support to the Centre.

- 14.** *The representative of the Government of South Africa* said that the Director's report contained positive points but also raised certain concerns. He trusted that deliberations on various issues would produce solutions. He noted with satisfaction that the visibility and reputation of the Centre was growing. He highlighted the range of activities on offer, which covered different technical programmes aimed at strengthening the capacities of the member States, in collaboration with the ILO programmes. He also noted the slight increase in the number of African participants, as well as female participants, in training activities. With regard to the matter of relaunching partnerships in Africa, which the Report mentioned, he hoped to receive more information regarding both the missions carried out and the partner institutions involved. He applauded the renovation of the campus. He also supported the creation of a shuttle service to Turin airport. However, he also expressed concern regarding the future of the centre. The Governing Body of the ILO needed to seriously consider this issue. The economic and financial crisis had produced challenges which, if they were not met, would have a negative impact on the participation of the member States in the Centre's activities. He was pleased to learn that the Centre had managed to attract funding from other sources, although he commented that this might have made it more difficult to maintain consistency in terms of the International Labour Office's activities and strategic objectives and workplans. He called on the International Labour Organization to envisage solutions to resolve the crisis and to recommend structured funding involving technical cooperation.
- 15.** *The representative of the Government of Brazil* reiterated the fact that his Government was committed to finding solutions to allow the Centre to overcome the period of crisis and to continue working at the highest level, something that was extremely important to all the countries present. Brazil acknowledged that the Centre's activities contributed to the aims of the programme for the ILO's Decent Work Agenda and invited the Board of the Centre to continue its efforts to ensure closer cooperation with the decentralized offices of the ILO. This would allow it to provide ILO sectors, offices and programmes with the tools and skills necessary to systematically analyse the existing capacities of the constituents and determine what additional capacities may be needed to achieve the expected results. He also stressed that none of this would be possible without efforts to strengthen the participation of workers' and employers' organizations, as tripartism ensures the legitimacy and visibility of the ILO's mission, with the Centre as its operational branch. He recalled that the Brazilian Government was committed to involving civil society in all discussions on relevant issues. He noted with great interest the number of Brazilian participants (353 in total) in 2008, and took the opportunity to remind workers' and employers' representatives to ensure that participated more effectively in training. He also noted the significant number of participants from South America, and stressed the fact that this number might increase if the Centre, owing to its experience in the field of training, became a focal point for subregional cooperation programmes in the region, and for projects within the framework of MERCOSUR and UNASUR. Brazil, in particular, had submitted a proposal to the Director-General of the ILO and the Director of the Programme on international workforce migrations, concerning the organization of events on best practice in this area, which has far-reaching regional and international implications. Brazil could make a significant contribution to this project, as it forms a fundamental part of its migration policy, especially the recent Act No. 11.961 on regularizing the status of illegal migrants in Brazil, which guarantees them decent working conditions. He recalled that this issue was an important part of the speech given by President Lula at the International Labour Conference in 2009. He reiterated Brazil's desire to maintain its

commitment to the functioning of the Centre and invited all the members of the Board, especially the developed countries, to renew their political and financial support for the activities of the Centre. Brazil believed that it was very important for the Centre to remain a place for strengthening capacity and dialogue, in order to make the words “decent” and “work” inseparable.

16. *The representative of the Government of France* congratulated the Centre on the improvements which took place in 2009, particularly the new training methods and cost-cutting measures, as well as training related to the crisis and to green jobs. She expressed her concerns regarding the funding of the Centre, which should reflect more clearly the ILO’s political will with respect to supporting the Centre’s activities. She pointed out that the conclusions of the G20 called on the ILO to present a training strategy and that it would seem strange for the Centre, given its expertise, not to be associated with the development of such a strategy.
17. *The representative of the Government of Tunisia* stressed that if the Centre were to remain the ILO’s training centre, it would not prevent the consideration of the possibilities with regard to developing its relations with its donor partners and broadening its activities in consultation with the constituents in accordance with the ILO’s objectives and within the framework of the implementation of instruments adopted by the ILO. He expressed the hope that all the member States would fulfil their obligations with respect to the Centre and provide the necessary support.
18. *The representative of the Government of Mozambique* acknowledged the real progress made in terms of the level of female participation in training activities, although this level is not as high as it could be in Africa. The Centre ought to find the means to strengthen the capacity of developing countries to deal with the challenges posed by globalization. He believed that the Centre had an important role to play in implementing the two most important instruments recently adopted by the ILO, namely the Global Jobs Pact and the Declaration on Social Justice for a Fair Globalization. He called on the member States to strengthen their support for the Centre.
19. *The representative of the Government of Panama* stressed the vital role played by the Centre, especially with regard to countries in Central America. He recalled the importance of the DELNET programme, which allowed participants from distant countries to benefit from training at the Centre. Panama, as a member of the Governing Body of the ILO, wished to stress the importance of increasing the ILO’s funding for the Centre.
20. *Mr Adyanthaya (Worker, India)* supported the proposals put forward by the Worker Vice-Chairperson. Stating that he understood Italy’s financial constraints and pointing out that crises were inevitable, he called on the Governing Body to identify solutions regarding long-term funding for the Centre. He suggested that the matter should be discussed within the framework of the PFAC of the ILO, while strong efforts should also be made to lobby the Government group at the International Labour Conference.
21. *The Government Vice-Chairperson* said that her group had come to similar conclusions, and suggested that constructive proposals be put forward to the Director-General at the next meeting of the Governing Body, which could subsequently be discussed by the PFAC.
22. *The Employer Vice-Chairperson* welcomed the fact that the Government group had acknowledged the Centre’s financial situation and the necessity of finding sustainable solutions for discussion by the PFAC.
23. *The representative of the Government of South Africa* supported the proposals to continue discussing the financial situation of the Centre within the framework of the PFAC and the

Governing Body. In view of the continuing funding problems facing the Centre, it was necessary to implement a change in strategy and to establish a strong consensus between the three groups, in order to convince the ILO to grant a more significant amount of support.

24. *The Worker Vice-Chairperson* welcomed the fact that the three groups had all recognized the financial situation of the Centre, and invited them to find a joint solution at the Governing Body in order to ensure a more significant commitment on the part of the ILO, and supported the proposals put forward by the Government group.
25. *The Director*, in response to the questions raised, stressed the specific nature of the Centre, as its activities covered subjects such as tripartism and decent work. The participation of employers and workers was essential to all technical programme activities. Furthermore, the standards and the fundamental principles and rights at work were reflected in all of the Centre's activities, but this did not necessarily imply that all the courses needed to have classes on standards. There were two reasons for the limited participation of the social partners in activities organized by the technical programmes. First, participants had to pay for the regular courses offered by the technical programmes and there was no guarantee that grants to cover participation costs would be available. Furthermore, the efforts made to channel funds into specific Bureau for Employers' Activities (ACT/EMP) and ACTRAV programmes automatically reduced the amount of funds available for other courses in which the social partners could participate. Finally, the Director regretted that certain courses had been cancelled due to a lack of participants. In response to the question concerning workforce migration, the Director explained that the Centre planned to launch a two-week academy on this subject, for around 200 people, which would be modelled on existing courses on microfinance and sustainable enterprises. This activity would be tripartite in nature and would become part of the regular course schedule. On the issue of decentralizing training, the Director stressed that the approach of the Centre was to consolidate the blended approach of distance and face-to-face courses, which was the most effective in terms of learning. This did not mean abandoning purely distance learning. As far as training in the field was concerned, the Director stated that the Centre hoped to become more involved in strengthening the capacity of national training centres, if resources were available to that end. This kind of decentralized approach had already been successfully tried in Bulgaria and India.
26. *The Board took note of document CC 71/1.*

II. Report on the implementation of the Programme and Budget for 2009 and proposals for the 2010 financial year (Second item on the agenda)

27. *The Director* presented the financial statements for 2008. He highlighted, first, the operating surplus (more than €750,000 in 2008), which continued the trend of previous years. There was, however, an overall net deficit due to two factors: the particularly unfavourable translation difference in 2008; and the high provision made for doubtful accounts. Half the deficit was accounted for by the non-payment of two contributions by decentralized bodies. Measures had been taken with the support of JUR to recover a portion of those funds. The table of income from training activities (table 12, page 15) showed a fall in revenues between 2007 and 2008. The Director explained that the change was related to the overall economic climate and was the result of a downward trend in ILO's activities at the start of a biennium.

28. *The representative of the External Auditor, Ms McMahon*, presented the External Auditor's report, which provided detailed information on the audit of the Centre's financial statements for 2008. The report also included observations made during the audit. It concluded that the Centre's financial statements were sound, both in terms of the Centre's financial position and financial performance and in terms of cash flows, and consistent with generally recognized principles of accounting. The report also concluded that the accounting principles had been applied in a manner consistent with that of 2007. Furthermore the Centre's transactions examined during the audit reflected the provisions of the Financial Regulations approved by the Board. The speaker added that the External Auditor was required to report any disagreement with the Centre's administration regarding the audit, accounts or other matters, and to report any fraud or illegal acts. Nothing of that kind had been found. The speaker confirmed that the staff of the Auditor General of Canada responsible for carrying out the audit had maintained their independence throughout the process. She noted, however, that certain challenges had presented themselves during the audit. First, the Centre had adopted the euro as the reporting currency for the 2008 financial year. The change had been approved by the Board in order to reflect the Centre's activities more accurately, given that most expenditure (salaries and building costs) were in euros. The audit revealed that the methodology used for the conversion was satisfactory. The speaker also noted that the Centre had introduced a new version of the Oracle financial software, which had been operational since January 2008. The auditors verified that the fund balances on the opening of the accounts in January 2008 were consistent with those at the closure of accounts on 31 December 2007, as certified by the previous External Auditor. The External Auditor had also concluded that the fund balances carried over in the new version of Oracle were in conformity. By agreement with the Treasurer, the auditors carried out their audits for the end of the 2008 financial year in July 2008. It had been agreed, however, that the work involved in conversion to the new version of Oracle, the changeover from the US dollar to the euro, the end of year reconciliations, and the analysis of the financial statements, should be carried out and reviewed before the arrival of the auditors in July 2009. As a result of the delay in implementing the agreement in question, the audit of the financial statements had been completed only in September 2009. The speaker informed the Board that the audit for the end of the 2009 financial year would be carried out in March 2010. That should make it possible to present the External Auditor's reports to the Board earlier. It was therefore essential for the Centre to advance with the work of preparing the accounts and financial statements to ensure adherence to that deadline. Only the most important observations and recommendations regarding internal auditing were communicated to the Board by the External Auditor. Although there was no significant problem to report for the 2008 financial year, it was important to identify possible improvements in the financial auditing, which had been discussed with the Treasurer and had been set out in recommendations contained in a letter to the Director. She considered that one challenges facing the Centre was that of the changeover to the International Public Sector Accounting Standards (IPSAS). The External Auditor had noted the Centre's intention to align the plan to adopt IPSAS with that of the ILO for 2012. In order to prepare for that transition, the External Auditor recommended that the Centre's administration develop a detailed plan of action including a timetable, a list of the stages involved, a list of the standards to be examined, a project leader, and a diagnostic analysis in the form of an assessment of the main differences between the Centre's current accounting methods and IPSAS. The speaker concluded by thanking the Chairperson and the Director of the Centre and his team for their cooperation during the audit process.
29. *The Worker Vice-Chairperson*, noting the increased provision for doubtful accounts, requested that effective procedures be established in order to limit the problem. He welcomed the first steps that had been taken in that direction.

30. *The Employer Vice-Chairperson* endorsed the External Auditor's report, although he was concerned by the arrears of payments, which had increased compared to 2007. Furthermore, the Employers' group emphasized that the Centre needed to receive the net outstanding balance of €1,043,000 for the training services provided at the ILO. The group wished to know why such high provisions had been set, and whether the campus improvement funds were included in the budget. He noted that the contributions of the San Paolo Bank had not been recorded in the list of voluntary contributions, and asked where the sum in question had been recorded.
31. *The representative of the Government of Portugal* requested some clarifications as to the nature of Italy's contribution.
32. *The Director*, replying, explained that the Italian Government supported the Centre's activities through ex lege and voluntary contributions. The ex lege contribution had remained unchanged while the voluntary contribution had progressively been reduced. The Director emphasized that despite the significant reduction in the contribution of the Italian Government to development cooperation in general, the Centre had been spared the worst by the Italian authorities.
33. *The Treasurer*, replying to the questions of the Employers' group regarding the sums still owed by the ILO and the contribution of the San Paolo Bank, explained that the relevant internal billing procedures were complex. With regard to the Bank's contribution, it was included in the campus improvement fund. Regarding the question of doubtful accounts, measures had been taken to recover the sums involved.
34. *The Board approved document CC 71/2.*
35. *The Director of the Centre* presented the report on the implementation of the Programme and Budget for 2009 and the proposals for the 2010 financial year. Some 30 per cent of income was guaranteed by the Italian Government and the ILO, the remainder comprising revenues from various activities funded by voluntary contributions from the Italian Government, the ILO and other donors. The forecasts were based on the experience of the Centre during previous years. For 2010, some ten calls for tender had been issued for which the Centre had not yet received any replies. In that regard, the budget proposals for 2010 were not optimistic, partly because 2010 was the first year of the ILO's biennium and partly because the global economic crisis limited the possibilities of funding. The speaker noted that €3 million of voluntary contributions normally generated €6 million in income (as a result of cost sharing). Of those receipts, some 30 per cent were allocated to payment of salaries and other fixed costs. When drawing up the budget, the Centre had endeavoured to keep the fixed expenditure at the same level as the previous year. The budget was entirely provisional, as the Centre was only guaranteed to receive about 30 per cent of its income. The rest would depend on the training activities that would be entrusted to the Centre. It was that uncertainty that had led the Centre traditionally to present a budget in deficit.
36. *The Employer Vice-Chairperson* suggested, first, that the overall layout of the budget needed to be improved, for example by including data for previous years. Also, several points warranted further explanation; for example, it would be interesting to know why the increase in the ILO's regular contribution for 2010 compared with 2009 was greater than what had been decided at the March 2009 session of the Governing Body in the ILO's previous programme and budget. The main concern, however, was the deficit. The speaker said that the Employers would normally refuse to vote for a budget with such a deficit, but they understood the Centre's vulnerability following the reduction in the contribution from Italy; that was not an incident but a structural problem that had to be resolved. It was in his view unthinkable that the ILO's contribution should cover only 7 per cent of the regular

budget. For the ILO, he suggested a three-fold approach. The speaker hoped that the ILO would increase its contribution, and that the role of the ILO as a contributor to the Centre should be stipulated in the Constitution. The ILO could also allocate a contribution to the Centre for certain countries or technical programmes in the framework of RBSA donorship and technical cooperation. Lastly, a renewed appeal should be made to countries to accept one of the donor modalities described by the Working Party of the PFAC in 2007. The Employers' group noted that little progress had been achieved in that direction. The Centre itself could explore other possible savings, and the speaker invited the Director to give examples of measures already taken and examine further options. The Centre could also take action in cooperation with the ILO to deliver the demands made by the G20 meeting. Another option might be to explore the possibility of collaboration with other UN agencies, as had been done with the World Bank, with positive results. He also suggested approaching non-traditional stakeholders. The Employers' group could not accept the reference to the reserve fund and considered that it should be used for investment, not for covering the deficit; in any case, it would not be a structural solution. The point had been discussed with the Workers' group. The two groups proposed amending paragraph 18 as follows: "invites the Governing Body to consider how the ILO may, through a direct contribution and enhanced cooperation with the Centre, help to minimize the operating deficit and ensuring sustainable financing for the Centre".

37. *The Worker Vice-Chairperson* noted that the forecast deficit for 2010 resulted from the reduction in Italy's voluntary contribution, and revealed the Centre's structural vulnerability with regard in particular to its ability to cover its fixed costs, owing to the rather low contribution by the ILO and by other governments. He recalled the two possible strategies for tackling that deficit. One was to regard the ILO as a client like any other, and to seek other funding; the other was to regard the Centre as the ILO's training arm in the service of its strategic objectives. The second option was the one favoured by the Workers' group. It would require the provision of adequate funding by the ILO. While in line with the recommendations made by the Working Party, it did not preclude the continuation of existing efforts to boost voluntary contributions and obtain funding from other institutions within the UN system. In order to be able to examine those two strategic options in depth, the speaker said more detailed information was needed on the activities undertaken with regard to the outcome of efforts to seek funding with PARDEV, the resources allocated with regard to the RBSA and the RBTC and on changes in funding. He also wanted more detailed information on the Centre's role in implementing outcome-based workplans, on the use of the Italian contribution, and on certain items of expenditure such as items 32 and 39, which seemed rather high. He emphasized that the reduction in resources should not be allowed to penalize programmes for the social partners. He favoured an allocation from the RBSA and an increase in voluntary contributions for continuing efforts to develop constituents' capacities and activities under the Declaration on Social Justice for a Fair Globalization and he asked what the expectations were and what obstacles had been encountered in the past with regard to increasing those resources. The Workers' group took note of document CC 71/2/Add.1(Rev.), supported the joint amendment by the Employers and the Workers and approved the budget proposals for 2010, as amended.
38. *The Government Vice-Chairperson* noted that an optimistic approach towards the deficit could be dangerous. She reminded the Board that the predicted deficit for 2009 had not disappeared but had only fallen from €350,000 to €347,000. The crisis was not yet over, and she called for caution on the part of the Centre's senior management, especially with regard to expectations regarding a possible rise in voluntary contributions. She appreciated the fact that the Government of Italy had given notice sufficiently in advance of its intention to cut its voluntary contribution, which had made it possible to take certain corrective measures. She also wished to know whether other reductions in contributions were planned. Supporting the Employers' position, she reiterated the importance of

considering expenditures, some of which remained high, including budget item 32, and she recommended that consideration be given to using open-source software.

39. At the invitation of the Chairperson, *Ms Van Leur (PARDEV, Geneva)* informed the Board members that the ILO had adopted a new approach, namely, outcome-based workplans, which would allow better use to be made of the budget resources approved by the International Labour Conference in June 2009 for the implementation of 19 priorities identified for the next six years. She noted that the resource in question were no longer to be allocated by programme, including the Centre, but according to the 19 priorities.
40. *The representative of the Government of South Africa* requested more information on the ILO budget adopted in June 2009 by the International Labour Conference and on the legality of using the operating reserve to cover the deficit.
41. *The Chairperson* confirmed that the Programme and Budget for 2010–11, which set the allocations of the ILO's funds to the Centre for the coming biennium, had been adopted by the International Labour Conference in June 2009 and it was not possible to reopen the discussion. The question of the ILO's regular budget contribution to the Centre was normally addressed in the context of the programme and budget discussions every biennium. With regard to the operating reserve, the speaker clarified that it was legal to use it in the event of unexpected financial contingencies.
42. *The Employer Vice-Chairperson* explained that it was not the intention of the Employers' group to reopen discussion on the budget, and moreover he did not question the legality of the proposed use of the operating reserve. He merely wished to indicate the reluctance of the Employers' group to include a clause in the budget to the effect that it was possible to use the reserve in order to cover a deficit; that, in the view of the Employers' group, was not a long-term solution. He proposed that the ILO and the Centre should undertake certain restructuring initiatives which would among other things allow the use of the reserve. The speaker recalled that his group was not minded to take an immediate decision on the issue. Its intention was to stimulate discussion and seek solutions. The aim of the proposed amendment was to encourage the ILO to become involved in the process.
43. *The representative of the Government of South Africa* proposed that the Employers' and Workers' groups should reconsider their proposal to amend the point for decision. He considered that it was too early to adopt the proposed amendment, and suggested deferring the question until November 2010, when the next budget was prepared.
44. The Government Vice-Chairperson, *Ms Fitting*, endorsed the views expressed by the representative of the Government of South Africa, and proposed a more in-depth discussion among the members of the Government group in order to find a common position.
45. *The representative of the Government of France* also proposed that the members of the Government group should discuss the question in greater depth.
46. *The Government Vice-Chairperson* informed the Board that the three groups had reached a consensus on the point for decision (paragraph 18 of document CC 71/2/Add.1(Rev.)). The groups approved paragraph 18 (budget proposal for 2010) and proposed adding the following: "urge the ILO in the framework of the Programme and Budget for 2010–11 and within the approach of outcome-based work planning, to increase cooperation and integration with the Centre and to take measures and make resources available, both from regular and extra-budgetary resources including RBSA and ILO donor partnership, in order to minimize the operational deficit in a way that would also contribute to long-term predictable and adequate funding of the Turin Centre".

47. *The Board approved paragraph 18 of document CC 71/2/Add.1(Rev.) as amended.*
48. *The Chairperson*, in response to a request from the Board, described briefly the ILO's outcome-based workplans. When the programme and budget had been adopted by the International Labour Conference in June 2009, it had been decided to focus the ILO's activity on 19 priorities. The ILO and the Centre committed themselves to working on those areas, for which precise objectives had been defined. All the available resources (RB, RBTC, RBSA) had been included and discussions were under way with different regions regarding the action to be taken. The Centre was a stakeholder in the process and a coordinator had been appointed to liaise with the ILO on that issue. The speaker emphasized that there was now an opportunity for the Centre to adopt the outcome-based approach. It was a new process which would be analysed and discussed at the next session of the Governing Body.
49. *The Director of the Centre's Training Programmes* spoke in his capacity as the Centre's Coordinator for the outcome-based workplans. He noted that the Centre's contribution to that process was made in a number of different ways. The Centre participated in consultations with the regions in order to identify possible action in implementing the Decent Work Country Programmes. In each of those areas, a focal point had been designated to liaise with Geneva. The Centre could also contribute to knowledge sharing at a more general level in order to serve the constituents. By the end of the year, a number of possible areas for action should be identified and would be operational in 2010–11.
50. *The Chairperson* invited the Board to discuss document CC 71/2/Add.2.
51. *The Worker Vice-Chairperson* took note of the information contained in the document, and asked to be informed of the implementation and the impact of the new international accounting standards. He reiterated the request of the Workers' and Employers' groups for a meeting with the Director-General during the next session of the Governing Body.
52. *The Board approved document CC 71/2/Add.2.*

III. Staff questions (Third item on the agenda)

53. *The Worker Vice-Chairperson*, recalling that the Centre should be a model employer, reiterated the concerns of his group as to the high number of precarious contracts (56), some dating back to 1994. He asked the management, in consultation with the Staff Union, to propose solutions to remedy the situation. He also hoped that efforts to increase the representation of women in managerial positions would be pursued. He noted that technical programmes needed suitable human resources to operate, while advocating economies of scale. He stressed the need for succession planning for officials, taking into account not only expected retirements, but also anticipating future areas of action and the streamlining of services that the Centre needed. The Workers' group regretted that staff integration with headquarters was not a central issue and asked that those points be negotiated with the Staff Union and discussed by the Board. The Workers' group noted the proposed amendments to the Staff Regulations and approved paragraph 6 of document CC 71/3.
54. *The Employer Vice-Chairperson* recalled the importance of sufficient human resources for the ACT/EMP programme, which was experiencing rapid growth. Regarding the amendments to the Staff Regulations, the Employers' group approved the implementation of the recommendations of the ICSC, while recalling that during the current period of

crisis, wage moderation was the subject of bipartite negotiations in many countries. He hoped that a solution to the matter of staff with short-term contracts, sometimes over long periods of time, would be found shortly, in accordance with the recommendations made by the Council three years previously.

55. *The Government Vice-Chairperson* expressed her approval of the document; however, she would be interested to hear the answers to the questions raised by the Employers' group.
56. *The representative of the Government of Kenya* said he appreciated the gender rebalancing efforts being made during the recruitment process. He noted with satisfaction that a significant proportion of staff had attended training during the period in question, which was essential to ensure the effectiveness of the Centre. He acknowledged the introduction of policies to combat harassment, consultations with the Staff Union that were essential for motivation, and the dynamic management of human resources. He approved paragraph 6 of document CC 71/3.
57. *The representative of the Government of Germany* called for more gender rebalancing efforts for managerial positions. Regarding mobility, she recommended that a staff exchange programme be developed between headquarters and the Centre, which would foster greater mutual understanding.
58. In response to questions asked, *the Director* informed the Board that, with regard to project-based contracts, a document putting forward proposals prepared at the beginning of the year had been submitted to the Staff Union. The document was under review by the new Staff Union Committee. Consultations were under way to enable administrative staff on projects to apply for internal competitions. He recalled the importance that management attached to gender balance in the Professional and higher categories and said that those efforts would continue. The recruitment of the Treasurer was a case in point.
59. *The Board approved paragraph 6 of document CC 71/3.*
60. *The Chairperson*, following the normal procedure, invited the Board to listen to the statement made by the Chairperson of the Staff Union Committee (the statement is appended to this document).

IV. Reports of the Trade Union Training Committee and the Employers' Training Committee (Fourth item on the agenda)

61. *The Worker Vice-Chairperson* took note of the report submitted by the Turin Programme for Workers' Activities (ACTRAV–Turin). He stressed the importance of training for trade unions and welcomed the efforts made by ACTRAV to improve the quality of training activities. He thanked ACTRAV staff for work done over the previous twelve months, in a situation marked by reduced funding. He concluded by thanking the Italian Government and other donors once again for their financial support to the ACTRAV–Turin and hoped that they would continue to provide it in the future.
62. *The Employer Vice-Chairperson* noted that, while the 2008 Workers' document was included in the meeting documents, the Employers' document was not. He suggested that in 2010 a summary of both the Workers' and the Employers' training committee reports be included. The group stressed the relevance of the Turin Programme for Employers' Activities (ACT/EMP–Turin), which was highly valued by employers' organizations,

which was good for the Centre's image. In 2008, almost 1,000 people had participated in training under the ACT/EMP-Turin. The programme had launched the Internet platform Lempnet, which was an important tool. The Employers' programme had also been able to attract other sources of funding. To conclude, the Employers' group hoped to see equal treatment for employers and workers in the Centre's training activities.

63. *The Director*, in response to a remark by the Employers' group, said that it would be important in future years to reduce the length of documents submitted to the Board, for both economic and ecological reasons.

64. *The Board took note of documents CC 71/4/a and CC 71/4/b.*

V. Building the capacity of ILO constituents: A medium-term strategy for the Turin Centre (Fifth item on the agenda)

65. *The Chairperson* opened the discussion on document CC 71/5(Rev.), recalling that the document would also be submitted by the Officers of the Board to the following session of the PFAC at the November 2009 session of the ILO Governing Body.

66. *The Director* recalled that the document was in response to the Joint Employer-Worker Declaration on the Turin Centre made during the March 2009 session of the ILO Governing Body. The Director noted at the outset that the ILO, along with the World Bank, was the only international organization to have a training centre of any significant size and it therefore deserved to be used to the full. It was important to include the Centre's activities in ILO technical cooperation programmes in order to increase their impact. That implied integrating the Centre's activities into those of the ILO, making it easier to gauge the contribution of the Centre when assessing the impact of technical cooperation projects. On the question of resources, the Director recalled that the Centre's operating mode meant, on the one hand, developing training programmes to meet demand, which was a dynamic factor and, on the other, retaining certain activities relating to the core mandate of the ILO, which were less attractive but must be programmed. The Centre operated in a competitive market where various public and private institutions offered similar courses, sometimes free of charge or at low cost. It was therefore constantly seeking to lower costs without affecting the technical programmes. The Centre was moving towards the outsourcing of services such as hospitality and maintenance, which had resulted in substantial savings (€500,000 per year). Other savings would be welcome, particularly in energy costs, but they would require investments that were not currently feasible. In that connection, the Director stressed the importance of upholding the quality of staff while maintaining the stability of the payroll. For that purpose, reorganizing training around major events would allow a better utilization of human resources. Regarding contributions, the Director noted that it was difficult to achieve a good balance between courses that are paid for and courses that are subsidized. The best solution would be to have 50 per cent of the budget fixed and 50 per cent of the budget generated by activities. He called on other member States in addition to Italy, France and Ireland, to finance the Centre to enable it to permanently cover its fixed costs. He stressed that collaboration with non-traditional donors was difficult and expensive because they were dispersed and numerous. Nevertheless, that option remained one of the strategies for resource mobilization. The Centre was, for example, in contact with the Aga Khan Foundation to develop joint projects. As for the Centre's participation in ILO programmes, the Director explained that the Centre was exploring ways with Geneva in which to predict its income and its activities for the ILO. The Director considered that the high visibility given to the ILO during the G20 meeting

was an opportunity to develop activities on the theme of the economic and financial crisis in various regions. Since it was difficult to lower training costs, the Centre had concentrated its efforts on the quality of teaching, had recruited specialists and had trained them in training methods. The Distance Education and Learning Technology Applications Programme (DELTA) had also been reinforced, allowing the Centre to be strong technically and innovative pedagogically. Furthermore, the Director mentioned the excellent level of collaboration with some of the ILO technical departments in Geneva. The Director continued by addressing the issue of the campus, which also housed the United Nations System Staff College (UNSSC) and the United Nations Interregional Crime and Justice Research Institute (UNICRI). He recalled that the Centre managed the entire campus and covered most of the costs of maintaining the shared facilities, which represented a significant portion of the fixed costs (€3,500,000 without IT expenditure). The Director recalled the importance for the Italian Government of a United Nations campus. That was one reason why the Centre offered Master's programmes, which also increased the use of the Centre's facilities (hospitality, classrooms) and represented 20 per cent of the participants on campus. Likewise, renting out classrooms generated additional income.

67. *The Worker Vice-Chairperson* considered it important that the Centre should be better integrated with the ILO, in order to improve the stability and planning of its programmes in the long term. Regarding the financial vulnerability of the Centre, it considered that the road map described in the recommendations by the PFAC in November 2007 and 2008 – and approved by the Governing Body – remained valid and should be implemented in full. However, it believed that the Centre's difficult financial situation should not be used as a pretext to play down the key issue of shifting the focus of the Centre onto activities aimed at building the institutional capacity of ILO constituents. With regard to Part 1.2, the Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact should guide the Centre's action as part of a global strategy to build the capacity of constituents, especially workers and employers. The design and implementation of a plan to build the capacity of constituents required resources and it was worrying to note that the Centre did not know whether the specific resources that were needed would be allocated by the ILO. The group called for the implementation of specific proposals to achieve the objectives relating to the social partners' participation in the Centre's activities. It proposed that the resources earmarked for programmes for the social partners should at least be confirmed and that the Centre should give priority to proposals involving the social partners. The group would like more information on the process of aligning the Centre with the ILO's objectives, on the link between that alignment and the idea of a global product to strengthen the institutional capacity of ILO constituents and on the specific outcomes and indicators proposed in that context. The group also requested further details on the Centre's participation in the Decent Work Country Programme quality-assurance process. It considered that certain points should be raised, including the way in which resources for the services provided by the Centre in the context of its participation in the Decent Work Country Programme process were allocated in the field (planning, development and implementation). The Workers' group, ACTRAV and the Trade Union Training Programme in Turin would support any strategy that was aimed at increasing resources for building the capacity of workers' organizations while taking care not to reduce the quality and accessibility of the programme or its autonomy with regard to planning and carrying out activities. The Workers could not be satisfied with the constant reminder in the document that it was still unclear if specific resources would be allocated by the Office in 2009 or in 2010–11 for both the design and the implementation of the strategy. The group would like more information on the three fully-fledged workplans related to Outcomes Nos 9, 10 and 11 and supported Part 1.3. With regard to the second part of the document, the group recalled that the Centre's current financial situation had already been discussed in the November 2007 conclusions of the PFAC. That document, approved by the Governing Body, recognized the need to enhance the predictability of the Centre's

resources with a view to improving the delivery of training activities through strengthened and improved joint programming between the technical services in Turin and Geneva and the regional offices in the field. The group considered that the strategy paper did not evaluate the question of its implementation in depth. It therefore urged the Director to report on the action taken to implement the proposals, the results achieved and the obstacles encountered. It also wished to receive further information on the difficulties encountered by the Centre with regard to the ILO's new technical cooperation strategies and how they had been overcome. According to the Worker Vice-Chairperson, shifting the focus of training activities onto the ILO's strategic priorities and workplans was the Centre's best asset. He called for and supported the development of a set of clear options to avoid a scenario involving reduced access of social partners and institutions from the least developed countries to the training provided by the Centre and a reduction in the core activities that formed part of the ILO's mandate. The group therefore endorsed the request to increase the regular budget. It was worth noting that the direct biennial contribution granted by ACTRAV from its own regular budget to the Trade Union Training Programme in Turin was a good practice. The group also supported the proposal to allocate upfront resources for training and learning activities in the budget of ILO/donor partnerships, including public-private partnerships. The Worker Vice-Chairperson urged the Governments to ensure that the two proposals would be given serious consideration and that their practical implementation would be facilitated by the Office. He was also in favour of the identification by the Centre of resource gaps for the next biennium, in the context of the Office-wide initiative by PARDEV, and would like to know more about the likelihood of receiving such funding and about the envisaged difficulties linked to that approach. Furthermore, he stressed the need for simple and practical guidelines in order to avoid high transaction costs and delays in the first phase of the Programme and Budget for 2010–11. Regarding the overall RBSA allocation (page 11 of the English version) proposed by the Centre, the group wanted to find out more about how those resources could be made available to the Centre. Regarding the RBTC funds, the Workers' group endorsed the proposal that the allocations should be made directly to the Turin Centre. It would, however, like to know whether a decision had already been taken in that regard and it emphasized the need to allocate at least one third of those resources to workers' activities. Building on the "Delivering as One" initiative, the group wanted clarification about how the Centre could support capacity building in the context of preparing United Nations Development Assistance Frameworks (UNDAFs) and contribute to the inclusion of Decent Work Country Programmes and the involvement of social partners in UNDAFs. In that regard, the group considered that non-traditional donors should be approached. With regard to cost containment and productivity, the Workers' group recalled that it had already made several proposals in that respect. The group considered that the financial integration of the Centre with the ILO required a reassessment of the Centre's fixed costs. The Centre should consider reducing costs in several departments, especially those in which similar functions could be performed by ILO headquarters. Accordingly, the group would like to know whether Turin had been included in the skills mapping exercise initiated by the HRD in June 2009 (GB.306/PFA/12/2, paragraph 3). If not, that should be remedied, as the exercise might also prove useful in the preparation of a succession plan by the Centre's Human Resources Services. The group was of the view that the union and the staff should be consulted and participate in that process. The group approved the third part of the document, on training design and methodology, but stressed that greater importance should be attached to strengthening institutional capacity. Regarding new products, the group noted that the new activities relating to strategic issues were politically sensitive and required ongoing cooperation with the social partners. Furthermore, those products had to be aimed at a truly tripartite audience. With regard to the fourth part of the document, the group saw no immediate need to reach a decision on the issue of the use by other organizations of the Centre's facilities. It acknowledged that there were advantages to providing access to the facilities, but that there were also disadvantages, which should be examined. The increase in the volume of ILO resources allocated to the Centre should

primarily contribute to the ILO core programmes. In conclusion, the group encouraged the Director to take steps to define the strategy of the Centre as a key ILO instrument for building the capacity of constituents, in particular the social partners, and as an integral part of Office. It recommended that the Director should work with ACTRAV and ACT/EMP, as indicated in the Joint Employer–Worker Declaration. The group expected to receive some clear answers from the Director regarding the options chosen in response to the short-term deficit and the medium and long-term challenges. Lastly, the group suggested that the PFAC and the Governing Body should continue to monitor closely the implementation of a new policy aimed at overcoming the financial difficulties of the Centre and increasing its volume of activities.

68. *The Secretary of the Workers' group* called on the Director as well as on ACTRAV and ACT/EMP to examine all expenditure and all sources of income and to develop a specific, lasting and sustainable plan for the Centre's development. That plan should be presented in March 2010 to the members of the Board, the PFAC and the Governing Body.
69. *The Employer Vice-Chairperson* emphasized that the strategy document had been requested in the Joint Declaration by the Workers and Employers and had been submitted to the PFAC. He highlighted the fact that in the second part of the Declaration in question, the social partners had clearly expressed the view that broader-based and more predictable funding was needed, and the document also put forward possible solutions. It described quite clearly how the Centre could help the ILO in implementing the Decent Work Agenda. Training was an essential element in strengthening the capacities of the three constituent groups of the ILO. The Centre needed to set about ensuring better oversight of that aspect, in terms of the contributions made by the different training courses to the Decent Work Country Programmes. A list drawn up in advance of capacity building initiatives for use in results-based programming would allow the Centre's contribution to the results of the programme and budget to be measured. The Employers' group considered that optimal use of the Centre was possible only if it had a clearly defined role in the governance of the ILO's activities, especially with regard to capacity building and the Decent Work Country Programmes. A balance had to be found between the sharing of activities in the inter-regional courses in Turin on issues crucial to the Decent Work Country Programmes, and the specific assistance given to national programmes. Results-based programming needed to be closely monitored, as it was important for both the Centre and for the ILO. The Employers' group took the view that cooperation with the field offices was important, and the focal points system should be further developed. The group considered that the paragraph concerning the activities of the campus and field activities was realistic, but failed to give a clear idea of relative proportions of those activities expected in the longer term. It considered also that reinforcement of the capacities of the social partners also meant the development of specific programmes for employers and for workers, and moves to encourage the social partners to participate in regular training. That was not possible unless adequate human resources were available for the Workers' and Employers' programmes, and unless ACTRAV and ACT/EMP were involved in the preparation of training courses so as to make them relevant and attractive for the social partners. The group welcomed the development of the Turin Learning Approach. Part of that approach should improve the impact of training through activities undertaken by the participants on their return to their countries and to their organizations. The policy in question was a major priority for the Employers' group, which endorsed it. The group considered, however, that additional efforts were needed on the Strategic Document, and questions remained concerning the issue of funding among others. The document set a medium-term objective of 50:50 for a stable income, and suggested the additional provision on a permanent basis of €10 million to cover fixed costs. For the Employers' group, the question was what kind of Centre was wanted, to what extent should it be market-oriented, and what proportion of its resources should be stable, while ensuring that it remained associated with the ILO's goals. Once a long-term objective had

been defined, it would be necessary to decide how it was to be achieved. One possible scenario for that would be to integrate the Centre fully into the structure of the ILO, keeping it in Turin or moving it elsewhere. One important question addressed by the strategic document was the role of the campus, its costs and its advantages, and the possibility of giving the Centre an international profile. The question would need to be discussed later on, as should the question of relations with the United Nations and other international organizations. The Employers' group considered that the Centre should be managed in way that better reflected the tripartite nature of the organization. While it had a programme for both Employers and Workers, it might well benefit from making better use of the expertise and networks of ACTRAV and ACT/EMP. Another question that had not been addressed by the Joint Declaration in March, although it needed to be included in the strategic document, related to the new opportunities for the Centre in the light of the recent G20 meeting. The Global Jobs Pact, the inclusion of contributions from the ILO in the G20 document, and the calls from the World Bank and governments with regard to improvements in competencies, all presented opportunities for the Centre. The challenge now was to implement the Global Jobs Pact which should promote economic recovery, sustainable enterprise development, and employment growth. The Employers' group proposed that the Centre's management should use the strategic document as a basis and develop it further. Decisions would have to be taken on the points mentioned, such as the long-term balance between fixed income and market activities; the profile and use of the campus; and the position of the Centre in the ILO planning process. The first proposals along those lines could be discussed during a Governing Body meeting in 2010, and the further developed strategic document could be presented at the next Board meeting in 2010.

70. *The Government Vice-Chairperson* encouraged the Centre to continue its work on that strategy. The Government group considered that the discussion on the medium-term strategy was of crucial importance, and should lead to concrete measures to ensure the Centre's future. She regretted that the Centre had not received adequate support from the ILO, and on behalf of her group called on the ILO to allocate the funding needed for the work of the Centre, the main tool for strengthening the ILO's capacities. The group was convinced that the Centre should remain the ILO's Training Centre, and was unique in terms of size, reputation and what it had to offer. It was more than just a department of the ILO, since it helped other departments to attain their objectives. The G20 conclusions had created many opportunities for the Centre. Other possibilities could be found in the training programmes under the UN's "Delivering as One" initiative, which helped to broaden the ILO's objectives in the UN family. The Government group maintained that an increase in the ILO's regular contributions was possible in the medium term, in a spirit of genuine collaboration and on a more systematic basis, and had discussed whether a percentage of the RBSA should be allocated to the Centre. Before reaching a decision, the Government group would like some clarification on certain points such as the limits of the present RBSA, and possible changes to the applicable rules, as well as the structural and specific impact of outcome-based workplans for cooperation between the Turin Centre and the ILO. With regard to the joint proposal by the Workers' and Employers' groups, the speaker recalled that any decision concerning the future of the Turin Centre would have to be taken on a tripartite basis and invited the groups to work on a common wording.
71. *The representative of the Government of France* expressed her approval of the comments made by all three groups regarding the implications of the G20 for the work of the Centre. She requested the representative of the Director-General to indicate whether the Centre would be included under the definition of the training strategy requested of the ILO, and if so, how. She observed that it was important to define a strategy for funding the activities of the Centre through the RBSA. She hoped that a fixed percentage of the budget would be allocated to Centre's activities. The Government of France proposed that, in future, a

percentage of the budget be set aside for training and capacity-building activities, to be carried out by the Turin Centre in each of the programmes receiving French support.

72. *The representative of the Government of Italy* recalled that his country intended to increase its contributions yet again, to equal previous levels, even if that remained difficult currently. He supported the Government group's position regarding the need to decentralize the Centre's training activities in order to make good its structural deficit and added that the Centre needed to be made more competitive. He recalled on the one hand that the low level of regular contributions placed the Centre in a position of vulnerability and that they should therefore be increased. On the other hand, he proposed that all the Centre's activities and programmes be focused on market demand and that more tailor-made activities be undertaken. He recommended avoiding proposals for activities for which there was no market. He also suggested that the Centre should seek non-financial as well as financial contributions, in the manner of foundations for example. He reaffirmed his support for the Government group's view that the Centre should resolve the issue of ILO funding in a practical way, without making it a question of principle.
73. *The representative of the Government of Tunisia* joined with the other government representatives in recalling the importance of the strategy in the medium term, especially at the present time. He thanked the Director and his team for the proposals formulated, which could be developed further in consultation with the ILO constituents. He noted that the management of the campus was a heavy financial burden but it was necessary to maintain a certain level of operations in order to preserve the institution's credibility and brand image. He remarked that the intervention of the Workers' and Employers' groups contained elements which could be exploited further. One point of particular interest was that of consultation with the various departments of the Office in order better to integrate training activities and to continue to raise awareness among those ILO Members in a position to provide the Centre with financial support.
74. *The secretary of the Workers' group* informed the Board of her group's support for the proposal made by the Governments for a study to be carried out by March 2010 on the RBSA, and on the involvement of the Centre in the implementation of the outcome-based workplans. She welcomed the possibility of further discussions with the Governments on the joint proposal of the Workers' and Employers' groups.
75. *The Employer Vice-Chairperson* recalled that the first part of the Joint Declaration did not constitute interference by the Employers' and Workers' groups in the work of the Governments. ACTRAV and ACT/EMP acted as members of the ILO, not as members of the Board. He noted further that the second part of the proposal was a request from the Workers' and Employers' groups to the Director asking him to ensure more in-depth strategic discussion with the assistance of ACTRAV and ACT/EMP. The Employers' group awaited a reply from the ILO regarding the second part, as well as the report for March 2010.
76. *The Director* took note of the comments made by the various groups. With regard to the implementation of the recommendations of the Employers' and Workers' groups, he stated that the Centre had not been inactive and highlighted the four paths taken. First of all, the Centre had contacted a number of governments, in particular those of the traditional donor countries. The first steps having proved to be somewhat less than effective, a regional approach had now been adopted. Moreover, he recalled that the ILO was the main user of the activities offered by the Centre and provided it with a significant proportion of its resources. Nevertheless, the Centre had taken concrete action to strengthen relations with headquarters and the regional offices. The fourth path was the programmatic approach, which was already in place and under which the Government of Portugal provided support for a four-year action programme on social protection. As to the image of the Centre in the

eyes of the Governments, the Director explained that it was well-known and had a good reputation among recipients in the various regions. However, there was a need to develop a new strategy to promote the Centre in order to win over those donors unfamiliar with its work. It was in that context that a strategy of opening up to other UN agencies could be of interest. It was in the interests of the Centre to approach other organizations with a view to increasing the visibility of the activities of the campus and providing training support for the training activities of the other agencies.

77. *The representative of the Government of South Africa* recalled the trust placed in the Director concerning the management of the Centre and welcomed his good intentions. However, he raised the question of its neutrality following the requests of the Employer's and Workers' groups, and feared that certain debates might not take place within the Board.
78. *The Chairperson* responded to the questions and concerns, stating that the Board was not required to take a decision on the item, as the paper had been presented for information. She stressed that the document would also be discussed in Geneva in the PFAC. Moreover, she expressed concern regarding the evaluation of the impact of the outcome-based workplans over such a short reference period (January–March 2010). With regard to the RBSA, the Chairperson highlighted that the allocation of RBSA funds was governed by the agreed parameters set with the donors. That financial instrument was only used for projects linked to development aid and employing a results-based management approach. She informed the Board that follow-up on the G20 recommendations would be considered by various committees and the Governing Body itself.
79. *The Government Vice-Chairperson* recalled that, although the report on the impact of outcomes-based workplans referred to only a short period (January–March 2010), it was of fundamental importance. She suggested that the rules governing the RBSA would not prevent the Centre from benefiting from those funds.
80. *The Employer Vice-Chairperson*, asked to clarify a misunderstanding. He said that the aim of the request to the Director and of the suggestion to involve ACT/EMP and ACTRAV was not to take decisions outside the Board; it applied only to technical preparatory work that was done on an internal basis and, in any case, the Director would report to the Board. ACT/EMP and ACTRAV were part of the Turin Centre.
81. He informed the Board that an agreement had been reached among the three groups on the proposal made by ACT/EMP and ACTRAV, and suggested the following wording (Item 5, joint proposal of the Board): "The Board asks: To the Director to review all expenditure and income items and to develop in informal tripartite consultations a concrete plan for a sustainable funding and development of the Centre. The Director should report in March to the Officers of the Board and the PFA and decisions have to be made in the 72nd Board meeting in 2010."
82. *The Worker Vice-Chairperson and the Government Vice-Chairperson* expressed their approval. The Government Vice-Chairperson noted that the proposal now enjoyed the support of all the Governments.
83. *The Director* underlined the fact that the decisions concerning the allocation of funds were already taken in consultation with ACT/EMP and ACTRAV.
84. *The Board took note of document CC 71/5(Rev.) and of the proposals made.*

VI. Report of the meeting of the Officers of the Board of 25 September 2009
(Sixth item on the agenda)

85. *The Board took note of documents CC 71/6 and CC 71/6/Add.1.*

VII. Other business
(Seventh item on the agenda)

86. *The Chairperson informed the members of the Board that the report on the 71st Session of the Board of the Centre would be made available to the PFAC from Wednesday, 11 November 2009. In accordance with the usual practice, and taking the very short deadline into account, she invited the Board to delegate the task of approving the report to its Vice-Chairpersons.*

87. *The Board approved the Chairperson's proposal.*

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

88. *The Chairperson proposed that the 72nd Session of the Board of the Centre be held on a date to be determined by the Officers of the Board before the 309th Session of the Governing Body of the ILO, which would be held in Geneva from 4 to 19 November 2010. The exact date would be communicated to members by the Officers of the Board, taking the other meetings of the ILO into account.*

89. *The Board approved the Chairperson's proposal.*

90. *The Chairperson thanked the members of the Board for their active participation as well as for the animated and constructive discussions, which would guide the Centre when responding to the challenges it faced. She expressed her gratitude to the Director, the management team and the staff for their commitment and their efforts to further the development of the Centre. She closed the 71st Session of the Board of the Centre.*

Turin, 6 November 2009.

Submitted for information.

Appendix

Statement to the Board by the President of the Staff Union of the ILO International Training Centre in Turin (6 November 2009)

Madam Chairperson, distinguished Members of the Board, dear colleagues,

Allow me to welcome you to the Centre in the name of its staff.

We understand that the work in front of you for these two days is challenging, as are the decisions that must be taken to tackle the issues raised by the Centre's financial situation. The Staff Union has sought to be as involved as possible in the formulation of solutions to the problems that the management has identified, while also carrying out day to day SU business.

1. Some of the activities carried out by the Staff Union in this period are:
 - (a) Negotiations on: ensuring transparent and fair selection mechanisms including standardization of competition and exams for GS staff; granting of contracts without limit of time; finding solutions for long standing project-based staff; help staff reconcile work and private life through specific arrangements especially for parents;
 - (b) Pursuing negotiations with the HRS directly as well as through joint bodies to make sure that proper staff planning instruments are put in place to allow for a meaningful scrutiny of staff movements;
 - (c) Follow up of personal cases related to work relationships, contractual issues including use of external collaborator contracts, etc. One of the issues for which we collaborated positively with management is the extension of the contract for the secretariat of the SUC beyond pensionable age, pending the finalisation of the recruitment of a new secretary.
 - (d) Pursuing full integration with the SU Committee in Geneva
 - (e) Strengthening staff participation in the SU activities through a continuous consultation (monthly meetings in addition to one extraordinary assembly and one extraordinary meeting to prepare for this Board). The consultation with staff has also been at the basis of the formulation of the staff union policy paper that outlines the strategic direction for the SU action for the short and medium term.
 - (f) Follow up of implementation of HRS circulars such as: 13/2009 on harassment, with regards specifically the identification of an ethics officer and that of 06/25 on teleworking with regards to the lessons learned during the trial period.
2. Regarding the funding of the Centre's activity
 - (a) First of all we must thank the donors who, through voluntary contributions, continue to support the services of the Centre to our constituents, the ILO and other partner organizations: the Italian Ministry of Foreign Affairs (MAE), Italy's Piedmont Region, the City of Turin, the Government of France, and the ILO itself. The work of the Centre has been strengthened, and its activities diversified, thanks to the funding of specific activities by bilateral and multilateral donors.
 - (b) The Centre's activity is highly appreciated, and considered essential, by those who take part in it. This is clear from the results of the evaluation of our training, which remain constantly high from year to year. To give two examples:

relevance to current functions scored 4.37 and relevance to organization's needs 4.42 out of a maximum of five (2004–08). Needless to say, this is thanks to the good work of the staff. We do believe the Centre is a fundamental element to fulfilling the mandate of the ILO, including the new directions identified in the 2008 Declaration and the Global Jobs Pact. We thus remain hopeful that this will be understood and supported by bilateral donors, and by the ILO itself, who may start funding the Centre or increase their current contributions to it.

- (c) As has been said repeatedly, better integration into the technical cooperation activities of the ILO would be not only useful but necessary. It would raise the quality of services provided to the constituents through the Centre's wealth of training expertise. This integration must be facilitated to minimize the opportunity costs the Centre currently bears when mobilizing resources through technical cooperation.

Just as the financial problems are structural so should be the solutions to address them.

In the same vein, staff suggests redistributing workloads to allow some colleagues to dedicate their time and effort fully to mobilizing resources. Information on effectiveness and prospects regarding investments made at the Centre, and clarity about the management of contributions from activities would help improve the use of available resources.

- (d) We endorse the auditors' call for a speedy closure of accounts, promoting transparency and responsiveness. We appreciate and support the measures taken to date to ensure the timely claim of the payments due to the Centre and those that are still due, which amounted to more than 1 million euros by 2008. Any further measures to enhance effectiveness in this regard are welcomed and encouraged.

3. Impact of the current financial difficulties on staff

- (a) Given the modus operandi of the Centre, it is evident that the major asset the Centre possesses is its staff (whatever their contractual status). This consideration must be at the centre of any decisions which are contemplated. We believe that early and in-depth involvement of staff representatives is fundamental in this context. We are working towards an effective and efficient social dialogue within the Centre, hoping to reinforce the implementation of a principle that was also reiterated by the Global Jobs Pact adopted at the last International Labour Conference.
- (b) We are prepared to consider and negotiate new ways to work to overcome the financial difficulties. It is clear, however, that this will not be based on the principle "deliver more with fewer staff". That principle has been stretched to breaking point. It is imperative that all decisions related to staff (including budget considerations) involve staff representatives.
- (c) Finding solutions through staffing reviews requires an analysis of the roles and competences needed for the Centre's work, as well as equitable and transparent management of the workload and responsibilities of each unit and each staff member. We are aware that the Centre has already taken steps in this direction, and are ready and willing to help complete such analysis at the Director's behest. Moreover, the staff supports the idea of cross-cutting use of human resources, as long as the criteria are transparent and equitable. The staff is motivated to participate in exercises of this type, provided their opinions are taken into account and followed up.

In terms of transparency, we look forward to all staff being given the means and opportunity to follow these important sessions (of the Centre's Board) at a distance.

- (d) As mentioned earlier, we are set to work together with the HRS and through the joint bodies (Selection Committee) to adopting clear criteria and guidelines for the selection process overall, and standardisation of competitions and exams for the GS staff.
 - (e) We appreciate very much the intention expressed by the Director to consider all possible options other than those affecting the staff as a result of the financial difficulties. We would indeed oppose a strategy that would see the reduction of staff costs as the mechanism for bolstering the deficit; this would impact both on the quality of work conditions of staff as well as the quality of the services to our constituents.
 - (f) As mentioned above, the Centre has been always successful thanks to its entire staff (of whom nearly one third remain outside of the security of a regular budget contract at the end of 2008). We are concerned about staff on temporary contracts or contracts that are precarious in other ways at the Centre. We have identified vulnerable employment relationships that have been established de facto at the Centre over the years for continued and prolonged periods of time, at times for more than 10 years (project-based, short-term, etc) and are striving together with HRS and management to find viable solutions that respect the rights of staff. Negotiations have started for solutions to resolve both long-standing and emerging staff issues, in full respect of transparency of the decisions and processes.
4. Before ending, I would like to express satisfaction with the frank dialogue we have with the management. We are thankful for the openness of our Director. As we have already mentioned during our meetings with the Director, the crisis, while being a dire time for the Centre, also provides opportunities. Allow me to re-emphasize the need for the Union to be fully and truly involved in the decisions that have an impact on the Centre's most valuable asset, its staff.

Thank you.