

**FOR INFORMATION**

FOURTEENTH ITEM ON THE AGENDA

**ILO capacity-building strategy:
The role of the International Training
Centre of the ILO, Turin****Introduction**

1. In March 2006, on the joint initiative of the Employers' group and the Workers' group, the Committee received a document which outlined the future development of the Centre and its relations with the ILO, against a background of measures designed to better connect the Centre's mandate and activities with the ILO's Decent Work Agenda. On that occasion, the debate, the positions taken by the members of the Committee and the comments by the Office converged on several points.

Points of convergence

2. The first point of convergence rejoined paragraph 10 of the outline document.¹ It was the idea of establishing, within the ILO, a coherent strategy for developing and strengthening constituents' capacities, the only real basis for understanding better the Centre's place and how it can be operationally integrated into the ILO's programme. This idea also made progress within the Committee on Technical Cooperation. The unanimous feeling of that Committee was, indeed, that within the ILO's technical cooperation programme, priority should go to strengthening constituents' capacities, with the Centre playing a significant role therein. The document further specified that its role and place could very well be defined as "training needs analysis and design and testing of training and learning products and tools; implementation of training components of ILO programmes and projects; training of ILO staff; support to ILO research and publication activities; and development of academic networks and programmes aiming at the dissemination of the Decent Work Agenda".
3. The second point of convergence was to note that the Centre enjoyed both enhanced credibility and high visibility among the ILO's constituents, which it had acquired after significant reforms. The Centre's mandate, skills portfolio and professionalism can no

¹ Document GB.295/PFA/15/1(Rev.), March 2006. "Other financial questions. The future development of the Turin Centre and its relations with the ILO", para. 10.

longer be called into question. The common feeling was that it was indeed useful, its actions were relevant and it had provided general support over recent years. In August 2006, however, the Officers of the Board of the Centre² recognized that at the heart of a strategy for strengthening ILO constituents' capacities lay a need to overcome a lack of cohesion among the different stakeholders: the ILO's technical services, the field offices, the International Institute of Labour Studies and the Centre. This need for greater coherence leads inevitably to questions of coordination and of the best division of labour among them, which are sine qua non conditions for ensuring that the Organization becomes even more effective in fulfilling its essential missions. The Director-General echoed this in his speeches when he dwelt on the importance of coherence and complementarity in the ILO's action.

4. The third point, also a shared acknowledgement, was that total integration of the Centre into the ILO would pose severe legal and financial problems, due especially to the Centre's financial structure, the degree to which it depends on outside sources and channels of funding, and the zero growth that constrains the ILO's budget.
5. The weight of the Centre's dependence upon outside sources of finance has already been highlighted as one of the structural factors that needs to be dealt with. Mentioned by the External Auditor in his November 2005 report to the Board of the Centre, this dependence accentuates the difficulty the Centre has in planning its activity in the medium and long term, not to mention ensuring the major budgetary balances. Among different lines of action,³ the Officers of the Board of the Centre and several members of the Committee backed the idea of finding a new mechanism or system by which direct contributions to the Centre's budget would be made by the industrialized countries, in addition to Italy, and the Office.⁴ This would make it possible in part to stabilize the Centre's action by reducing the degree of uncertainty and the conditions often linked to the negotiation of extra-budgetary resources for technical cooperation to a manageable level.
6. These convergences have been confirmed on other occasions. In August 2006, when chairing the meeting of the Officers of the Board of the Centre, the Director-General summarized the general feeling by stating that among the array of means available to the ILO, the Centre had a unique role in transferring knowledge of ILO issues and concerns through capacity building. Its distinct contribution was that of shaping and consolidating the capabilities of ILO constituents, an activity that was increasingly recognized as a key component of development cooperation. Moreover, going back to setting out a coherent policy of training and capacity building, he ended by reaffirming the key role of the Centre in transferring the knowledge and developing the skills needed to support the Decent Work Agenda within the United Nations system.

² Document CC/68/6/a, 68th session of the Board of the Centre, sixth item on the agenda, Report on the meeting of the Officers of the Board (15 August 2006), Turin, November 2006.

³ Among various measures the speakers for the Employers' and Workers' groups suggested were staff exchanges, temporary loans of ILO experts, and more subcontracting of activities, measures that would make it possible to cut costs or increase the volume of the Centre's activities and income.

⁴ It is worth noting that when the Centre was created in 1964, the formula accepted by nearly 40 member States was based on a system of voluntary contributions. However, that non-compulsory system soon gave way to the current one in which the weight of contributions not linked to services provided is essentially borne by the host country (Italy) and the ILO, who account for just over a quarter of the Centre's annual budget.

7. Lastly, it is worth recalling that at its November 2006 session, the Board of the Centre gave broad support to the priorities and guidelines of the Centre's new five-year Development Plan (2007–11). It nonetheless endorsed the representative of the Government of Italy's remark that the Plan's feasibility was heavily dependent on budget hypotheses about the level of resources that would be made available to the Centre to implement it. The Board of the Centre adopted the Plan unanimously. It went on to gain support from this very Committee and from the Governing Body. The ILO and all the abovementioned bodies thus united in support of the Centre's action. They were all equally aware that a timetable should be set for the reforms in order to promote closer integration between the Centre and the ILO's operations and to adapt it to the challenges it will have to meet in the next five years.

Developing capacities and cohesion of means: Towards an ILO strategy

8. In this section, without attempting an exhaustive analysis, the objective is to clarify the features that constitute a capacity-development strategy for the ILO. Although they deserve further, more detailed analysis, especially in the light of already mentioned external factors such as the reform of the development pillar within the United Nations system, at this stage of the in-house discussion the Office's aim is to gather the Committee's opinions and suggestions.
9. Without getting into a conceptual debate about the notion of capacity development, let us simply agree to define it as *what the Organization does, within the framework of its institutional mandate, to strengthen the capacity of its constituents and partners to devise, plan, implement and consolidate an agreed decent work agenda at local, national, regional and global levels*. What the Organization does, within this framework, must also, as far as means allow, seek to guarantee coherence among (economic, social, commercial, financial, etc.) development policies.
10. As a tripartite organization, the ILO is fully aware that capacity building goes well beyond governmental agencies. While governments' role is essential in shaping economic and social policies and programmes, their effectiveness may be constrained by insufficient resources, political considerations and fast staff turnover. Non-state players that are well rooted in civil society, such as employers' and workers' organizations, but also cooperatives and local development associations, may ensure greater continuity and return on the investment made in the development of their institutional capacity.
11. The strengthening of the capacity of governments, the social partners and other important institutions (including the judiciary, parliaments, the media, local governments and cooperatives) permeates all the components of the Decent Work Agenda. It affects the use and promotion of fundamental principles and rights at work. It conditions the ways in which employers' and workers' organizations are governed and are involved in setting and implementing their country's employment and social policies. Strong internal capacity helps these organizations to engage in meaningful social dialogue. Fully functional and performing labour market institutions, including labour market information systems, employment services, training systems, labour inspection and social security institutions, are essential to formulating appropriate policies and to meeting the huge demand for services emanating from the civil service as a whole, enterprises, jobseekers and the unemployed, in both the informal and the formal economy. Forecasting, planning and research capabilities in governmental agencies, social partner organizations, universities and other entities are required for monitoring social and economic phenomena and trends (including labour migration and child labour) and for forecasting and devising appropriate responses and measures.

12. Capacity development has many dimensions. Financial and material resources are critical: there is no point in having competent and motivated labour inspectors if they lack the means to carry out their missions. Second, legal and political empowerment is a necessary condition for sustainable impact: if ministries of labour have no say in policy-making or employers' and workers' organizations have political or legal limitations on their action, they are not likely to achieve sustainable impact. Third, the development of tools, working processes and policies based on best practice may greatly enhance institutional capacity. Fourth, staff competence, commitment and motivation are the engine of any effective institution.
13. The ILO has gradually withdrawn from direct implementation to emphasizing the transfer of know-how and the strengthening of national institutions' capacity. Direct implementation still remains a significant component of specific programmes, e.g. IPEC, local economic development, entrepreneurship development and labour-intensive infrastructure investment. Direct implementation, however, will always fit into the overall project strategy as the demonstration that the ILO's tools and approaches work and can be replicated on a larger scale by national authorities. The coming together of relevant national institutions to pilot direct implementation activities is therefore a critical component of the ILO's capacity-building strategy. Only in exceptional circumstances – e.g. emergency situations linked to natural disasters or civil strife – has the ILO taken on more direct responsibility in the absence of sufficient national capacity. A clear strategy of bringing together national institutions and building their capacity has also become an essential criterion in the ILO's project design and project appraisal policies.
14. These acts rely on a range of means and skills that make up the Centre's tradecraft. To be effective, the ILO and the Centre act on three levels: individuals, organizations and systems. These three levels reinforce each other. At the level of individuals, training and the transfer of knowledge are based essentially on boosting capabilities linked to decision-making. Depending on the nature of the action, they combine professional knowledge with skills in connected fields: management, communication, negotiation, legal and political responsibilities, teaching and teacher-training, to name but a few. Training and the transfer of knowledge at the individual level must take into account the context in which it takes place, namely the target organization, and even more so the interaction between the latter and the people who are part of it.
15. At the level of organizations and systems, training and human resources development are necessarily placed in a broader context: that of getting institutions and policies to work and be effective. They are therefore supported by other methods and means than training, with a strong focus on advice, reforms to undertake, policy coherence, and keeping the mandate of the target organizations continuously in line with social, economic, cultural and financial trends.
16. An ILO-wide capacity-development strategy needs to assess thoroughly the added value and comparative advantages of its main operational arms. ILO technical staff at headquarters and in the regions are best placed to assess, and advise on, the effectiveness of policies, approaches and tools in different economic, political, social and cultural contexts worldwide. Technical staff are best equipped to exercise knowledge-development, quality-assurance and knowledge-sharing throughout the Organization.
17. The network of ILO field offices is the interface between the Organization and its constituents. They are responsible for assessing constituents' needs and adapting the ILO's technical support to specific conditions. They channel the ILO's action in relation to perceived priorities reflected in Decent Work Country Programmes and in national development frameworks. They provide advice and feedback to ILO technical sectors on what works and what does not work in the application of general ILO policies and tools at

country level. They directly manage most of the ILO's technical cooperation and field-based capacity-development activities.

18. The Centre is one of the ILO's central channels and instruments for capacity development, training and learning among its constituents. The Centre takes a structured, learner-centred approach to training. The content and methods have a strong practical orientation. They are meant to assist the participants to enhance their professional knowledge and their competencies in their actual and future jobs as policy-makers, decision-makers, managers and professionals. Accordingly, the Centre helps reinforce capacity at the individual level. By working closely with governmental institutions and agencies, employers' organizations, workers' organizations, and regional and international organizations from which the participants hail, it creates conditions for linking individual learning activities to the performance of those organizations. Thus, capacity is enhanced at the organizational level. The capacity-development concept applied by the Centre encompasses advanced professional training as well as human resources development and organizational development.
19. To the extent that the Centre's activities are embedded in wider technical cooperation or institution-building projects, or to the extent that they are specifically aimed at creating an enabling environment, the third level of capacity development – the system level – is also addressed.
20. The 95th Session of the International Labour Conference, in June 2006, reviewed the ILO technical cooperation policy and strategy. The report of the Committee on Technical Cooperation to the plenary session emphasized that

the design and implementation of technical cooperation programmes should take full advantage of the expertise, facilities and training capacity available at the International Training Centre of the ILO. The ILO should use the Turin Centre to build the capacity of constituents and its programmes should reflect their growing needs. It should also use the Turin Centre to ensure that all ILO staff are familiar with the principles, aims and operations of the technical cooperation programme as set out in these conclusions. Where possible, the Turin Centre should collaborate with national and regional training centres with similar objectives.
21. The success of the ILO's capacity-development strategy will ultimately depend on the successful combination of technical sectors' knowledge, field offices' adaptation to constituents' demands, operational capacity and the Centre's learning technology and expertise.
22. An optimal division of labour between the Office and the Centre requires a pragmatic and coherent approach. On the one hand, as mentioned above, international technical cooperation (including the ILO's) is gradually withdrawing from direct implementation and increasingly focusing on the transfer and adaptation of know-how and the development of personal and institutional counterpart competencies. On the other hand, training and learning have been gradually moving away from the classroom and into the workplace, with the introduction of open and flexible learning modalities and approaches. Inevitably, and by necessity, training and technical assistance will overlap. However, many training activities are taking place in ILO technical assistance projects without the Centre's direct participation. At the same time, the Centre increasingly designs and implements projects that, though they have learning and training as their main focus, also include other components, such as advisory services and network building.

Options and tools for change

23. Cooperation between the Centre and the ILO is multifaceted, rich in exchanges and partnerships that form around well-defined objectives and priorities. However, they remain ad-hoc and selective instead of falling within a joint programming framework. We shall come back to this initial observation later.
24. Given the points of convergence, the capacity-development strategy and the goal of cohesion among means, the questions that spring to mind are numerous and often complex. While full integration may not be realistic, what options are there to greater and more coherent integration at the operational level? Knowing that the Centre, like the ILO's field structure interfaces directly with constituents, what measures should be taken to adapt and integrate its operations with, or complement, those of the ILO field structure? Further on, in the medium term, what should be done to anticipate, and to adapt to changes in official development aid, including strong growth in public-private partnerships and reform of the development pillar within the United Nations system? What content should be given to the relationships that need to be established with the technical services at headquarters and in the regions? With the International Institute of Labour Studies? With regional structures like CINTERFOR in Latin America?
25. We shall now take a brief look at the options and proposals, especially those that the management of the ILO and of the Centre deem to have priority.
26. The first question is an institutional one. The Officers of the Board and the Board of the Centre debated it in August and November 2006, respectively.⁵ The main idea that emerged from the discussion was to study a new mechanism of direct contributions to the Centre's budget by the industrialized countries, in addition to Italy, and the Office. This mechanism should be designed to reduce to a manageable level the risks and uncertainties that confront the Centre due to its increased dependence on outside sources of funding. One of the key points of any such analysis is to locate precisely the optimal point of balance between the level of direct contributions, forming the basis of a regular budget, and the level of extra-budgetary funds negotiated with the major donors, while taking into account the competitive context.⁶ In other words, it is worth setting out clearly the stable, regular budgetary platform from which the Centre could begin to use and maintain the assets which it has today in a training and technical cooperation world increasingly marked by competition among service-providers, be they private or public.
27. The proposal is therefore to prepare a working paper to submit to the Board of the Centre and the Programme, Financial and Administrative Committee of the Governing Body of

⁵ See document CC/68/6/a of the Board of the Centre, sixth item on the agenda, Report on the meeting of the Officers of the Board (15 August 2006), Turin, November 2006, and document GB.297/11/1, November 2006, Report of the Programme, Financial and Administrative Committee.

⁶ It would take a meticulous analysis to determine the optimal level for a regular contribution. The level might vary according to the nature or type of the activity or as a function of the current parameters of the Centre's funding structure. Two examples illustrate the complexity of the issue. The first derives from the priorities fixed by donors or development agencies, which are not necessarily the same as those on the ILO's agenda. Hence the difficulty the Centre has when it tries to negotiate assistance and resources for strengthening trade unions or employers' organizations, social dialogue issues or promoting international labour standards, for instance. The second example is the difficulty the Centre has getting resources for research and development. In fact, its funding structure determines the way it primarily works, which is as an international centre that provides training services, in a most exclusive manner, with links to an international organization whose research is supposed to feed into those services.

the ILO in November 2007. There will be prior consultations with the members of the Governing Body, and the paper will put forward options and proposals. As Chairperson of the Board of the Centre, the ILO Director-General endorsed this idea and, moreover, invited the Employers' and Workers' Groups to provide their support.

28. A set of further concrete measures are proposed.

- Making the Centre's programming cycle more compatible with that of the Office. In practice, for reasons already set out, the Centre plays a minimum role in the ILO's programming cycle. The Centre finds itself having to commit staff and time⁷ with no guarantee of tangible results. Assuming that a realistic option emerges from the working paper proposed in paragraph 27 above, one of the beneficial effects would be to facilitate a coming together of the two programming cycles. Indeed, if it had a budget with a level of regular income that was more predictable in the medium term, the management of the Centre would automatically have more room to set upstream guidelines compatible with that of the Office, and would not be subject to the vagaries of outside sources of funding.
- Creating the conditions for establishing an effective, solid link between the ILO and the Centre for the purpose of adapting and transferring the results of research and production of tools (guides and advisory service manuals) in the Centre's training programmes and cycles. This link already exists in part, but it must be strengthened by making sure that the Centre has the downstream capacity to adapt those results and tools to a wide range of teaching situations by drawing on the most modern educational methods and technology. In return, the ILO would benefit from validation among a wide network of participants and decision-makers, who know the problems they face. The Centre provides them with an international, multicultural environment in which they talk to each other, compare ideas, practices and the reasons for setbacks, thereby offering the ILO a unique source of validation for its own programmes.
- Gradually putting into practice the concrete measures devised in November 2005 by the ILO's Development Cooperation Department to implement the recommendations of the "Task Force" set up in 2003 regarding technical cooperation. The central idea is systematically to integrate a visible training and capacity-building component, entrusted to the Centre, into the design and implementation of the ILO's major technical cooperation programmes. This component will take account of the cost-benefit parameters that would enable the Centre to make an effective contribution. In negotiations with the leading donors, it could be seen either as a specific project or as inter-related institutional capacity-building elements of a broader programme.
- Setting up a flexible system for planning and sharing the ILO's and the Centre's human resources with a view to better implementing their regular programme of courses, whose primary aim is to disseminate the tools, approaches and policies needed to put the Decent Work Agenda into effect.
- Using the Centre effectively to design and run a training and refresher programme for ILO staff and induction courses for new officials.
- Developing short cycles of postgraduate university training, accessible to all constituents, with the objective of integrating the various dimensions of the Decent

⁷ Within the present funding set-up, the Centre's officials and experts are primarily assigned to implementing programmes in order to guarantee the quality of the services provided to third parties and to keep budgets balanced.

Work Agenda into academic networks and higher education. This line of action should be based on a joint programme of work by the Centre and the International Institute of Labour Studies.

- Taking advantage of existing experiences, group purchases, and the transfer and adaptation of systems set up by the ILO to realize economies of scale for the Centre with regard to investment policy and practices (in management information systems, security, telecommunications, furniture and equipment) and of subcontracting publication and reproduction.

29. For each of the actions envisaged in paragraph 28 above, units and officials of the Office and of the Centre will be entrusted with studying concrete measures, in accordance with the subjects covered. If necessary, they shall be invited to form an ad hoc working party. Their report and recommendations will be the basis for keeping both the Board of the Centre and this Committee regularly informed.

Geneva, 23 February 2007.

Submitted for information.