



EIGHTH ITEM ON THE AGENDA

**International Training Centre of the
ILO, Turin****(b) Report of the 64th Session of the
Board of the Centre
(Turin, 5-6 November 2002)**

1. *The Chairperson, Mr. Juan Somavia*, welcomed the members of the Board, in particular those who were attending for the first time since the composition of the Governing Body of the ILO had been renewed the previous June. He noted with satisfaction the increase in the number of Government representatives, which was a sign of growing interest in the Centre. This trend was accompanied by the strengthening of ties between the ILO and the Centre and by the Centre's greater visibility within the United Nations. He was grateful to the Government of Italy, represented by Mr. Perone, to the City of Turin, whose Mayor, Mr. Chiamparino, was present, and to the Piedmont Region, represented by Mr. Pichetto Fratin, for their permanent commitment to the Centre. As expressed in the past, there is a need to deepen the cooperation and integration between the ILO and the Centre. We are moving in that direction. He reiterated his commitment to making full use of the capacities of the Centre. Closer working relations were being pursued in a number of specific ways, some of which he was pleased to share today with the members of the Board: (a) within the framework of the 2000-01 surplus, all ILO units had been asked to consider positively the possible contribution of the Centre to surplus items. This was reflected in both internal instructions and in the paper on the surplus that would be considered at the forthcoming session of the Governing Body. Collaboration was being actively explored, for example on the training and capacity-building elements of projects proposed by the regions, as well as on staff training; (b) the manager of the ILO team developing the Enterprise Resource Planning (ERP) project had recently visited the Centre to explore assistance from the ILO on financial, human resources and administrative matters; (c) a new system for technical cooperation project design would contain guidance on how the Centre could and should contribute to training and capacity-building elements of extra-budgetary projects; (d) the closer integration of Professional staff was nearing the initial stage of implementation; (e) the Programme and Budget proposals for 2004-05 would contain a number of elements to support the Centre. Beyond the regular budget subsidy, specific measures to use the Centre's training capabilities and also its document production capacities would be planned. Presently, in the current biennium, the ILO contributed US\$11.6 million to the Centre's operations (\$5.5 million core funding plus \$6.1 million for activities entrusted to the Centre). The Office could and would do more as highlighted above by exploring new opportunities for greater synergies between the two institutions. Members of the Board

were aware that the ILO was still subject to an enormous constraint of zero growth budget policy from major donors which impacted on the formal subsidy to the Centre. Having said that, it might be that sustaining the Centre's financial soundness would also require new approaches in programme development. In that respect, he would like to underline the Centre's creativity, imagination and capacity to innovate. In several circumstances, he had been able to appreciate such capability and the staff's dedication to the mandate of the Centre. He would like to thank Mr. Trémeaud and his staff for the efforts made and the results achieved. Mr. Trémeaud, as a member of the ILO senior management team is the best guarantee to move forward on cooperation. The Director-General trusts the future of the Centre.

I. Election of the Vice-Chairpersons of the Board

(First item on the agenda)

2. The current composition of the Governing Body of the ILO had been decided upon in June 2002; the mandate of its members would expire in June 2005. *The Chairperson* invited the representatives of the Governments, Workers and Employers to put forward their respective candidates for Vice-Chairperson of the Board of the Centre.
3. *The Government spokesperson* put forward the candidature of the People's Republic of China as Vice-Chairperson of the group, in the person of Mr. Zhang Gouqing, Counsellor at the Permanent Mission of the People's Republic of China in Geneva. This candidature reflected the growing interest of the People's Republic of China in the training of human resources and its cooperation with the International Training Centre of the ILO.
4. *The representatives of the Governments of El Salvador, India, the Islamic Republic of Iran, Kenya, the Libyan Arab Jamahiriya, Lithuania, Nigeria, and the United States* supported the candidature of the People's Republic of China for the post of Vice-Chairperson of the Board of the Centre.
5. *The Board* approved the candidature of the People's Republic of China.
6. *The Employers' group's spokesperson* proposed the reappointment of Ms. Sasso Mazzufferi to the post of Vice-Chairperson of the Board of the Centre. The spokesperson recalled Ms. Sasso Mazzufferi's long-standing commitment and her contribution to the constructive relationship among the different groups. He concluded that the present Vice-Chairperson was the best candidate for the post.
7. *The Board* approved the candidature of Ms. Sasso Mazzufferi.
8. *The Workers' group's spokesperson* proposed Mr. Rampak as Vice-Chairperson of the Board.
9. *The Board* approved the candidature of Mr. Rampak. Mr. Rampak knew the Centre well and had shown his commitment to unity of action with the ILO.
10. *The Chairperson* congratulated the three Vice-Chairpersons. He reminded those present that under article 3.5 of the Statute of the Centre, the Chairperson, the three Vice-Chairpersons, the representative of the Government of Italy, the representative of the Secretary-General of the United Nations and the Director of the Centre were to be the Officers of the Board.

11. *The Chairperson* called upon the Mayor of Turin, Mr. Chiamparino.
12. *Mr. Chiamparino* welcomed the members of the Board of the Centre, most especially Mr. Somavia and Mr. Trémeaud, whom he had already met several times to discuss the improvement of the Centre's equipment and activities, with which he was very pleased. He went on to highlight the importance that the City of Turin gave to the International Training Centre of the ILO. The Centre's presence in Turin enabled the Municipality to take part in a constructive process of globalization. He stressed that its support for the Centre went beyond words. As an example, he pointed to the City's significant investment in renovating the Centre's facilities ahead of the 2006 Olympic Winter Games. Lastly, he thanked all those present and expressed his hope for ever closer cooperation between the Centre and the City of Turin.
13. *The Chairperson* underlined the importance of the Mayor's comments and pointed out that the Turin Centre was the most important training centre in the United Nations system. He thanked the City of Turin and its Mayor for their constant support. He then gave the floor to the representative of the Piedmont Region.
14. *The representative of the Piedmont Region*, Mr. Pichetto Fratin, greeted the members of the Board on behalf of the President of the Region, Mr. Ghigo. He focused on Piedmont's international vocation and pointed out that collaboration with the International Training Centre of the ILO, in the form of support for specific projects, went back a long time. To illustrate this, he cited the financial contribution to the United Nations Staff College Project and the support for the activities of the European Social Fund. Today, the Piedmont Region wished to develop and to institutionalize its relations with the Centre. To this end, two bills had been brought together into a single project currently being discussed by the Regional Council. If approved, that project would provide €3 million to fund the renovation of the Centre's facilities. In addition, the Region would continue its institutional support for the Centre through a grant of €150,000 a year. Finally, a similar sum would be allocated to finance joint training programmes. Those sums would be re-negotiated after three years. The representative of the Piedmont Region felt certain that institutionalizing relations with the Centre would benefit both parties.
15. *The representative of the Government of Italy*, Mr. Perone, endorsed the two previous speeches. He, too, highlighted the quality of the activities the Centre held. He welcomed the increase in the number of training courses run by the Centre, as well as the broadening of its scope. He dwelt on the importance of new technologies, especially for information and for distance training. He confirmed that the Italian Government would maintain its support for the Centre. Indeed, the Government of Italy's financial support had burgeoned in 2002, rising to a statutory contribution of €7.6 million and a voluntary contribution of €5.7 million. He pointed out, moreover, that Italy's commitment was also manifest in the renovation of the Centre's facilities between now and 2006. He was pleased at the ever closer integration of the ILO's strategic objectives into the activities of the Centre. He was certain that Italy's contribution to meeting the Centre's costs was useful. This was proved by the international recognition that the Centre enjoyed, which he had encountered at first hand in Latin America.
16. *The Chairperson* thanked the representatives of the Piedmont Region and the Government of Italy for their decisive support and for their speeches. He then called upon the Director of the Centre to present documents CC64/2 and CC64/3 and their addenda to the Board.

II. Director's report on the activities of the Centre in 2001-02 and perspectives for 2003
Report on the implementation of the programme and budget for the current financial year (2002), and Programme and Budget proposals for the 2003 financial year
(Second and third items on the agenda)

17. *The Director* explained that these two documents drew up a balance sheet on the activities of the Centre in 2001, drew the first lessons from 2002 and looked ahead to 2003 by identifying significant medium-term trends. The Director pointed out that the number of participants had risen by 25 per cent in two years. Two factors had contributed to that growth: firstly, a sharp increase in activities in the field, which now accounted for over half of all training; and, secondly, the development of distance training. As regards programme content, the Centre had concentrated on the ILO's four strategic objectives, which today inspired 70 per cent of its activities. The remaining 30 per cent dealt with training technology and the management of development. In terms of where participants came from, the number from Africa had risen sharply; the number from Asia and the Americas had grown; and the number from Central and Eastern Europe had doubled. He regretted that the number of participants from the Middle East, in contrast, had fallen, due mainly to the political situation. As regards participation by women, the year 2001 set a record in that women accounted for 39 per cent of all participants. Moreover, training activities specifically for women or concerning gender issues rose from 16 in 2000 to 29 in 2001. As for the place of tripartism in the Centre's activities, the Director noted that the number of worker and employer participants had risen by 13 per cent in 2000 and by 17 per cent in 2001. Furthermore, thanks to the financial support of Italy, fellowships awarded to workers or employers had risen from 60 in 2000 to 70 in 2001. The year 2001 had also been marked by the completion of the Second Development Plan, one of whose most significant outcomes had been a broadening of the technical skills of the Centre's staff, which now covered all the ILO's priority action fields. Moreover, he stated that, in line with the wishes of the Board, a new system for evaluating training had been set up. A database soon to appear on the Centre's Intranet could be consulted to see the level of participant satisfaction at the end of an activity. In addition, a means of evaluating the impact of training was being designed. A pilot project involving seminars for labour case judges was under way. It should be possible gradually to develop this impact evaluation by making full use of the ties between the Centre and its former participants. As regards the financing of activities, although diversity of sources (Italy, the ILO, multilateral and multi-bilateral donors, direct funding) remained appropriate, the Director noted the Centre's growing success on the international training market, as shown by the nine tenders recently won by different Centre programmes. He then spotlighted the Centre's increasing dynamism in the field of publications and graphic design, which had also been of benefit to the ILO, other organizations within the United Nations system and the European Union. The Director spoke next of the project to renovate the Centre ahead of the 2006 Olympic Winter Games. He stressed that it was both a historic opportunity and a necessity. The renovation would improve both working conditions and accommodation facilities and enhance the quality of the activities the Centre could offer. Nevertheless, it could not be denied that the works would cause heavy inconvenience, which should be kept to a minimum. The Director recalled that on 1 January 2001 the United Nations Staff College had become fully autonomous with its own legal status. That decision, taken by the General Assembly of the United Nations, showed how well funded the creation of that institution by the Centre had been. As regards budget matters, the Director declared that the year 2001 had generated a

surplus of \$283,000. In contrast, the 2003 budget would be more problematic because of the wage rise for international civil servants that the United Nations General Assembly was expected to decide upon and which would come into effect next April. That would increase the Centre's fixed costs by nearly 25 per cent. Over the last 14 years, the Centre had succeeded in maintaining financial balance because, faced with rises in the payroll and in fixed costs, which had remained manageable, the Centre had followed a policy of growth, based both on a significant increase in the number of activities and participants and on a major effort to boost productivity. This boost in productivity had been all the more noteworthy in that the number of officials on the payroll under the regular budget had been kept steady at around 160. The Board should therefore assess those structural difficulties carefully and seek lasting, long-term solutions to them. Every analysis showed that, in 2004-05, the Centre would not have the means by itself to meet such a large payroll increase. It would rise from \$12 million in 2001 to \$14.3 million in 2003 to an estimated \$15.7 million in 2005. The Director welcomed the Chairperson's comments on the ILO's position and the measures to be taken, which, in the circumstances, were essential and should now be quantified and made precise. The Director then turned to the speech by the representative of the Italian Government and thanked him for having expressed Italy's wish to enhance its support for the Centre. He also said that he had decided to set up a working party at the Centre with a mandate to study realistic measures that would further increase productivity and cut costs, even though it was clear that such measures would not be enough. To conclude, the Director repeated that the Centre would do everything possible to fulfil the expectations of the Board while respecting the budgetary constraints that he had just described. If the Board chose to follow the path of greater integration with the objectives of the ILO, it should consider henceforth what that required and implied in financial and structural terms, as well as in terms of relations and ways of working with the ILO.

18. *The representative of the External Auditor declared:*

Firstly and most importantly, I wish to confirm to you that our audit revealed no weaknesses or errors which we considered material to the accuracy, completeness and validity of the financial statements as a whole, and that the External Auditor placed an unqualified audit opinion on the Centre's financial statements for 2001.

The audit was an independent and rigorous external scrutiny, conducted in accordance with the Common Auditing Standards of the United Nations Panel of External Auditors and best professional practice. It included a detailed examination of the financial statements; review of control procedures and systems; and tests of accounting records, transactions and supporting documents.

As you know, under the Financial Regulations, and in addition to the audit of the accounts, we carry out management audit work on performance issues, which we believe are of constructive benefit to the Board and to the Centre, towards the cost-effective improvement of financial management and business operations.

The results of this work are included in the External Auditor's report before you; and our main findings and recommendations are set out in the Executive Summary, at the front of the report.

The report consists of an Executive Summary, an outline of the scope and approach we adopted for the audit, our detailed findings for 2001, and, of course, the results of follow-up to earlier recommendations.

All of the recommendations in the report have been accepted by the Director of the Centre.

I should like to begin by saying a little to you about the financial position of the Centre.

The actual income and expenditure was broadly within budget and did not present a serious risk of the Centre breaching financial limits set by the Board.

The shortfall in actual voluntary contributions received against budget was due for the most part to exchange losses of \$517,000. These were compensated for by large gains on exchange on expenditure transactions, and contributed overall to a modest gain on exchange of \$40,000 in 2001. This compares to a loss of \$694,000 in the year 2000.

The Centre made an operating deficit of \$219,000 for 2001. However, due largely to gains from savings and cancellations of prior period obligations, the Centre reported a surplus for the year of \$283,000. The overall financial position remains sound, as the Centre has large reserves and significant cash and term deposits to meet its liabilities as and when they fall due.

The Centre recorded a negative cash flow from its operating activities for the year of nearly \$4 million – mostly due to the reduction of income received in advance, coupled with increases in the balance of accounts receivable and decreases in the unliquidated obligation balance.

Perhaps I may now turn to the substance of our main audit findings for 2001.

We chose to look at some business developments at the Centre, specifically recent developments in distance learning and the Centre's evaluation of its activities. We also took the opportunity to review the main controls operating over the Centre's information systems environment.

DELTA was formally established as a separate unit on 1 January 2000, to consolidate the Centre's expertise in training technology. Its objective is twofold: firstly, to assist all Centre programmes to innovate by introducing more information and communications technology into their course design; and secondly, to train trainers in the latest training technologies.

In our review of DELTA, we found that operational activity for 2001 was some 25 per cent lower than planned, yet there had been no systematic analysis of the explanations for variations between the budget and final outcome. We consider that this budget monitoring and review should be done on at least an annual basis for top management's information and consolidated by the Training Department to include all sectors.

We were informed that 50 per cent of the staff costs incurred by the sector were for supporting other technical programmes in the development of distance learning programmes. We have recommended that the Training Department should recharge this support element to other technical programmes.

The Centre considers it essential to undertake systematic evaluation of its activities and has established an evaluation unit. To date, the unit has focused its work on developing an end-of-course participant satisfaction questionnaire. This is used to provide Programme and Activity Managers with information on participants' immediate appreciation of the quality and relevance of the content, methods and services related to completed activities.

To improve the usefulness and value provided by the evaluation effort, we have recommended that the Centre considers establishing formal targets for each technical sector, combined with regular reporting of achievement against these targets to senior management. We have also recommended that the Centre funds the evaluation section from its regular budget, to ensure that this important activity is safeguarded. To improve the efficiency of the evaluation recording arrangements, the Centre should utilize the capabilities of its financial and administrative information systems more fully.

The Centre's information systems have become increasingly important as more information is handled and stored electronically. The majority of the Centre's training aids, manuals, publications and intellectual property exist primarily in electronic form. The loss of this material would be extremely detrimental to the Centre's operations.

We performed a review of the main controls operating over the Centre's information systems environment and we identified a number of areas where the Centre could make useful improvements to procedures and controls.

In particular, we have recommended that the Centre establish a formal systems security policy, including guidance on passwords and the use of the Internet. We have also recommended that the Centre develop a disaster recovery plan as a matter of business priority, to ensure that essential business operations can continue in the event of disruption or disaster.

Good corporate governance and effective internal controls are a necessary framework for the successful achievement of objectives.

The internal audit function plays an important role in this. The Centre's internal audit service is provided by the ILO's Office of Internal Audit and Oversight. Despite there being a period of considerable challenge and development at the Centre, our audit review found that no internal audit examinations had taken place since March 2000. We have recommended, therefore, that the Centre review the adequacy of coverage currently provided by the Office of Internal Audit and Oversight.

We routinely carry out follow-up work on the Centre's implementation of previous audit recommendations. In relation to the implementation of the new financial and administrative information system, on which we commented last year, we noted that the Centre had eliminated the backlog of work that had existed; and had taken action on a number of the other issues we raised.

Notwithstanding this welcome progress, the Centre has not yet fully capitalized on the implementation of its new system; and therefore we have recommended that management seriously consider reviewing the main administrative, programme and financial procedures, to streamline and more fully integrate financial and other operational functions.

I am pleased to note that the Centre has taken action to address the other recommendations made in our previous report.

Mr. Chairperson, that brings me to the end of the points I wished to make on the external audit report for 2001. On behalf of Sir John Bourn, I would like to express our appreciation for the open and constructive cooperation provided by the Director, the Deputy Director, and the staff of the Centre during our audit.

Mr. Chairperson, Members of the Board, thank you for your time today.

19. *The Employer Vice-Chairperson* thanked the Employers' group of the Board and the Employers' group of the ILO's Governing Body for their confidence. She appreciated the clarity, precision and wealth of information contained in the different documents, which were very useful for understanding the life of the Centre. She supported the Chairperson's recommendations for closer cooperation between the Centre and the ILO to ensure that the Organization achieved its objectives. She welcomed the recommendations on how to allocate the budget surplus. Turning to the Director's speech, she welcomed the increase in the Centre's activities in the field, the consolidation of its technical programmes and the development of distance learning, all of which had been achieved without neglecting the importance of training held at the Centre. She thanked the Director for the statistics on the Centre's work to integrate gender issues into all sectors. She expressed her satisfaction with the statistics available in Annex 2 on the breakdown of participants by employers and workers; this was very useful information. She welcomed the big increase in participation by the countries of Central and Eastern Europe, which matched growing needs in the region. She hoped that those efforts would continue. As regards the evaluation of training activities, through the new overall evaluation system and other means, she congratulated the Director and those responsible for the objectives achieved, and mentioned the high level of participant satisfaction. She recommended steps to improve the distribution of pre-course information. In addition to the use of questionnaires for the assessment of programmes, it would be equally worthwhile to establish a network of former participants that would make it possible to monitor the practical application of knowledge acquired from training and to make sure that it was disseminated. She thanked the Italian Government, the Piedmont Region and the City of Turin for their financial support, which would make it possible to double the number of rooms by 2006 and to adapt the campus in terms of technology by enhancing the comfort of the facilities. She asked that everything be done to redress the imbalance in the number of employer and worker participants (tables 6 and 7). Although distance training for Latin America had grown sharply, this must not be to the detriment of activities at the Centre or in the field. Despite a significant increase in the number of participants from Asian countries, she asked that efforts be made on behalf of South-East Asia, a region with significant needs. In addition, the Centre

should ensure that it remained competitive enough to win new tenders under programmes of the European Union and other players in international cooperation. Concerning activities to promote the Declaration among lawyers and law professors (paragraphs 205 and 206), the exercise should not focus only on the legal aspects but should extend to the political decisions that effective application of the Declaration in practice required. The issue of the social responsibility of enterprises (paragraph 222) was important: close cooperation with the International Organisation of Employers (IOE), which had studied the different aspects of this complex topic in depth, was worth developing in this area. She congratulated the Director on the competency development programme and encouraged him to take it further. In view of the budget constraints that were taking shape, she appreciated the measures taken to improve the quality and effectiveness of the management of the Centre and to cut its operating costs. She thanked the member States, the Italian authorities and international bodies for their continued support for the Centre's activities. She pointed out that, during the works that would take place between now and 2006, the Centre would have to take steps to see that activities continued, and emphasized the contribution of the Italian Ministry of Foreign Affairs in this regard. The works coordination committee would have an important role to play in the renovation of the Centre. The Employers' group asked to be kept informed of the measures taken and the efforts made to this end. She congratulated the Director on balancing the budget and suggested devising strategies to make that sustainable in the long term. She asked that the recommendations made by the External Auditor be followed as effectively as possible. Monitoring the information system was essential. The Employers' group endorsed the budget proposal for 2003 and reiterated its request for the ILO to increase its contribution to the Centre. In line with the recommendations of the International Labour Conference in June 2002, the growth of the informal economy and its causes could be given particular attention, with new training activities being developed. The Employer Vice-Chairperson appreciated the work of the Centre's Programme for Employers' Activities, while repeating her request for the balance between employers' activities and workers' activities to be redressed in favour of the employers. She hoped that the ILO and the Centre would work more closely on this and hoped that a specialist would be made available to strengthen the Employers' Activities team at the Centre, so as to enable it to make the best use of funds already allocated and seek new funding for new activities, in keeping with the importance and visibility of the Centre.

20. *The Worker Vice-Chairperson* congratulated the Director on his far-reaching report, as well as the Italian authorities and the ACTRAV programmes at the Centre and in Geneva. He particularly thanked the Chairperson for his presence, which would allow for a broad discussion on the strategic role of education and training in implementing the ILO's four strategic objectives and the Decent Work Agenda at the beginning of the implementation of the Third Development Plan. He welcomed the new format of the report, the greater consistency between the Centre's activities and the ILO's four strategic objectives and the integration into the regular budget of the Centre of the project on fundamental principles and rights at work, based on freedom of association and collective bargaining. Regarding the data on training activities, he thought it necessary to reintroduce the number of participant days. This, in his opinion, would allow a more precise assessment of activities as a whole. He questioned the relevance of very short activities without adequate follow-up. He reiterated his group's interest in a strengthening of the international labour standards and Human Rights Programme. He thought that the Centre should ensure the promotion of the full set of international labour standards, because the Centre occupied a strategic place, especially the Conventions dealing with employment and workplace health and safety. Accordingly, the fundamental rights at work enshrined in the core labour standards should be a common denominator within training as a whole, to ensure their dissemination, ratification and application. He wondered why activities for cooperatives had disappeared from the 2001 programme, even though cooperatives are a major tool to promote decent work in the informal economy and were the subject of the recently adopted

resolution No. 193. He went on to deal with the document that presented the budget proposals for 2002 and 2003. He hoped that the ILO would stop billing the Centre for its services. He expressed his concern over the estimates of the ILO's voluntary contribution to the Centre. The Workers' group asked for more precise information on the utilization of the budget and on the projects financed through the Centre, especially the activities for the World Bank, which should include references to the ILO's core labour standards. He asked for tendering procedures to be made more transparent and for the Board to be given a full list of projects awarded, with an assessment of their impact on the ILO constituents. He thought that staff questions had two crucial aspects. Firstly, the design and implementation of a policy that would integrate the Centre's staff with that of headquarters had been requested for several years; now it was time to start that implementation. He suggested that a clear staff recruitment policy which respected geographic balance and gender parity be implemented. As a first step towards budget integration, he proposed that the salaries of the heads of the regional and technical teams be met directly by the ILO. That would not impose any additional cost on the ILO, because those salaries would be covered by the voluntary contribution. He brought up one of the major concerns at the Centre, namely the pensions of Italian officials. He invited the management of the Centre to negotiate an equitable solution to the question with the Staff Union. On the second issue linked to personnel, he raised the question of general training of ILO personnel. He was happy to see ILO young professionals at last receiving training at the Centre before taking up their duties. He nevertheless felt that all professionals coming to work for the ILO needed training in the core values of the ILO, such as tripartism, social dialogue and international labour standards. Moreover, he thought that the Centre should continue its work on international labour standards, social protection, workplace health and safety, and social dialogue. The Director should set specific targets for programmes on each of these areas, so that the Board could verify the extent to which they had been met at its next session. He proposed enhancing the synergy between the technical and regional programmes, on the one hand, and the Programme for Workers' Activities, on the other. To this end, the Workers' group would like to see a post devoted to the countries of Central and Eastern Europe created within the Centre's Programme for Workers' Activities. Regarding the regional programmes, he pointed out that the new Africa manager had not yet been appointed, and asked the Director to respond on that matter. Concerning women's participation, he would like to see their presence enhanced in all the Centre's activities, whichever regions were involved. The objective should be to ensure parity in all training. He stressed that the means existed to achieve that goal. He went on to praise the work carried out by DELTA. Distance training was a strategic tool that made it possible to extend the Centre's services to more participants and more regions. Nevertheless, there would have to be good coordination between traditional courses and distance ones. A further suggestion was to make the Centre's email addresses uniform with those of the ILO. The Vice-Chairperson then took up the matter of evaluation. A database of former participants would be a useful tool for following up and evaluating the impact of training, and he asked that measures be taken to set one up. Since a "working group on innovation and efficiency" had been established, he asked that the Board be informed of the results of its work at the March 2003 session of the ILO Governing Body. He concluded his speech by wondering about the adaptation of the new structure of the Centre to support the ILO's strategic objectives and to strengthen tripartite activities, while reiterating his request for an information meeting with the officers and secretariats of the groups on these different points during the next session of the ILO Governing Body.

21. *The representative of the Government of India* congratulated the Director and the staff of the Centre on the documents submitted to the Board. He expressed his satisfaction with the significant increase in activities and in the number of participants, but he would like to see a strengthening of programmes for the Asia and the Pacific region. The programmes on employment creation, productivity and enterprise competitiveness should be strengthened, as should activities to benefit the informal sector. The SME development initiatives

planned for 2002-03 were a positive development for the region. Programmes on international labour standards, the promotion of decent work and the promotion of women should be tailor-made for the region. He thanked the Government of Italy, the local authorities and France for their support. The measures outlined in the Third Development Plan should be taken.

22. *The representative of the Government of Kenya* thanked the Government of Italy and the local authorities for their support and the Director for the quality of his report. He noted with satisfaction all that the management and staff of the Centre had done to improve efficiency. The rise in participation by women was encouraging but he hoped that efforts would be made to enhance participation by African nationals. Fuller cover of travel expenses would enable that objective to be met. Policies on employment, social protection and entrepreneurship development were priorities for Africa. He welcomed the Centre's integration of the ILO's strategic objectives, especially in the fields of international labour standards, tripartism and equal opportunities. He would like participation by both employers and workers in the activities of the Centre to be strengthened. The developments in distance training and in evaluation should be taken further, as should the Centre's role in training ILO staff. He endorsed the budget proposal for the year 2003.
23. *The representative of the Government of Barbados* thanked the Director for the information contained in the report on the activities of the Centre. She wished to see a strengthening of activities for English-speaking countries in the Caribbean region, and pointed out that job security and decent work in the informal sector were a priority for that region. She went on to mention the potential for cooperation with the university network in the Caribbean, and specifically with the University of the West Indies. The Centre should explore that potential; among the advantages of doing so would be the consolidation of its partner network.
24. *Mr. M'Kaissi (Employer, Tunisia)* supported what the Employers' group's spokesperson had said, and congratulated the Director and staff of the Centre on the quality of the reports, which reflected the qualitative and quantitative evolution of the Centre's activities. He noted with satisfaction that certain recommendations by the Employers' group had been adopted. He was also pleased with the plan to renovate the campus, for which he thanked the Italian central, regional and municipal authorities. An increase in activities in the field, especially in Africa, was a priority for the Employers' group. The Employers' group also attached great importance to scientific and technological training for entrepreneurs, which would enable them to meet the challenges of competition and globalization. Concerning evaluation, he stressed the need to continue ongoing efforts, especially those that followed up former participants. He welcomed the excellent cooperation with ACT/EMP and the IOE to meet the needs of the ILO's constituents more fully and offered encouragement to the EMPACT programme. He thanked the Chairperson for his support for this new technical programme and thanked the Italian and Piedmontese authorities and the City of Turin for their constant support and their contribution to enhancing the capacities of the Centre. He also thanked the donors, the Director and the staff of the Centre for all that they had done.
25. *Ms. Brighi (Worker, Italy)* stressed the importance of the Centre in disseminating the ILO's core principles, and the need for closer integration with the ILO. She also suggested strengthening the Centre's ties with the International Institute of Social Studies, as well as a better use of the Centre's capabilities by the ILO. She would like the Centre to take steps to achieve a better balance in participants among the different technical programmes, as well as increased participation by workers, who only accounted for 17 per cent of beneficiaries. She hoped that the ILO would continue and extend its support for the activities of the Centre. As to the budget proposal for 2003, she invited the Board to reconsider the ILO's billing of services rendered to the Centre. Concerning the geographic

distribution of participants, she asked for a continued effort to achieve better balance among the regions, especially to cover under-represented countries like Myanmar, where a special effort should be made to promote the core Conventions. As regards subjects covered, both social dialogue and new problem areas such as multinational enterprises should receive more attention in the Centre's activities. She reiterated the need to integrate international labour standards into programmes funded by sources outside the ILO, such as the projects supported by the World Bank. She noted the high number of Italian nationals who participated in the capacity-building programmes managed by the ESF Unit, and suggested that the statistics on those activities mention the percentages of employer and worker participants. In order to boost participation by the social partners in the Centre's programmes, the use of central funds should be complemented by a structural approach. The Centre should also continue to seek a better geographic spread by sector of activity within a gender approach. Lastly, she emphasized the Workers' group's interest in an equitable settlement to the question of the pensions of the Centre's Italian officials.

26. *The representative of the Government of the Islamic Republic of Iran* thanked the Chairperson, the Italian authorities, and the Director and staff of the Centre for their contribution towards achieving the ILO's strategic objectives. He reiterated the Centre's importance for achieving those objectives. He was pleased to note the growth in participation by women and hoped to see a better geographic spread among participants in the Centre's activities. He went on to note that the ILO contributed 8 per cent of the Centre's budget in the form of subsidies, and hoped that this would rise. He thanked Italy for its support for the Centre's activities and suggested that the latter continue to develop relations with new donors. He supported the aim of better integration with the ILO's technical cooperation activities in order to reinforce the Centre's contribution towards the achievement of the ILO's strategic objectives. He welcomed the plan to renovate the Centre's facilities. As regards efforts to improve evaluation, he suggested that a questionnaire be sent to participants three months after the end of programmes in order to measure the impact and the durability of the knowledge they had gained. He invited the Centre to do everything necessary better to meet the needs of new arrivals on the labour market in developing countries, so as to boost their employability and train them in entrepreneurship. In conclusion, he would like to see greater participation by Iranian nationals.
27. *Mr. Adyanthaya (Worker, India)* expressed his satisfaction with the Chairperson's commitment to strengthening the links between the Centre and the ILO. He suggested that the Centre adopt an innovatory approach in its programmes that promoted international labour standards, one that took account of the standard of living of the target populations. The Centre should develop new tools for this, and make better use of the capabilities of regional training centres. He was pleased to note the increase in the number of participants but would like more information on the number of participant days so as to understand better the evolution of the Centre's activities. Noting the trend towards shorter courses, he stressed the relevance for Asia, for India in particular, of longer courses and better follow-up that would increase impact and the multiplier effect. He reiterated the importance of a better geographic balance in staff provenance. He encouraged the Centre to develop programmes for developing countries, more specifically for the Indian subcontinent.
28. *The representative of the Government of the Libyan Arab Jamahiriya* congratulated the Director on his report to the Board and thanked the staff of the Centre for all they had done. He asked for efforts to increase participation by representatives of Africa and of Arab countries, in particular the Libyan Arab Jamahiriya, whose training needs were great. As regards the programme of activities for 2002-03, he would like to see new activities for Arab countries as a whole, complementing the project funded by the Italian Government for the Libyan Arab Jamahiriya.

29. *The representative of the Government of Brazil* thanked the Director for the quality of the reports submitted to the Board. He expressed his satisfaction regarding the objective of integrating the Centre with the ILO. He favoured setting up a single body to enable the Centre better to promote the ILO's four strategic objectives. The integration of gender issues was a significant step forward. He welcomed the development of distance training activities, in particular the DELTA and DELNET programmes, as well as the growth in activities in the field, from which Latin America had particularly benefited. This increase in decentralized action should continue, though without leading to a reduction in activities held in Turin. The progress in evaluation was positive. He would like the content and the statistical tools suggested by the External Auditor to be described more precisely. He was satisfied with the regular increase in the number of Brazilian participants since 1999, which derived from enhanced cooperation with the Ministry of Labour and the Ministry for Industry. He stressed that the number of participants by region should be examined in the light of the contribution by their respective governments, and noted that Brazil's financial contribution to the activities of the Centre explained the high number of Brazilian participants. He suggested that activities financed or co-financed by the beneficiary governments be more clearly distinguished. The increase in training offered by the Centre in Portuguese was positive and could be extended to the Portuguese-speaking countries of Africa and to East Timor with the cooperation of Portugal and Brazil. As regards activities for Latin America, he was delighted by the excellent cooperation developed with CINTERFOR, and hoped that a special effort would be made for countries going through a crisis, such as Argentina, for they had great need of assistance.
30. *The Chairperson* would be unable to attend the second day of the Board due to a meeting in New York with the heads of United Nations agencies. He therefore invited the Board to designate a chairperson for the next day's session.
31. *The Board* proposed that Ms. Sasso Mazzufferi, Employer Vice-Chairperson, should chair the Board.
32. *Mr. Anand (Employer, India)* hoped that the conclusions of the Copenhagen Summit on Social Development would be taken into account in determining the Centre's action priorities. In this context, he suggested that human resources development and improving the skills of the workforce should be given special priority in the coming years. He considered human resources development to be essential to job creation and hence to the eradication of poverty. He illustrated this with the case of India, where 90 per cent of 18-24 year-olds had no vocational qualifications. He hoped that everything would be done in the coming two years to mobilize donors and augment the programmes that dealt with this issue.
33. *The representative of the Government of Belgium* was very pleased by the election of Belgium as a deputy member of the Board, given the importance that his country attached to the activities of the Centre. He said that the way Belgium's institutions had evolved over more than 20 years had enabled the federated bodies to become players in international cooperation. It was therefore in the name of all Belgium's entities, both regional and federal, that he was speaking today. He stressed that the Walloon and Flemish Communities, who were already significant donors, intended to continue and strengthen their cooperation with the Centre. Similarly, the federal authority intended to develop partnerships with the Centre, starting in 2003. Regarding the Director's report on the activities of the Centre in 2001-02 and perspectives for 2003, he said that his country supported the objective of integration and convergence between the Centre's activities and the ILO's four strategic objectives. This would help to enhance the visibility and credibility of the Centre's action. Following the same logic, he considered it legitimate to allow the Director of the Centre to ensure the desired fit between priority programmes and the financial means to develop them. As regards the new subjects to develop in future

years, he agreed on the importance to give to the informal economy, to extending social protection and to the social dimension of globalization. In that connection, he said that the informal economy raised above all questions of social protection. Accordingly, he was very happy to see the links forged between the Centre and the ILO's STEP programme, as well as the activities in Central and West Africa, where the social protection stakes were high. To avoid dispersion, he proposed tying new subject matter to the major lines of strategy that the Centre shared with the ILO. As an example, he cited the programme devised in cooperation with UNCTAD, whose preparatory phase had financial support from the Flemish Community. It dealt with the respective contributions of economic, trade and social policy and of core social standards in action to reduce poverty and implement a coherent development policy. He saw that project as an interesting example of different organizations within the United Nations working together. Concerning gender issues, he was pleased with the action taken and the material developed, particularly on international labour standards. He thought it was quality work that could be useful both to member States and to other international organizations. He then turned to the subject of evaluation and gave his full support to the steps taken to improve it. He attached particular importance to the systematic evaluation of the long-term impact of the Centre's training. Lastly, he mentioned how valuable it would be to enhance the Centre's Internet site by including more specific information. He concluded by saying once again how much Belgium appreciated its cooperation with the ILO in general and with the Centre in particular.

- 34.** *Mr. De Arbeloa (Employer, Venezuela)* also congratulated the Director on his report. He thought it desirable that speakers should have more time available to go into issues in depth. The Employer representative went on to hope that the Centre's Programme for Employers' Activities would be consolidated. He pointed out that employers were key players in the creation of resources and it was accordingly very important to train them. Turning to the activities for legal practitioners, he was delighted at their development, given the importance of training that went beyond the ILO's constituents alone. In this context, he suggested launching activities for members of national parliaments. He was also pleased with the growth in the number of participants from the Americas. He proposed that sustained attention be given in the 2003 programme to countries in the region that were going through acute crises, such as Venezuela. He therefore hoped that urgent programmes would be implemented to strengthen social dialogue, tripartism, freedom of association and the drive against corruption in that country.
- 35.** *The representative of the Government of El Salvador* thanked the Director and the External Auditor for their reports, which made it possible to understand the significance of the Centre's work. She was delighted, first and foremost, by the development of distance training. She went on to emphasize the usefulness of the training activities for judges and law professors. Lastly, she was very pleased at the rise in the number of participants from El Salvador and hoped to be able to identify new sources of funding that would make it possible for more officials from the Ministry of Labour to benefit from training by the Centre.
- 36.** *The representative of the Government of Nigeria* supported the Centre's programme and activities as described in the Director's report. He felt that the Centre was an essential tool for implementing the objectives of the ILO, and for ensuring that they had a multiplier effect. He emphasized that the importance of training activities was ultimately determined by their real impact, and programmes therefore had to be adapted to the specific needs of the countries concerned. This was particularly true for Africa, which was experiencing serious problems of poverty, and the Nigerian Government's representative welcomed the progress achieved by the Centre and by the ILO towards eradicating that problem. He believed that such work should continue, laying particular stress on programmes relating to enterprise and job creation and social security. He concluded this point by thanking the various Italian institutions that had supported the Centre. He went on to emphasize the

importance of the cooperation provided by the Italian Government in combating enforced migration. Finally, he endorsed the claims made by the Staff Union in relation to pensions in particular, and said that he had every confidence that the Centre would settle the matter in accordance with ILO principles.

37. *Mr. Lambert (Employer, United Kingdom)* began by emphasizing the importance of the External Auditor's report, which was an essential tool for sound management. He then dealt with the assessment of the Centre's activities by employer participants, pointing out that on average the assessments were not very high, and questioning why this should be the case. He also stressed the importance of the assessment procedure for improving curricula, and the impact of the training offered by the Centre. In addition, he supported the proposal to set up a computer security plan and underscored how important staff training was in that area. He noted that the recently installed financial information system had not entirely achieved its objectives, and that an institution such as the Centre should be equipped with a completely reliable system. Finally, he said that he would like to be informed of the measures envisaged to correct the situation.
38. *The Worker Vice-Chairperson*, with respect to personnel issues, welcomed the disaggregated data on the total number of officials on fixed-term and indefinite contracts, while underlining that it would be important to receive it well in advance in future so that it could be properly evaluated. He thought that it would also be useful to be provided with information on the distribution of Professional and General Service staff according to grade and age; the number of short-term and fixed-term P/GS staff allocated to each project, and on the overall duration of the contractual relations of such staff with the Centre. He said he was disappointed that the issue of staff integration between the Centre and Geneva was not even mentioned in these documents. Regarding the External Auditor's report, he reiterated his critical view of the management of the new administrative and management information system, since the institution had been unable to anticipate the training needs of its own staff, thus causing it to pay such a heavy price. He was also concerned about the lack of a strategy to streamline the administrative process, which had led to a deterioration in the Centre's performance in raising invoices, an increase in the average time necessary to issue invoices, and an increase in the quantity of doubtful accounts. This could lead to a loss of control over the invoicing system. He outlined how the available financial reports did not present the accounts of the revenues and costs of each programme in the Training Department (except for DELTA), or of each administrative centre (such as the MIS department) and, since the new financial system should be able to easily produce reports on the programmes and administrative centres (costs, revenues and sources of funding), he invited the Director to produce programme-specific reporting, using the new system. He mentioned that a reorganization of the financial services was currently being implemented, with the introduction of three new posts, yet no public document existed to allow a detailed cost analysis to be carried out before proceeding to action. He therefore suggested that any proposal to reorganize the financial services must include consultations with the staff involved and the Union, while providing transparent information to the Board. Since the Director of the Centre had mentioned that several countries were now self-financing their programmes, it would be desirable for future reports to indicate such activities with an asterisk (this would allow transparency). Finally, a detailed annual report should be submitted to the Board on the objectives and activities of the Third Development Plan.
39. *The representative of the Government of China* thanked the members of the Board of the Centre for electing his country as Vice-Chairperson of the Board. He recalled that since 1995 China had sought ever closer cooperation with the Centre. In this context, training had been delivered in the areas of statistics relating to employment, occupational safety and health, employment policies, human resources development, vocational training and activities for workers. Based on a joint determination of vocational training priorities for

the staff of Chinese ministries, an institutional cooperation agreement had been signed in the previous year to develop new distance learning training technologies. A job creation distance training project had accordingly been drawn up that year. Other training was also delivered in Turin for the Ministry of Social Security in corporate restructuring, human resources development, labour legislation and occupational safety and health, at the request of workers. In conclusion, he said that he hoped such cooperation between the Centre and the Chinese Government would continue, and pledged to increase the Government of China's contribution.

40. *Mr. Wade (Employer, Senegal)* stressed three particular points in the reports. Firstly, he was pleased to note that there had been a reduction in the imbalances in the employers' programme. He went on to praise the significant improvement in the number of activities in the field and hoped that work in that area would continue. He believed that these activities offered programmes that were better adapted to the real needs of the target populations and called for employers to be consulted in order to develop them further. Finally, he recommended that special attention should be paid to the needs of the African continent in the areas of education and training, taking account of the far-reaching changes occurring due to globalization and liberalization. Africa therefore needed very significant technical assistance in terms of training, and he undertook to notify ACT/EMP of training requests to pass on to the different technical programmes.
41. *Mr. Maham Gahe (Worker, Côte d'Ivoire)* thanked the Chairperson, the Director and the staff of the Centre for the work carried out in the social interests of all continents. He said he hoped that someone would soon be appointed to lead the Regional Programme for Africa. He also felt that it would be a good idea to reflect jointly on the formula to be adopted for introducing subjects such as the exploitation of the resources of developing countries by the major powers, and said that the application of the international labour standards of the ILO could be compromised because the decision-making power of African governments was restricted by the influence of the multinationals, which imposed their own rules on the ground. Social dialogue, transparency and the core values of the ILO would be threatened if States could not free themselves of such influence. In conclusion, he recommended that a new balance should be sought between workers' activities and employers' activities.
42. *The representative of the Government of Spain* noted a certain slowdown in the Centre's activities (reduction in the number of participant days) even though the absolute number of participants had increased. Referring to the External Auditor's report, he noted that in August 2002 (Add.3, paragraph 68) some \$2.7 million out of the \$5.9 million to be received was still outstanding, and that some \$800,000 of this had been outstanding for over a year. This situation was particularly problematic if the Centre wished to ask for an increase in sponsors' contributions. He would like to obtain further information on debts that had been cancelled because they were not payable. He also noted that liabilities relating to leave accrued at 31 December 2001 were estimated at \$1.6 million, and reiterated that entitlement to leave should be respected rather than being offset by compensation. An examination of the accounts showed a difference between operations planned and operations carried out, corresponding to a range of activities that had not taken place. He questioned the need to reinstate the sums not disbursed to the Government of Italy for courses that had not been run (paragraph 10). As regards the statement read by the Union member, he referred to the problem of the insecurity of certain contracts of employment that should not exist in a body belonging to an organization that promoted international standards.
43. *The representative of the Government of Japan* thanked the Director for the report on the Centre's activities and said that he wished to make two observations. Firstly, he suggested that the number of training activities and participants in Asia should be increased. He said

he was pleased with the increase in activities in the field, but pointed out that in relation to the size of the population, Asian participation continued to be limited. In addition, bearing in mind the constraints in terms of resources, he recommended that this work should be coordinated with other organizations that were likely to grant funds. He suggested that the Centre should focus on developing skills in the use of new training technologies in Asian countries, and reminded the Board that a new joint project had been implemented the previous June to make the management of vocational training in Asia effective.

44. *Mr. Anand (Employer, India)* informed the Board of the Centre that the Employers' group approved the budget proposals for 2003, though he suggested that a large part of the budget should be allocated to activities linked to the informal economy with a view to improving the promotion of employment and economic activities in that sector. Secondly, he was pleased that the Centre would be renovated and reorganized by 2006, enabling more participants to be trained, and pledged to cooperate actively in future activities. Thirdly, he stressed the need to redefine the terms of the cooperation between the training departments in Turin and headquarters so as to make the best use of resources. In the context of such cooperation, while the Centre was concerned to respond to the priorities expressed by countries, the Geneva training department placed too much stress on overall action policies. Fourthly, he addressed issues relating to social security, reiterating that it was not enough to provide social protection. Social security systems in Europe could only be transposed to developing countries if capacities at local level were strengthened to create jobs. Fifthly, he welcomed the Centre's activities that boosted job creation in the developing countries, but said that a great deal still had to be done in specific areas such as child labour, particularly in India. In conclusion, he responded to the Employer member from Senegal on the question of the influence of the multinationals, specifying that he personally was not in favour of the subject being included in the Centre's training programmes, as there were other forums in which such problems could be aired.
45. *The representative of the Government of Mali* was pleased that the strategic objectives defined by the ILO reflected the aspirations of its constituents, and that the work of the Centre was moving in that direction. He noted with satisfaction the results of activities in the field and the development of the technical programmes. He felt that, although African participation in the various training activities had increased, there were still huge needs, hence his call for increased technical and financial support from the Centre. As regards the Centre's financial results, he was pleased with the efforts of the various donors and recommended that measures to diversify sources of funding should be continued in order to consolidate the financial situation. He also hoped that the programme for social dialogue would be strengthened. Citing the example of his own country, he explained that it was necessary to develop mechanisms of social dialogue in Mali and to reinforce the abilities of the different social partners. Finally, on the question of assessing the training workshops, he encouraged the introduction of a system allowing former participants to benefit from technical assistance from the Centre in order to set up their action plans.
46. *The representative of the Government of Germany* began by analysing the division of the different sources of funding. He noted that around one-third of the revenue came from Italy's voluntary contribution and the ILO's ordinary budget. He pointed out that the remaining funding came from various "clients" (donor countries, international organizations, national institutions), and questioned the very notion of "client" and its implications in terms of demands. He said that vigilance was necessary to ensure that the demands of clients did not divert the Centre from the fundamental principles of the ILO. He then turned to the courses for judges and teachers of law, which he believed were relevant, saying that it was the judges themselves who would be responsible for ensuring that national legislation and international labour standards were applied. He felt that it would be useful to reproduce this course not only in Latin America but also on all continents. He underscored the importance of the programme for reforming the civil

service, delivered by the social dialogue programme, since officials from the labour administration were the people who would implement labour legislation and ensure the proper application of international labour standards. In his opinion, the course should be extended to all members of the civil service, and he was pleased that the Centre was adopting that approach.

47. *The representative of the Government of Italy* felt that the report confirmed the Centre's positive results. He stressed the importance of voluntary contributions by donors for the viability of the Centre's activities, and in this respect confirmed the financial support of the Government of Italy. Turning to what the representative of the Government of Germany had said, he believed that having clients did not have a negative influence on the Centre's mission, since its membership of the ILO was a safeguard against exclusive exposure to market forces. As far as activities for 2003 were concerned, he thought that certain sectors, such as new training technologies, had yet to be exploited. To do this, he hoped that a budget would be allocated for investment in equipment and that eventually an additional post would be created for distance training. He observed that surplus resources could be used for that purpose, and also endorsed the idea of greater integration between the Centre and the ILO, including financial matters. He suggested that the extra-budgetary resources that had been released by increasing the number of activities should be used to extend programmes to other countries and to safeguard regular resources in order to consolidate the Centre's existing activities.
48. *The representative of the Government of France* thanked the staff of the Centre for their work, and the Director for his report. France endorsed the statements of the three groups represented on the Board in terms of encouraging greater integration between the Centre and ILO programmes and activities. The vocation of the Centre was to become the training arm of the ILO. He emphasized the truly remarkable performance achieved, despite budgetary constraints, against a background of self-funding. Reiterating the Director's remarks concerning budget forecasts and constraints, particularly because of the automatic increase in fixed costs, he supported the Director's recommendations and efforts to ensure greater productivity, and said that France approved the budget proposals for 2003. He noted with interest the comments of the Chairperson in relation to ILO support, especially for making use of the budget surplus. He stressed how important stable funding was for the Centre. In conclusion, France confirmed its financial commitments to the Centre under the Cooperation Agreement signed in November 2001 with the ILO.
49. *The Director* responded to the various points raised by the members of the Board and reaffirmed his willingness to provide any further information that might be required. He pointed out that many suggestions deserved to be taken up, but that in the light of the Centre's budget situation, choices had to be made. He sincerely thanked the Government of Italy and the local authorities for their constant and considerable support, as evidenced by the statements of the Mayor of Turin, the representative of the Region and the representative of the central Government. He was grateful for the recommendations made by the External Auditor's representatives and stressed that every effort would be made to implement them, although some required substantial additional resources. As far as the internal audit was concerned, the service charged by the ILO at the rate of \$142,000 per two-year period, which he believed was an essential tool for sound management, had suffered from a shortage of staff within the headquarters unit, which explained the unfortunate situation in 2001-02. This situation would be corrected from 2003. The Director proposed to answer the statements of the members of the Board by grouping his comments into four themes: the content of programmes, the means of carrying them out, the geographical division of activities, and relations with the ILO. Firstly, as regards the content of programmes, he pointed out that the Centre had set up the EMPACT technical programme for the benefit of employers' organizations two years previously, and that work would continue on its development. In 2002, a sum of \$250,000 was set aside within the

voluntary contribution allocated to the programme by the Government of Italy. Negotiations with the Government of Flanders had led to the obtention of funding for a specific project in South Africa. The Director also explained that the Secretary-General of the IOE had agreed to make his network of correspondents available to that programme. He reiterated that in the current budget situation, new programmes had to seek out the funding necessary for their development themselves. Referring to the many comments on international labour standards, he reaffirmed that they were at the core of the Centre's activities and that each programme included an introduction to the principal ILO Conventions. The programme on international labour standards had been set up for that purpose eight years previously, and standards were also taken into account in training relating to occupational health and safety and in business development activities. In addition, an introduction to the fundamental principles of the ILO was provided as part of programmes relating to the signing of contracts. He pointed out that the experience accumulated at the Centre and in the field could be used to draw up ILO Conventions and Recommendations. In the area of combating forced labour, the Centre had initiated cooperation with the ILO, taking the initiative of allotting \$120,000 of the Investment Plan to launch activities until additional funding was forthcoming. He noted the interest shown by the cooperatives, but stressed that requests for technical assistance in this area did not allow a specific unit to be set up. This theme was nevertheless addressed in some of the Centre's activities, in collaboration with the cooperatives service in Geneva, particularly under the DELNET programme and in the context of enterprise development. Training material was currently being prepared for Portuguese- and French-speaking Africa in this field. He referred to the growing interest shown in the programmes for eradicating poverty and said that the ILO was currently devising a strategy to respond to the challenges of the expansion of the informal economy in the developing countries. The Centre was developing programmes that would be submitted to donors. Eight activities had been carried out in this area in 2002 and five were scheduled for 2003. As regards the proposal to organize a world conference on training, recalling the initiative taken by UNESCO in 1999, he stressed the need for the ILO to identify a specific field of action. He said that a technical programme had been set up on the topic of social dialogue, and noted the increase in the participants involved in the activities developed by that programme. The Centre was aware of the needs of the various continents, particularly Latin America. The rise in the rate of participation of the social partners in the Centre's activities had been made possible by the support of Italy. The comments of members of the Board to the donor countries with a view to promoting such participation would be welcomed. Finally, referring to the programme on cultural heritage, he said that the Centre was interested in helping the developing countries to manage this heritage from the perspective of job creation. Moving on to the second point, the Centre's means of carrying programmes out, he said that the reduction in the duration of training was due mainly to the increase in the level of responsibility of participants, which did not allow them to be absent for long periods. The most lengthy training was financially more profitable for the Centre, which would examine the possibility of increasing its provision. The design and implementation of substantial multi-annual projects also contributed to the increase in the duration of training and to the Centre's financial balance. As regards strategic planning, he said that monitoring procedures had to be established. The Director called for the Centre's activities to be grouped according to the four objectives of the ILO, and for realistic goals to be set for the different technical programmes. The greatest attention would be paid to the proposal made by the External Auditor's representative in this area. The activities of the technical programmes should take account of the demands received by the Centre and opportunities for funding. The Director then turned to the selection of participants, an essential aspect for ensuring that training activities had an impact, pointing out that they were selected by the Employers' and Workers' groups when it concerned the social partners, and together with the beneficiaries and donors in the context of other activities. He took note of the suggestions of the members of the Board that the information distributed to participants before courses should be improved. The Centre had accordingly

developed electronic platforms. Each programme also included an introductory session allowing the objectives of the training to be adapted to participants' expectations. He was pleased with the increase in female participation and ensured the Board that efforts in this respect would continue. As regards distance training, he stressed that it complemented rather than replaced traditional training, and welcomed proposals for cooperation with universities and institutes, as already occurred in Latin America. Such cooperation was also implemented (technical and logistical support) in the Centre's traditional programmes, particularly in the field. He recalled how difficult it was to reconcile the search for funding with the mandate of the ILO, and that this meant that the conformity of new initiatives to the objectives of the ILO was systematically examined. It was, however, more difficult to implement such monitoring of conformity within the framework of tender procedures that required the Centre to take decisions rapidly. Responding to the question on the differences between estimates of revenue from activities and the revenue actually received, he recalled the impact of the variation in exchange rates and the significant fluctuation in 2001 between the objectives planned and achieved by the Staff College and the programme for the European Social Fund. As regards the division of activities between the four sectors of activities of the ILO, he explained that some of them found it easier to attract donors. The significant changes taking place in the ILO's technical cooperation in favour of the international labour standards sector should logically be reflected in the activities of the Centre, but unfortunately this was not the case. He invited the members of the Board to do their utmost to strengthen the role of the Centre in the ILO's technical cooperation activities, particularly as regards the IPEC and DECLARATION programmes. Addressing the third point, the balance among the regions, the Director pointed out that the number of participants had increased in all regions, including Africa. In this respect, the possibility of appointing someone to take charge of the regional programme was currently being examined and would be the subject of close consultation with the external programmes in Africa. He went on to say that Asia, particularly South-East Asia, had great potential for development, and that in the specific case of Myanmar the Centre's action should be integrated with the policy formulated by the Governing Body of the ILO. Finally, the fourth point addressed relations with the ILO. He noted with satisfaction the Chairperson's willingness to reinforce integration. Pointing to the situation of the Centre for the following three years, particularly the increase in costs, he stressed the need to seek new solutions with the Centre's partners, an essential aspect of which was greater integration with the ILO. In order to guarantee the future of the Centre, the ideas put forward by the Director-General should henceforth be specified as soon as possible so as to ensure that they would make it possible in practice to attain the objectives established and avoid the serious financial disequilibrium that might be expected. There was room for a great deal of improvement. In 2001, for example, the Centre had only allocated 0.7 per cent of the technical cooperation resources disbursed by the ILO, while many projects or components of projects corresponded to skills training and development activities with which the Centre could have been associated in order to increase their effectiveness and respond to the needs of the Organization's constituents. In order to consolidate the Centre within the ILO and to ensure its stability, in the general interests of the Organization, a specific content and a precise schedule had to be laid down for reinforcing methods of cooperation with the ILO.

50. *The Treasurer*, at the request of the Director and in response to the questions raised by several members of the Board, specified that the Oracle application package had been introduced from April 2000 to ensure the financial management and control of training activities. Although problems had arisen in installing this system, in 2002 some of these difficulties had been corrected, due in part to better staff training. In addition, as the Chairperson had pointed out, cooperation would be established with the integrated management package (IMP) project introduced at ILO headquarters, which should allow the Centre to benefit from the experience and skills acquired by the ILO in this area, particularly in developing applications for human resources management and staff

administrative management (payroll management). Addressing the issue of computer security, he said that a document had been drawn up for this purpose. A working party had also been set up with a view to preparing an activity recovery plan in the event of a crash. The work of this group should lead to short-term and long-term action plans. As regards the as yet incomplete integration of the various databases, the Treasurer stressed that this situation was due largely to the difficulties arising out of the transfer to Oracle applications. Maintenance of a separate database for assessing training was due on the other hand to the flexibility of that tool. The integration of that database should not pose particular problems in the future, however. Finally, he referred to the reorganization of the Centre's financial services, the aim of which was to better adapt the structure of units and functions to the gradual introduction of computerized integrated management of the budget, financial and accounting aspects of its activities. He explained that this reorganization had been carried out with the support of the Human Resources Services and that the Staff Union Committee had been consulted.

51. *The representative of the Government of Cameroon* congratulated the Chairperson on her election and expressed the appreciation of his country to the Director and staff of the Centre for the quality of the documents presented to the Board. He thanked the Director for his work and his dedication to the cause of the Centre, which helped to meet the training needs of its constituents, particularly the Central African States that he represented. He reiterated that training leading to qualifications was of the utmost importance for this region for providing access to employment. The regional and local structures of the ILO in Central Africa cooperated closely in the area of employment, which was a priority for the Government of Cameroon. In this context, he stressed the importance Cameroon attached to cooperation with the Turin Centre, which he thanked for the programmes delivered for the benefit of his country. In order to allow greater participation by representatives of Cameroon, he suggested that the circulation of information relating to the training offered by the Centre should be improved. With the same aim, he also hoped that the Centre would enhance its assistance in seeking funding. In conclusion, he endorsed the statements made by the Government representatives of Mali and Senegal, who had clearly outlined the priorities of the African countries.
52. *The Board* approved paragraph 17 of document CC64/3 and took note of documents CC64/2, CC64/2/Add.1, CC64/2/Add.2, CC64/2/Add.3 and CC64/3/Add.1. The Worker Vice-Chairperson, while approving paragraph 17 of document CC64/3, invited the Director to address the previous personnel questions.

III. Reports of the Trade Union Training Committee and of the Management Training Committee (Fourth item on the agenda)

53. *The spokesperson for the Management Training Committee, Mr. Lambert*, reiterated that the concern to balance training for employers on the one hand and for workers on the other was already a well-established objective. He stressed that the recent Enron and Worldcom cases demonstrated how important it was to train employers. He therefore suggested that the Director should reallocate part of the Centre's resources to the EMPACT programme, which had already demonstrated its quality by carrying out relevant activities designed, for example, to eradicate corruption. Addressing the issue of relations between headquarters and the Centre, Mr. Lambert said that one meeting per year with members was perhaps insufficient, and suggested that advantage should be taken of the meeting of the training committees in May to reinforce contacts with the constituents. Finally, he said that he was

pleased with the content of the treasurer's statement, and was convinced that the progress made with Oracle would continue.

54. *The spokesperson for the Trade Union Training Committee, Mr. Rampak*, reiterated the comments already made by the Workers' group concerning the imbalance on the Management Training Committee, which, inasmuch as it discussed all the Centre's activities, should become a fully tripartite structure. He suggested that the employers should then have a specific body that would discuss their own activities independently, within the Trade Union Training Committee. He also expressed the satisfaction of the entire group with the way in which the Programme for Workers' Activities had been conducted during the past year, and with future programmes.
55. *The Board* took note of documents CC64/4/a and CC64/4/b.

IV. Investment plan:

(a) Report on the 1998-2001 Investment Plan

(b) Update on the 2002-05 Investment Fund of the Third Development Plan (Fifth item on the agenda)

56. *The Director* presented document CC64/5/a, which summarized for the members of the Board the principal results at the end of the Centre's Second Investment Plan. Document CC64/5/b was an update of the budget appropriations assigned to the various projects in the new 2002-05 Investment Plan, taking account of the suggestions that had been made in November 2001 by the Board, particularly the Workers' group. The Investment Plan thus involved a project, the objective of which was to reinforce the action of the Centre in the area of core social standards.
57. *Mr. Anand (Employer, India)* recalled that reference had been made in the previous year to relations between the International Institute for Labour Studies and the Centre. He said that in future he would be grateful if information were provided on that matter.
58. *The Worker Vice-Chairperson* wished to know how the Development Plan would allow greater integration with the ILO, and to what extent it would increase worker and employer participation in the Centre's activities. He also said that he would like to have information on the measures taken in the area of gender, and in conclusion pointed out that staff should be consulted on reforming the structures of the Centre.
59. *The Director of the Training Department, Mr. Lenglet, at the request of the Director*, emphasized firstly that the Development Plan was structured by projects, each of which was managed by an official appointed for that purpose. As regards integration with the ILO, he cited the projects concerning the joint development of material included in the Investment Plan on forced labour and on labour relations and collective bargaining. With respect to gender, he thanked the coordinator for gender issues within the Training Department for the work she had done, which had allowed such issues to be integrated into most of the Centre's activities. Finally, it should be noted that an assessment of the results achieved in that area would be carried out as part of the Centre's Development Plan.
60. *The Board* took note of documents CC64/5/a and CC64/5/b.

V. Staff questions (Sixth item on the agenda)

61. In accordance with the usual practice, the Chairperson asked the Board to listen to the statement by the representative of the Staff Union Committee (the statement is set down in Appendix 1 of this document).
62. *The Director* presented documents CC64/6/a, CC64/6/b and CC64/6/c.
63. *The person in charge of Human Resources Services, Ms. Viale*, at the request of the Director, informed the members of the Board that new provisions for short-term contracts had been adopted in July 2000, in agreement with the Staff Union Committee. These established ceilings of up to three years and mechanisms allowing them to be converted into fixed-term contracts. The holding of competitions would allow eight officials on short-term contracts to benefit from fixed-term contracts under the Centre's regular budget. Another 12 officials had benefited from the same treatment under provisions for training projects. In the latter case the length of the contracts was linked to the duration of the projects themselves. The Centre currently employed 27 staff on short-term contracts out of a total of 187 officials, including those recruited for training projects. In addition, a single official on a short-term contract had worked under that system for almost seven years, but had done so for personal convenience. Finally, it should be noted that new provisions based on those recently adopted by the ILO were currently being examined by the Joint Negotiating Committee in order to seek the most effective harmonization possible with the procedures applied by the Office. These negotiations were being conducted in an extremely constructive spirit.
64. *The Legal Adviser of the Centre* said that the difficulties concerning the pensions of certain Italian officials of the Centre were both long-standing and complex, and that the Centre had not stinted in its efforts to resolve them. Because of the uncertain future of the Centre, from 1965 to 1970 the Staff Regulations and the contracts of Italian officials provided for the latter to be affiliated to the INPS (National Social Security Institute) rather than to the UNJSPF (United Nations Joint Staff Pension Fund). The Legal Adviser stressed that at that time the benefits offered by the two systems were comparable. Since in 1970, the viability of the Centre seemed to be more secure, the Regulations stipulated that all staff had to belong to the UNJSPF, except those whose contracts precluded this. From 1977, the Centre had negotiated with the UNJSPF, the INPS and the Government of Italy to allow the officials concerned to correct their situation vis-à-vis the UNJSPF. An agreement was signed with the Italian Government (coming into force in 1984) that provided for INPS contributions that had not given rise to benefits to be reimbursed, and for the possibility for officials to choose between the INPS and the UNJSPF. While the outcome of negotiations with the INPS and the UNJSPF had on the whole been satisfactory, some difficulties had arisen. Although Italian officials who had chosen to switch systems had been allowed to repurchase contribution years, the Regulations of the UNJSPF did not allow their financially more advantageous years of service to be validated. In addition, the INPS had agreed to reimburse the contributions, but only at their nominal value, and without interest. As well as those difficulties, the depreciation of the lira against the dollar at the beginning of the 1980s and the considerable additional outlay this occasioned for repurchasing contribution years had led the Board of the Centre to allocate \$200,000 to those applying to repurchase contributions. Despite this assistance, a certain number of officials had decided to stay with the INPS. Some of these officials filed a case with the Administrative Court of the ILO in 1985. The judgments (Nos. 741 and 742) firstly ruled that the Centre was not subject to any obligation with respect to the repurchase of contributions, that the agreement with the Italian Government was not retroactive, and that there had been no breach of the principle of equality. The judgments concluded that the Centre could not be held legally liable in this matter. Those decisions, which freed the Centre of legal liability,

did not prevent the administration from taking a certain number of initiatives. To date, these have been as follows. In 2000, the ILO Staff Pensions Committee called for the UNJSPF to reconsider the question of repurchasing the contribution years of the Italian officials concerned, which the fund rejected. In 2001, a working party involving the management and the Staff Union had been set up to determine possible situations of difficulty because of the options taken by the officials with respect to the two funds. In response to a question, the Legal Adviser explained that, while only 24 active officials were involved, the principle of equality meant that account would also have to be taken of the retired who had been in the same situation.

65. *The Director* informed the Board that, the mandate of the working party the Legal Adviser had just referred to had been jointly agreed upon by the management and the Staff Union Committee. The working party had met several times, although it was true that the limited availability of its members, due to other work commitments, had made its work less rapid than expected. Its findings had been forwarded to management of the Centre on the eve of the present 64th Session. The Director explained that, given the time constraints, he had not been able to analyse the findings, though he noted that there were points both of convergence and of divergence. He also informed the Board that in raising this question with the Staff Union over several meetings, he had considered his need, as Director of the Centre, on the one hand, to be guided very specifically by the analyses made by the Legal Adviser on the past, present and future situations of the case and, on the other, to consult the Board of the Centre on any measure that would directly or indirectly commit the finances of the Centre. In order to reach an equitable solution in accordance with the position of the ILO's legal service, he called for guidelines from the Board on the action to take.
66. *The Worker Vice-Chairperson* thanked the Director and the Legal Adviser for the clarifications. He thought that a solution to this issue could be found by tackling it from the human angle and not just from a legal angle. The Board of the Centre had a role to play, but the Director should negotiate on the issue with the staff, since staff would always be retiring.
67. *Mr. Lambert (Employer, United Kingdom)*, thought that the Director had no effective alternative to obtaining a mandate and clear guidelines from the Board, and to soliciting the necessary legal advice. He asked whether an actuarial calculation had been made and how much it would cost to resolve the issue.
68. *The Legal Adviser* informed Mr. Lambert that no cost assessment existed because the extent of the problem, particularly for staff who had already retired, was not known.
69. *The representative of the Government of the United States* thanked the Director and the staff of the Centre for their welcome. Although she understood the complex and sensitive nature of the question, she asked for a detailed document on the problem of the pensions of the Italian staff concerned to be presented at the next session of the Board. That document should include a history and analysis of all the consequences and the alternative or recommended solutions. It should include the views expressed by the Staff Union Committee, including the solutions that it proposed. It could not be a matter of negotiating with the Staff Union Committee but rather of learning its point of view.
70. *The representative of the Government of Italy* thanked the Legal Adviser for his explanations and recommended that a distinction should be drawn between the cases of people who were entitled to a pension and those of staff who had completed their service with no entitlement to a pension. A rapid solution was required for the latter.

71. *Ms. Brighi (Worker, Italy)* specified that it was a human problem, but even more so a question of equity that the Centre should resolve as fast as possible. The Board had been able to weigh up the history of the programme, even though certain points, on which the staff should be in a position to give its views, did not seem to her to reflect exactly the way things really were. The issue was not a legal one. It was important to negotiate and the Staff Union Committee had made proposals to that effect.
72. *Mr. Anand (Employer, India)* thought that the issue was a matter for the management of the Centre and that the Board should not be confused with a Court of Justice or Court of Appeal. The human dimension of the issue should be taken into account, as the Worker Vice-Chairperson had emphasized, but the legal implications and the financial repercussions must not be ignored. He suggested going more deeply into the handling of this issue with the help of the Legal Adviser and submitting recommendations to the Board. Lastly, he shared the view of the representative of the United States that it was not a question, in the meantime, of negotiating, but rather of taking stock of the viewpoints and proposals of the staff.
73. *The Director* stated that he did not underestimate the human dimension of the problem, which he felt personally, but, in a matter of importance, with potentially important financial implications, he needed precise guidelines, particularly as to the limits that the Board wished to place on his action. The pension issue was not purely a management issue. It involved other institutions. Although he acknowledged that the Board was not in a position today to make up its mind on the heart of the matter, it should nevertheless be able to give the Director guidelines for action on the issue. To facilitate the discussion, knowing that the next Board would only meet the following November, he suggested that a very complete information document, presenting the different points of view and solutions, could be prepared and submitted to the Officers of the Board, who could thus better assess the issue, understand its implications and put forward recommendations as to how the Board might go on to deal with it.
74. *The representative of the Government of Brazil* stressed that the presentation of a document to the current session of the Board would have made discussion easier. Although he appreciated the role of the Officers of the Board, he thought that matters of that importance could not purely and simply be delegated to the Officers. Like the representative of the United States, he would like a document to be available for the following Board, without giving up the idea of referring to the Officers so that they could look into the matter and present their recommendations and interim decisions to the Board of the Centre in November 2003.
75. *The Worker Vice-Chairperson* reiterated the position of his group, which hoped that, in parallel to the preparation of a document on the issue for the following session of the Board, there would be negotiations with the Staff Union representatives. The Workers' group hoped that an equitable and rapid solution appropriate to the human aspect of this delicate question would be found. It insisted that the document to be submitted to the Officers of the Board should include the proposals and solutions put forward by the Staff Union Committee.
76. *The representative of the Government of Italy* emphasized the convergences between the points of view of the Employers' group and the Workers' group. He proposed that the Officers of the Board be given a mandate to examine the issue in greater depth, on the basis of a document that clearly reflected the different aspects of the question. Parallel consultations should be held with the ILO's legal services and the staff representatives, with a request for the Director to take fast action in situations or individual cases in which a swift solution proved necessary. Once the Officers of the Board were fully cognizant of the dossier, they would be able to take the decisions that appeared necessary in urgent

individual cases, and present their recommendations on the issue as a whole to the following Board of the Centre, in November 2003.

77. *The Chairperson* noted that a consensus was emerging within the Board in favour of the proposals of the representative of the Government of Italy.
78. *The Board* approved the consensual proposals of the representative of the Government of Italy. It took note of document CC64/6/a and approved paragraph 6 of document CC64/6/b and paragraph 5 of document CC64/6/c.

VI. Other questions (Seventh item on the agenda)

79. *The Treasurer* explained that the purpose of amending the Centre's Financial Rules was to bring them into line with the United Nations System Accounting Standards.
80. *The Board* approved paragraphs 7 and 14 of document CC64/7.

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

81. *The Worker Vice-Chairperson* approved the agreement between the ILO and the United Nations in relation to the creation of the Staff College. He wished to obtain more detailed information on the consequences of this decision for the durability of agreements between the Centre and the City of Turin on the use of the Centre's infrastructures and on the Staff Regulations of the new institution.
82. *The Director* pointed out that the agreement had no effect on relations between the Centre and the Italian authorities, which were governed by special conventions that remained in force, unchanged. The Centre retained full use of the campus. The Staff Regulations of the Staff College, meanwhile, were governed by the United Nations Staff Regulations.
83. *The Director of Training* explained the system introduced for using campus infrastructure.
84. *The Treasurer* stressed that in the context of the agreement between the ILO and the United Nations, approved by the Board at its previous session, the assets and liabilities of the Staff College had been transferred, taking the External Auditor's recommendations into account.
85. *The Chairperson* explained that the report on the present session (the 64th) would be made available to the Programme, Financial and Administrative Committee in Geneva from Tuesday, 12 November 2002. The Board authorized the Officers to approve the text of the report on this 64th Session.
86. *The Chairperson* proposed that the 65th Session of the Board of the Centre should be held in Turin on a date determined by the Officers of the Board before the Governing Body of the ILO in November 2003 (288th Session, Geneva, 6-21 November 2003). The final date would be communicated to the members of the Board.

Turin, 11 November 2002.

Appendix 1

Address of the Staff Union Committee to the Board of the Centre 5 November 2002

Mr. Chairperson,
Members of the Board,
Ladies and gentlemen,

Once again, we meet after a series of dramatic international events that confirm that our world and our societies are going through a period of deep general malaise which generates forms of unacceptable violence.

This calls for reflection and for taking stock of what we are doing. Although we may feel powerless to stop this violence, we believe that what we do here, in Turin, contributes to the global effort to build a better world.

We are convinced that the Turin Centre, our Centre, is taking part in the battle against poverty, the violation of human rights, social inequality and injustice through the serious and dedicated implementation of its mandate.

There is no doubt that the Centre plays an important role, one that should be reinforced by stronger synergy between Turin and headquarters, and between Turin and the field offices, to be achieved by carrying out the long overdue "integration" with the rest of the Organization.

Every day, our staff and management work to ensure quality in the training and services we provide. All those who benefit from this know that, through the Turin Centre, they are getting tools with which to create a better future for themselves and their families. This gives us a feeling of relevance and pride.

With this very clearly in mind, allow me, in the name of the Staff Union Committee and on behalf of the Centre's staff, to share some of our thoughts on events at our Centre this past year and to express some of our expectations for the future.

As you are aware, the Agreement on Collective Bargaining, signed in October 2000, established a principle of shared decision making that should go beyond the formulation of internal procedures. Two years later we note that the practice has been less satisfactory than the principle.

For example, in spite of a fairly cordial dialogue with the management, the Staff Union Committee was not involved in major changes or structural reorganisation affecting the staff, such as the recent reorganisation of the Training Department. We brought this to the attention of the management on several occasions. Consequently, we were consulted on the restructuring of the Finance and Budget Service which came into effect on 21 October 2002. We expect that the new structure of this Service will finally rationalize and improve the Centre's financial and administrative operations.

Although we do not question the management's right to reorganize with the objective to correct structural or human shortcomings, we regret not having always been consulted, as we believe that dialogue, consultation and collective bargaining are the pillars of any healthy organization.

While we welcome the newly proposed "competencies approach", we renew our plea to urgently develop a human resources machinery that will improve and simplify job classification, produce a balanced international recruitment policy, guarantee fair performance appraisals, ensure fair promotions and see that gender equity does not remain wishful thinking.

On this last point, the Director's Report states that 33 per cent of Professional category staff are women. This is true, but there is not a single woman in the "D" category and there are only four women out of 19 staff at grade P5. If we are serious about the target set for 2010, namely 50 per cent women at Professional level, certain inequalities in promotion require urgent remedy.

We are proud of the constant growth in the Centre's activities. Nevertheless, when growth in activities fails to correlate with growth in human resources, there is a danger that quality may suffer. We must match development plans with human resources and put in place a progressive recruitment and replacement programme that brings in qualified and skilled people.

Promoting a new culture entails new behaviour patterns *at all levels*. It also requires recognizing existing competencies and skills and using them correctly. This new culture should be based on the principle that people are the heart of any organisation and that they have legitimate expectations of skills and career development, as well as of their contributions being properly recognized.

And now allow me to move on to a long-term issue: the precarious employment at the Centre. Do we still need to emphasize how this problem, addressed several times by the previous Committees, starkly contradicts decent work and other values preached by the Organization?

It is understandable that the nature of the Centre's activities makes the use of short-term contracts unavoidable. Still, the Staff Union Committee has always insisted that all forms of precarious employment at the Centre should be eliminated. The remedies applied in the past dealt with a substantial number of personal cases without solving the problem. It is noteworthy to mention that some short-term staff have been working, continuously, at the Centre for over seven years

In this framework, the Staff Union Committee, through the Joint Negotiating Committee, is currently discussing new rules which should partly align the Centre with the ILO's new procedures on employment contracts. We believe that, if correctly applied, these new rules will contribute to a partial solution of the problem. We say "partial solution" because we are convinced that, without proper planning and management of both activities and human resources, this will remain an unsolved problem.

However, we have elicited a firm commitment from the management to doing everything possible "to alleviate the position of long-serving short-term staff and to create, whenever needed, fixed-term job opportunities." We hope to be able to report to you next year that this commitment has been honoured. For its part, the Staff Union reiterates its firm commitment to monitoring precarious employment at the Centre.

If we have achieved some success in negotiations on the short-term employment problem, a priority in our programme, we have to report to you that, unfortunately, we have come to an impasse on a long-standing problem, namely the issue of pensions for a group of Italian officials who, for reasons beyond their control, were not affiliated to the UN pension scheme when they joined the Centre.

Most of these officials are retiring soon. They will receive a smaller UN pension, a reduced Italian pension or no Italian pension at all, in spite of 34 or more years working for the same employer: the International Training Centre of the ILO. The Centre bears the responsibility for having created this discrimination. It is about time that this problem was addressed seriously!

In November 2001, our predecessors announced that, at last, an ad hoc working group on pensions had been created, composed of two members appointed by the Director and two members appointed by the Staff Union. The working group has met only four times. A year later, we are no closer to a solution.

While recognizing that the present management is not the one that created this very difficult situation, the thankless task of addressing the past erroneous decisions lies with it. Who can challenge an official's right to have old age protected by an equitable and decent pension?

The present global turmoil makes us more committed than ever to the values promoted by our organisation, but is it not also true that good practice starts at home and that actions are worth a thousand unapplied principles? It is our right and our duty to ask the International Training Centre of the International Labour Organization to apply to its own staff the values we promote throughout the world.

Ladies and gentlemen, some of the old problems have been solved; others are still waiting for a solution. New challenges are ahead of us, but we will pursue our endeavours with the same determination and optimism. That is a promise and a commitment.

Thank you for your attention.