



FOURTH ITEM ON THE AGENDA

**International Training Centre
of the ILO, Turin****Report on the 65th Session of the
Board of the Centre**

(Turin, 6-7 November 2003)

1. *The Chairperson, Mr. Diop*, welcomed the members of the Board, especially those who were taking part for the first time. He said how pleased and honoured he was to chair the 65th Session of the Board of the Centre in place of the Director-General, Mr. Juan Somavia, who, because of long-standing engagements, unfortunately could not be present. On behalf of the Director-General, he reiterated the ILO's most heartfelt thanks to the Government of Italy, the City of Turin and the Piedmont region for their continued and tangible support for the Centre's activities. The Chairperson declared the 65th Session of the Board of the Centre open and invited the representatives of the Italian authorities to take the floor.
2. *The representative of the City of Turin, Mr. Tom Dealessandri*, welcomed the members of the Board. He reiterated the importance that the Centre and this meeting had for the City of Turin. He recalled the commitments which the city had made at the last Board of the Centre to strengthening the cooperation between the two institutions, as well as the funds authorized by Law No. 085, which would make it possible to renovate the campus ahead of the 2006 Olympic Winter Games. He informed the members of the Board that the works were expected to finish by August 2005. The City of Turin hoped the Centre would experience an exponential boom, as the Italian Minister for Labour and Social Policies had asked, so that it could increase its visibility and strengthen its ties with local players. He highlighted the measures taken by the city to give visitors better information about cultural activities going on in Turin. He hoped that this would benefit the Centre's participants. He also hoped that the partnership established with the City of Turin was given due prominence in the documents. The representative of the City of Turin went on to suggest areas for future consideration, especially a greater contribution by local players in drawing up the development strategies implemented by the Centre, together with the delineation of actions to be carried out locally. The City of Turin would like to be able to play a more important role in reducing the economic and social imbalances which the Centre was trying to put right. He recalled the latest initiatives promoted by the city (the European Training Foundation conference, the trade union conference on workers' representation and the employers' confederation conference on industrial relations). These could provide a foundation for strengthening the cooperation between the Centre and local players. He

concluded his speech by hoping that the Centre would aim to develop in a way that would enable it to meet the current global challenges and by stressing his wish for the City of Turin to play a greater part in the Centre's activities.

3. *The Chairperson* thanked the representative of the City of Turin for his proposals and assured him that the Board would examine them with the greatest attention. He gave the floor to the representative of the Piedmont region.
4. *The representative of the Piedmont region, Mr. Garelli*, thanked the Chairperson and offered apologies on behalf of the President of the region, Mr. Ghigo, whose institutional engagements prevented him from attending the meeting of the Board. He renewed the region's commitment to continuing its cooperation with the Centre and recalled that the regional law of 13 July 2003 had set out in detail the ways and means of doing so. This law foresaw three lines of action. Firstly, a fixed subsidy of 200,000 euros a year for an initial period of three years. Secondly, the region would fund training programmes to the amount of 200,000 euros. Lastly, an extraordinary grant of 3 million euros over three years had been allocated by the region for the campus renovation work. This financial support would come into effect from 2004. The Piedmont region had also helped to fund the United Nations System Staff College since 1997, when it had been a project of the ILO Centre, as well as several of its current programmes, in particular postgraduate training, European Social Fund projects and the Water for Development Programme (Hydroaid), which used the Centre's training facilities. This showed the importance that the region attached to international relations and cooperation. Within the framework of its international activities, the region favoured a decentralized cooperation strategy implemented through partnerships with local institutions in the beneficiary countries. This cooperation followed three guiding threads: institutional strengthening, technical cooperation activities and drawing on the experience of cooperation players, especially NGOs. This strategy made it possible to involve the Piedmontese players more and to make greater use of their skills. He stressed the relevance of the Centre's strategy and hoped that the new regional law would make it possible to enhance cooperation with the region and the involvement of private and public Piedmontese partners. Finally, he thanked the Director, who had spared no effort to develop cooperation with the region.
5. *The Chairperson* asked the representative of the Piedmont region to convey his thanks to Mr. Ghigo and noted with interest the convergence of the Centre's strategy with that of the region. He proposed dealing with the first and second items on the agenda together and that the documents concerned be examined at the same time. He invited the Director to present those documents. He proposed that after the general discussion and any responses, each document be looked at again individually and taken note of, if it had been submitted for information, or decided upon, if the Board had been invited to do so.

I. Director's report on the activities of the Centre in 2002-03 and perspectives for 2004. Report on the implementation of the programme and budget for the current financial year (2003), and Programme and Budget proposals for the 2004 financial year (First and second items on the agenda)

6. *The Director* recalled that in 2002, the United Nations System Staff College, which had accounted for 16 per cent of the Centre's activities, had become an autonomous institution. It was interesting to note that, thanks to its dynamism, the Centre had recovered 12 of that

16 per cent the very next year. The year 2002 had also been marked by the definitive end of the individual fellowships programme. When UNDP projects made up the bulk of its technical cooperation, the ILO had in effect decided that the Centre should systematically be entrusted with any training component of those projects. In 1989, this meant activities worth \$6 million. But the UNDP funds had gradually disappeared and today the ILO's technical cooperation activities were funded essentially from multi-bilateral sources. This new framework called for the design and implementation of measures that would permit the Centre to play its role in carrying out the ILO's technical cooperation activities regarding the components that had to do with training and with the strengthening of personal and institutional capabilities. That was why the Director-General of the ILO had entrusted the Director of the Centre with chairing a task force that would submit recommendations to him on how to achieve this. The period covered by these reports showed a relative stabilization in the number of participants at around 8,500 per year, and 350 activities each year. Two-thirds of these activities dealt with subjects at the heart of the ILO mandate. The remainder were devoted to subjects inherent in the Centre's craft, such as training methodology or the management of development. The Director also noted greater participation by the social partners. The funds made available to finance participation by the social partners in training activities had risen significantly in 2003. Women's participation had reached around 40 per cent, which was a good result, all the more so in that 94 activities had dealt with gender issues in 2002 as against 24 in 2001. The Director stated that, during this period, a significant investment had been made in technology and that the Centre was now well placed from that point of view. A new Internet site, which would be constantly updated, had just been set up. The representative of the External Auditor had stressed that distance training should find a good financial balance. Ways would have to be devised to maximize the cost-effectiveness of such activities, as with those carried out in the field. This was necessary because the price-setting system had been conceived at a time when all activities took place on the campus and when distance training did not exist. The Director declared that in 2004 efforts would be made to develop tools with which to fine-tune the Centre's financial and human resources management and to simplify and rationalize its internal procedures. As regards the works to renovate the Centre, a plan has been drawn up that should minimize the nuisance on the campus while maintaining training and accommodation capacity. The City of Turin was willing to make rooms at the Lingotto conference centre available. These would be managed in the same way as those on the campus, in other words through the services of our present contractors. Moreover, the Italian Government had indicated its willingness to meet the extra costs incurred by the Centre because of the renovation works, and a document setting out the details had been sent to Rome, in accordance with the decisions taken by the Italy/Turin Centre Joint Committee last May. He also informed the members of the Board that the international institutions present in Turin had recently started meeting regularly on a task force to inform each other about their respective programmes and to look at potential cooperation and the promotion of joint events. The Director ended his speech by expressing his pleasure with the development of cooperation with the local and regional authorities, whom he thanked heartily for their support and their interest in the Centre's activities. He assured them that in future it would be fully reflected in the Board documents.

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

I am very pleased to be here today on behalf of the External Auditor, Sir John Bourn, to present to you our external audit report for the year ended 31 December 2002.

I should first, and perhaps most importantly, confirm 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. Accordingly, as our report confirms, the External Auditor was able to place an unqualified audit opinion on the Centre's financial statements for 2002.

This is not an automatic outcome from the audit process. The audit is an independent and rigorous external scrutiny, conducted in accordance with the Common Auditing Standards of the United Nations Panel of External Auditors. It included a detailed examination of the financial statements, including tests of accounting records and supporting documents; and review of control procedures and systems.

As you know, under the Financial Regulations, and in addition to the audit of the accounts before you today, we carry out management audit work on performance issues which we think it necessary or valuable for us to examine. This work includes examining the efficiency and effectiveness of financial procedures and systems; the internal control environment; and financial management generally.

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

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

I can perhaps begin by saying a little about the Centre's financial and operating position.

Income and expenditure were broadly within budget and did not present any serious risk of the Centre breaching financial limits set by the Board.

The surplus reported in voluntary contributions received against budget, was due mainly to exchange gains of \$333,000. Overall losses on exchange on expenditure transactions contributed to an overall gain on exchange of \$315,000 in 2002. This compared to a more modest gain of \$40,000 in 2001.

The Centre made an operating surplus of \$537,000 in 2002. However, due to savings and cancellations of prior period obligations, an increased provision for doubtful accounts, and the gain on exchange, the Centre recorded a surplus for the year of \$623,000. The Centre's overall financial position at the end of 2002 therefore remained sound, as it had large reserves and significant cash and term deposits to meet its liabilities, as and when they fall due.

The Centre recorded a positive cash flow from operating activities in 2002 of approximately \$1.5 million, mostly due to a reduction in accounts receivable – an increase in payments received in advance, offset partially by a decrease in other liabilities.

Turning now to the substance of our main audit findings for 2002, we chose to look at two of the medium-term strategic issues facing the Centre: specifically the impact on the Centre of the 2006 Olympic Winter Games; and the impact of the retirement bulge facing the Centre over the next few years. In addition to these two issues, we also took the opportunity to review the Centre's financial reporting arrangements.

The City of Turin was selected to host the 20th Olympic Winter Games in 2006. The Centre's campus was included in the list of projects which would receive development funds from the city for use during the Olympics. These arrangements are going to have a significant effect on the operation and management of the Centre over the next two and a half years.

We therefore reviewed the impact of these arrangements, to assess the financial and logistical issues, and to examine how the Centre proposes to manage them.

There will be a significant operational effect on the Centre, and we have recommended that the Centre should take early steps to plan its training activities for the whole period affected, in order to minimize the financial and operational impact resulting from the restriction on delivering residential training activities. We believe the Centre should also make an assessment of how this will affect its staff.

In relation to the existing service providers at the Centre, we have recommended a review of existing contractual arrangements and liabilities to avoid disruption to essential services as a result of the Olympics.

In relation to the residential facilities, we have recommended that alternative accommodation be sought from the city until its guesthouse becomes available; and that the Centre review options for the furnishing of renovated rooms in the period between the completion of the renovation works and furnishing by the Olympic organizing committee.

We looked secondly at succession planning. Approximately one-third of the senior staff at the Centre will retire by the end of 2006. This will give rise to a significant and unusual loss of managerial and technical experience, which by its nature poses risks to the continuous smooth and effective running of the Centre's operations.

Our report has recommended that the Centre identify and review the key posts affected by the impending staff retirements, and consider the need for developing a structured succession plan, to assess the potential of existing staff and identify future recruitment needs.

We also reviewed the Centre's financial reporting arrangements. Members of the Board will recall that the production of financial statements in recent years – the financial reporting on which effective corporate management and governance relies – has not been without problems or delays.

In recent years it has taken the Centre between seven and nine months after the end of the financial period to prepare and present its annual financial statements.

Strong arguments exist in favour of early completion of annual financial statements. Indeed, prompt and timely reporting would provide evidence of good governance, financial discipline and the integrity of financial information. Reliable information on income, expenditure and cash flows is also necessary to inform management decisions and financial planning.

To facilitate prompter financial reporting, our report has recommended that the Centre should prepare regular management accounts for senior management; review the current staffing mix in the financial services department; and consider either training or recruiting additional professional accountants to support the financial management of the Centre's operation.

We have also recommended that the Centre take clear and effective steps to improve its performance by producing financial statements for audit by 31 March each year.

Concerning our follow up to earlier recommendations on the Centre's evaluation of its activities, controls operating in the Centre's information systems' environment, and internal audit and oversight, we found that the Centre had made some progress against the recommendations made, although internal audit coverage was still absent.

The absence of internal audit coverage has been a matter of some concern to us. I am aware that Internal Auditors are now at the Centre as I speak. I welcome this but I urge the Centre to engage actively with Internal Audit, to ensure not only that Internal Audit have a presence here, but that their coverage is properly aligned with management's needs, and with the perceived risks and issues that management consider need to be addressed.

We also found that the Centre has not yet fully developed or implemented a systems' security policy; nor has it developed a comprehensive disaster recovery and business continuity plan, as we had recommended. This presents a level of unnecessary operational risk for the Centre.

In addition, we noted that the Centre had not yet carried out any review of the main administrative, programme and financial procedures, as we had recommended in both 2000 and 2001.

Mr. Chairperson, that brings me to the end of the points I wished to make on the external audit report for 2002. On behalf of Sir John Bourn, I should like to express our appreciation for the open and constructive cooperation provided to us by the Director, the Deputy Director, and the staff of the Centre.

Mr. Chairman, distinguished members of the Board, thank you for your attention.

8. *The Chairperson* invited the representative of the Government of Italy to take the floor.
9. *The representative of the Government of Italy, Mr. Giancarlo Perone*, stated that his country had always shown its support for the Centre, especially by funding activities, and would continue to do so. He nevertheless hoped that the ILO would show greater sensitivity towards its Training Centre. The activities of the Turin Centre were appreciated by a great number of countries; the ILO should therefore see to it that the Centre became

an indispensable venue for its training activities. Accordingly, the Italian Government asked that the ILO provide financial support at least equal to its own so as to guarantee the Centre the best conditions in which to train. Finally, after pointing out that the Centre was currently going through an important phase in its development, the representative of the Italian Government stressed that he was expecting from the ILO a rapid, effective response that would ensure the permanence of the Centre.

10. *The Chairperson* expressed his thanks to the Government of Italy for its constant and decisive support for the activities of the Centre.
11. *The representative of the Government of China* thanked the Italian authorities for their constant support. He congratulated the Director of the Centre for all the achievements in 2002. He endorsed the recommendations of the representative of the External Auditor regarding the need to submit punctual financial reports and to anticipate predictable developments connected with the 2006 Olympic Games and with the retirements expected in the coming years.
12. *The Employer Vice-Chairperson* stated that her group had listened with great interest to the declarations by the representatives of the City of Turin, the Piedmont region and the Government of Italy. She thanked those institutions for their concrete efforts on behalf of the Centre. She noted with satisfaction that the commitment of the Italian institutions would go beyond the Olympic Winter Games of 2006. On the other hand, given the satisfaction that several governments had expressed with the activities of the Centre at the previous Board meeting, the Employer Vice-Chairperson had hoped for a more concrete and substantial commitment by those governments. She also hoped to see greater support from the ILO. Ms. Sasso-Mazzufferi thanked the Director and his team for his exhaustive report on the activities of the Centre. She was pleased with the good results in 2002 despite the separation from the United Nations System Staff College, while stressing the need for collaboration between the two institutions. She recalled that the Employers' group had always supported holding activities in the field, and was happy that the Centre now held half its activities there. This development brought the Centre closer to the needs of its constituents. She noted that distance training activities were developing strongly for Latin America. She wondered about obstacles preventing similar development for Africa and Asia. In addition, she noted with satisfaction that, as paragraphs 16, 18 and 19 showed, the number of participants from Africa and Latin America had risen thanks to activities in the field, although participation by Arab States had suffered from the delayed launching of certain projects, such as the one for Yemen. She pointed out the worrying drop in participants from Central and Eastern Europe even though the need for training in those countries was growing. Women's participation, to which the Employers' group had always attached particular importance, was on the rise but could still be bettered. Noting the Centre's dependence on Italy's annual voluntary contribution and on the regular budget of the ILO, which accounted for a third of the Centre's resources, she recommended achieving a more balanced means of funding. Nevertheless, she was pleased with the ability shown by the Centre to generate its own resources. In this regard, the six tenders which the Centre had won in 2002 demonstrated its quality and its competitive position in the international training market. The Employer Vice-Chairperson then expressed her confidence in the Director's plan to complete the works to renovate the Centre without causing major difficulties. Referring to paragraph 40, she noted with satisfaction that the Centre had had more frequent recourse to experts from employers' organizations. The Centre could only benefit from this collaboration, and she hoped to see it develop. She would like to be informed of the concrete activities carried out with the network of former participants, who were ambassadors for the Centre and for the ILO. Lastly, although she was pleased with the rise in participation by the social partners, from 17 per cent to 20 per cent, she was nonetheless worried by the low proportion of activities for employers and hoped that these would swiftly reach a level equivalent to those for workers. With

reference to paragraphs 115 and 119, while noting the increase in programmes run by the Programme for Employers' Activities, she reiterated the Employers' group's request that the capacities of that unit be strengthened. She encouraged the programme not to restrict its activities to English-speaking regions but to extend them to other language zones, in particular to French-speaking Africa. As regards the design of training programmes, Ms. Sasso-Mazzufferi proposed that employers be more closely involved. Moreover, the Employer Vice-Chairperson stressed that the ILO should reinforce its aid and assistance to SMEs in the form of consultancy, management or marketing services. She was concerned by the difficulty which a large number of participants had in obtaining visas. She pointed out that a third of employer participants had found themselves in that situation. She urged the Centre to do everything in its power to solve the problem. She approved of the strengthening of the evaluation system. She considered that the question of the informal economy was insufficiently dealt with, given that it concerned a vast number of countries. She deemed the Centre's staff training plan to be very good. She appreciated the constant effort to improve the quality of services. She endorsed the recommendations of the representative of the External Auditor about limiting interference with the smooth running of the Centre ahead of the 2006 Olympic Winter Games and avoiding a cut in the number of training activities. Similarly, she endorsed the recommendations on drawing up a succession plan to cushion the effects of retirements, as well as that on establishing rigorous legal and financial monitoring of subcontracts. She also highlighted the importance of devising an appropriate computer security policy. As regards the financial forecasts, she noted the slight budget deficit foreseen for the financial year 2004, and hoped that it could be reabsorbed. She reiterated the Employers' group's wish to see a balance rapidly struck between employers' activities and workers' activities. Finally, she again thanked the Italian authorities for their support for the Centre and approved paragraph 17 for decision.

13. *The Worker Vice-Chairperson* declared:

On behalf of the Workers' group, I would like to congratulate the Director on his comprehensive report and reiterate that our group considers the Centre an important instrument for the ILO to fulfil its mandate via training and information provided to the constituents.

I would like to convey a special thanks to the representative of the City of Turin, Mr. Dealessandri, for the continuous support provided to the Centre and for the crucial effort of upgrading the structure of the campus.

The Workers' group would like to see the foundation of a new campus with a renewed managerial structure able to fulfil in the medium term the strategic objective of the integration of the Centre with ILO structures.

In this regard, we reiterate our proposal for a joint Management Training Committee, with both workers' and employers' representatives. We are aware that the special task force charged with examining the integration of Turin/headquarters will soon present a draft report; this document should be then reviewed and approved by this new structure.

While favourably noting that the ILO Director-General, Mr. Somavia, has visited the campus several times, we regret that he has been unable to participate in this Board session, given the special importance of this transition phase.

At the outset, I would also express our satisfaction for the agreement reached between management and the Staff Union on the Italian pension cases. We strongly recommended negotiation with the union in order to achieve a positive outcome: even if a proposal was given to the workers' representatives only a week ago, they have shown a true commitment for a positive solution. We also want to thank all the various officials that have worked towards a positive outcome since last year. Now the Workers' group expects the agreement to be implemented in its three components in full.

I will present the main thrust of our point of view, while asking my colleagues to intervene later on in the discussion with specific comments regarding the nature and quality of programmes in different regions and sectors.

The Workers' group notes with interest the rising of the total number of activities and participants, both in-house and in the field, in 2002 (especially considering that the United Nations System Staff College became a separate agency and left the ILO's project status), but – as in the past – we are very cautious on statistics focused mainly on quantitative growth and request the introduction in the report of qualitative data regarding the training offer and the selection of relevant target groups operated by the Centre.

Very relevant is the reading of the delivery of the Centre in relation to the four strategic objectives. The management of the Centre should assess how the Decent Work Agenda has been incorporated in the training programmes of the Centre.

Training programmes that never mention labour standards and fundamental workers' rights are incompatible with the work of the ILO and could be easily carried out in other private management training institutions.

If we regroup the activities tabled in chart D following these criteria, we notice that:

- sector 1 has 6.71 per cent;
- sector 2 has 29.52 per cent;
- sector 3 has 9.84 per cent;
- sector 4 has 22.79 per cent.

Welcoming the positive trend aimed at reducing the imbalance between sectors, we note nevertheless that sector 1 did not benefit from this change.

We would like to hear comments by the Director on how he intends to continue to address this issue.

In particular, we would like to propose once again that the Board discuss and agree upon specific targets for next year.

The Turin programme on standards should also be mandated to organize the promotion of the whole set of international labour standards in all other courses of the Centre. (Instead, we read in paragraph 76 that the programme made only 40 specific inputs out of 369 training activities.)

The Workers' group reiterates that core Conventions should be a minimum common denominator in all training courses and *all* Conventions (for example, sectoral ones and especially those on health and safety) should be found in the Centre's curricula with a wide dissemination in view of their ratification and implementation.

Strategic Objective No. 1 should reflect closely the operational objectives already established in Geneva and be further developed and strengthened. In this regard, the Workers' group would strongly support the development of a programme aiming at specifically promoting the rights and principles of the ILO Declaration through training and educational activities and tools. Furthermore, it could be used to better monitor how fundamental standards are contributing to the fulfilment of the Decent Work Agenda and be a vehicle for interacting with the other three strategic objectives, in particular that of employment, and it could also be linked to the promotion of other ILO instruments such as the multinationals Declaration.

The Workers' group would like to ask the Director of the Centre which management measures he intends to take up for the effective implementation of these specific issues.

The development of bi-tripartite programmes, even if increased, is not yet satisfactory. We are particularly worried about technical programmes such as enterprise development (seven worker participants out of 1,065) and management of development (0 out of 1,450).

Furthermore, in 2002 only 318 participants were trained by other technical/regional programmes compared to the 323 participants trained in 2001.

I want to support the views of my Employer counterpart regarding visas. We have discussed the issue directly with the Director and we need to address this issue as soon as possible.

The Workers' group would like to ask the Director of the Centre which management measures he intends to take up for facing these specific issues.

It is only the financial support from ACTRAV that secured the growth of sector 4: others should do the same!

We regret the decrease in participants for distance education and, as suggested by the auditors, there are reasons for giving more impetus to the introduction and consolidation of information technologies and distance education as a qualitative indicator of the work of the Centre.

We have been supporting the DELTA programme since its beginning, but we are convinced that major structural changes are absolutely necessary if we are serious about its implementation!

As already requested in previous Boards, the Workers' group would like the Centre to reintroduce the calculation of participants' days for comparison purposes as well as for providing the Board with more accurate indicators. No measures were taken since our observation!

We would like to know from the Director at which stage is the process of reintroducing such parameters.

Regarding the participants' profile, only 20 per cent are workers'/employers' representatives and around 74 per cent are defined as "other participants". In paragraph 52 a list describes superficially the target groups of the Centre.

The Workers' group believes that the Centre needs to define and develop within the management information system a solid and efficient database on course participants. With this basic management tool the Centre could develop a detailed picture of the different target groups for better supporting follow-up/impact evaluation policies as well as network development.

We would also like to know from the Director at which stage is this process and if he can reassure the Workers' group that no further delays will occur for the delivery of such a strategic tool. As noted in several Board meetings, this participants' database should have been put in place and integrated with the introduction of the new management system.

We reiterate our commitment to support the development of the technical programmes of the Centre on international labour standards, employment, social security, working conditions and occupational health and safety, gender as well as social dialogue. We also would like to take this opportunity for thanking all technical and regional programmes for their support to the Programme for Workers' Activities.

With regard to the regional programmes, the Workers' group would recommend for the development of projects a close consultation with ACTRAV and ACT/EMP in order to actively involve the constituents (for example, we strongly recommend the Arab region managing the Italian-sponsored project for the Palestinian Authority to associate PGFTU in the design, delivery and evaluation phases of the programmes).

The Workers' group would also welcome the consolidation of the ACTRAV position for Central and Eastern European countries.

Paragraph 205 reintroduces the idea of awarding diplomas, similar to university degrees. We have many doubts (we do not have either the personnel or the technical capacity to do so and this practice should be limited to courses designed for students in partnership with a reliable university). For the ILO constituents, the Turin Centre should continue its current practice of always delivering certificates. For social partners, the learning process gained at the Centre cannot be accurately assessed with parameters used in a normal university context. In particular, the delivery of a certificate at the end of courses has always been seen as a fundamental element and incentive in the learning process and presents a sure value in the future work of our participants.

The Workers' group welcomes the initiative of the Director to continue and extend its work and efforts in the area of gender and integrate gender equality in all curricula, while providing a higher profile to gender issues in terms of research and training instruments.

Finally, we would like to ask the Director of the Centre to take the necessary steps to harmonize the list of members of the Board by including the three general secretaries of CGIL-CISL-UIL of Turin as is already the case for the employers' representative of "Unione Industriale di Torino".

Follow-up

Since we take very seriously both the Board meetings and our deliberation process, we would like to review previous issues already agreed by the Board but never seriously addressed!

Tables with disaggregated data on the number of bi-tripartite curricula/activities delivered in each technical/regional programme with clear percentages of worker and employer participants.

Disaggregated gender data indicating very clearly how many women took part in the different training activities in Turin and in the field.

Management tools that would enable the Centre to monitor, evaluate and report to the Board the presentation in training courses of ILO core issues. In addition, distribution of basic ILO training material/packages should also be introduced in all training courses.

The strategic area of staff mobility raised several times by us with both the Director of the Centre and the Director-General. We reiterate our proposal concerning the transfer of personnel policy responsibility to Geneva (as it is for other services like the Legal Adviser).

The promotion of activities on cooperatives and the development of a consistent programme on the "third sector".

More precise information on projects financed by the Centre (their background, how they relate to regular ILO programmes, their strategic developments and how they might be incorporated in the Centre's future activities). The report should also present disaggregated data for major projects as has been done for the ESF desk project.

More precise information on projects financed by the World Bank (US\$1.2 million), in particular to know if they include reference to core labour standards, especially on procurements.

In relation to the capacity of the Centre to respond to tender opportunities, the Workers' group would like to receive the full list of projects awarded, the impact of these projects on workers' organizations and to continue to discuss the proposal for the establishment of a tender committee as well as posting the decisions taken on the web site.

Fixed contributions received by the Centre should also appear in graphics presented in the report (chart C) in order to facilitate the overall financial analysis of the Centre.

The request of a gender audit, in line with headquarters policies.

Finally, the Workers' group would like to have further clarification on the following issues.

Africa being the largest regional programme of the Centre, the Workers' group would like to hear from the Director how he intends to strengthen the management structure of this regional programme.

Better clarify the category of "other activities" presented in chart D (almost 5 per cent of the Centre's delivery falls under this item).

How the Centre is keeping and managing participants' data, in other words how is preserved the "institutional memory of the Centre" on which follow-up/impact evaluation analysis should be based.

Better clarify the category of international civil servants, specifying those from the ILO in order to measure the level of training activities of the ILO. In this regard it is also important to have a table specifying training requested from Geneva to be developed by the Centre.

Information on the criteria/policy related to the development of postgraduate courses, mainly developed with the University of Turin.

CC 65/1/Add.1 (Report on the human resources of the Centre)

As regards staff structure and movements, we are happy to note that the information provided to the Board has improved and the suggestions made by the Workers' group were taken on board.

Reading the information on officials in service by category and type of contract found at the end of the document, we note with dismay that some officials have been linked with precarious contracts to training projects since 1994!

The Workers' group would like to ask the Director of the Centre to look into this issue in order to improve the overall situation of the Centre's staff.

The Workers' group welcome the new staff development policy based on the identification of technical competencies and on the upgrading of technical and linguistic skills for staff.

The Workers' group deeply deplores that the issue of personnel's integration between the Centre and Geneva – a question of the utmost importance – is not even mentioned in this brief document, nor mentioned is the issue of transferring personnel's policy responsibility to Geneva as proposed last year by the Workers' group.

It is not useless to recall that this mobility matter has received support from the Director-General of the ILO himself.

It is therefore regrettable to observe that once again no report on the actions taken in order to materialize such political wish – expressed on several occasions – is presented.

Last, but not least, the Workers' group would like to once again stress that staff members should be actively involved in this process of realignment of the Centre with the ILO, an opportunity for developing new skills/training services and a greater chance for career development.

CC 65/1/Add.2 (Report on the general administration of the Centre)

The Workers' group would like to support in paragraph 9 the use of the Centre's facilities for services to third parties associated with the mandate of the ILO. These activities, mainly for social partners, would enhance the image of the Centre.

External Auditor's report on the year 2002

The Workers' group has read with great interest the report of the External Auditor for the past fiscal year. In the analysis we found many issues that our group had raised in previous Board meetings; as an example the administrative and management information system is still incomplete.

In relation to the above, the Workers' group would like to propose the following: no additional posts in the financial service should be approved by the Board; promote staff training on computer system/financial issues for the existing staff in order to re-address the lack of accountants (career development schemes); establish an organization chart based on the development of team/cluster structures.

Follow-up of previous proposals presented by the Workers' group and endorsed by the Board.

Reorganization of the financial services

A reorganization of the financial services was implemented. The Workers' group noted last year that no public document to enable an analysis of the costs of this reorganization was prepared. We would like to know if this reorganization has also added an extra layer of middle management.

In addition we hope that the reorganization of the financial services was done in consultation with the staff involved and the Centre's union.

Report on the implementation of the programme and budget for the current financial year (2003), and programme and budget proposals for the 2004 financial year

With these comments taken into consideration, we can approve the point for decision included in paragraph 17.

14. *The Worker Vice-Chairperson* went on to ask for clarification of the future of the DELTA programme. He endorsed the suggestions made by the representative of the External Auditor for enhancing the Centre's information and management systems. He also wanted more detailed information about the reorganization of the finance and budget service. He suggested that the service be strengthened primarily through training and promoting the existing staff.
15. *The representative of the Government of India* congratulated the Director and the staff of the Centre on the quality of the documents submitted to the Board, as well as on the rise in the number of training activities. He would like to see more programmes for the Asia and the Pacific region, the most populous region on the planet, which had a deep need for specific action to develop skills and create jobs. He proposed focusing on gender questions, especially the training of women workers. He underlined the importance of including impact evaluation in training activities. He noted with satisfaction the growth in cooperation with Indian institutions, and expressed his thanks to the Italian Government, to the Piedmont region and to the City of Turin for their constant support.
16. *The representative of the Government of Kenya* reiterated his thanks to the Italian authorities for their contribution to the Centre's development and congratulated the Director on the quality of his report. He expressed his satisfaction with the constant effort to boost the Centre's productivity and the number of participants, especially those from Africa. The development of activities within the framework of the ILO's four strategic objectives should be pursued with very particular attention to gender issues, even though 40 per cent of participants being women was cause for satisfaction. The development of training materials and the setting up of a network of former participants were positive steps. He pointed out that international labour standards, skills development, social protection and social dialogue were priority domains. He also encouraged the Centre to develop the use of new technology and distance training. He noted the progress made concerning evaluation. Finally, he approved the Programme and Budget proposals for 2004.
17. *Mr. Wade (Employer, Senegal)* agreed with what the previous speakers had said. He emphasized the importance of the report by the representative of the External Auditor and the relevance of the recommendations made. Mr. Wade said that he would like the report to begin, however, with an exhaustive list of recommendations from previous years. The list should indicate whether the recommendations had been followed up or not. Where they had not been applied, the reasons should be explained. Mr. Wade then highlighted the importance of training in employment and skills development. This was a crucial subject for developing countries that were particularly affected by youth unemployment, and whose vocational training capacities were clearly insufficient. Finally, he deplored the imbalance between the volume of employers' activities and workers' activities, and hoped that corrective measures would be taken.
18. *Mr. M'Kaissi (Employer, Tunisia)* endorsed what the Employer Vice-Chairperson had said, and congratulated the Director and staff of the Centre on the quality of the documents submitted to the Board. He noted with satisfaction that certain recommendations adopted at the previous session had been taken up. He was delighted that renovation work was continuing on the campus, which would enable the Centre's capacity to be increased, thanks to the support of the local authorities. Activities forming part of the enterprise development technical programme were essential and should allow entrepreneurship to be

promoted among young graduates so as to favour business start-ups and SMEs in particular. He suggested that the Centre should create an environment capable of responding to the challenges of globalization, and should cooperate more closely with ACT/EMP and the International Organisation of Employers (IOE) so as to better integrate the needs of businesses, particularly in the Arab world. He concluded by thanking the Italian Government, the Piedmont region, the City of Turin and the sponsors for their support for the Centre's activities.

19. *Ms. Brighi (Worker, Italy)* noted that the Director's report presented positive developments. She recalled that the Workers' group's position of seeking to make the Centre a centre of excellence required total consistency with the ILO's tripartite approach and better integration with the Office. She stressed the importance of bipartite and tripartite training, and pointed out that workers' participation in training programmes was a priority of the ILO Workers' group, which devoted an annual budget of US\$1.5 million to it. This effort explained the level of worker participation in the Centre's training activities. In terms of priorities, she hoped that gender issues would be at the heart of the Centre's work. She noted that while women's participation was increasing, significant regional imbalances persisted. The increase in distance training and the creation of a database of women experts would make it possible to correct this. The second priority concerned workers' participation in certain technical programmes which they did not yet have access to, such as the management of development, the European Social Fund and enterprise development. In this context, the indicator relating to workers' participation in bipartite and tripartite programmes was important. The representative of the Workers' group also pointed out that she supported the Director's efforts to ensure that technical programmes were better integrated with ILO departments. The third priority was promotion of the Declaration on Fundamental Principles and Rights at Work, which was particularly important in the context of globalization. Reinforcement of the employment, capacity building and social dialogue programmes was the Workers' group's fourth priority. She stressed the importance of allowing workers to participate in the first programme. As regards the Programme for Social Dialogue, the representative of the Workers' group would like to see more activities dedicated to the tripartite Declaration on multinationals. She also suggested that the European social partners, who played an important role in the process of enlargement of the European Union, should be more systematically involved in defining the Centre's strategy. The Workers' representative also expressed her satisfaction with the training programmes for the Palestinian Authority and the Asian countries, and suggested that special activities be developed for Afghanistan. Finally, she proposed that the Management Training Committee should become a tripartite instrument to promote greater Workers' group participation.
20. *Mr. Mahan Gahe (Worker, Côte d'Ivoire)* thanked the Worker Vice-Chairperson. He then asked for measures to be taken to make it easier for participants in the Centre's programmes to obtain visas. With respect to the statistics on participants, he said he would like the "Other participants" category to be defined more precisely. He also expressed his concern over the frequent infringements of certain Conventions, such as the Labour Inspection Convention, 1947 (No. 81). The extension of free export zones where the application of basic labour standards was excluded was one of the most serious manifestations of this phenomenon.
21. *Mr. Anand (Employer, India)* drew the Board's attention to three essential points for his group. Firstly, he suggested that the Centre's strategy should give more consideration to the guidelines advocated by the Director-General of the ILO, particularly the battle against poverty. Secondly, he reiterated the importance of problems connected to social protection and the informal economy for Asia. Experiments carried out in India in these fields could be useful for developing new programmes. He regretted the low participation by India, which represented 94 per cent of the population of South Asia, in the Centre's programmes

and noted that no activity was planned for that country in 2004 in the areas of combating poverty and the informal economy. Thirdly, he suggested that the social partners be consulted more fully on developing the Centre's different training programmes. Practitioners from workers' and employers' organizations could make a real contribution to the Centre's future. Similarly, stepping up cooperation with regional institutions was crucial. Finally, he suggested that the Centre should approach not only traditional sponsors but also national governments for funding its activities.

22. *The representative of the Government of Belgium* reiterated the interest of the federal and regional governments in the Centre's activities. He pointed out that the constitutional reforms of the last 30 years had allowed the regional governments to develop international policies in their areas of competence. He recalled that the Flemish and Walloon regions had been funding the Centre's activities since the 1990s. The federal Government had also been involved in a process of cooperation with the Centre in 2003. In the areas of training and job creation, which are the responsibility of the regional governments, the Flemish and Walloon regions supported the initiatives for promoting decent work and for vulnerable groups, and in particular the programmes for equality in employment and business in favour of women and young people. He hoped that the Centre would pay a great deal of attention to such matters in what was the European Year of the Disabled. Problems involved in extending social protection and decent work to the informal economy were significant. In this regard, he suggested that pilot projects for creating jobs for vulnerable groups be developed. He informed the Board that the federal Government wished to focus its cooperation with the Centre on promoting social dialogue and corporate social responsibility. The Belgian federal and regional authorities attached particular attention to the social dimension of globalization and to the findings of the ILO Committee in this respect. He referred to the joint declaration made by the Belgian Federal Employment Service and the Moroccan Ministry for Employment and Social Affairs on the importance of the role of ministries of labour in this area. Belgium would follow up the cooperation projects with UNCTAD in the area of international trade and labour standards with particular attention. The representative of Belgium also suggested that the Centre continue to strengthen its integration with the ILO in order to boost its credibility and visibility in the field.
23. *The representative of the Government of France* thanked the Director and staff of the Centre for the report and the quality of their work. He recalled that for several years France had been pleading for greater integration between the Centre and the ILO, and recommended that the ILO make a greater financial contribution to the Centre's budget. When discussing the budget for 2004-05, France was pleased to note that the Turin Centre was involved in the strategy for implementing the integrated approach of decent work. In the context of strategic funding, however, France asked the ILO to specify its commitment to the Centre so as to ensure its continuity. France also took note of the undertaking made by the Director-General of the ILO, during the meeting of the Governing Body in March 2003, to set up a task force chaired by the Director of the Centre which would be responsible for formulating proposals to step up convergence between ILO action and the Centre's action. In this respect, the representative of the Government of France was pleased with the progress made by the task force. He hoped to be kept informed of specific proposals that would be set out in the report to be sent to the Director-General at the end of the year. The representative of the Government of France also shared the concern expressed by the Employers' group on the linguistic diversity of the training on offer. He also approved what previous speakers had said as regards following up the External Auditor's recommendations, particularly in relation to the security of the information system. Finally, the representative of the Government of France confirmed his country's undertaking to make a contribution of 90,000 euros to the Centre's 2004 budget.

24. *The representative of the Government of South Africa* was pleased with the increase in the representation of women among participants. He expressed his Government's thanks to the local and national authorities in Italy for their support for the Turin Centre, which he felt was an important guarantee of the Centre's continuity.
25. *Mr. Lambert (Employer, United Kingdom)* thanked the External Auditor for his report and very relevant comments. Given that a large number of staff members are retiring in the next two years, including some senior management, he expressed surprise that a management succession plan was not in place which would ensure that such a serious loss would not be a problem. He said that there should be a full review of the potential of all employees at the Centre. He also expressed his surprise at the time the Turin Centre required to close its accounts. This usually took seven to eight months, while the External Auditor recommended a maximum of three months. He said that such a delay in receiving the accounts was contrary to best practice and that the prompt finalization of the accounts was an aid to sound management of the Centre. The Employer representative asked the Director to pay very close attention to this problem. Despite the External Auditor's recommendations, the Employer representative noted that the Centre had not formulated a recovery plan in the event of a disaster, and said that the introduction of such a plan should be a priority. He wondered why the recommendations in the last External Auditor's report did not appear to have been taken sufficiently into account.
26. *Mr. de Arbeloa (Employer, Venezuela)* said that he agreed with the comments of the members of the Employers' group. He said that he was very satisfied with the activities the Centre had organized for the Americas. He thanked Italy and Belgium for their support for the Centre, and France for its specific offer seeking to expand the Centre's fields of activity. He went on to underline the importance of stepping up the capacities of the Programme for Employers' Activities. In this context, a first stage would involve keeping the personnel of the programme in their posts. The Employer also suggested that mechanisms should be put in place to ensure that the high cost of international travel did not stop participants from distant countries from travelling to Turin, a place for exchanges and experience. He suggested that the Turin Centre should replace the term *liberté syndicale* [freedom to organize] by *liberté syndicale et liberté d'association* [freedom to organize and freedom of association] in order to come into line with the terms used in the ILO. The Employer representative would also like to see the legislative bodies of ILO member countries being able to benefit from training so as to be able to take international labour standards into account in drafting national laws. He then noted with interest the results of an activity developed in China on human resources management, and proposed that it should be developed in other regions, particularly Latin America. Noting an activity carried out in Venezuela in the area of vocational training, he also wished to obtain information on the contacts forged between the Turin Centre, the National Vocational Training Institute and local universities. He enthusiastically praised the Centre's subcontracting services (accommodation and catering) for their quality. He stressed the positive results of cooperation between the IOE and ACT/EMP and said that he would like to see such cooperation extended to the countries of Latin America. He was concerned that certain recommendations made by the External Auditor's representative, particularly those relating to computer security, had not been acted upon. Finally, he stressed the importance of planning the retirement of personnel.
27. *Mr. Adyanthaya (Worker, India)* thanked the Director for his report. He emphasized the need for accurate indicators and recalled the Workers' group's request for an indicator on participant days. He noted the weak representation of the social partners, particularly the workers, among participants, but also among teaching staff.
28. *The representative of the Government of Germany* thanked the Director for his detailed report. He urged the Centre to continue to promote activities relating to international

labour standards and the Declaration. He said that he hoped the Turin Centre would continue its training activities in the areas of labour administration, occupational health and safety and industrial relations. He was pleased with activities in the employment services, stressing that the latter's development and reinforcement could benefit from his Government's assistance.

29. *The representative of the Government of Brazil* thanked the Italian authorities for their support for the Centre and congratulated the Director on his excellent report. He was particularly pleased with the efforts made to ensure that the 2006 Olympic Winter Games did not disturb the Centre's activities. However, he deplored the fact that several Portuguese-speaking countries that were reforming their social protection system had not benefited from training in this area, and that the participation of Brazilians and nationals from MERCOSUR countries had fallen significantly between 2001 and 2002. He encouraged distance training activities, particularly in the context of limited resources and improving the participation of people in developing countries.
30. *The representative of the Government of Barbados* thanked the Director for his excellent report and the Italian Government for its constant financial and logistical support for the Centre. He was delighted with the activities put forward for 2004 and the opportunities they offered the Americas, particularly through the development of distance training activities. He expressed his Government's satisfaction at the reinforcement of assessment and follow-up activities with former participants. However, he regretted the insufficient number of activities for English-speaking countries in the Caribbean region. In order to remedy this, he suggested that a partnership be set up between DELTA and the University of the West Indies. He said that he hoped that activities would be organized in the areas of occupational health and safety, the informal economy and the development of enterprises. In terms of the economic integration of the countries of this area, he asked for assistance to be provided to counter the consequences of integration on the mobility of labour and labour legislation.
31. *The representative of the Government of Japan* recalled that human resources management was central to development and social stability. He shared the concern of his Asian colleagues over the level of participation of the Asia region, particularly when the size of its population was considered. He was delighted that Afghanistan had been reintegrated into the international community, and recalled that reconstruction was the key to development. He also said that his country had set up job-creation and vocational training activities. He cited the "Asian Pacific Skills Development Programme" (APSDEP) in particular, which sought to improve the level of vocational training.
32. *The Director* thanked the members of the Board for their excellent contributions. He thanked the governments that provided concrete support for the operations of the Centre and the Italian authorities for their continued support. As regards the network of former participants, he recalled that the Director-General himself had asked for such a network to be set up. He said that an essential preliminary stage in setting this network up involved collecting information on former participants and that was in progress. He informed the Board that Internet-based networks, particularly for activities for workers, and among the University of Bologna in Italy, the Turin Centre and Castilla-La Mancha University in Spain already existed. As regards activities concerning the informal economy and decent work, the Turin Centre was working closely with the ILO's INTEGRATION Department and was preparing many activities for 2004. Training modules on decent work were also being prepared. On the question of the predominance of Latin America in distance learning activities, he acknowledged that this region had been the pioneer, but that efforts had been made to develop these activities in other regions, such as eastern Asia, particularly China. A distance training platform for North Africa on the subject of local development had also been created. Out of 300 distance learning participants, 50 came from Africa, 20 from Asia

and 80 from Europe. In response to the Board members' recommendations to establish cooperation with the United Nations System Staff College, the Director said that the two institutions were in regular contact, but that it was necessary to wait for the new United Nations System Staff College management team to establish its strategy before considering specific action. In order to resolve the problem of visas, the Director announced that he had sent a verbal message to the Italian Ministry of Foreign Affairs to make it aware of what the Centre wanted. He nevertheless recalled that the Schengen provisions extended the time required to obtain visas. Returning to questions related to the division of activities by sector, the Director referred to the International Labour Standards Programme which, created only seven years ago, was now particularly dynamic. Efforts had also been made to integrate the standards into all courses in other programmes. A brochure presenting international labour standards was also being prepared and would be distributed to all participants. The participation of workers and employers in the Centre's activities would also be reinforced thanks to the increase in the central fund. On the question of certificates, he recalled that the Centre issued three types of qualification: *university diplomas* or *degrees* awarded jointly with a university; course certificates of achievements or *diplomas*, which validate knowledge whose acquisition has been verified; and finally *certificates of attendance*, which simply validate participation in an activity. In relation to the Centre's personnel, the Director informed the Board that the matter of people who held short-term contracts had been given constant attention, that several had been given tenure, and that a system had been put in place. He reminded those present, however, that by its nature a training centre should have qualifications capable of adapting to constantly changing demands. As far as the plan to replace personnel was concerned, each vacant post was examined to find out how to provide for it, bearing in mind aspects such as the grade, parity between men and women, and geographic distribution, but that the forward-looking human resources management the Centre was going to adopt would make it possible to be more systematic in this area. Returning to the concerns of certain members of the Board on the participation of Asia in 2003, he noted that the new projects in Afghanistan, India and China would have a strong impact on the region's participation. The Director acknowledged that activities for employers were less numerous than those for workers, but that this was directly linked to the budget that was allocated to their programmes. He stressed, however, that the recent programme of activities for employers provided for up to 20 activities in 2004 as against nine in 2002. In addition, since the European Commission was very interested in this type of training, and since the rules of operation of the European Social Fund were by definition strictly tripartite, the imbalance between activities for employers and for workers would be reduced. As far as labour administration and enterprise development were concerned, he pointed out that the Centre had important projects, particularly thanks to the support of Belgium. Finally, he wanted to reassure the members of the Board that the recommendations of the External Auditor's representative were always taken systematically into consideration and that an action plan was always defined as soon as they were known. A special effort would be made to continue along the lines indicated and to overcome the many difficulties arising.

33. *Mr. Piva, Deputy Director of the Centre*, recalled that the Turin Centre's buildings had initially been scheduled to last for six months, and that certain security systems were clearly obsolete. Important modernization work had nevertheless been undertaken, such as reconstruction of the fire-fighting network and rewiring. These two projects had been funded entirely by the City of Turin for a total of US\$900,000. In addition to this, the fire-fighting training programme for the Centre's personnel was continuing, and around 60 staff had benefited to date. Structural improvements were continually being made, even if they were not always very visible, such as the systematic installation of emergency exits, particularly in bedrooms. As far as computer security was concerned, it should be noted that the Centre's computer system was redundant; if a problem affected the system, it was immediately replaced by the parallel circuit. A study was in progress to assess recovery solutions following a major disaster. Two solutions were possible. The first was to

externalize the infrastructure and installations, and the second was to construct a second machine room on the campus, but at much greater cost.

34. *Mr. Lenglet, the Centre's Director of Training*, referred to the statistics in Appendix 2 to underscore the Centre's performance. He admitted that more accurate statistics could still be obtained. He pointed out by way of example that the new database on participants would be in operation in 2004, but that consequently the results could only be published in 2005. Current data showed that workers' participation was on the increase, thanks in particular to the central fund for the social partners.
35. *Mr. Jones, Treasurer and Head of Financial Services*, answered questions connected to the delay in closing the accounts. He explained that difficulties in previous years were due largely to the adoption of a new accounting system. This had caused many problems but it had now been mastered, and the system was working well. Another difficulty was connected to the Centre's activities forming part of projects, and whose accounting information could take a long time to obtain. The Head of Financial Services estimated that with close follow-up and better mastery of accounting tools, the situation would gradually get back to normal.
36. *The Worker Vice-Chairperson* wished to see all these answers incorporated into the Board's report.
37. *The representative of the Government of Italy, Mr. Perone*, suggested that the Centre's budget should be expressed in euros rather than US dollars, since most of its operations were carried out in Italy. He was aware of the difficulties such a change could cause, but insisted that it should be considered.
38. *The Director* confirmed that expressing the budget in US dollars was a source of complications for the Centre, given that 80 per cent of its expenditure – wages, post adjustments, fixed and variable costs – was in euros. Businesses generally estimate that when over 60 per cent of expenditure is made in a currency, that currency should be used as the accounting reference currency. A fall in the value of the US dollar against the euro since the 2004 budget was prepared, in August last, has increased the deficit in the 2004 budget by US\$600,000. It was difficult and dangerous to draw up a budget in these conditions and to manage it responsibly. He thanked the representative of Italy for bringing the matter up. He said that consultations were under way with the ILO to bring possible solutions into clearer focus, in view of the difficulty of the issue, and that he would keep the Board informed of the ideas arising before any decision was taken.
39. *The Worker Vice-Chairperson* suggested that the Centre consider the possibility of introducing dual accounting, in euros and US dollars. He felt that an international organization had to keep the United States dollar in its accounting.
40. *The Director* reminded the Board that the ILO had adopted a solution of using the exchange rate of the Swiss franc when the budget was adopted. He specified that the new computer version the Centre had to acquire would make dual accounting in dollars and euros possible, but that this involved an investment the Centre had not yet found a way to meet.
41. *The representative of the Government of Belgium* also supported the use of the euro, but stressed that international institutions might need to have accounts in several currencies, if only to facilitate relations with donors.
42. *The representative of the Government of the United States* expressed her satisfaction at the scope of the work carried out by the Centre on impact assessment, the results of which she

eagerly awaited. She said that she was personally satisfied that the problem of pensions had been resolved. She suggested that the issue of expressing the budget in US dollars or euros should be put on the agenda of next year's Board meeting.

43. *The Employer Vice-Chairperson* endorsed the suggestions by the Director and the representative of the Government of Italy to examine the issue of expressing the budget in US dollars or euros in more detail.
44. *The Board* approved paragraph 17 of document CC 65/2 and took note of documents CC 65/1; CC 65/1/Add.1; CC 65/1/Add.2; CC 65/1/Add.3; and CC 65/2/Add.1.

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

45. *The spokesperson for the Trade Union Training Committee* suggested that, following their special meeting, the two groups should meet jointly to discuss issues and propose joint initiatives. He declared:

First, we would like to remind the Board of the request that came from the TUTC about a specific discussion on the Turin Centre during the Governing Body of the ILO, in order to seriously commit the Organization to its future development.

Then, we would like to express our satisfaction for the way the Programme for Workers' Activities was carried out in the past year.

Many important deliberations were taken in order to strengthen the workers' programme. I invite the Board to read them carefully since I think that they are valid also for other programmes.

Finally, we reiterate that we welcome the establishment of a clear and separate Employers' Training Committee, in charge of employers' activities.

We need now to redefine (and re-establish) a Joint Management Training Committee, which could meet in the spring in order to provide guidance and advice to the Board on the general training programmes developed by the Centre.

46. *The spokesperson for the Management Training Committee* approved the Management Training Committee's report and pointed out that this Committee would be renamed the Employers' Training Committee with a view to preventing any misunderstanding. She drew the Board members' attention to paragraph 30, which proposed to implement IOE/ICFTU projects in areas of common interest such as occupational health and safety, the informal economy, freedom of association and modernization of international labour standards. She detailed the priorities of the Employers' group, which would like the Centre to consolidate its activities in the areas of corporate social responsibility, the Global Compact, capacity-building of employers' organizations, and anti-AIDS and job-creation programmes for young people. In order to achieve the latter objective, she recommended closer cooperation with the United Nations Global Youth Employment Network.
47. *The representative of the Government of India* wanted measures to be taken to increase participation by resource persons and participants, particularly women, from the Asia region. Distance training would make it possible to achieve this objective. He asked for more account to be taken of the needs of the informal sector in the Centre's training programmes.

48. *Mr. Anand (Employer, India)* supported what the representative of the Government of India had said with respect to more participants from Asia. He repeated his demand for special innovative programmes for combating poverty, essential tools for promoting the Declaration.
49. *Mr. de Arbeloa (Employer, Venezuela)* agreed that employers and workers had common interests. One of these concerned the serious violation of fundamental ILO Conventions on freedom to organize, freedom of association and collective bargaining. Venezuela and Colombia were particularly affected by this, which should be grounds for significant ILO action in the area. Mr. de Arbeloa pointed out that violating these fundamental rights was a significant cause of poverty, unemployment and social crisis. He therefore called for a joint stand by the Workers' and Employers' groups to ensure that ILO initiatives were actually implemented to resolve the situation.
50. *The Board* took note of documents CC 65/3/a and CC 65/3/b.

III. Update on the 2002-05 Investment Fund of the Third Development Plan (Fourth item on the agenda)

51. *The Director* recalled the principal strategic guidelines of the Third Development Plan. This involved gender issues, the production of teaching material for following up the 1998 Declaration, particularly in relation to forced labour, social dialogue, improving the quality of the Centre's activities, and, finally, renovating the Centre's technological facilities. He stressed that the rate of expenditure incurred in applying the plan was, on the whole, consistent with forecasts.
52. *The Employer Vice-Chairperson* confirmed the Employers' group's support for the strategic objectives of the Third Development Plan. As regards teaching material concerning the Declaration, she asked for the promotional nature of the Declaration to be clearly expressed in such material. She then emphasized the Employers' group's interest in matters of social dialogue and corporate social responsibility. She recalled, however, that the IOE and ACT/EMP should be consulted when training in this area was prepared. She expressed her agreement on action to set up a network of former participants who should become "ambassadors" for the Centre and for the ILO in the world, in the words of paragraph 35. Finally, she extended her congratulations on the start-up of initiatives intended to assess the impact of the Centre's training activity.
53. *The Worker Vice-Chairperson* declared:

Report on the 1998-2001 investment plan and update on the 2002-05 Investment Fund of the Third Development Plan

The Workers' group invites the Director of the Centre and the Board first to take into consideration the proposals made by the Workers' group to support the integration of the Centre with the ILO.

In 1998, we produced a document entitled "The new ILO strategies and the role of the International Training Centre of the ILO". The positive response of the ILO Director-General was very encouraging. The following year, we further provided guidelines for the elaboration and implementation of the Turin Centre's Third Development Plan.

A number of achievements have been positively reached, such as:

- creation and/or strengthening of new technical programmes following the ILO structure;
- ILO staff training by the Turin Centre;

- preparation of master plans for the upgrading/reconstruction of the Turin Centre premises (in view of the 2006 Olympic Games);
- increase of curricula including core labour issues related to the ILO mandate;
- efforts to increase the number of workers' and employers' participants in Turin Centre courses by establishing the central fund.

Despite the initiatives mentioned above, a number of strategic issues still need to be addressed for completing the integration of the Centre with the ILO.

Delivery of training activities in line with the four sectors and with ILO policy orientations

Efforts should continue to be made in this regard and in particular in terms of integrating gender equality into all the curricula, research and training instruments.

In order to design management/planning tools to ensure that the Centre becomes the training arm of the ILO, technical programmes should be coordinated and operated jointly with Geneva technical units and the field structure.

Integration of the staff

On this issue, almost nothing has been accomplished, except for a study on the main legal implications of the integration of the Centre's staff with the ILO. Please refer to our initial intervention for suggestions.

Target groups and constituents

The Turin Centre has a very limited control in fixing the participants' profile, because it has to follow the conditions and requirements specified by donor institutions themselves. This affects negatively the participation of ILO constituents, and in particular workers' and employers' representatives. (This issue cannot be dissociated from the financial questions.)

Without any delay, the Centre should provide itself with a management tool that allows access to the profile of participants and to information for future and past activities.

Development of technical integration

The Centre and ILO headquarters/field should be better integrated technologically by joint planning and shared communications systems.

Coordination between the Centre and the Institute

As mentioned in previous documents, the research and training tool capabilities of the ILO need to be brought together with basic procedures for coordinating and building bridges between the Centre and the Institute – two functions that are interrelated and complementary.

Proposals to achieve financial integration with Headquarters

The Centre should:

- free existing resources in order to offer training activities relevant to the ILO and designed for predefined target groups (mainly ILO constituents);
- prepare the Centre to respond to the main challenges connected with a major development in education technology (equipment and training of its own staff).

The financial integration of the Centre with ILO Geneva requires that action be taken in two areas: (1) restructuring involves a reassessment of the fixed costs of the Centre; (2) action is needed to increase its income.

Reduction of the Centre's fixed expenses

Each year, the Centre needs to find around US\$7-8,000,000 contribution to the fixed costs to balance its budget. In order to generate this money, the Centre needs to gain an income of around US\$24,000,000 (since an average of 30 per cent is charged on each activity to cover the Centre's fixed costs). In reducing the level of fixed costs, existing resources would be freed and more time could be dedicated to elaborate and implement training activities/packages responding to ILO constituents' needs (for example, finding resources for the Director for the African region). Any action should be of course transparent and carried

out in full consultation with the Staff Union and staff members, who should benefit from the development of new skills/training and a more stable working relationship with the ILO.

Finally, it should be noted that there was an increase in the Centre's managerial positions and that this has had an inevitable impact on its fixed costs – without necessarily increasing its efficiency.

Joint resource mobilization with the ILO

The ILO Director-General and the Director of the Centre should take upon themselves to ensure that, in all negotiations with potential donors, a part of the allocations received be reserved for the training activities provided by the Turin Centre (residential or in the field). In addition, the ILO technical departments should continue to be encouraged to use the available facilities of the Turin Centre for their meetings and activities.

Finally, the Italian contribution to the Turin Centre's income, the so-called "Italian package", should be augmented by other ILO funds, either RBTC, other multi/bilateral donors, to establish a "sort of special fund" for ILO training directly linked to ILO priorities, i.e. decent work and training. The Government of Italy should also better coordinate with the Italian social partners a better tripartite participation in the courses.

The Third Development Plan should be linked to a more in-depth exercise associated with the proposals made by the Workers' group on the future developments of the Centre.

We refer also to the various specific proposals made last year (building an integrated structure; financial sustainability; joint resource mobilization with the ILO; staff training, integration of staff, gender; and the Centre's infrastructure).

Follow-up and comments on the progress report

The Workers' group noted that the major concern of the operationalization of the Third Development Plan (strategic objective A) was related only to quantitative increases (the document proposes an increase of course participants of around 20 per cent in the next five years) while we opted for a specific and targeted assessment, aiming at:

- better balancing the training offer of the Centre in relation to the four strategic objectives;
- focusing not only on the number of participants, but also on qualitative indicators (Workers' and Employers' representatives and gender);
- introducing on-line education in relation to the four strategic objectives of the ILO;
- reviewing the allocation of the Investment Fund with financial resources allocated to the "closer association with the ILO" (Objective No. 1);
- allocating more resources to Objective No. 4 (Information technology).

The implementation of the Third Development Plan has been slow and weak, while not affecting major structural changes.

The report seems to us quite poor and we hope that during this Board and in the coming months the situation will be rectified and a more effective management style would be introduced.

The Workers' group would like to receive clarifications on the project on forced labour and in particular:

- if there is a plan for recruiting for a year a professional staff for launching the project and organizing training activities/material;
- how the Third Development Plan will increase the participation of social partners in the Centre's training activities through specific targets and indicators.

54. *The representative of the Government of France* stressed the importance of developing training activities in the area of occupational health and safety. He recalled that during its last session the International Labour Conference had adopted a resolution in this area. Training needs in this field were very important, and North-South cooperation should be

developed to respond to it. Occupational health and safety was, in addition, a topic that would make it possible to further the integration between the Turin Centre and the ILO.

55. *The representative of the Government of China* shared the concern already expressed by the representative of the Government of India on the under-representation of participants from the Asia-Pacific region and highlighted the importance of developing new technologies and distance learning.
56. *The representative of the Government of India* proposed that during the 2006 Olympic Games some of the Centre's activities should take place in India. He pointed out that three important training institutions focusing on labour were situated around New Delhi. He, too, highlighted the need to develop training in new technologies and recalled his country's driving role in this area. Participants from India should be duly represented in these activities. He also highlighted the effectiveness of new technologies, particularly distance training, in allowing women greater access to the Centre's activities. In relation to friendly dispute resolution, he proposed that more account be taken of the experience of non-European countries such as India. Finally, he pointed out that efforts to implement an impact assessment system were essential for improving the quality of the Centre's activities.
57. *The representative of the Government of Japan* shared the concern already expressed by the representative of the Government of India on the under-representation of participants from the Asia-Pacific region. He asked the Director for a clear undertaking to reduce this imbalance.
58. *The Director* recalled that the Board had debated the investment plan twice, and that its content had been modified following the recommendations made during those discussions. As far as applying the plan was concerned, he indicated that the production of teaching material for following up the Declaration was an essential objective for reinforcing the Centre's presence in a key sector of ILO action. As regards the choice of worker and employer participants, the Director recalled that this was the responsibility of ACTRAV and ACT/EMP. For other participants in training, selection depended on the objectives of the activities and the priorities of the countries taking part. He stressed that the Centre did not enjoy total freedom in this area. The demands of institutions funding the training, among others, had to be taken into account. As regards integration between the activities of the Centre and the activities of the ILO, the Director said that the Centre's programmes now covered all the main programmes of the Office. He hoped that the reflection undertaken by the task force would allow the ILO to make better use of the Centre's capacities and resources, and said that progress still had to be made. This was true, for example, of the Centre's participation in sector 1 activities, which now drew upon significant external resources. The Director also informed the Board of the efforts undertaken to ensure joint planning of the activities of the ILO and the Centre. In this context, Mr. Lenglet and five colleagues had taken part in Geneva that week in the consultation between headquarters and field offices on implementing the 2004-05 programme and budget of the Office. With respect to the Centre's cooperation with training institutions in member countries, the Director stressed that many contacts already existed and that, in view of the Centre's size, it would not be easy to increase their volume. As regards cooperation with the International Institute of Social Studies, the Director pointed to the joint initiatives in the area of decent work. He stressed, however, that greater cooperation would be possible and that the Centre had always been prepared to put this into effect. As for activities concerning corporate social responsibility, the Director pointed out that worker participants had followed this training. As regards the Centre's fixed costs, he said that between 1989 and 2003, administrative personnel had been cut by almost half while the number of participants had increased fivefold. Meanwhile, systematic research to keep costs down had been carried out in preparing the 2004 budget. The Director then

thanked the members of the Board for their suggestions on implementing the Third Development Plan. He felt that the comment on occupational health and safety was very important. Finally, the Director shared the wish expressed by certain Governments to see an increase in the number of participants from the Asia-Pacific region in the Centre's activities. To achieve this objective, the assistance of Governments and social partners in the countries of the region was essential.

IV. Staff questions (Fifth item on the agenda)

59. 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 in Appendix 1 of this document.)
60. *The Director* presented the first document (CC 65/5/a), which informed the Board of the measures taken to incorporate decisions taken in the United Nations General Assembly into the management of the Centre, in line with the delegation of authority received. The second document (CC 65/5/b) explained the need to re-delegate to the Director the power to integrate decisions taken by the United Nations General Assembly without delay. Finally, the third document (CC 65/5/c) proposed to the Board, after discussion and agreement with the Union, to put back by one year the changes that should be made to the Staff Regulations on questions of agreement, appeal and procedures.
61. *The Employer Vice-Chairperson* took note that document CC 65/5/a was a document for information; she approved document CC 65/5/b, which was a decision document. She said that she was satisfied with the explanations provided in document CC 65/5/c as regards the Joint Negotiating Committee's decision to put back the findings of its analyses by one year.
62. *The Workers' group* approved document CC 65/5/b and accepted the proposals in document CC 65/5/c.
63. *The representative of the Italian Government, Mr. Perone*, took note of the Joint Negotiating Committee's decision.
64. ***The Board took note of document CC 65/5/a and of paragraph 5(a) of document CC 65/5/b. The Board approved paragraph 5(b) of document CC 65/5/b, and paragraph 5 of document CC 65/5/c.***
65. *The Chairperson* submitted to the Board document CC 65/57/d, which was the report and recommendations of the Officers of the Board on the matter of the pensions of certain Italian officials.
66. *The Worker Vice-Chairperson* approved the decisions taken during the meetings of the Officers of the Board, as set down in document CC 65/5/d, and approved paragraphs 4 and 5 thereof.
67. *The Employer Vice-Chairperson* praised the accuracy and clarity of document CC 65/5/d, which clearly explained the situation of the pensions of certain officials. This situation posed an ethical problem, but a great deal of consultation had made it possible to achieve a positive outcome. The Employer Vice-Chairperson personally thanked Mr. Picard, the Legal Adviser, and Mr. Petrovic for their help in resolving the matter, and Mr. Piva,

Deputy Director of the Centre, for their skill and spirit of dialogue. The Employer Vice-Chairperson approved paragraphs 4 and 5 of the document concerned.

68. *The representative of the Government of India* thanked all those involved in resolving the pensions crisis for managing, after many years of negotiation, to settle an essentially ethical and moral problem in a very satisfactory manner.
69. *The Board took note of document CC 65/5/d and approved the recommendations in paragraphs 4 and 5.*
70. *The representative of the Government of Italy* also expressed his country's satisfaction at resolving the issue of pensions of certain officials of Italian nationality; the result achieved after negotiations between management and staff representatives was positive.
71. *The Director* informed the Board of the appointment of Mr. Jean-Claude Villemonteix, the new Head of the Human Resources Services, whose training and experience at the International Monetary Fund, the IAEA and the FAO would be particularly useful for establishing a forward-looking personnel management system. He specified that the Centre was in favour of recruiting high-level female professionals, but that the women candidates short-listed for the post, which he had been offered at that grade, had withdrawn for personal reasons connected essentially to the difficulty their partners had in finding a job in Turin. He hoped that with the help of the local authorities, solutions could be put forward. He also informed the members of the Board of the retirement of Mr. Piva, Deputy Director of the Centre. He expressed his most sincere thanks to him for what he had accomplished during his long career at the Centre, particularly in the seven years in which he had acted as Deputy Director with a great deal of skill, energy and conviction.
72. *Mr. Piva, Deputy Director of the Centre*, said how much he had enjoyed serving the Centre over the last 33 years. He thanked the Board for its recommendations, the Italian Government and local authorities for their support, and the Director for his confidence, and he also thanked all his colleagues.

V. Report to the Programme, Financial and Administrative Committee of the Governing Body of the ILO (Sixth item on the agenda)

73. *The Chairperson* informed the members of the Board that the report on the 65th Session of the Board of the Centre would be available to the Programme, Financial and Administrative Committee of the Governing Body of the ILO on Monday 10 November 2003 in Geneva. In accordance with the usual practice, and in view of the very short deadline imposed, he proposed that the Board delegate the task of approving the draft report to the Chairperson.
74. *The Board* approved the Chairperson's proposal.

VI. Date and place of the next session (Seventh item on the agenda)

75. *The Chairperson* proposed that the 66th Session of the Board of the Centre be held in Turin on a date determined by the Officers of the Board before the Governing Body of the

ILO in Geneva from 4 to 19 November 2004. The final date would be communicated to the Officers of the Board.

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

77. *The Chairperson* closed the 65th Session of the Board of the Centre by thanking those present for their contributions and repeated the apologies of the Director-General, whose commitment to promoting the Centre he underlined, for being unable to attend the deliberations of this assembly to which he attached the highest importance. He recalled the instructions given by the Director-General to the Executive Directors of the ILO to make better use of the Centre's capacities, particularly in the area of the informal economy and the enlargement of the work of the task force on the Turin Centre to encompass matters of funding, which reflected the full interest of the ILO in its development.

Appendix 1

Address of the Staff Union Committee to the Board of the Centre 7 November 2003

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

I would have liked to be able to tell this auspicious gathering that the world is a better place this year. Unfortunately this is not the case, since we are all aware of the tragic events that have affected thousands of people over the last 12 months, including many colleagues working in countries where “social justice and democracy” are just empty words.

In saying this, I take stock of everything that remains to be done to achieve a more just world which is at peace with itself, which our Organization, the ILO, other international, regional and local organizations and all peace-loving forces are working tirelessly towards.

At the Turin Centre, we are fully committed to combating poverty, human rights violations, inequality and social injustice in order to help to make the world a better place.

To do this, we adhere to the ILO’s strategic guidelines, and the Turin Centre has accordingly reorganized to provide a better response to the expectations of all those people who need our know-how and experience.

The reorganization begun at the Centre four years ago is unequivocal proof of this intention. The catalogue of proposed training activities, the quality of services and products and the coordination with units in the field are all very significant evidence of this approach.

In order to play its strategic role in the ILO’s work to the full, the Turin Centre now needs more than ever to overcome the chronic obstacles it is facing and which threaten to deflect it from its main activity: the development of human resources.

Integrating the Centre into the ILO remains a reasonable objective, the ways and means of which have yet to be determined. We hope that the “task force” set up by the Director-General of the ILO and chaired by the Director of the Turin Centre can make concrete recommendations that will finally allow us to be considered as full partners who wish to join forces to achieve the noble and difficult objectives that lie at the heart of the ILO’s mandate.

The Staff Union Committee, which last year signed an integration agreement for joint action with the ILO union in Geneva, would like to congratulate the management on this concrete initiative but reiterates its desire and willingness to contribute as best it can to the success of this task, which is important for the Centre’s future and, above all, for matters concerning personnel management.

At each Board meeting, it is customary to report back on the year that has just ended and to share our views and expectations for the coming year.

Without wishing to establish an order of priority, we will begin by referring to the difficulty of establishing a systematic dialogue on all matters of common interest.

After finally reaching a provisionally satisfactory outcome for short-term contracts by means of a series of meetings of the Joint Negotiating Committee, the Centre operated for ten months without a Head of Human Resources Services. This, naturally, did not make it possible to pursue dialogue on a shared medium-term and long-term view of human resources management or to conclude the Collective Agreement on Recognition and Procedures.

This interlude in the life of the institution was far too long, even though, for some particularly urgent matters, a cordial dialogue with the Deputy Director, temporarily responsible for this task, allowed to find acceptable solutions. With our sincere thanks, we wish him a well-deserved retirement. Cordiality, however, cannot replace regular, in-depth consultation and consensus.

The documents the auditors and management have provided you with show that the year closed with a healthy economic situation, for which we thank the management and all the officials of the Centre.

It would be reassuring to see the resulting financial surplus being used to develop our human resources capital. We would, in particular, like to be sure that in 2004 the posts submitted for your consideration in the budget today, if approved, will actually be created rather than being forgotten for reasons which are not always clear.

The auditors, however, have also highlighted the risk involved in the fact that, between now and 2006, around 14 per cent of the Centre's personnel, almost 33 per cent of whom are high-grade officials, will retire.

By next year alone, some ten officials will have retired and we have seen no effective and appropriate measures taken to replace them to ensure that activities continue smoothly without loss of acquired rights, technical know-how or important contacts.

Such succession planning, which has been talked about in theoretical terms a great deal, must form part of the human resources management and development plan that has been a major concern at the Turin Centre since 1997. The Staff Union Committee, which has always advocated an integrated approach based on close correlation between identified competencies and the Centre's future priorities, would appreciate seeing rapidly a concrete proposal and plans.

This approach requires better, dynamic and effective use of human resources based on internal functional mobility that would limit the systematic use of short-term contracts, thereby permitting non-negligible economies and thus fully respecting the promise "*to alleviate the position of long-serving short-term staff and to create, whenever needed, fixed-term job opportunities*".

This approach must encompass not only career plans and fair and justified promotions, but, above all, a rigorous recruitment policy that prioritizes real technical capabilities.

In short, an approach based on precise and transparent rules, applied honestly and responsibly which must be respected.

As far as increased women's participation and gender issues in our training programmes are concerned, we believe the Centre has done a fine job which we are proud of.

However, concerning equality between men and women who work at the Turin Centre, I hope that you were surprised to find that, this year yet again, the figures in the Director's report on the number of women in Professional categories are virtually the same: not a single woman at grade D, and only four women out of 19 officials at grade P5!

Nothing has changed since the last report, despite our many requests and the management circular of 8 March 2001.

On the other hand, we were surprised to note that the post of Head of Human Resources Services, previously occupied by a woman at P4, is now occupied by a man at P5! Yet we are firmly convinced that we do not have a misogynist management! It would be nice to have evidence of this in coming months.*

As you can see, ladies and gentlemen, the year that has just ended has brought neither major upheavals nor serious problems for the Centre. I would have been able to wind up my speech here, did I not still have two pieces of news to give you. One of them is good, the other is bad. The bad news is that once again we have to bring up the Italian pensions issue. The good news is that we hope it will be for the last time.

On Tuesday afternoon, a proposed solution was presented to the Officers of the Board. It was the outcome of several days' hectic and exhausting consultations between the new management representatives and the staff representatives.

Despite the extreme lateness of the decision to get the consultation process under way, we were able to agree on criteria which, although far from being those we had wished for, have the merit of encompassing practically all the officials concerned.

* Equal Remuneration Convention, 1951 (No. 100).

These officials had unambiguously expressed their full willingness to negotiate these criteria in the most reasonable manner possible, and they maintained a responsible attitude until the negotiations were concluded on Tuesday morning.

Ladies and gentlemen, it is with pleasure that we can announce to you today that, with your agreement, these officials can now finally obtain, as well as deep psychological satisfaction, the minimum requirements for entitlement to an Italian pension and to a United Nations pension.

The solutions found also make it possible to keep within the financial limits set from the start by the management representatives.

Year after year, this issue has been brought before you at every Board meeting. Now that an acceptable solution has finally been devised, we must thank all who have contributed towards it, in particular Ms. Viale, Mr. Busca, Mr. Gruat and Mr. Picard, whose endeavours have proved fundamental.

We also want to thank the Director-General for his acceptance to share the cost of the proposed measures with the Turin Centre and last, but not least, we would like to thank Mr. Trémeaud, the Director of the Centre, who made it possible to look afresh at the whole issue from a moral and human standpoint.

Your agreement will be the last stage in a controversy that has lasted too long. We are confident that your decision today will finally put an end to it.

Thank you.