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Proposed 2024–25 budgets for extrabudgetary accounts: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR)

Purpose of the document

This document presents a proposal for CINTERFOR's Programme and Budget for 2024–25. The Governing Body is invited to approve the income and expenditure estimates of the CINTERFOR extrabudgetary account for 2024–25, as set out in Appendix I (see the draft decision in paragraph 37).

Relevant strategic objective: All.

Main relevant outcome: All.

Policy implications: None.

Legal implications: None.

Financial implications: Budget for 2024–25.

Follow-up action required: None.

Author unit: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) and Financial Management Department (FINANCE).

Related documents: [GB.346/INS/4](#); [GB.343/PFA/2](#).

► Introduction

1. The major global trends of technological, environmental and demographic change, together with the effects of the COVID-19 pandemic, armed conflicts and the alteration of globalization patterns and global production chains, have had a diverse impact on the societies, economies and labour markets of Latin America and the Caribbean. While these transformations can bring beneficial opportunities for workers and businesses, they also generate disruptions and present challenges in terms of employment, productivity, competitiveness, equity and socio-economic inclusion. An additional trend is the global shortage of skilled labour, which poses a constraint to the adoption of new technologies and attainment of productivity growth at the enterprise and sectoral levels. At the same time, this limits the possibility for workers to access better quality and higher paying jobs, as well as prospects for professional and personal growth.
2. Effective and inclusive systems of skills development and lifelong learning are a central part of strategies to address these challenges and to generate and maximize the use of emerging opportunities. In turn, these are necessary conditions on the path to human development; full, productive and freely chosen employment; and decent work for all, as expressed in Sustainable Development Goal 8. Vocational training institutions exist in a number of countries in Latin America and the Caribbean, creating an institutional foundation for skills development in the region in response to the changing world of work.
3. CINTERFOR's work plan for the 2024–25 biennium is aligned with the ILO strategy on skills and lifelong learning 2030, to whose design CINTERFOR actively contributed. The ILO strategy was adopted in November 2022 to give effect to the conclusions concerning the general discussion on skills and lifelong learning adopted by the 109th Session (2021) of the International Labour Conference and the plan of action for 2022–25.¹ CINTERFOR's work plan is a regional expression of the ILO strategy and plan of action, and aims to attain greater value added for the ILO's work in this technical area, in terms of internal and external visibility, legitimacy, and the development of a framework that extends beyond the programmes and budgets of each biennium. It also adopts the theory of change that underpins the ILO strategy, insofar as the expected results and impacts will apply to the challenges that the Latin American and Caribbean region faces in the area of skills and lifelong learning.
4. These challenges can be grouped into six major areas in which CINTERFOR seeks to generate impacts:
 - developing inclusive, resilient and sustainable economies and societies with employment-generating sectors;
 - promoting a just transition to environmentally sustainable economies, facilitated by digital technologies;
 - improving access to full, productive and freely chosen employment, decent work, income and livelihoods;
 - improving resilience, employability, adaptability and career prospects for all;

¹ GB.346/INS/4.

- increasing the productivity and sustainability of enterprises, including micro, small and medium-sized enterprises (MSMEs), and facilitating the transition of economic units from the informal to the formal economy;
 - adopting an inclusive and gender-sensitive approach to skills, lifelong learning and labour markets.
5. Throughout its 60 years of existence, CINTERFOR has played a central role in promoting cooperation, technical assistance and knowledge management across a network comprising 66 institutions and organizations linked to vocational training in 28 countries. In this role, CINTERFOR is called on to contribute actively and effectively to the leadership of the ILO, especially in terms of the strengthening of cooperation and partnerships for development, the exchange of good practices, the capacity development of vocational training institutions and constituents, the generation and dissemination of knowledge, the stimulation of innovation, and the promotion of tripartism and social dialogue in its field of action.
 6. In line with previous biennia, CINTERFOR has continued to develop a systematic, cumulative and innovation-oriented process of improving its work processes, its modalities and mechanisms of action, and its articulation with the technical services at headquarters and with ILO field offices. During the current biennium, as in the previous one, CINTERFOR has promoted a joint effort in collaboration with the Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV) to stimulate increased interaction with social partners in the world of work. Several bipartite social dialogue sessions were organized on issues related to the future of vocational training from the perspective of employers and workers. In 2023, this process has extended to tripartite social dialogue and will continue in the next biennium as a common practice.
 7. In addition, CINTERFOR has continued to build and sustain strategic alliances with national and international cooperation and development agencies. The mobilization of external resources has continued to be a high priority, with consistently high levels of delivery, similar to past biennia. During the current 2022–23 biennium, investments have been made to give a strong impetus to the continuity and expansion of activities offered by the Centre's Digital Services Unit (DSU), which was created as an innovation during the COVID-19 health crisis. Particularly noteworthy has been the wide range of virtual courses, with synchronous sessions that have been consolidated as a new process of capacity-building for technical teams of member institutions of the Centre's network and tripartite constituents, offering 17 courses to 795 participants from 58 institutions, agencies and organizations from 22 countries during the biennium, with a participation rate of 52 per cent women and 48 per cent men.² One characteristic of these courses is that they are delivered to teams which, as part of the activities developed throughout the courses, design and produce capstone projects or institutional road maps that lead to innovations and new initiatives, thus promoting horizontal cooperation between institutions and their technical teams in the region. These opportunities for exchange allow the participating institutions to peer review their progress in the specific fields addressed, while providing useful inputs to continue with their processes of change, adaptation and innovation.
 8. The DSU has been key to strengthening the Centre's communication strategy through various communication channels and to widely circulating its message and services both to its members and to a broader and more diverse public. In this regard, by the end of the biennium

² Data as at 4 August 2023.

there will have been an estimated increase of at least 24 per cent of visits to the website compared to the 2020–21 period, while the newsletter is currently sent to more than 9,000 subscribers (30 per cent more than in the previous period). Dissemination through social networks shows ongoing growth: Facebook 60 per cent, Twitter 21.1 per cent, LinkedIn 19.7 per cent and YouTube 57.5 per cent, as well as an 11.2 per cent increase in total viewing time in hours. Finally, the 29 videoconferences held during the biennium reached more than 7,648 people from 30 countries, including direct participants and subsequent viewing of the event, with most people giving the highest ratings to the content, according to a survey conducted after each event. It will be a high priority to maintain this focus on continuous improvement and innovation during the next biennium, given that technological advances continually open up new opportunities to provide services and cooperation with greater coverage, scope and relevance.

9. Another line of innovation initiated in 2022 in which CINTERFOR has invested, and which it is strategically important to continue, consists of the promotion of collaborative innovation projects, in which individual groups of representatives of training institutions focus on a priority theme, with the common objective of accelerating innovation processes. Some of these projects have been leveraged with South–South cooperation funds provided by PARTNERSHIPS-SSTC and have the potential to mobilize new sources of financing. In the past year, collaborative innovation projects have been implemented in thematic areas such as pedagogical innovation, institutional digital maturity, anticipation of training demands in green sectors, training and certification for the care sector, shared resource portals and a regional vocational training observatory. The strategy of collaborative innovation projects will continue to be promoted in all the programmatic areas of this work plan, including in particular areas such as quality apprenticeships (in line with the Quality Apprenticeships Recommendation, 2023 (No. 208)), social dialogue, training and certification for the care sector, the use of big data for the prospection of demand for skills and measurement of skills gaps, as well as in the exploration of the potential opportunities and impacts of artificial intelligence in the world of work, emerging skills and vocational training.
10. The following details the CINTERFOR programme and estimates of income and expenditure for the 2024–25 biennium. Annexes I and II provide details of the budget.

► Work plan for the 2024–25 biennium

11. The proposed work plan for the 2024–25 biennium falls within the ILO strategy on skills and lifelong learning 2030 and the plan of action included therein for 2022–25. Like these, it falls under outcome 3 of the ILO Programme and Budget for 2024–25 (Full and productive employment for just transitions), and specifically output 3.2 (Increased capacity of Member States to develop inclusive, sustainable and resilient skills and lifelong learning systems). The work plan highlights:
 - the central role that the tripartite constituents have conferred on strengthening people’s capabilities in strategies to address the major transitions in the world of work, mainly the digital, environmental and demographic transitions, as well as in the achievement of the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly in 2015, in particular in relation to Goals 4, 5 and 8;
 - the emphasis on leaving no one behind, reinforced by the need to address the global recovery from the COVID-19 crisis, in particular by facilitating lifelong learning and labour

market transitions, ensuring inclusive and sustainable growth that generates productive employment and decent work, and fostering an enabling environment for sustainable enterprises and entrepreneurship;

- the need to strengthen the ILO's capacity to provide quality services to its constituents and Member States by better understanding their needs and responding to them in a more relevant and timely manner;
 - the need to contribute to the ILO's status as a reference organization in the field of capacity development for institutions implementing public vocational training policies, as well as for workers and enterprises;
 - the need to increase effectiveness and efficiency in the use of resources, in order to offer optimal and quality services to the Member States.
- 12.** In accordance with the guidance of the Governing Body, CINTERFOR will prioritize knowledge management, South-South and triangular cooperation, and the maximum use of information and communication technologies in all its areas of work.
- 13.** The Centre plans to make progress in five result areas using five modalities of action.
- 14.** The expected result areas are:
- result area 1: improved policies, governance and funding mechanisms for effective systems of skills development and lifelong learning;
 - result area 2: improved information on skills needs;
 - result area 3: innovative and flexible learning programmes and pathways;
 - result area 4: inclusive skills development programmes that respond to the diverse needs of the labour market;
 - result area 5: quality apprenticeships and work-based training for employability, productivity and business sustainability.
- 15.** The Centre will develop its activities using five modalities of action, namely:
- technical advice and support, training and the promotion of collaborative innovation. This also involves the use of tools such as videoconferencing and online courses that have been generating a wide and positive response;
 - applied and practice-oriented research and knowledge management, and dissemination to promote reciprocal exchange between vocational training institutions and constituents, in particular through South-South cooperation;
 - resource mobilization for the Centre's constituents, vocational training institutions and support functions;
 - promotion of the ratification and implementation of international labour standards on skills and lifelong learning.
 - the establishment of partnerships on skills and lifelong learning;
- 16.** The following points detail the topics covered for each result area and the actions to be carried out according to the above-mentioned modalities.

Result area 1: Improved policies, governance and funding mechanisms for effective systems of skills development and lifelong learning

17. This area is linked to the coherence of skills development and lifelong learning policies, strategies and systems with other public policies, comprehensive governance approaches based on social dialogue and inter-institutional relationships, the development of financing schemes that ensure their sustainability and guarantee the necessary investments, the quality assurance of policies and institutions, as well as the articulation of vocational training with strategies and mechanisms for skills assessment and certification and professional guidance.
18. A list of indicative activities is provided below.
 - Depending on the demands of different countries, technical support will be provided for the design or reform of policies and systems for the development of competencies, qualifications frameworks and lifelong learning. When there are overlapping demands between two or more countries or institutions, training activities will be implemented, and collaborative innovation initiatives and the transfer of activities between countries and institutions will be promoted.
 - Specific activities will be carried out to develop the capacities of tripartite institutions and constituents to support the expansion and consolidation of social dialogue and tripartite governance spaces for policies, strategies and systems for skills development and lifelong learning.
 - Studies and research will be conducted to document experiences, identify trends and draw lessons for dissemination and use as inputs for South-South exchange and cooperation actions.
 - Countries will receive support in areas such as the technical and financial implications of carrying out reforms in their skills development and lifelong learning systems, and of their negotiations with national and/or multilateral organizations.
 - Promotional activities, joint research and dialogues with regional banks and cooperation institutions will be carried out to mobilize extrabudgetary resources for skills development.
 - Activities will be carried out to promote the ratification and implementation of international labour standards on skills and lifelong learning.
 - Existing alliances with institutions and organizations in the region and in other regions will be consolidated through the organization of joint actions and/or participation in activities organized by them, as well as through the strengthening of existing cooperation agreements and the conclusion of new ones.

Result area 2: Improved information on skills needs

19. The issues to be considered in this area refer to the identification of current and future skills demands so that training providers can effectively adjust their provision of courses and so that people are aware of the skills required in the labour market. It includes capacity development for the improvement of labour market information systems and the strengthening of social dialogue in this regard.
20. A list of indicative activities is provided below.
 - Based on country-level demand, technical support will be provided for the establishment and strengthening of skills identification and anticipation, and labour market information

systems to address the challenges and opportunities associated with technological transformation, digital skills, the impacts of artificial intelligence on skills and vocational training, skills for environmental transition, and the development of strategic sectors. The tools of technical assistance, transfer and capacity development will be appropriately combined for these purposes.

- Technical support will be provided for national and sectoral studies on the identification of current and future skills demands, as well as the incorporation of extraregional experiences in this area that involve locally adaptable innovations.
- Studies will be carried out and published to document findings at the national and sectoral levels, their systematization and trend analysis. The same will be done to document and disseminate different methodological approaches and the inclusion of social dialogue in this field. These will be high quality inputs for exchange, training and collaborative innovation activities through South–South and triangular cooperation.
- Research activities and dialogues on approaches, experiences and findings on the identification and forecasting of skills demands will be carried out jointly with multilateral technical and financial cooperation agencies and with a view to the mobilization of extrabudgetary resources.

Result area 3: Innovative and flexible learning programmes and pathways

21. This area of results is aimed at ensuring that training has an impact on employment, the satisfaction of people's professional aspirations, improved productivity and the sustainability of enterprises. To this end, it is understood that training must be of good quality, relevant, flexible, inclusive and organized in flexible learning pathways.
22. A list of indicative activities is provided below.
 - At the request of countries, technical guidance will be provided on the training and status of teachers, trainers, training centre managers and other personnel involved in skills development, and on the establishment of quality assurance systems.
 - Technical guidance will be provided for technological innovations and digital transformation of skills development and lifelong learning systems, including online and blended learning offerings, certification mechanisms and support services.
 - Technical guidance will be provided for the validation of competencies and skills, including micro-credentials and the recognition of prior knowledge.
 - Technical guidance will be provided on the greening of technical and vocational education and training (TVET) and skills development, including through the strengthening of governance structures, and the development and improvement of competency standards, curricula and assessment packages.
 - Studies and research will be carried out to identify and document experiences in the innovation of pedagogical approaches, structuring of training provision, curriculum design, didactic methodologies and other relevant aspects, in order to ensure the quality, relevance, flexibility and inclusiveness of training. Their findings and lessons will be high quality inputs for exchange, transfer and capacity development activities, through both training and collaborative innovation, as well as for the mobilization of extrabudgetary resources.

Result area 4: Inclusive skills development programmes that respond to the diverse needs of the labour market

23. This area focuses on guaranteeing inclusive access to skills development and lifelong learning, thus helping to combat gender-based occupational segregation and discriminatory practices in the labour market. It also seeks to reduce the intergenerational transmission of inequalities and to facilitate the transition of workers and enterprises to formality.
24. At the request of countries, technical guidance will be provided for the establishment of inclusive, flexible and gender-sensitive learning pathways, in particular through universal design that considers the needs of people in vulnerable situations, innovative learning options and improved curricula.
 - Studies and research will be carried out on experiences and developments in inclusive training, community-based training in rural areas and sustainable agricultural development, attention to migrants, gender equality through the development of STEAM (science, technology, engineering and mathematics) competencies, and lifelong learning strategies for workers in the informal economy.
 - Advocacy activities, joint research studies, and dialogues with technical and financial cooperation institutions and agencies will be carried out to mobilize extrabudgetary resources for inclusive skills development programmes.

Result area 5: Quality apprenticeships and work-based training for employability, productivity and business sustainability

25. This results area is oriented towards the promotion and development of quality apprenticeship and work-based training systems that improve the employability of apprentices, as well as the productivity and sustainability of enterprises. In this regard, it is understood that quality apprenticeships increase the market relevance of skills development programmes and foster sustainable public-private partnerships. Activities will aim to ensure their quality and increase their attractiveness to apprentices and enterprises, to the extent that they are promoted and regulated through social dialogue and shared responsibility.
 - At the request of countries, technical guidance will be provided to governments and social partners on the establishment and promotion of quality learning systems. To achieve this objective, knowledge exchange training and collaborative innovation activities will be combined in an appropriate manner.
 - Technical guidance will be provided to support businesses, particularly MSMEs, in facilitating on-the-job training and the development of technical and core competencies through work-based training, including quality apprenticeships.
 - It will support the dissemination of the new Quality Apprenticeships Recommendation, 2023 (No. 208), and provide technical guidance for its implementation.
 - Research activities and dialogues will be carried out on experiences and findings on the issue of quality apprenticeships. Their findings and lessons will be high quality inputs for exchange, transfer and capacity development activities, through both training and collaborative innovation.
 - Activities will be carried out to identify, document and disseminate experiences and good practices in terms of policies and programmes to support MSMEs that include the transfer

of knowledge through qualified apprentices with the appropriate training to do so, as a strategy to obtain benefits for both apprentices and companies.

- Promotional activities, joint research studies, and dialogues with technical and financial cooperation institutions and agencies will be carried out to mobilize extrabudgetary resources for the development of quality work-based learning and training systems.

► Budget

26. Appendix I presents the proposed income and expenditure for the extrabudgetary account during the financial period 1 January 2024 to 31 December 2025, together with comparative figures for projected and actual expenditure and income in 2022–23. Further information by subprogramme is provided in Annex II. Total projected income for 2024–25 is US\$4,062,917.
27. For the 2024–25 biennium, the ILO will contribute an amount of US\$2,697,917, which, in relation to the previous biennium, represents an increase of US\$375,225 to cover cost increases and maintain the contribution at the same level in real terms. External factors in 2022–23, including inflation in US dollar terms and appreciation of the Uruguayan peso, had a direct impact on staff costs. Due to resulting financial constraints, a vacant national officer position has been cautiously frozen, yielding forecast savings of US\$264,000 in 2024–25.
28. The contribution of the host country remains at US\$50,000 per year. The Government of Uruguay paid both the 2021 and 2022 contributions, and the corresponding 2023 contribution is expected to be paid in the next few months of the current year. The income forecast for the 2024–25 biennium is US\$100,000.00.
29. Projected voluntary contributions offered by member vocational training institutions are estimated at US\$500,000. During the 2022–23 biennium, contributions continue to be recorded at a good pace, with some institutions that were in arrears catching up. The round of contacts to formalize the payment of annual contributions is continuing to facilitate the collection of contributions.
30. As mentioned in the previous biennium, the printing press has ceased to yield income due to the undeniable change to the digital production and distribution of documents, which respects and validates the trend towards the reduction of the use of printed materials and paper in general. This preference has also been adopted by other ILO offices in the region and the entire United Nations system in Uruguay. Given this predisposition, digital printing services will continue to focus only on internal demand; no income is estimated for these services for the 2024–25 biennium.
31. The “other contributions” line corresponds to short-term technical assistance activities, financed by the stakeholders themselves. The design and implementation of a renewed resource mobilization strategy by CINTERFOR, and with assistance from the Regional Office for Latin America and the Caribbean, yielded a substantial increase of nearly 330 per cent above the value that had been originally forecast (which is an increase from US\$250,000 to the real value of US\$789,808 in extrabudgetary resources mobilized during the 2022–23 biennium). The above-mentioned mobilization of extrabudgetary resources raised expenditures to support product delivery while also generating positive revenue.
32. Based on this favourable experience, CINTERFOR will continue to raise resources from “other contributions” in 2024–25 in order to respond to requests for technical assistance from countries in the region, promote South–South cooperation among CINTERFOR member

institutions, and work jointly with other ILO offices and the International Training Centre of the ILO in Turin. These services will be provided by contracting consultancy services, holding technical meetings and events, financing missions, and hiring short-term staff to support the Centre's technical cooperation activities.

33. For the 2024–25 biennium, CINTERFOR will continue with the concept of providing technical assistance through courses and virtual events, as this is considered very successful due to the strong participation achieved.

► Resource mobilization

34. During 2024–25, CINTERFOR will accelerate the implementation and expansion of the renewed resource mobilization strategy. This strategy will actively guide the strengthening partnerships for international and national development cooperation through cooperation projects and the mobilization of extrabudgetary resources, both in the host country and at the regional level.
35. In previous biennia, CINTERFOR has had projects financed by the Government of Uruguay and the United Nations system, among others. In the future, it will diversify its sources of financing to include domestic trust funds, South–South and triangular cooperation funds (with ILO internal and external funds), Regular Budget Technical Cooperation (RBTC) and regular budget resources from the Regional Office for Latin America and the Caribbean.
36. Revenues from these above-mentioned funding sources and technical assistance activities (technical consultancies, study visits and seminars, among others) and revenues from offering virtual courses are conservatively estimated at US\$750,000 for the 2024–25 biennium.

► Draft Decision

37. **The Governing Body approved the income and expenditure estimates of the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) extrabudgetary account for 2024–25, as set out in Appendix I of document GB.349/PFA/1.**

► Appendix I

Proposed income and expenditure

The following table shows the proposed income and expenditure for the extrabudgetary account for the period from 1 January 2024 to 31 December 2025, together with comparative figures for budgeted and actual income and expenditure in 2022–23.

	2022–23 Approved budget (US\$)	2022–23 Anticipated income and expenditure (US\$)	2024–25 budget (US\$)
A. Funds brought forward from the previous financial year	1 581 224	1 549 026	1 252 824
B. Income			
ILO contribution	2 322 692	2 322 692	2 697 917
Host country contribution	100 000	100 000	100 000
Contributions from other countries in the region	500 000	448 527	500 000
Other contributions	250 000	789 808	750 000
Sales of publications and printing services	5 000	0	0
Miscellaneous income ¹	15 000	30 000	15 000
Total income	3 192 692	3 691 027	4 062 917
C. Total funds available	4 773 916	5 240 053	5 315 741
D. Total expenditure	3 567 600	3 987 229	4 057 200
E. Funds to be carried forward to the next financial year	1 206 316	1 252 824	1 258 541

¹ Including interest, exchange/revaluation gains/losses.

► Appendix II

Summary of proposed expenditure for 2024–25 by subprogramme (extrabudgetary account and ILO contribution)

Subprogramme	Work years/months		Cost in US\$		
	Professional service	General service	Staff	Non-staff	Total
Programme implementation	2/00	6/00	912 000	110 000	1 022 000
Knowledge management	–	10/00	1 166 400	100 000	1 266 400
Other contributions	–	–	–	210 000	210 000
Administration, finance and human resources	–	6/00	542 400	110 000	652 400
Management	2/00	2/00	806 400	100 000	906 400
2024–25 proposals	4/00	24/00	3 427 200	630 000	4 057 200