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Institutional Section

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THIRTEENTH ITEM ON THE AGENDA

Report of the Board of the International Training Centre of the ILO, Turin

Report of the 78th Session of the Board of the Centre (Turin, 29–30 October 2015)

1. The 78th Session of the Board of the International Training Centre of the ILO was held in Turin on 29 and 30 October 2015.
2. The report of the Board's meeting is submitted to the Institutional Section of the Governing Body in accordance with the Governing Body's decisions at its 310th (March 2011) and 311th (June 2011) Sessions.

Opening of the session

A. Introductory statements

3. *The Chairperson, Mr Houngbo*, ILO Deputy Director-General, Field Operations and Partnerships, representing the ILO Director-General and Chairperson of the Board of the Centre Mr Ryder, welcomed the Board members and informed them that the Director-General would be arriving later in the afternoon.
4. *The representative of the Government of Italy, Mr Del Panta*, recalled that, despite having financial difficulties, the Italian Government was committed to continuing its financial support of the Centre. Future contributions by the Government of Italy would be discussed in the bilateral committee in the coming weeks, and the amount would, as had always been the case, depend on the strategic orientation of the Centre's activities. In this context, the Government representative of Italy welcomed moving the Centre to a biennium programme and budget cycle. With the migration issue being more than ever a topical theme, he invited the Centre to apply its experience in this field to finding ways to help manage legal migration flows.

5. *The representative of the Mayor of Turin, Mr Arrigotti*, apologized to the Board for the absence of the Mayor, Mr Fassino, who was chairing the conference of Italian cities and was to meet the Italian Prime Minister, Mr Renzi, that afternoon. He recalled the three essential elements that had made the Turin Centre a centre of excellence in terms of training, apprenticeship and knowledge sharing, namely the quality and commitment of the management and staff, and the support of the Italian Government and the ILO, which had continuously increased its support since the election of Mr Ryder as Director-General.
6. *The representative of the Piedmont region, Ms Marcon*, apologized to the Board for the absence of Mr Chiamparino, President of the region, who was currently chairing a meeting in Rome between the presidents of different Italian regions. She welcomed the strengthening of the partnership between the region and Centre, despite budgetary constraints.
7. *The Chairperson* thanked the Government of Italy and the local authorities for their political commitment and financial support of the Centre and had no doubt that these would both continue in the future.

B. Adoption of the agenda

8. *The Chairperson* noted that the Director-General wished to be present for the discussion of the Strategic Plan (item 2) and he proposed that this item be taken when the Director-General joined the meeting. He also suggested that the representative of the Staff Union Committee take the floor at the end of Thursday's meeting.
9. *The Board agreed with these proposals and adopted the agenda.*¹

I. Annual implementation report for 2014 and Interim implementation report for 2015 (First item on the agenda)

10. *The Director of the Centre, Ms O'Donovan*, presented the documents.² She recalled that the annual implementation report covered the activities carried out in 2014. She referred to the solid performance of the Centre over the year. A slight decrease in the number of participants and activities was experienced as compared to 2013, linked to the impact of the ILO biennium cycle on the Centre. One notable achievement was the highest level of participation from tripartite constituents in training activities (41.5 per cent) since 2011, a very positive outcome which reflected the internal measures put in place. Another highlight was the voluntary contribution from the Italian Government, which helped the Centre's outreach in its training activities.
11. Under outcome 1 (*The institutional capacity of ILO constituents to contribute to Decent Work Country Programmes and to address development challenges is enhanced through relevant and effective training*), the Centre had surpassed many of its targets. However, the Centre did not meet its target of 43 per cent in relation to women's participation from the tripartite constituents. This would require ongoing attention. In regard to outcome 3 (*Effective and efficient use of all of the Centre's resources*), the Centre had been successful

¹ Document CC 78.

² Documents CC 78/1/1, CC 78/1/2 and CC 78/1/2/Add.

in decreasing some of its overhead costs, including reducing energy costs through greening initiatives.

12. Turning to the interim implementation report for 2015, the Director noted that as usual, the interim report covered the first six months of the year, and that updated figures were provided in the addendum reflecting the situation as at the end of September. She referred to the Centre's improved performance in relation to the indicators on activities with the ILO and on the number of participants, noting that the Centre would exceed its targets in both these areas. In addition, she highlighted the high level of participation of workers, employers and ministries of labour in the Centre's activities. Finally, she underlined the importance of the signing of the first framework agreement between the Ministry of Labour and Social Policy of Italy, the ILO Rome Office and the Centre, formalizing the long-standing cooperation.
13. *The Employer Vice-Chairperson, Mr Mdwaba*, congratulated the Centre for the clarity of the reports and on efforts made to introduce a results-based framework, as well as on its progress toward the five priorities of the Strategic Plan for 2012–15. In particular, he acknowledged the Centre's efforts to reduce participation costs by offering activities at the country, regional and subregional levels and through distance-learning. He further congratulated the Centre on efforts made for ILO constituents, highlighting that participation stood at its highest at 41.5 per cent, thanks to internal resource allocation decisions and efforts by the ILO. Noting that the Centre did not meet its target of 80 per cent of income linked to the ILO's outcomes, he suggested that the Centre could improve its performance in this area. In addition, he expressed disappointment that the percentage of training activities designed and delivered in collaboration with ILO technical departments stood at 53 per cent, short of the 65 per cent target. He further suggested that more effort was needed to deliver activities in partnership with regional and academic institutions.
14. With regard to the annual number of participants, he noted a drop in the percentage of women and the efforts on gender mainstreaming that would be made. He suggested that more could be done to increase the participation from the Arab States region, and further recommended that more courses be offered in French and Spanish. He acknowledged that tremendous efforts had been made in the evaluation of its training activities, with ex-post surveys providing a clear picture of the impact of training and its relevance to the objectives of partner institutions. On increasing the diversification and predictability of financial resources, he expressed concern that the Centre was underperforming and suggested that more needed to be done. He noted that the target on administrative and support staff costs as a percentage of total staff costs had been met, and asked if more could still be done. In addition, he expressed concern about an apparent lack of timely response by management to internal audit recommendations. He took note of the investment made in staff development, which was critical.
15. Regarding the number of participants by ILO outcome in 2014, he was pleased to see 911 participants in activities on employment promotion, but noted that the number of participants attending activities on skills development was low. He commended the special effort made on sustainable enterprises, with the highest number of participants at 1,600. This result was particularly commendable in view of the limited resources available to colleagues working in this area. Finally, he expressed appreciation of the efforts made for the benefit of social partners, with 1,235 participants from employers' organizations and 1,545 from workers' organizations.
16. *The Worker Vice-Chairperson, Mr Ntshalintshali*, thanked the Director for these very clear reports and congratulated her for the results achieved over the past year and a half. He still regretted that the Board had to take note of the actual figures nearly one year after they had

been known. On priority 1 (*The introduction of a results-based framework aligned to the ILO Strategic Policy Framework for 2010–15*), he urged the Centre to continue to be aligned with the priorities and strategies of the ILO for 2016–17 and therefore supported the shift of the Centre's programme and budget to a biennial cycle in which the governance role of the Board should be further reinforced to provide guidance and feedback to the management. The Centre needed to increase its resource base within the ILO and acquire more donors to support the capacity building of constituents, the latter being closely related to its financial sustainability. Support for the Workers' Activities Programme should not solely depend on a surplus created by the Centre but should be at the core of the mandate of the Centre and its financial plan. He also noted that a more balanced distribution of resources among the various programmes is necessary and to increase activities on rights at work.

17. He welcomed the improvements under some indicators but still had concerns on indicator 1.5 (*Percentage of Centre's training activities designed and delivered in collaboration with ILO technical departments and offices*), for which statistics showed that in 2014 only half of all training activities had been implemented in collaboration with different ILO units. Furthermore, this indicator provides information only on the quantitative dimension of this collaboration and did not capture the quality of the working relationship. On indicator 1.3 (*The use made by the institutions of the knowledge and competencies acquired by the participants*), he noted from the report that improvements were highest for workers' organizations, which showed the importance of capacity building for this group of constituents. He suggested the Centre develop further its offer of distance education in order to increase its outreach. As already mentioned last year, his group would like to know if the participation of the ILO constituents in the academies had increased, and to have more qualitative indicators which would allow an assessment of the Centre's activities in relation to tripartism and international labour standards. Finally, he asked for a clarification on the reporting of the surplus as the Centre moves to a biennial programme and budget.
18. *The Government Vice-Chairperson, Mr Almarzooqi*, congratulated the Centre for its good work and achievements as presented in the annual implementation report for 2014 and the interim implementation report for 2015 and the addendum. He requested more details on the low number of participants from the Asia–Pacific region and Arab States and welcomed the efforts made for promoting the master's programmes of the Turin School of Development among ILO constituents and other stakeholders. He noted the slight decrease in women's participation and hoped this situation could be reversed in the future. He was pleased with the increase in the number of self-paying participants. He thanked the Director for providing the latest statistical data, as requested at the 77th Session of the Board.
19. *The representative of the Government of France* welcomed the work of the Centre, which her Government continued to support fully via technical cooperation programmes provided for in the partnership agreement with the ILO, and under agreements concluded between the Centre and various French government agencies. Henceforth, France had decided to fund training aimed at specific needs, and partnerships formed directly between the Centre and French government agencies would be aligned with these, as well as training resulting from technical cooperation programmes.
20. *The representative of the Government of Trinidad and Tobago* requested clarification on whether the Caribbean is included in the references to Latin America.
21. *The representative of the Government of Ghana* noted that the Centre was on course to exceed the targets under some key indicators in 2015 but regretted that women's participation had decreased last year. Aligning the Centre to the ten outcomes of the ILO

Strategic Policy Framework for 2016–17 would be a positive response of the Centre to the ILO's priorities and operations.

22. *The representative of the Government of India* noted that participation from the Asia–Pacific region was low, despite the fact that almost 66 per cent of the global workforce was from this region. Under these circumstances, he asked whether the Centre would consider making the V.V. Giri National Labour Institute a sub-centre to provide training to countries in the Asia–Pacific region.
23. *The Director* thanked the Board members for their comments and feedback which would be helpful in planning for the future. Referring to concerns raised that collaboration with the ILO could be strengthened, the Director explained that the activities covered under indicator 1.5 related solely to those training activities which were designed and co-financed directly by ILO technical departments. Most of the Centre's other training activities responded to the substantive technical agenda of the ILO. She acknowledged that the Centre did not reach its target in the important area of outreach to partners in other regions and this was identified as an area for improvement in the proposed Strategic Plan for 2016–17. In response to the proposal from the Government representative of India, the Director clarified that the strategy was to partner with institutions in the regions which shared the mandate and values of the ILO, such as the V.V. Giri National Labour Institute with whom a Memorandum of Understanding (MoU) had been signed. Referring to the concern raised on the relatively low level of implementation of internal audit recommendations, she explained that this was linked to the timing of receipt of these reports. Since an audit report had been received from the Internal Audit Office in the last quarter of 2014, there was not sufficient time for the Centre to make progress which could be reported in the 2014 implementation report. She reassured the Board that she attached a high priority to follow-up to both internal and external audit recommendations.
24. Finally, referring to the question from the representative of the Government of Trinidad and Tobago, she clarified that references to Latin America in the report should be corrected to read “the Americas” in line with ILO terminology.
25. *The Director of Training, Mr Klemmer*, urged that indicator 1.5 (*Percentage of training activities designed and delivered in collaboration with ILO technical departments and offices*) be read in conjunction with indicator 1.4 (*Volume of training income linked to the ILO's 19 outcomes*). He highlighted that the target for indicator 1.5 was met. In addition, 89 per cent of the Centre's income was linked to ILO outcomes, exceeding the target set for indicator 1.4. Referring to indicator 2.1 (*Training activities organized in partnership with either a national, regional or international training or academic institutions*), he stated that the Centre will do more in 2016–17 to increase regional partnerships. He explained, however, that the indicator only captured partnerships formalized through a MoU. The overwhelming majority of the Centre's courses involved informal partnerships with other agencies. He mentioned that the Centre was in the process of establishing a new MoU with Cornell University in the United States and had also signed an MoU with the Hertie School of Governance in Germany.
26. He suggested that indicator 3.1 (*Increase the diversification and predictability of financial resources*) needed to be refined as it did not capture the full results of the Partnerships and Programme Development Services Department. The indicator tracked formal agreements with donors for voluntary contributions but did not capture the many agreements that were signed with institutional partners for the implementation of specific activities. Furthermore, he stated that although the Centre did not reach its target of 43 per cent for women participants from ILO constituents and more could be done in this area, the results were satisfactory by international standards.

27. He explained that it was too early to provide statistics on the participation of ILO constituents in the 2015 academies because a number of important academies were still to take place. He took note that the statistics would need to be furnished to the Board. A number of measures were put in place in response to the recommendations of the 2014 independent evaluation of the academies. For example, academies were organized in the regions to reduce the costs of participation for tripartite representatives, and there were dedicated tracks in the academies for workers' and employers' representatives. Finally, he mentioned that global academies dedicated to issues of relevance to the workers' representatives would be launched next year.
28. *The Board took note of both documents and requested the Director to take into account the comments and guidance provided by the Board in the follow-up.*

II. Strategic Plan and Programme and Budget Proposals for 2016–17 (Second item on the agenda)

29. *The Director of the Centre* presented the document.³ She reviewed the main elements of the Strategic Plan, namely: the greater involvement of the Centre in scheduling and planning ILO activities; the increased emphasis on large-scale and longer-term projects; the more strategic focus on resource mobilization; the development of new products and services; the increased use of learning technology; and the improvement of infrastructures thanks to the greening initiatives for operations. The new Strategic Plan took into account lessons from the previous plan and was based on a sustainability strategy which had three pillars (development, financing and management) that were “interdependent and mutually reinforcing”.
30. Regarding the assumptions underlying the proposed Programme and Budget for 2016–17, the Director stressed the importance of aligning with the ILO in terms of learning and capacity development, of setting up new partnerships and reducing general costs, and presented the proposals for allocating the 2014 operating surplus.
31. *The Worker Vice-Chairperson* welcomed the overall approach taken in the Strategic Plan and stressed that the activities of the Centre should be closely aligned with ILO policy frameworks and outcomes. He agreed that the three pillars were important, interdependent and mutually reinforcing, but stressed that the development pillar was the main objective of the Centre and that the finance and management pillars should be seen as means to achieve the first one. He was pleased with the inclusion of the four cross-cutting issues (*international labour standards; social dialogue and tripartism; gender equality and non-discrimination; and technology-enhanced learning and training*) in the Strategic Plan. However, he would like to understand better how these will be integrated in the delivery of the programmes of the Centre and how their inclusion and results would be measured. He asked for either indicators to be developed on these or regular evaluations to be undertaken.
32. Concerning paragraph 12 on internal reforms he insisted that staff representatives should be consulted on such reforms, before aligning with ILO administrative and internal governance practices. On outcome 1, he commended the disaggregation of participants into ILO constituents and others, and the increased target for participation from ILO constituents, which his group considers should be even higher and also asked for specific targets for worker and employer participants. Capacity development for the constituents should be clearly identified as the core business of the Centre. The target under

³ Document CC 78/2.

indicator 1.5 should be increased as well. Institutionalizing planning mechanisms between the Centre and the ILO would be important. Outcome 2 should raise the challenge of supporting decent work across the 2030 Sustainable Development Goals in order to increase the influence of the ILO.

33. The speaker thought outcome 3 was too general and did not capture the strategic linkage with ILO development cooperation programmes. The Centre should secure funds from the ILO larger-scale and longer-term programmes. A specific indicator should mirror this dimension and measure the links between the ILO and the Centre for the delivery of capacity-development projects. On indicator 3.2, he wondered whether the target was not too ambitious if no real mechanism is in place to achieve this target. Concerning the lean cost structure of the Centre, the corporate overhead should be analysed with disaggregated data that would highlight the cost of the different units of the Centre. A review of the cost structure should be done with the Staff Union. It should be noted that self-paying courses are less accessible to trade unions. In the case of partnerships with the private sector, the Workers' group would like procedures set by the ILO Governing Body on public-private partnerships to apply to the Centre as well.
34. In relation to the management pillar, outcome 5 (*Skilled and diverse staff, quality facilities and improved environment footprint*), he suggested indicator 5.2 be increased to improve the geographical and regional diversity of staff and to promote staff mobility. About the contracts policy, the priority should be to find a reasonable agreement to gradually regularize project staff. Finally, he recommended that the Corporate Risk Register include the risks associated with the high number of cases presented by staff members to the ILO Administrative Tribunal.
35. On the programme and budget proposals, the Worker Vice-Chairperson understood that the new cycle needed to be closely monitored because of the uncertainties around income and expenditure for the next biennium. He took note of the budget forecast for 2015 and the budget proposals for 2016–17, adding that the support provided to the workers' and employers' programmes should not exclusively depend on the surplus.
36. He concluded that, regarding the endorsement of the Strategic Plan, the Workers' group would like to receive some feedback first on the reformulation of outcomes and indicators, and, on the point for decision, the group approved the income and expenditure proposals for 2016–17.
37. *The Employer Vice-Chairperson* welcomed in particular: the specific steps taken to align the Centre's operational cycle with the ILO; the direct reference to integrating activities around the ILO initiative on the future of work, the flagship programmes and the 2030 Agenda for Sustainable Development; the focus on sustainability through an efficient use of resources and better business processes; the strengthening of the collaboration with the ILO and the further tracking of the level of collaboration with the ILO; the underlining of some important principles, such as tripartism, in the cross-cutting issues; the combination of the three pillars in the sustainability strategy so that their interrelationship was clear, and the implementation remained realistic; and the integration of the strategic priorities – which were a separate chapter in the previous Plan – into the outcomes so that the structure and the monitoring of the Plan are more transparent.
38. He recalled that sustainability was the main issue, as the achievements of 2015 were due to the special allocations under the surplus. For instance, on indicator 3.2, he wondered how the revenue from large-scale contracts could grow from €731,000 in 2014 to €5 million for the next biennium. He believed it would have been helpful to have more details to understand the overall objective and what the Centre could achieve on a holistic level.

39. On tripartism, the Plan should have taken on board a more qualitative notion, as tripartism was more than just having a tripartite audience and required the active involvement of the representatives of the social partners and ACTRAV and ACT/EMP in the needs analysis and the design and delivery of the activities. On constituents' participation, the Plan should provide for a clear funding mechanism to allow the Employers' and Workers' Activities Programmes to reach the ambitious targets set under indicator 1.1 and asked that resources be allocated where needed.
40. On the question of corporate overhead, he proposed to establish a tripartite working party to look at this issue in detail and to report on actions to be taken to the next Board. Above all, on resource mobilization, he worried about the reduction under indicator 3.1 of €5 million over the biennium in total income – from €170 million in the previous Plan (2012–15) to €80 million for 2016–17 and suggested that management should be more ambitious.
41. He then made specific comments on each section of the Strategic Plan. He found the introduction well-presented but would have appreciated a more explicit text on the operational translation of tripartism. On the sustainability strategy, and although it could be just a matter of visual presentation, he agreed with the Worker Vice-Chairperson that the development pillar should remain the main focus and that the finance and management pillars should rather be seen as supportive of the first pillar. On the wording of outcome 1, he thought that proposing a “substantial outreach” instead of an “increased outreach” would have been more prudent while reflecting the high ambitions of the Centre. Still on outcome 1, an additional indicator measuring the evolution of captive funds available for ACTRAV and ACT/EMP should be developed. The Employer Vice-Chairperson also asked for an indicator that assessed the quality of tripartism.
42. On the finance pillar and outcome 3 in particular, he repeated that the indicator on total income was not very ambitious and represented a decrease compared to the previous Plan. He asked for clarification on the meaning of “non-traditional” partners. He welcomed outcome 4 but thought it raised new questions, for instance on measurement of corporate overhead as there had already been two different methods of calculation under the previous Plan. There was also a question on the institutions selected for comparison as their core business is different from that of the Centre.
43. Regarding the management pillar, the Employers' group was very satisfied with it and would only like to suggest adding the notion of motivation in relation to the indicator on staff.
44. Finally, the Employer Vice-Chairperson read out a joint statement by the Workers' and Employers' groups which is attached as Appendix I to this report.
45. *The Government Vice-Chairperson* welcomed the foreseen integration of the Centre's operations within the “One ILO” institutional and policy framework. He stated that his group was pleased with the cross-cutting issues mentioned in paragraph 13 but would like to add one on the crucial question of youth employment. He would like to see stronger partnership between the Centre and the ILO, in particular with PARDEV, for mobilizing technical cooperation resources. He asked about the measures to be taken to achieve indicator 3.2 and why indicator 3.4 was so modest.
46. Regarding the programme and budget proposals, his group would like to reiterate that staff costs should continuously be monitored. In this regard, he appreciated the sound approach developed in the last few years. For the biennium 2016–17, his group strongly urged the management to keep expenses under control, including those related to staff costs.

47. *The representative of the Government of Italy* was satisfied with the proposed strategy and recalled that coordination with the ILO was essential due to the competitive environment in which the Centre operated. He agreed with the Government Vice-Chairperson that staff costs needed to be brought under control as it would be difficult for the Italian Government, considering its financial constraints, to explain to the budget supervisory authorities that a large part of its contributions to the Centre went on staff costs.
48. *The representative of the Government of the Islamic Republic of Iran* welcomed the reference to the 2030 Sustainable Development Goals. He concurred with the proposal to retain for the next biennium the broad results-based framework implemented during 2012–15 and adapted to promote an integrated sustainable model. According to him, it was imperative for the Centre to adapt its training and learning portfolio in line with the needs of the tripartite constituents and of the ILO's staff.
49. *The representative of the Government of France*, aligning herself with the previous speaker, looked forward to the inclusion of the Sustainable Development Goals, including Goal 8 which specifically related to the activities of the Centre and the ILO. To this end, she recalled the importance of social dialogue in achieving this goal, which had proven to be relevant to finding solutions for achieving sustainable and quality employment that were in conformity with decent work conditions. She welcomed the development by the Centre of non-traditional partnerships and the implementation of activities geared towards self-financed clients.
50. *The representative of the Government of Ghana* welcomed the Strategic Plan as presented with the programme and budget proposals and commended the Centre for a very good plan, which was aligned with the ILO planning cycle. She expressed appreciation for the Centre's close cooperation with the ILO, which was key to the effectiveness and sustainability of the Centre's activities.
51. She referred to the three-pronged approach to strengthening the strategic partnership between the ILO and the Centre, described in paragraph 8 of the document, and was pleased to see the lessons learned from the results-based framework introduced four years ago. She supported the retention of this framework in order to promote an integrated and sustainable model. This Strategic Plan coincided with the adoption of the 2030 Agenda for Sustainable Development and her delegation was pleased to note that the Centre planned to integrate the concepts and priorities embedded in the agenda. In that regard, the sustainability strategy, based on the three pillars of development, finance and management, was key to the Plan's success. The Centre should organize capacity-building programmes for constituents on how to align their national development plans with the global agenda and also on how to prepare implementation plans for effective outcomes. Her delegation looked forward to evaluating the new Strategic Plan at the end of its implementation cycle.
52. *The representative of the Government of India* again expressed regret that the participation of Asia-Pacific countries was so low and proposed that the V.V. Giri National Labour Institute be considered as a hub for organizing regional activities. He also requested that the content of training programmes be more regionally balanced, and that constituents be more deeply involved in the development of specific curricula.
53. *The Director*, responding to the various speakers, said that the text on the cross-cutting issue of tripartism and social dialogue could have been further elaborated, but what was important was the fundamental message that all training activities promoted tripartism and social dialogue. Furthermore, the Centre had developed internal guidelines to ensure the integration of these two elements – and of international labour standards – into activity planning. With regard to the sustainability strategy, the important message, again, was contained in paragraph 17, which clearly stated that the development pillar was central.

54. The new products and services were developed with the ILO on the basis of the discussions that took place in relation to the new priorities, but the Centre must also be proactive to remain competitive. In response to the comments on measuring impact and quality, she referred the members to paragraphs 27–30 of the document, which took into account many of the points raised.
55. Concerning the resource base, she indicated that the Centre was not a typical UN institution, and that it had to find approximately 75 per cent of its own budget. It was therefore impossible to guarantee that a certain level of funds would be available for the Employers' and Workers' Activities Programmes. The real capital and assets of the Centre were its good reputation, its excellent relationship with the Italian Government and its institutional collaboration with the ILO.
56. As for staff costs, the Director recalled that as a UN common system entity, the Centre was bound to comply with certain obligations, including those relating to salaries. On corporate overheads and how they were calculated, she considered that the methodology and comparator institutions selected were valid and emphasized that a certain level of corporate overhead was necessary to run an institution like the Centre.
57. Returning more specifically to outcome 5, she endorsed the Employers' group's proposal to add staff motivation. In relation to the proposal from the Workers' group to have indicators on workers' and employers' participation, she clarified that under both indicators 1.1 and 1.2, disaggregated data would be provided so that the participation of workers, employers and labour ministries could be closely tracked and reported on to the Board. She welcomed and agreed with the proposal that independent evaluations of the cross-cutting issues should be undertaken on a regular basis.
58. *The Director of Training* returned briefly to the questions relating to outcomes 1, 2 and 3. Firstly, the Centre should reach some 16,000 participants annually, including through distance learning. That meant a 15–20 per cent increase on current numbers. Furthermore, an indicator on knowledge acquisition would be added to the indicators to evaluate impact. However, it was important to note that all the outcome 2 indicators should be considered together, and not individually.
59. Regarding the Centre's resource base, indicator 3.1 had been calculated on the basis of real results, but remained ambitious. He recalled that the Centre had only ever received €39 million in revenue once previously, in 2013, an exceptional year at the end of an ILO biennium. Concerning indicator 3.2 – which he considered to be high – and indicator 3.3, he explained that Brazil, Russian Federation, India, China and South Africa (the BRICS countries) figured prominently among the non-traditional partners, and that the Government of South Africa had financed for US\$2 million a training programme on green jobs. Those two indicators were aimed at such large contracts.
60. *The Chairperson, Mr Ryder*, summed up the discussion in simple terms: the Centre must maintain its specific role, but remain aware of reality. He noted the positive responses given by the Director and the Director of Training to a number of the suggestions that had been made during the discussion. He recalled that the indicators could not be modified at that stage because the document presented must be accepted in its entirety, and that it was imperative that the Board approve the point for decision in paragraph 61.
61. Taking note of the joint statement by the Employers' and Workers' groups, the Chairperson proposed its inclusion in the Board's report as an appendix, in order to bring it to the attention of the next Director of the Centre.

62. *The Board adopted the Strategic Plan and the Programme and Budget proposals for 2016–17.*
63. *The Chairperson invited the Board to hear the statement of the representative of the Centre's Staff Union Committee (see Appendix II).*

III. Independent evaluation of training and learning activities on the thematic area of promotion of gender equality and diversity (Third item on the agenda)

64. *The Director of Training* introduced the document.⁴ The independent evaluation, which had been commissioned further to the findings of the 2013 ILO Field Operations and Structure and Technical Cooperation Review, focused on a sample of ten training activities and 16 advisory services that had been offered in 2013–14. The document presented summarized the conclusions and recommendations of the evaluation and the management's response.
65. *The Employer Vice-Chairperson* supported the idea of independent evaluations to supplement the end-of-activity questionnaire, which had its limits as many of the answers related to training impact were speculative. However, he would have liked more information in the report on the selection criteria for the learning activities and advisory services. For instance, as gender equality is a cross-cutting issue, activities run by other programmes should have been included in the sample. He asked why sponsoring institutions had been considered only where applicable, because the inclusion of all such institutions was critical in terms of validity of activity design, efficiency, effectiveness and impact. He congratulated the Centre for the relevance of its courses and learning activities in the thematic area. The challenge was that there were no conclusive results showing to what extent gender was addressed across all the other technical programmes.
66. *The Worker Vice-Chairperson* commented that the response rate was very low, hence the results were not necessarily representative. He also pointed out that the time frame for responses had been short. Furthermore, the evaluation did not provide an analysis by constituent group, although the ILO Field Operations and Structure and Technical Cooperation Review had called for an assessment of the relevance of the Centre's services to the tripartite constituents. Generally, the evaluation report contained confusing wording that mixed respondents with participants or constituents with other stakeholders and, contrary to its title, focused on gender equality only. Diversity was not covered beyond identifying which groups of participants had attended the activity. The Worker Vice-Chairperson thanked the Centre for undertaking the evaluation and hoped that similar ones would take place in the future, in particular on the other cross-cutting issues such as international labour standards and social dialogue and tripartism.
67. *The Government Vice-Chairperson* welcomed the independent evaluation. He suggested that future work in this area should focus more on ensuring the reliability of data, and that a larger sample of the evaluation group should be analysed. Such independent thematic evaluations should continue.

⁴ Document CC 78/3.

68. *The representative of the Government of Zimbabwe* insisted on the relevance of the results of such evaluations and asked for concrete measures to be taken in order to increase women's participation.
69. *The Director of Training* explained how the sample had been selected. The evaluation focused on a thematic area, gender equality and diversity. As regards gender equality, all activities which had scored 2 or 3 against the gender marker had been chosen. He acknowledged, however, that some gaps remained with regard to diversity. He considered that the model used for this evaluation could be reproduced for other cross-cutting issues.
70. *The Employer Vice-Chairperson* still did not have any clear idea of what selection criteria had been used.
71. *The Director* responded that the management had chosen the thematic area following the discussion which had taken place during the 77th Session of the Board.
72. *The Employer and Worker Vice-Chairpersons* thanked the Director for this clarification and stated that it would be desirable to have consultations with the tripartite constituents on the selection of themes for future independent evaluations.
73. *The Board* took note of the document and requested the Director to take into account the comments and guidance provided by the Board in the follow-up.

IV. Audit questions (Fourth item on the agenda)

A. Financial statements and External Auditor's Report for the financial year ended 31 December 2014

B. Report of the meeting of the Officers of the Board (19 May 2015)

74. *The Treasurer, Ms Boulanger*, presented the documents.⁵ In relation to the financial results for 2014, the Centre had €35.8 million in total revenue and €35.4 million in total expenditure resulting in a net budget surplus of €386,000. The two major sources of revenue, representing 93 per cent of total revenue, were voluntary contributions and income generated from training activities which were both higher than the approved budget. In relation to voluntary contributions, additional contributions were received from the Piedmont region, the Government of Portugal and the City of Turin. Income from training was higher than anticipated due mainly to higher training demand from the ILO and from other UN agencies and institutions. These additional revenues balanced the exchange rate loss arising from the conversion into euros of the ILO voluntary contribution which is approved in US dollars. They also compensated for lower than anticipated revenue from publications as a result of decreased demand for publication services and various other sources of revenue coming in at lower levels than budgeted. Overall, the revenue performance was positive.

⁵ Documents CC 78/4/1 and CC 78/4/2.

75. Total expenditure was slightly lower than the approved budget mainly due to lower than anticipated staff expenditure as a result of staff retirements and extended staff leave without pay. Expenditure relating to facilities was higher as a result of additional maintenance work carried out on the campus in the course of the year.
76. The Centre's assets at the end of the year totalled €30.5 million. Cash and cash equivalent totalled €12.2 million. The Centre had accounts receivable of €7.3 million at the end of 2014. Liabilities totalled €12.3 million at the end of 2014 as compared to €15.6 million in 2013. This decrease was mainly due to decreases in amounts due to donors, in deferred revenue as well as in accounts payable and accrued liabilities. At the end of 2014, the Centre had net assets of €18.1 million which were stable when compared to 2013.
77. *The Worker Vice-Chairperson* asked whether the financial statements would be, in the future, adopted every year or every two years and the position concerning the surplus.
78. *The Treasurer* explained that the point for decision proposed that the financial statements would be approved on an annual basis by the Officers of the Board. Any operating surplus made during the first year of the budget cycle would be declared in the corresponding annual financial statements.
79. *The Board:*
- (i) *took note of the report of the meeting of the Officers of the Board held on 19 May 2015;*
 - (ii) *adopted the 2014 financial statements submitted in accordance with article 17.2 of the Financial Regulations;*
 - (iii) *took note of the External Auditor's Report; and*
 - (iv) *delegated to the Officers of the Board its authority to adopt the annual financial statements.*

C. Plan for the audit of the 2015 financial statements

80. *The representative of the External Auditor, Ms McMahon*, presented the Plan for the audit of the 2015 financial statements.⁶ She stated that the annual audit plan and procedures would cover the following three objectives: the financial statements present fairly, in all material respects, the financial position of the Centre as at 31 December 2015, and its financial performance, its cash flows and the comparison of the budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS); the accounting standards have been applied on a basis consistent with that of the preceding year; the transactions that come to the External Auditor's notice during the audit of the financial statements have, in all significant respects, been in accordance with the Financial Regulations and the legislative authority of the Centre. The audit effort would mainly target certain risks which relate to funding, management estimates and transactions not being accounted for in the appropriate fiscal year as well as leave management.
81. *The three Vice-Chairpersons* took note of the Plan for the audit of the 2015 financial statements.

⁶ Document CC 78/4/3.

82. *The Board took note of the document.*

D. Report of the Chief Internal Auditor for 2014

E. Follow-up to the recommendations of the Chief Internal Auditor for 2014

83. *The representative of the ILO Office of Internal Audit and Oversight (IAO), Mr Watson, presented both documents.⁷ Two reports had been issued in 2014: one on the system of internal governance at the Centre, and one on the management controls over the training programmes. On the first point, the IAO found that the Centre had taken a number of positive steps to build on and reinforce a sound system of internal governance, which included the introduction and continued development of a results-based strategic plan and framework; the establishment of a Finance Committee to monitor key financial aspects of the operations; the continuing development of the risk management process; progress on establishing a business continuity plan; and policies confirming a commitment to zero tolerance of fraud and reinforcing a strong ethical culture. In its second report, the IAO looked at internal control processes concerning managing participants' applications, communication internally and externally of the training strategy, and other aspects of managing the training programmes.*

84. *He then provided a brief update on the findings arising from the audit of the Centre's procurement function. The IAO found no significant weaknesses in the procurement process.*

85. *The Employer Vice-Chairperson had no comments to make.*

86. *The Worker Vice-Chairperson thanked the Director for both documents and looked forward to the implementation of the recommendations.*

87. *The Government Vice-Chairperson welcomed the report and thanked the Centre for its work and cooperation with the related parties in addressing the audit questions.*

88. *The Board took note of the documents and requested the Director to take into account the comments and guidance provided by the Board in the follow-up.*

V. Human resources questions (Fifth item on the agenda)

89. *The Director of Human Resources, Mr Zefola, presented the document,⁸ which provided information on the recommendations contained in the report of the 81st Session of the International Civil Service Commission (ICSC) and requested the Board to authorize the Director to give effect to the measures concerning maternity leave and expenses upon termination by making the necessary amendments to the Staff Regulations, and to take note of the exceptions to the Staff Regulations that had been approved by the Director.*

90. *The Employer and Government Vice-Chairpersons had no comments to make.*

⁷ Documents CC 78/4/4 and CC 78/4/5.

⁸ Document CC 78/5.

91. *The Worker Vice-Chairperson* thanked the Director for the report and urged her to continue negotiations under the auspices of the Joint Negotiating Committee in order to reach an agreement on the progressive regularization of precarious contracts.

92. *The Board:*

(a) *accepted the recommendations of the ICSC subject to their approval by the United Nations General Assembly, concerning:*

(i) *an increase of 1.08 per cent in the base/floor salary scales of staff in the general and higher services categories with effect as from 1 January 2016 on a no loss/no gain basis;*

(ii) *the consequential increases in separation payments;*

(b) *authorized the Director to give effect to the measures concerning maternity leave and to introduce the consequential amendments to article 9.7 of the Staff Regulations;*

(c) *authorized the Director to give effect to the measures concerning expenses upon termination and to introduce the consequential amendments to article 8.6 and Annex D of the Staff Regulations;*

(d) *approved the amendments to the Staff Regulations as specified in the Appendix of document CC 78/5; and*

(e) *took note of the exceptions approved by the Director to the Staff Regulations set down in paragraph 12 of document CC 78/5.*

VI. Administrative questions (Sixth item on the agenda)

93. *The Employer and Worker Vice-Chairpersons* had no comments to make.

94. *The Government Vice-Chairperson* welcomed the report and congratulated the Centre and the campus community as a whole on the achievements made in terms of eco-awareness and eco-sustainability, and for all the efforts undertaken on the “greening of the campus”.

95. *The Board took note of the document.*⁹

VII. Reports of the Trade Union Training Committee and the Employers’ Training Committee (Seventh item on the agenda)

96. *The Worker Vice-Chairperson* congratulated the ACTRAV–Turin staff for their hard work and dedication.

97. *The Employer Vice-Chairperson* reiterated the Employers’ group’s request that a special allocation be set aside for activities organized by ACT/EMP–Turin.

98. *The Government Vice-Chairperson* had no comments to make.

⁹ Document CC 78/6.

99. *The Board took note of both documents.*¹⁰

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

100. *The Chairperson, Mr Houngho*, proposed that the 79th Session of the Board of the Centre be held just before the 328th Session of the Governing Body of the ILO, which would be held in Geneva from 27 October to 10 November 2016. Therefore, the 79th Session of the Board would take place from 27 to 28 October 2016.

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

IX. Other questions

A. Delegation of authority to finalize the report of the Board

102. *The Chairperson* informed the members of the Board that the report of the 78th Session of the Board would be considered in the Institutional Section of the 325th Session of the Governing Body. He proposed that, in order to facilitate the preparation and finalization of the report, the Board should delegate the task of approving the draft report to its Chairperson and Vice-Chairpersons.

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

X. Closure of the session

104. *The Chairperson* thanked the Director for her excellent work over the course of her five years as the head of the Centre and wished her good luck in her new endeavours.

105. *The Worker, Employer and Government Vice-Chairpersons* added their thanks and congratulations to those of the Chairperson.

106. *The Director* thanked the Board for its kind words, and specifically thanked the Chairperson, who had given her the free rein necessary to accomplish her mission. Although there had been differences of opinion at times, it was out of discord that visions for the future emerged, and that was what she would take away from her five years spent in Turin.

107. *The Chairperson* thanked the participants for their contribution and closed the 78th Session of the Board.

¹⁰ Documents CC 78/7/a and CC 78/7/b.

Appendix I

Joint statement by the Employers' and Workers' groups on the Strategic Plan and Programme and Budget proposals for 2016–17

Given the importance both Employers and Workers attach to the work of the ITC–ILO and the centrality of the Strategic Plan to its continued sustainability, relevance and impact, we would like to jointly table several issues of concern to our groups. ITC–ILO management should address these concerns through specific action, which should, among others, include the following:

1. Macro-indicators of ITC–ILO (e.g. income and resources, number of participants) are declining. There is an urgent need for the ILO to develop an intervention model supporting capacity development provided by ITC–ILO. The Centre should have an indicator and a target for measuring the involvement of the Centre in the delivery of the ILO development cooperation (including flagships programmes).
2. In the environment of declining and unpredictable resources there is a need to guarantee the funding of the Employers' and Workers' programmes and to introduce a flexible pricing policy for constituents. Both Programmes are central for the delivery of the Centre's mandate.
3. To ensure a meaningful realization of the principle of tripartism in the Centre, concrete measures should be planned and implemented to involve Employers' and Workers' Desks in the design, delivery and evaluation of courses for ILO constituents.
4. Strategic Plan's indicators related to workers' and employers' participation in the Centre's programmes should be clearly defined and disaggregated (indicator 1.1).
5. In consultation with the Staff Union, take concrete steps to reduce the overhead of ITC–ILO including structural measures to streamline procedures and integrate services with the ILO.
6. The cross-cutting issues of International Labour Standards, Social Dialogue and Tripartism, and Gender Equality and Non-discrimination, are of crucial importance and should benefit from regular evaluation and discussion in the Board based on a three-year cycle.

Time constraints prevent a full elaboration of these points in this statement, but we remain available to explain and elaborate.

Appendix II

Statement by the representative of the Staff Union Committee to the Board of the Centre (29 October 2015)

Mr Director-General,
Distinguished Members of the Board,
Dear Colleagues,
Ladies and Gentlemen,

It is an honour and pleasure for me to address you; I am speaking as the Chairperson of the Staff Union Committee on behalf of the Staff of the Centre. We express our appreciation to you, Mr Ryder, because since your election you have always presided the meetings of the Board of the Centre.

We are particularly glad for the opportunity given to the Staff Union Committee to express its views in the presence of the Director-General during the first day of the Board, and we reiterate the request for this to become the rule, in order to give the possibility to the Members of the Board to formally engage with the Staff Union Committee during the board meeting itself, should they wish to do so.

Fifty years ago, on 15 October 1965, the Centre opened its doors to the first group of participants from Africa, Asia and Latin America.

Today, on behalf of the entire staff, I would like first of all to reiterate our pride for the results achieved by the Centre over the years, largely thanks to the commitment and hard work of its staff. In particular, during the last 20 years, thanks to the progressive alignment of our programmes to the ILO priorities and strategies, the diversification of learning tools and methods, the introduction of quality assurance mechanisms and strong resource mobilization efforts, the Centre with its global community of constituents and partners has become one of the most important instruments for the dissemination, validation and implementation of the Decent Work agenda. Our training programme grew from little more than 100 training activities and 2,000 participants in 1994 to around 500 activities with 14,000 participants in 2009 and in 2010.

Despite a more difficult financial scenario, after 2011 we succeeded in maintaining and restoring a high level of activities. This result was obtained thanks to the staff availability to work more for less, giving up some benefits and walking the extra miles in its own contribution to the sustainability of the Centre, through an implicit Social Contract between Staff and Management.

Regrettably, the dialogue between the Management and the Staff Union has not matched this impressive positive growth. Democracy and staff participation has been replaced by a lack of consultation and respect for the staff. Many opportunities have been missed to engage all together again on a path of development enhancing the relevance, impact and sustainability of our work. In that regard we consider that the new strategic plan is a missed opportunity to launch a new development perspective for the Centre, and that there is nothing new or innovative in the proposed plan, which is just a photograph of what the Centre is today. It is our further view that it falls short of addressing some important priorities, challenges and opportunities for the future, including on the critical issues of human resources development, addressing the levels of attrition related to the retirement of colleagues and planning for the staff needs which will arise in the future

Having a look back over the years, we are afraid not to be in a position to report on new and positive outcomes. Despite reading in the Official documents that the Centre's most important asset is its staff, something which has been stated in past documents as well, the long-standing tangible issues are unfortunately still there:

1. The Director's Report mentions *the reduction of staff costs*; this is not a result of which one can be proud of, on the contrary. The number of officials has decreased in five years by about 20 per cent, and this is compromising the capacity to promote, acquire, and deliver the high quality services for which we are known. Staff leaving the Centre is not replaced, including managers leading important programmes. Longer working hours, overtime, loss of leave entitlements and a constant stress is reaching unsustainable levels. In the Training Department there are colleagues in charge of several courses simultaneously, colleagues whom often have to manage courses back to back for weeks at a time. Requests for support staff to lessen the load and also improve the quality of facilitation in the classroom remain unaddressed. Staff in the Training Department is of the impression that there is little or no interest on the part of the Management of the Centre to address the work overload issues in the department. This never ending vortex is destroying our work–family and life balance and the pleasant work environment on campus. The bottom of the barrel has been scraped already and further workload pressure will only result in a deterioration of the quality of the services to the participants in our activities. Since last year the SUC has been engaging with staff on the working conditions in the Centre. We will build on the data already gathered in order to delve more deeply into the extent of staff affected by the work overload situation. Based on what we find we will undertake appropriate measures.
2. *On the unacceptable precariousness of a large portion of its staff.* As of today, 31 out of 170 colleagues are employed on project-based contracts, all working in the Training Department. The majority of them are not working on projects, but on core activities of the Centre, and many have been in this situation for over ten, fifteen or even twenty years. Project-based contracts were originally introduced to secure more stability for the colleagues who were responsible for ensuring the effective organization and delivery of training activities in line with the operational model of the Centre, which is based on a large portfolio of short training courses. Very few staff are working full time on projects. However, despite the adoption of this contractual modality, the reality is that a large number of colleagues remain in a condition of precariousness, with the worst contractual conditions, low social protection and no career development prospects, despite the fact that these colleagues have been performing exactly the same jobs as the other officials enjoying regular budget contracts. 80 per cent of those who responded in a staff survey from last year indicated that regularization is a priority. Negotiations are ongoing, but until now the Management has not accepted the progressive regularization of precarious staff through a combination of objective criteria related to length of service, performance and nature of the job or, at least, the recognition of the same rights to all staff with fixed-term contracts. We are sure that this process is compatible with the financial sustainability of the Centre which we are committed to ensure. **Equal rights for all** is the minimum non-negotiable goal because discrimination is against the principles and values that we promote and teach, and as the training arm of the ILO, we should put in practice what we preach. We wish to invite the future Director to engage in a serious and transparent process to put an end to this discriminatory situation, which is a constant source of stress among the staff affected, with very negative consequences on morale and motivation.
3. Another element of concern for the Staff Union is when the *Staff Regulations and other established rules are not respected*, causing a high number of complaints to the ILO Administrative Tribunal. We wish to remind that, according to the Staff Regulations, the Director is assisted, among other bodies, by the Staff Union Committee, and therefore we expect to be listened to when we signal irregular decisions or proceedings. We also believe that the ILO Legal Department should be consulted regularly as was done by the previous Directors to prevent the proliferation of legal cases.

4. In relation to the effective *integration of the work of the Centre into the broader ILO strategies*, a key factor to ensure effective synergy between the Centre and the Office is the positive experience of working together. The Staff Union in Turin fully supports the ONE ILO Agenda promoted by the ILO Staff Union Committee. As part of this agenda, we believe that the Office and the Centre could decide to allow Turin professional staff to apply to ILO internal competitions and vice-versa. Also, the Office and the Centre should agree to mutually recognize, as part of career advancement, the time spent by staff seconded or loaned, as well as recognize the working experience in Headquarters, in the field or in Turin, whichever the case, during titularization exercises.
5. *Streamlining and simplification of the working processes* of the Centre, has finally started this year. We recommend that the work undertaken in 2012 by an internal team in the Training Department be used as the solid basis of this review. We would like to ask the next Director to seriously engage the staff and its representatives in the ongoing review. We also demand that future rules and regulations be reviewed and validated with the staff and the business process users before they are formally introduced. The Staff Union will remain vigilant so this exercise will not result in a complication of simple processes.

I wish to close by signalling that the Social Contract between the Staff and the Management has helped the Centre to achieve a positive financial report card since the difficulties encountered in 2011. It was made possible by the fact that the Staff of the Centre has a strong sense of duty, professional responsibility and belief in what goes on here on campus. Nevertheless, it remains fragile, and should working conditions in the Centre not improve this Social Contract could be revoked at a moment's notice.

The forthcoming change of leadership at the Centre obviously represents a source of concern for the Staff Union but also an opportunity for a new start aimed at ensuring a greater involvement of the staff and a more constructive dialogue to forge and implement a common vision and strategy that can be shared and equally owned by the Management, the Staff and the Constituents of the Centre. We are worried that, one month before the current Director's departure, no decision has yet been communicated. At the same time, the Staff Union considers it essential that the appointment be made, not only on the basis of geo-political criteria, but also through an in-depth assessment of the new Director's competence, experience, motivation and coherent vision for the future.

Thank you for your attention and your support for the activities of *our Centre*.