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THIRD ITEM ON THE AGENDA

Proposed 2020–21 budgets for extra-budgetary accounts: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR)

Purpose of the document

This paper presents a proposal for CINTERFOR's Programme and Budget for 2020–21.

The Governing Body is invited to approve the income and expenditure estimates of the CINTERFOR extra-budgetary account for 2020–21, as set out in Appendix I (see the draft decision in paragraph 31).

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: All.

Policy implications: None.

Legal implications: None.

Financial implications: Budget for 2020–21.

Follow-up action required: None.

Author unit: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR).

Related documents: GB.331/PFA/2.

Introduction

1. In the Panama Declaration,¹ issued at the 19th American Regional Meeting, the constituents from ILO member States in Latin America and the Caribbean all agreed that, in a global context of high uncertainty, the persistence of certain structural features that create specific challenges had been identified in the region. These include: low and fluctuating economic growth; insufficient productive development and low productivity; high levels of informality and inequality; increasing unemployment and poverty; various deficits in the respect for and application of the fundamental principles and rights at work of workers and employers; challenges related to the effects of environmental development on employment; reduced social security coverage and sustainability; and negative effects on the creation of employment and sustainable enterprises.
2. The Declaration also emphasizes that experience in recent years has shown that, without sustained growth, social progress may stall or even be reversed. Therefore, it notes that investment and sustained, inclusive and sustainable economic growth are essential for generating decent and productive employment, and for reducing inequalities in the region. As a result, the tripartite constituents called for the ILO to continue to play a leadership role in the world of work by strengthening the instruments of international cooperation and innovative development partnerships; expanding the means to share good practices; expressing appreciation for engagement in multilateral forums and for effective tripartism and social dialogue; and strengthening the body of standards and the supervisory system for international labour standards, especially to increase transparency and efficiency within the terms of the ILO's mandate.
3. Among the policy priorities established in the Panama Declaration, priority (vi) on workforce development policies stands out, owing to its direct relationship to CINTERFOR's mandate and area of expertise. The Declaration states that they: "... are key to building a better future of work. Vocational education and training systems that respond to the present and future needs of employers and workers can be achieved through robust education and training systems that include lifelong learning. We emphasize the need to promote synergies between education, vocational training and the world of work to match labour supply and demand. These policies must be aligned with policies on productive development and attracting investment".
4. In its capacity as a technical service specializing in vocational training and the core of a cooperation and knowledge management network of 67 vocational training institutions and organizations in 27 countries, CINTERFOR is called upon to contribute actively and effectively to the ILO's leadership role, particularly in relation to strengthening cooperation and partnering for development, sharing best practices, and encouraging innovation, as well as promoting tripartism and social dialogue in its field of action.
5. CINTERFOR's contribution to the ILO's regional agenda should, in complement to the Organization's other capacities, also extend to other policy priorities, such as those relating to productive development; promoting an enabling environment for the creation and development of enterprises; promoting the transition from the informal to the formal economy; promoting environmental sustainability and addressing the employment impacts of climate change; or responding to new and diverse forms of employment.

¹ ILO: *Panama Declaration for the ILO Centenary: The future of work in the Americas*. 19th American Regional Meeting, Panama City, Panama, 2–5 October 2018.

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6. To that end, during the current and the previous biennium, CINTERFOR has been developing a systematic and cumulative process for the continuous improvement of its internal work procedures, its modalities and mechanisms of action, its synchronization with the technical services at headquarters and with ILO field offices, as well as developing strategic partnerships with national and international cooperation and development agencies.
 7. It is worth recalling that when the Programme and Budget proposal for the 2018–19 biennium was submitted to the Governing Body, CINTERFOR’s proposed programming was based on ten challenges facing countries in the field of vocational training and their corresponding lines of action, all of which was considered and approved in a tripartite manner at the Programme and Budget Committee and the 43rd Technical Committee Meeting (San José, Costa Rica, August 2017). Those lines of action remain in the current proposal for the 2020–21 biennium, with regard to the need for: greater synchronization with productive development policies and technological developments; strengthened tripartism and social dialogue in vocational training; improved regulatory frameworks and financing schemes; greater synchronization with formal education; the promotion of quality apprenticeships through cooperation between governments, enterprises and trade unions; strengthened institutional management and information systems; methodological and technological innovation; greater relevance and adaptation to foster social inclusion; and synchronization with employment services and other labour market policies.
 8. The following is a description of CINTERFOR’s programme and its estimated income and expenditure for the 2020–21 biennium. Appendices I and II provide detailed budget information.

Programme

9. The proposed programme of work for the biennium is part of the ILO’s Strategic Plan for 2018–21. It includes, in particular:
 - The central role of vocational training in the ILO’s Decent Work Agenda, in particular its strategic objective related to employment, as well as in the achievement of the 2030 Agenda for Sustainable Development (2030 Agenda) adopted by the United Nations General Assembly (2015), especially with regard to Goal 4: “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, and Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.
 - Significantly reinforcing the ILO’s capacity, through CINTERFOR and its work with field offices and departments at headquarters, to deliver quality services to its constituents and member States, better understanding their needs and responding to them more effectively.
 - Contributing to the ILO’s status as a benchmark organization in the field of capacity-building for vocational training public policy institutions, as well as for workers and businesses. In particular, strengthening its understanding of transformative changes in the world of work and its capacity to offer effective responses to the emerging challenges in the field of vocational training, by improving statistical information, research, knowledge management and technical support and cooperation for policy development in that regard.
 - Increasing the effectiveness, as well as the efficiency, of its use of the resources entrusted to it with a view to offering value for money services to member States.

10. The information and knowledge management technologies that increasingly underpin CINTERFOR's services are the only way to provide a quality response to a growing and diversifying demand. CINTERFOR has a responsibility to keep up to date in this, as well as to develop appropriate and timely solutions, as the risk of not doing so would be obsolescence and loss of effectiveness in the services it provides. Further to the efforts made in previous bienniums, this proposed budget includes the establishment of a support post for information management processes, with a view to strengthening the Centre's technical capacities. This aims to strengthen the Centre's technical team in a very sensitive area. As a result, the team will be better able to carry out technical support tasks as well as improving and maintaining CINTERFOR's knowledge management platform.
11. Based on the guidance provided by the Governing Body, CINTERFOR's priorities will be knowledge management, South-South and triangular cooperation, and making the fullest possible use of information and communications technologies in all of its working areas.
12. The Centre plans to make progress in the following areas of action.

(a) Synchronizing vocational training with productive development policies and technological developments

13. Mindful of the need to promote consistency and functionality between vocational training policies and productive development policies, CINTERFOR will conduct research into and share information on national, regional and sectoral experiences of developing vocational training systems and institutions that involve synchronization with the design and implementation of productive development policies, as well as with the private sector and the social partners. It will help member States and institutions to develop their technical capacities to identify skills gaps and to take those into consideration when programming vocational training systems. It will provide advice on improving the management of vocational training system centres or operational units providing activities focusing on productive development (such as applied research, improving prototypes, solving business problems). The planned activities will include documenting the development experiences of training institutions such as Costa Rica's National Training Institute (INA), and Brazil's National Commercial Learning Service (SENAC) and National Rural Learning Service (SENAR).

(b) Strengthening the capacities of governments, and employers' and workers' organizations with regard to tripartism and social dialogue in vocational training

14. Given the benefits that social partner participation and social dialogue in the management of training systems and institutions bring to fostering quality, relevance and equity in training, CINTERFOR will continue to support the processes to develop the capacities of employers' and workers' organizations in this field. This will include improving the programme to strengthen the capacities of trade union representatives to participate in institutionalized social dialogue and collective bargaining on vocational training and offering it to more participants. The initiatives around which CINTERFOR's activities will be structured include the following: firstly, a capacity-building programme for representatives of governments and employers' and workers' organizations at management level of national, regional and sectoral vocational training institutions, and in tripartite settings addressing vocational training public policy. The contents of the programme will be directly related to strategic decision-making in institution management and participating in and controlling the public policy cycle (identifying demands, setting priorities, design, implementation checks

and evaluation), as well as updating trends, challenges and approaches in vocational training. Both tripartite and sectoral meetings or workshops are planned in the implementation of this programme. Second, ongoing research will be continued to identify, document and disseminate sectoral experiences relating to the tripartite and bipartite negotiation of technological development processes and work organization, with an analysis of the role of vocational training in mitigating the potential negative effects of creating new jobs. Third, given that this is a cross-cutting line of work, as well as containing specific actions, the participation of tripartite constituents will continue to be encouraged in outreach and capacity-building activities relating to the methodology developed by CINTERFOR for the bipartite management of labour skills at sectoral level, as well as quality apprenticeship policies and programmes (see section (e)). Fourth, the social dialogue forum on the CINTERFOR website will continue to be updated, including the existing database on collective agreements and social pacts, with provisions on training. All of these initiatives and activities will be coordinated with and supported by the Skills and Employability Branch (SKILLS), the Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV), both at headquarters and in the field.

(c) Developing regulatory frameworks and sustainable financing schemes for vocational training systems

15. At the request of its member States and institutions, CINTERFOR will continue to support the processes to adjust or reform the regulatory frameworks that govern institutional, participation and social dialogue matters and the different forms of training. In addition to possible technical assistance activities, the Centre will regularly review and update comparative information in this area and make it available through publications or in its databases. Again at the request of member States and institutions, it will provide advice and create and make available comparative information on financing schemes for vocational training and access to private sources of financing through the development of strategic partnerships and international cooperation. This line of action envisages support for reform in the National Qualifications System in Colombia, the National Institute of Vocational Training (INFOP) in Honduras, and the INA in Costa Rica, among others.

(d) Lifelong learning and synchronizing vocational training with formal education

16. CINTERFOR will continue to review, update and provide its members with comparative knowledge on the relationship between vocational training, formal education and the world of work, through initiatives such as programmes or mechanisms for skills recognition and certification, the standardization of common learning outcomes or a common guiding framework, such as national qualifications frameworks (NQFs). Developing NQFs will continue to be a focus of attention through technical assistance and horizontal cooperation, as the countries of the region are increasingly interested in addressing this challenge. Both in the context of integration processes and in the subregions, where migration is a central issue, the aim will be to support the inclusion of tools such as the ones mentioned above in migration management policies. The progress of NQFs in Colombia, Peru and Costa Rica will be documented.

(e) Promoting pre-apprenticeship and quality apprenticeship for work

17. During the 2018–19 biennium, CINTERFOR developed a robust base of technical resources² and experience in support of member States and institutions and the development of quality apprenticeship programmes and systems which, through a combination of on-the-job training and classroom-based learning, will help develop participants' skills – in particular young people – and improve work processes. These aims, which were already set out in the programme and budget for the previous biennium, have resulted in technical assistance and cooperation initiatives which will continue to be developed in the current biennium, while others will also be set in motion. Mexico, Costa Rica, Dominican Republic, Jamaica, Brazil, Paraguay and Uruguay are among the countries with initiatives that are under way or soon to be launched. At the same time, we shall continue with the strategy of building partnerships and mobilizing resources with multilateral organizations – such as the Andean Development Corporation (CAF) and the Inter-American Development Bank (IDB) – in order to provide systematic support for processes involving the reform or implementation of quality apprenticeship systems and programmes. Technical support will continue to be provided to member States and institutions and to employers' and workers' organizations in developing regulatory frameworks in this area, in creating partnerships and alliances to make this possible, and in forging relationships with key sectors with a view to their development.

(f) Institutional strengthening and information management in vocational training

18. CINTERFOR will continue to provide support to member States and institutions in their efforts to ensure ongoing improvement and innovation in institutional management, knowledge management and the development of information systems, which are needed for the design, planning, implementation and evaluation of vocational training policies and programmes. Dissemination and South–South cooperation activities will be carried out to further build capacities to expand and diversify the range of training programmes on offer, meet the different needs of individuals and enterprises, adjust them to the priorities of productive and social inclusion, and reduce the skills mismatch. Support will be provided to member States and institutions that request it in developing quality management systems, ensuring the relevance of the training on offer, and in the setting of institutional goals through verification mechanisms based on quality information and in consultation with the social partners. In particular, progress will be made in the analysis of the relevance of Paraguay's training programmes and training gaps. The same will be done in Colombia for the quality assurance systems for training and skills certification, with the support of ChileValora.

19. In the area of information systems, CINTERFOR will provide support to member States and institutions in developing and using demographic, social and labour market statistical information for use when planning, managing and evaluating training activities. Support will also be provided to improve information systems based on the performance indicators of institutions, where criteria and developments vary greatly from country to country in the region. This is such an important issue that the idea of creating a regional programme to harmonize and improve training statistics has been put forward, which would include

² The practical guide *Aprendizaje de calidad: Una perspectiva práctica para América Latina y el Caribe* (Quality apprenticeship: a practical perspective for Latin America and the Caribbean) developed by CINTERFOR in the previous biennium includes the main tools developed by the Centre on this topic, as well as a summary of regional and global experiences.

carrying out activities such as technical assistance and cooperation between institutions and even organizing specific technical meetings. We will work with the support of the National Learning Service (SENA) in Colombia, the National Institute for Employment and Vocational Training (INEFOP) in Uruguay and ChileValora to advance the use of occupation classification systems, with the possible application of the European Skills, Competences, Qualifications and Occupations (ESCO) Classification.

(g) Applying new methodologies and technologies to vocational training

20. CINTERFOR will continue to provide technical assistance and promote cooperation to encourage methodological and technological innovation in the design and development of vocational training with a focus on skills development for the future of work. Surveys and research will be conducted on curriculum design and development and on the training of trainers. Other research topics will include the use of technology as a training tool and as training content. There will be follow-up on the research done in coordination with SENAC-National Department on the use of project-based methodologies to develop cross-cutting skills. With respect to collective knowledge building and its dissemination, it is planned to hold two activities, one per year, with member institution technicians, with a view to sharing best practices and case studies and to identify new research areas. Outreach will be done through our website, the CINTERFOR bulletin, a learning community and publication in journals. We shall continue to address requests for technical cooperation on the aforementioned issues, particularly with regard to active methodologies and experiential learning based on training projects that are using cross-cutting information technology. More specifically, the training of trainers in the use of technologies to facilitate learning, the training of trainers in the design of the training programmes on offer, the training of trainers to facilitate project-based learning, and models to assess the quality of distance learning. CINTERFOR will develop a package of guidelines for the design and implementation of project-based training. These guidelines will serve as a basis for the design and implementation of a “blended” training programme on the topic. A manual for the development of employability skills in training contexts based on the experience alongside the National Vocational Training Institute for Human Development (INADEH) in Panama will also be developed.

(h) Vocational training for equal opportunities and social inclusion

21. CINTERFOR will continue to document, systematize and share information on experiences of strategies to include vulnerable groups in vocational training and reduce gender inequity. Technical assistance will be provided to countries in synchronizing vocational training with national policies on inclusion and equality and in developing strategies and mechanisms in general to cater for different target audiences. Likewise, technical support will be provided to member States and institutions when setting goals, targets and indicators in to the area of inclusion and equal opportunities. Some of the initiatives that are already under way and will be continued during this biennium include the identification, documentation and dissemination of experiences with vocational training and employment programmes that cater to people deprived of their freedom, as tools for rehabilitation and social and economic reintegration.

(i) Synchronizing training with employment services, vocational guidance and active labour market policies

22. CINTERFOR will help member States and institutions through initiatives aimed at improving the synchronization of vocational training with other active employment and labour market policies, in particular with public employment services, and their components of vocational guidance and labour intermediation, both for young people seeking to enter the labour market and unemployed workers. It will survey, systematize and share comparative knowledge on service models in vocational training, vocational guidance and labour intermediation, promoting South–South cooperation in this field. The development of information systems on the vocational training on offer, the demand for skills and the supply and demand of jobs, including those that CINTERFOR is currently supporting in Uruguay and will begin shortly in Paraguay, are particularly relevant tools in this line of work.

Budget

23. Appendix I presents the proposed income and expenditure budget for the extra-budgetary account for the financial period from 1 January 2020 to 31 December 2021, together with comparative figures for budgeted and anticipated expenditure and income for 2018–19. Appendix II provides further information by subprogramme. The total income foreseen for the period 2020–21 amounts to US\$3,387,895.
24. The ILO contribution for the 2020–21 biennium will amount to US\$2,462,895, which represents an increase of US\$25,592 compared to the previous biennium, to adjust for cost increases and maintain the contribution at the same level in real terms.
25. The contribution of the host country will be maintained at US\$50,000 annually. The Government of Uruguay paid its 2018 contribution and is expected to pay its contribution for 2019 during the current year. Projected income for the 2020–21 biennium is US\$100,000.
26. Voluntary contributions provided by participating vocational training institutions are forecast to be US\$500,000. Over the course of this biennium, 17 agreements have been signed, representing 26 per cent of the total number of member institutions. This process will continue in order to formalize the payment of yearly contributions and facilitate the collection of contributions.
27. The printing press has continued to generate income from the sale of its services, mainly to projects within the ILO. We understand that the digital printing services have become well established, exceeding the levels expected for the previous biennium. However, we maintain our estimated income of US\$30,000.
28. Other contributions are generated by short-term technical assistance activities, funded by the interested parties. Based on these resources, the Centre will deliver technical assistance to countries in the region, promote South–South cooperation among the CINTERFOR participating institutions, and will work together with other ILO offices and the International Training Centre of the ILO (Turin Centre). These services will be provided by hiring consulting services, conducting meetings and technical events, the financing of missions, and hiring staff on a short-term basis to support the technical cooperation activities of the Centre.

Resource mobilization

29. CINTERFOR will continue to mobilize international and national technical cooperation resources. Income from technical assistance activities funded by the interested parties (advisory services, research field trips and seminars, among others) is anticipated to be US\$280,000.
30. In addition, CINTERFOR will continue to work on identifying and making use of resource mobilization opportunities through technical cooperation projects, both within the host country and regionally.

Draft decision

31. *The Governing Body approved the income and expenditure estimates of the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) extra-budgetary account for 2020–21, as set out in Appendix I of document GB.337/PFA/3.*

Appendix I

Proposed income and expenses

The following table shows the proposed income and expenditure for the extra-budgetary account for the period from 1 January 2020 to 31 December 2021, together with comparative figures for budgeted and actual income and expenditure in 2018–19.

	2018–19 Approved budget (US\$)	2018–19 Anticipated income and expenditure (US\$)	2020–21 Proposed budget (US\$)
A. Funds brought forward from the previous financial year	817 837	1 191 251	1 189 434
B. Income			
ILO contribution	2 437 303	2 437 303	2 462 895
Host country contribution	100 000	100 000	100 000
Contributions from other countries in the region	500 000	440 000	500 000
Other contributions	250 000	540 000	280 000
Sales of publications and printing services	20 000	35 000	30 000
Miscellaneous income ¹	10 000	15 000	15 000
<i>Total income</i>	3 317 303	3 567 303	3 387 895
C. Total funds available	4 135 140	4 758 554	4 577 329
D. Total expenditure	3 569 120	3 569 120	3 733 200
E. Funds to be carried forward to the next financial year	566 020	1 189 434	844 129

¹ Including interest, exchange/revaluation gains/losses, etc.

Appendix II

Summary of proposed expenditure for 2020–21 by subprogramme (extra-budgetary account and ILO contribution)

Subprogramme	Work years/months		Cost in US\$		
	Professional service	General service	Staff	Non-staff	Total
Programme implementation	2/00	4/00	801 600	110 000	911 600
Knowledge management	–	12/00	1 072 320	100 000	1 172 320
Printing services and other contributions	–	–	-	210 000	210 000
Administration, finance and human resources	–	6/00	515 760	110 000	625 760
Management	2/00	2/00	713 520	100 000	813 520
2020–21 proposals	4/00	24/00	3 103 200	630 000	3 733 200