

Board of the Centre

74th Session, Turin, 1 - 2 November 2012

CC 74/2

FOR DISCUSSION AND GUIDANCE

SECOND ITEM ON THE AGENDA

Interim Implementation Report for 2012

Introduction

1. The year 2012 is the first year of implementation of the Centre's Strategic Plan for 2012-15 (the Plan) adopted by the 73rd Session of the Board in November, 2011. As a consequence, this report covering the first half of 2012 is presented in a new format focusing on measuring the progress made towards the achievement of the targets set down in the Programme and Budget for 2012 as well as the perspectives and challenges in relation to the attainment of these targets by the end of the year.
2. The Centre has been operating in an increasingly challenging financial environment linked to the reduction of donors' official development aid budgets. For the first time in many decades, the Government of Italy was not in a position to approve an annual voluntary contribution for the funding of the training activities of the Centre. The third largest direct multi-bilateral donor of the Centre, the Government of Spain, was unable to provide the voluntary contribution to the Centre that had been approved in the Spain/ILO Mixed Commission in 2011. In addition, resource pooling with the ILO has been impacted by the traditionally slow start to joint-work at the beginning of each biennium.
3. Given the progressive reduction in un-earmarked funds, and the slow lead-in period for the availability of ILO resources in the first part of the biennium, the Centre has concentrated on a more limited portfolio of academies, as some of these learning events that were offered in 2011 will be repeated every second year. The two academies held in the first half of 2012 received again a good response in terms of participation and feedback. Surplus funds from previous years were allocated in support of the academies as well as to core programmes, including the employers' and workers' programmes.
4. In the framework of the Turin School of Development, preparatory work was finalized to ensure that in 2013 all the courses offered will be Masters Programmes and that a Spanish version of the Masters in World Heritage and Cultural Projects for Development will be launched in collaboration with the University of Barcelona. The possibility of offering one of the Masters in French is also being reviewed. In collaboration with the ILO Steering Committee on the Information and Knowledge Management Strategy, a pilot Ph.D. Programme has been launched.
5. An Innovation Fund was established in 2012 using €300,000 from prior years' surplus. Eleven projects were approved against this facility to promote the development of new training products and to diversify delivery methods. A Gender Action Plan for 2012-15 was finalized and adopted covering the staffing, substance and structure of the operations of the Centre.
6. The following paragraphs of this report provide:
 - information on actions taken in the first half of 2012 in relation to the five strategic priorities set down in the Plan;
 - a status report on progress made towards meeting the 2012 targets under each indicator;
 - forecasts for the end of the year.
7. Appendix I consists of a series of tables and charts providing a summary overview of information in relation to training activities. Appendix II provides a summary of the Programme and Budget for 2012.

Progress report on implementation

Priority 1: The introduction of a results-based framework aligned to the ILO Strategic Policy Framework for 2010-15

8. The Centre has been reviewing and updating its current data gathering and monitoring tools as it seeks to enhance its capacity to record and process relevant data feeding into the targets and indicators. The establishment of baselines and indicators is already providing meaningful information on progress made in relation to the institutional priorities and targets of the Centre. The Centre has continued to participate in the process of reviewing and updating ILO outcome-based work plans and has been involved in the preparation of the ILO Programme and Budget Proposals for 2014-15. The Centre systematically links its training activities to relevant ILO outcomes with a view to measuring the actual contribution made by its training and learning programmes to the 19 ILO outcomes.

Priority 2: Reinforcing the governance role of the Board of the Centre

9. The format of this interim report has been revised to provide data and information that will help the Board exercise its oversight and guidance role. An IPSAS specialist was recruited to ensure that the Centre meets its target to be fully IPSAS compliant by the end of 2012. The Office of Internal Audit and Oversight is presenting its annual report to the Board summarizing the findings and recommendations of internal audits or investigations undertaken by it. The Centre's Financial Rules have been revised and updated and are submitted to the Board for approval.

Priority 3: Diversifying the resource base and increasing outreach

10. The Centre has undertaken an active dialogue with potential donors including governments (Australia, Brazil, Chile, Germany, India, Japan, Luxembourg, Norway), multilateral organizations (the African Development Bank and the European Investment Bank) and non-state actors (MasterCard Foundation, Qatar Foundation, Statoil, ENEL, ENI, Almenara Middle East). Updated information on the outcome of these discussions will be provided at the Board meeting.
11. New projects were funded by the Government of Italy for an overall amount of some €1 million. Contributions were received, or are expected, from the development agencies of Australia, Austria, France, Germany, Japan, Luxembourg and Switzerland, UN partners such as FAO, UNDP, UNECA, UNHCR, UN-Women, as well as by non-state partners such as FIIAPP and NUFFIC. National vocational education and training institutions in Saudi Arabia (TVTC) and El Salvador (INSAFORP) renewed and expanded their cooperation with the Centre in 2012. Response to competitive bidding opportunities has been strengthened. The role of the Centre in ILO's overall resource mobilization and partnership strategy was reviewed in July 2012 with the management of the Department of Partnerships and Development Cooperation (PARDEV) and a series of concrete steps were agreed for the better integration of the Centre into ILO's technical cooperation and resource mobilization strategies.
12. The Centre signed a collaboration agreement in early 2012 with the US Federal Mediation and Conciliation Service for the joint delivery of training activities. New partnerships with national training institutions in Brazil, China, Lebanon, Peru, Russia and Vietnam were initiated or formally signed. Collaboration with trade unions was strengthened through the signature of an agreement with the training institutes of CC.OO. and UGT in Spain. Following the signature of a Memorandum of Understanding with the United Nation System Staff College (UNSSC) and UNITAR, the first UN Summer Academy will take place in August, 2012.

-
13. In the context of its collaboration with other UN organizations, the Centre was entrusted by UNDESA to undertake, in the second half of 2012, the induction training of UN junior professional officers and UN fellows.

Priority 4: Reforming internal operating and administrative procedures

14. The following internal reforms have been implemented:
- the recommendations arising from the business process review (BPR) initiated in 2011 are being implemented with an emphasis on the rationalization of the internal workflow related to financial management and reporting. A BPR project team was established to oversee the implementation;
 - the budgeting and financial services were re-organized in line with long-standing recommendations of both the External Auditors and Internal Auditors;
 - two technical teams, namely on International Labour Standards and Rights at Work and on Gender Equality and Non Discrimination, were merged;
 - the technical teams in the employment area were realigned to better match their mandate with available skills and competencies;
 - the functions and organization of the Programme Development and Regional Cooperation Service were reviewed;
 - a Strategic Plan for 2012-15 in the field of information and communication technologies was adopted.

Priority 5: Upgrading the campus facilities

15. A number of improvements have been undertaken to the campus facilities with a particular focus on upgrading technological equipment, safety and security, improving the training and residential facilities, and greening the campus. These works included:
- adapting footpaths and entrances to buildings to increase accessibility for persons with disabilities;
 - replacement of obsolete air treatment equipment in two buildings with more efficient technology in terms of energy consumption and monitoring;
 - refurbishment of training and office facilities and the creation of additional office space;
 - upgrading of residential hotel facilities (replacement of TV equipment and an expanded choice of TV channels);
 - installation of video cameras in the public areas of the hotel premises to enhance safety;
 - improvements to the main entrance area of the campus.

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

This outcome seeks to measure the extent to which the training activities delivered by the Centre for ILO constituents contribute to the achievement of ILO outcomes and the Decent Work Agenda at country or global level. This is explicitly linked to the mandate given to the Centre under the follow-up to the Declaration on Social Justice for a Fair Globalization (2008). It also relates to the ILO's cross-cutting strategy of developing the capacity of constituents as formulated in the ILO Strategic Policy Framework for 2010-15 and Programme and Budget for 2012-13.

Indicator 1.1: Annual number of participants, disaggregated by gender, from tripartite constituent organizations out of the total number of participants.			
Baseline (2010)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
1,346 employer participants	1,500 employer participants	258 employer participants	750 employer participants
1,937 worker participants	2,200 worker participants	800 worker participants	1,500 worker participants
1,293 labour ministry participants	1,500 labour ministry participants	283 labour ministry participants	750 labour ministry participants
3,500 other governmental and public institutions participants	3,500 other governmental and public institutions participants	1,954 other governmental and public institutions participants	4,000 other governmental and public institutions participants
40.2 per cent women	42 per cent women	46 per cent women	43 per cent women
<p>Comments: The volume and breakdown of activities in 2012 has been affected by the reduction of un-earmarked contributions, the cancellation of the funding originally approved by Spain and the slow start of activities at the beginning of a new ILO biennium. The decrease in these contributions has been partly offset by the acquisition of new projects through direct negotiations or competitive bidding. However, the current portfolio of activities has an impact on the participation of core ILO constituents. As concerns participation from governments and public institutions, the data may not be 100 per cent accurate as sometimes it is difficult to identify the legal and statutory nature of entities sending participants to standard courses. The relatively large number of representatives from government and public institutions is essentially explained by the implementation of two important training projects on public procurement in the Balkans and in Rwanda as well as a training programme for managers and trainers of the Technical and Vocational Training Corporation of Saudi Arabia. The rate of women's participation was substantially above the 2010 baseline and the 2012 target. This is partly explained by the increase in European participants, where women's participation is traditionally higher.</p>			

Indicator 1.2: The use made by participants of the knowledge and competencies acquired.			
Baseline (2011)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
99.4 per cent of former participants responding to ex-post surveys indicated at least some improvement in their performance as a result of their participation in the training and learning activities.	60 per cent of former participants from labour ministries, employers' and workers' organizations responding to ex-post surveys indicate that their performance improved as a result of their participation in the Centre's training and learning activities.	To be determined.	90 per cent of former participants responding to ex-post surveys will indicate at least some improvement in their performance as a result of their participation in the training and learning activities.

Comments: The 2011 baseline and the data for 2012 are based on the current methodology and scope of ex-post surveys, which are limited to participants in the Centre's standard courses. Ex-post surveys are sent 6 months after the conclusion of each activity. In 2011, 180 former participants in standard courses from labour ministries, employers' and workers' organizations responded to ex-post surveys (i.e. 37.5 per cent of the total). Some 500 participants from labour ministries, employers' and workers' organizations who participated in standard courses in the first half of 2012 will be surveyed between mid-2012 and mid-2013. Final results will only be known in the second half of 2013. Virtually all former participants responding to the Centre's survey indicated improvement in their professional performance as a result of the training. However, a majority of former participants did not respond to the survey and this may be related to different reasons such as changes in address, technological difficulties, lack of time, lack of interest etc.

Indicator 1.3: The use made by the institutions of the knowledge and competencies acquired by the participants.

Baseline (2011)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
16 per cent of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	10 per cent of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	No institutions of former participants surveyed yet to evaluate the impact of the Centre's training and learning activities on their institutions.	14 per cent of institutions of former participants will be surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.

Comments: The 2011 baseline and the data for 2012 are based on the current methodology and scope of ex-post surveys, which is limited to participants in the Centre's standard courses. Institutional impact is assessed through the former participants' direct testimony. In 2011, 1,246 government, employers' and workers' institutions were surveyed in this way. Responses were received from 418 (29.8 per cent) out of which 383 (91.6 per cent) indicated some improvement in institutional performance. Feedback from participants' managers and supervisors is not yet surveyed in a systematic manner, except in specific project or programme evaluation exercises. In this case too, the majority of respondents indicate some positive institutional impact. Lack of institutional improvement may be related to a mismatch between the competencies needed for the job and those acquired in the training, but also to the participants' empowerment and opportunities for applying them.

Indicator 1.4: Volume of training income linked to the ILO's 19 outcomes.

Baseline (2010)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
76 per cent.	78 per cent of annual training income.	68.6 per cent of income for activities completed or started.	75 per cent of annual training income.

Comments: This indicator is particularly sensitive to the funding portfolio of the Centre. The combination of a reduction in un-earmarked resources and a slow start up of joint-activities with the ILO in at the beginning of each biennium increases the dependency of the Centre on paying demand as well as competitive bidding opportunities, whereby the thematic focus is determined prior to the Centre's involvement. In particular, a large programme on public procurement training was conducted in the first half of 2012. The balance of activities should be re-dressed in the second half of 2012 as more ILO-related activities are planned for this period.

Indicator 1.5: Percentage of Centre's training activities designed and delivered in collaboration with ILO technical departments and offices.			
Baseline (2011) 65.8 per cent.	Target 50 per cent.	Situation at 30 June, 2012 52.7 per cent.	Forecast for 31 December, 2012 60 per cent.
Comments: This indicator covers both tailor-made activities designed and implemented upon request and in collaboration with the ILO and the active involvement of ILO's technical sectors and specialists in the delivery of standard courses and academies. Data show that the level of collaboration between the Centre and different ILO technical sectors and offices is currently high, although it is sometimes ad hoc and decentralized. In some areas, the entire training programme of the Centre is conceived and delivered in cooperation with the relevant ILO technical departments.			

Indicator 1.6: Delivery of specific ILO staff development and training programmes.			
Baseline (2010) 517 ILO staff.	Target 550 ILO staff.	Situation at 30 June, 2012 418 ILO staff.	Forecast for 31 December, 2012 600 ILO staff.
Comments: Activities implemented for ILO staff in the first half of 2012 include the launch of self-learning induction modules on international labour standards, tripartism and gender equality, two knowledge-sharing workshops on green jobs and one on SCORE, a new edition of the courses on research skills, project design and implementation, an orientation course for new officials as well as a new course on resource mobilization vis-à-vis the European Union. In addition, there is a general positive trend in relation to the participation of ILO staff in standard courses of the Centre.			

Outcome 2: Policy-makers and decision-makers acquire knowledge of international labour standards, tripartism, ILO values, policies and tools

This outcome seeks to assess the extent to which the Centre's support to training, learning and human resource development programmes of a broader community of external partner institutions contributes to the dual objective of contributing to sustainable development and governance and of disseminating knowledge of ILO values, policies and tools, including international labour standards and tripartism to a wider audience.

Indicator 2.1: Number of training activities organized in partnership with either a national, regional or international training or academic institution.			
Baseline (2011) 17.3 per cent per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	Target 10 per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	Situation at 30 June, 2012 25.6 per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	Forecast for 31 December, 2012 24 per cent of the Centre's activities expected to be implemented in partnership with other training, research and academic institutions.
Comments: This indicator has been measured in 2011 and 2012 for the first time. It appears that a substantial number of activities are already implemented jointly with international, regional or national training, research and academic institutions. Some are the result of institutional partnerships, others of ad hoc collaboration.			

Indicator 2.2: Annual number of participants, disaggregated by gender, and participant days.

Baseline (2010)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
13,730 participants	12,500 participants	4,849 participants	10,900 participants
102,365 participant days	100,000 participant days	40,946 participant days	90,000 participant days
43.2 per cent women	44 per cent women	48 per cent women	45 per cent women

Comments: The slight decrease expected in the overall volume of activities is, as indicated above, the consequence of the reduction of un-earmarked contributions, the cancellation of the funding originally approved by Spain and the slow start of activities at the beginning of a new ILO biennium.

Indicator 2.3: Level of satisfaction of participants with the quality of the training and its relevance for their institutional objectives through end-of-course evaluation questionnaires, ex-post surveys and feedback from the Past Participants' Network.

Baseline (2010)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
Average score of 4.4 on a scale of 1 to 5.	Average score on the overall quality of training activities through end-of-course questionnaires is 4.5.	The average score on the overall quality of training activities through end-of-course questionnaires was 4.43.	Average score on the overall quality of training activities through end-of-course questionnaires expected to be between 4.4 and 4.5.

Comments: A comparative analysis of participants' feedback in 2011 and in the first half of 2012 yields quite similar results. Some improvement was recorded in relation to the two questions that traditionally received the lowest score i.e. information received prior to the training activity and effective integration of a gender dimension in the course design and delivery.

Outcome 3: Effective and efficient use of all of the Centre's resources

This outcome seeks to assess progress made by the Centre in diversifying the resource base of the Centre's operations, in making the most efficient use of its resources and in ensuring the necessary investments to improve the quality and cost-effectiveness of its work.

Indicator 3.1: Increase the diversification and predictability of the Centre's financial resources.

Baseline (2008-11)	Target	Situation at 30 June, 2012	Forecast for 31 December, 2012
€157 million	Mobilize an overall volume of €40 million in funding and earned income in 2012 and identify at least 2 new donors.	Around €12 million mobilized for the funding of training activities and around €1 million for publications. Fixed contributions of €11.5 million received or confirmed. No new donors.	Around €37.8 million expected to be mobilized by 31 December, 2012 for the funding of training activities, publications, other income, fixed contributions and surplus from prior years. At least one new donor expected to materialize.
Baseline (2010) 2 new donors.			

Comments: The diversification of funding sources, in addition to response to paying demand and bidding opportunities, is hampered by current reduction of most donors' development cooperation budget. Donor diversification has been sought both through direct contacts and through improved integration of the Centre into ILO resource mobilization strategies and mechanisms. Initiatives were undertaken with new donors including Chile, Japan, Norway and Switzerland as well as the MasterCard Foundation. However, these are not likely to materialize before 2013.

Indicator 3.2: Administrative and support staff costs as a percentage of total staff costs.			
Baseline (2010) 37 per cent.	Target 36 per cent.	Situation at 30 June, 2012 35 per cent.	Forecast for 31 December, 2012 36 per cent.
Comments: With the streamlining of processes and re-organization of some of administrative units, it is expected that the target set for 2012 will be achieved. The situation as at 30 June, 2012 reflects only the total cost recorded as that date and does not include the total expenditure forecasted. For example staff costs relating to employee benefits and commitments for operating expenditure are raised only at the end of the year.			

Indicator 3.3: Timely response by management to internal and external high priority audit recommendations.			
Baseline (2011) Internal audit: 26 per cent. External audit: 75 per cent.	Target All high priority internal or external audit recommendations issued in 2011 addressed by management in 2012.	Situation at 30 June, 2012 Internal audit: 74 per cent. External audit: 86 per cent.	Forecast for 31 December, 2012 Internal audit: 80 per cent. External audit: 95 per cent.
Comments: All high priority external and internal audit recommendations that can be implemented in the short-term will be addressed by the end of 2012. A table on the status of the implementation of Internal audit recommendations will be presented to the Board in 2012.			

Indicator 3.4: Investment in staff development as a proportion of the total payroll.			
Baseline (2010) 0.3 per cent of payroll.	Target 0.8 per cent of payroll.	Situation at 30 June, 2012 0.5 per cent of payroll.	Forecast for 31 December, 2012 0.7 per cent of payroll.
Comments: A number of training activities were organized in the first semester of 2012, including the introduction of a pilot coaching programme. All individual training requests have been satisfied when based on identified learning needs and with the support of programme managers.			

Indicator 3.5: Increased gender balance and geographical distribution of staff in professional positions.			
Baseline (2010) 38 per cent women professional staff 31 per cent professional staff from outside Europe	Target 40 per cent women professional staff 35 per cent professional staff from outside Europe	Situation at 30 June, 2012 43 per cent women professional staff 34 per cent professional staff from outside Europe	Forecast for 31 December, 2012 43 per cent women professional staff 34 per cent professional staff from outside Europe
Comments: Although staff movements in professional positions were limited during the period under review, increased attention was paid to redressing imbalances in gender and geographical distribution through more effective outreach to under-represented staff categories, which resulted in a positive improvement in the representation of both staff categories.			

Indicator 3.6: Utilization of the Centre's facilities including its accommodation, classroom and conference facilities.			
Baseline (2010) Accommodation room occupancy: 63 per cent. Training facilities occupancy: 58 per cent.	Target Occupancy rate of 65 per cent of accommodation and 60 per cent of training facilities.	Situation at 30 June, 2012 Accommodation room occupancy: 53 per cent. Training facilities occupancy: 54 per cent.	Forecast for 31 December, 2012 Accommodation room occupancy: 61 per cent. Training facilities occupancy: 56 per cent.
Comments: The baseline for this indicator was established on the basis of the 2010 results which was a very positive year for the Centre in terms of global operational results. In 2011, occupancy rates for room and training facilities have decreased by 2 per cent compared with the 2010 baseline owing to a reduction in the overall volume of training activities, participants and participant days. The data available for the first half of 2012 show a further reduction of 2 per cent compared with 2011 occupancy rates over the same period. It is also to be noted that the first half of the year traditionally has lower levels of occupancy, as a substantial number of training activities normally take place in the second half of the year which explains the relatively low figures shown in the situation as at 30 June, 2012.			

Indicator 3.7: The quality of the residential accommodation.			
Baseline To be established in 2012.	Target Initiate procedure of certification with Chambers of Commerce.	Situation at 30 June, 2012 Contacts with the Chambers of Commerce and with the Piedmont Region are ongoing to assess the eligibility of the Centre to register for the hotel star rating system.	Forecast for 31 December, 2012 The Centre will have initiated the procedure to certify its residential accommodation facilities under the hotel star rating system or other accredited quality certification schemes for residential facilities.
Comments: The hotel star rating system is regulated by regional law and is administered by the Piedmont Region in collaboration with the City of Turin and the Province. Registration with the Chambers of Commerce is one of the requirements to accede to the certification process. It is to be noted that the star rating system is normally intended for residential facilities of a commercial nature. Discussions between the Centre's Management and the Piedmont Region are under way to determine if the Centre's facilities can be classified under the star classification scheme, despite its non-commercial nature.			

Indicator 3.8: The environmental status of the campus.			
Baseline To be established in 2012.	Target Initiate procedure to obtain Green Flag accreditation.	Situation at 30 June, 2012 The Centre has registered for the Eco-schools programme of the Federation for Environmental Education (FEE) leading to the award of the Green Flag.	Forecast for 31 December, 2012 An environmental review of the Centre's operations and the preparation of an action plan will be completed, which are the two initial steps required by the Eco-schools programme.
Comments: The Eco-schools programme consists of seven mandatory steps, which need to be completed and certified by FEE in order to obtain the award of the Green Flag. Having already adopted a Policy Statement on the Environment, the Centre has completed one of the seven steps required by this certification programme. Two further steps will be completed before the end of 2012.			

Risk management

16. The main risks identified that could impact on the Centre's capacity to achieve the agreed targets in 2012 were kept under review by the Risk Management Committee. A breakdown of the business continuity risks contributing to the main identified risks and the mitigation actions have been listed in a register; an implementation plan has been drawn up on the mitigation measures. The register is constantly updated by the members of the Risk Management Committee to reflect the implementation status of the risk mitigation actions.

APPENDIX I

TABLE 1
DISTRIBUTION OF ACTIVITIES BY TYPE OF TRAINING
(Comparison between the first half of 2011 and the first half of 2012)

	2011				2012			
	Activities	Participants	Days of training	Participant days	Activities	Participants	Days of training	Participant days
At the Centre	77	1,850	497	11,378	79	1,690	474	9,827
Blended	9	263	445	11,240	10	282	500	13,099
In the field	101	2,881	414	11,101	99	2,209	460	10,401
Distance	29	701	362	8,437	16	692	148	6,176
TOTAL	216	5,695	1,718	42,056	204	4,873	1,582	39,503

CHART A: INCOME FROM ACTIVITIES BY STRATEGIC OBJECTIVE
(AS OF 30 JUNE 2012)

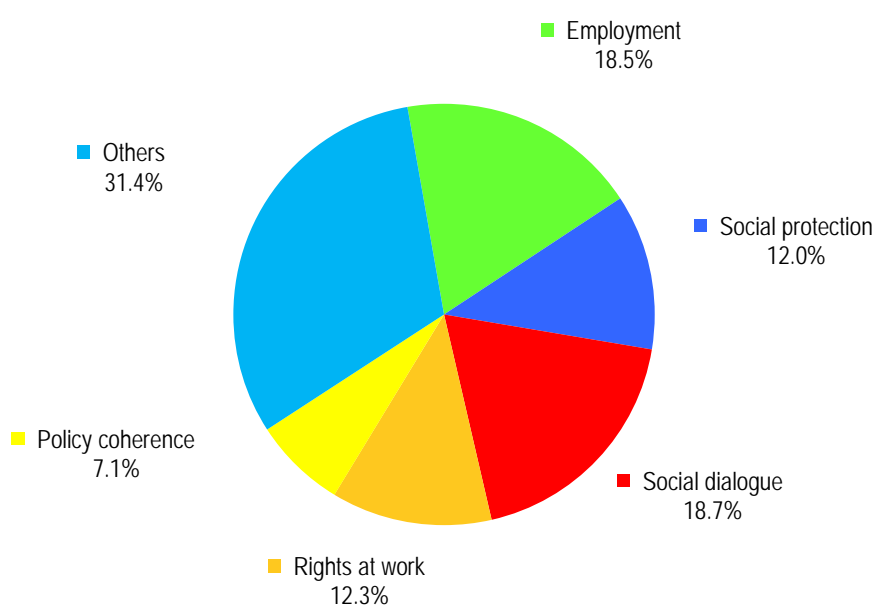


CHART B: PARTICIPANTS BY REGION (AS OF 30 JUNE 2012)

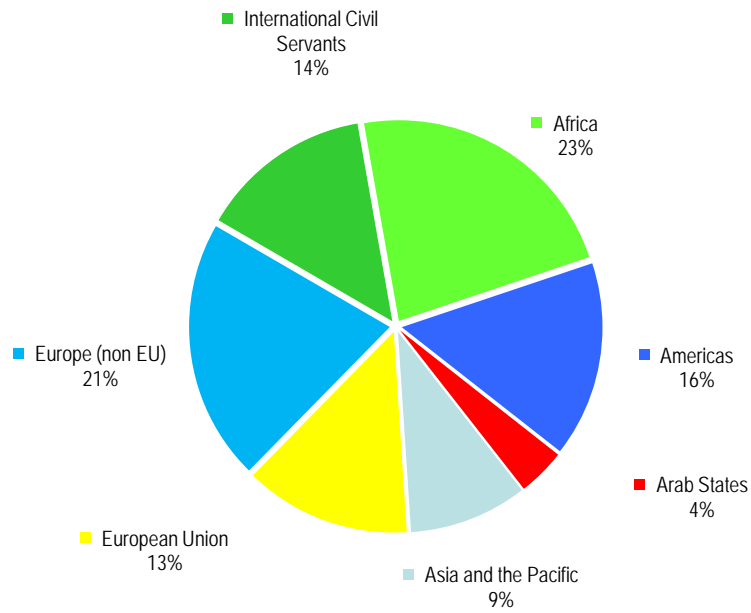
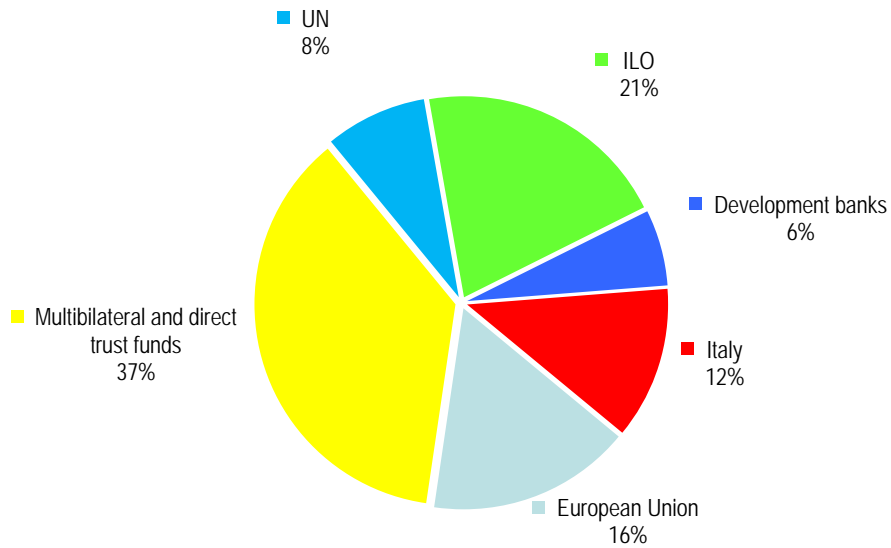


CHART C: INCOME FROM ACTIVITIES BY SOURCE OF FUNDING IN 2012 (FORECASTS)



APPENDIX II

PROGRAMME AND BUDGET FOR THE CURRENT FINANCIAL YEAR (2012)

1. In accordance with Article 8 of the Financial Regulations, a report on the implementation of the Programme and Budget for the 2012 financial year is set out below. This report is presented in summary form and reflects the operating results expected for the current financial year, for which the Programme and Budget was approved by the Board at its 73rd Session (November, 2011).¹ Account is taken of all the training activities implemented, or in progress, and all financial factors known at the end of June, 2012, together with estimated financial factors for the remainder of the year.
2. Figures and indicators relevant to the 2012 programme were established in June, 2012. They must be considered provisional at this time because requests for additional activities may still be included later in the year while some other activities may be postponed or dropped due to unforeseen circumstances.

Income

Chapter I (voluntary contributions)

3. The International Labour Organization contributed euro 3,177,000 (USD 4,373,500) to the running costs of the Centre in 2012. The Italian contribution (*ex-lege*) of euro 7,850,000 was included in the budget. At the time of writing this report, the contribution had been paid in full. The contribution from the Government of France was included in the budget for a total of euro 36,000 for both cash contribution and the provision of young experts. At the time of writing this report, the cash contribution of euro 25,000 had not been received. The contribution from the Piedmont Region (Italy) was included in the budget for euro 400,000. At the time of writing this report, this sum had been reduced to euro 200,000 and had not been received.
4. Also included in the approved budget for 2012 is a contribution of euro 250,000 from the Government of Portugal. The contribution was paid in full in 2012.
5. The total income from voluntary contributions included in the estimate amounts to euro 11,513,000.

Chapter II (earned income and use of surplus)

6. Item 21, income from the 2012 revised programme of activities, should total euro 24,450,000. This amount pertains to both training, advisory services and publications.
7. Miscellaneous income within the provisions of item 22 of the budget is expected to amount to euro 1,300,000.
8. Item 23, utilization of 2010 surplus, included a transfer from reserves to income of euro 580,000.

¹ Document CC 73/4/1.

-
9. The earned income forecast for 2012 in Chapter II of the budget is thus expected to total euro 25,750,000.

STAFF COSTS

10. Staff costs have been recalculated at euro 18,214,000 and can be broken down as follows:

	euro
Regular budget staff costs	14,982,000
Project-based staff costs	3,232,000
Total	18,214,000

11. This estimate is 4.3 per cent lower than the original budget.

NON-STAFF COSTS

Fixed costs

12. Fixed costs have been recalculated at euro 6,363,000 and can be broken down as follows:

	euro
Consultants	548,000
Facilities	2,018,000
Security	378,000
General operating expenses	874,000
Missions and representation	256,000
Governance	394,000
Information technology	1,546,000
Depreciation of fixed assets	349,000
Total	6,363,000

13. This estimate is 3 per cent lower than the original budget.

Variable expenses

14. Excluding project-based staff costs, these are estimated at euro 13,200,000 on the basis of the latest review of the programme of activities envisaged in 2012. They cover expenditure incurred in the implementation of specific activities, such as lecturers' fees, training material, participants' travel expenses and subsistence allowance, and external tuition fees. They fluctuate in relation to the volume and content of such activities, and the ways in which they are carried out. The budget estimates are based on the assumption that variable costs will be fully covered by the activities to which they refer.

OPERATING RESULT

15. The revised estimates for 2012 envisage a budget income of euro 37,843,000 against expenditure totalling euro 37,777,000 giving an operating surplus of euro 66,000.

CAMPUS IMPROVEMENT FUND

16. The balance of euro 837,000 remaining in the Campus Improvement Fund will be retained for future renovations.

INNOVATION FUND

17. Out of the balance of euro 150,000 remaining in the Innovation Fund, euro 100,000 will be used in 2012 as foreseen to support further innovations in learning and training and the remaining euro 50,000 will be carried over to 2013.

SYNOPSIS OF BUDGET FORECASTS FOR 2012

(in thousands of euro)

<u>Chapter</u>	<u>Item</u>	<u>Title</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Approved</u> <u>Budget</u>	<u>2012</u> <u>Estimates</u>
Part A – INCOME					
I		<u>Voluntary contributions</u>			
	10	International Labour Organization	2,895	3,057	3,177
	11	Government of Italy (ex-lege)	7,850	7,850	7,850
	12	Government of France	105	36	36
	13	Piedmont Region (Italy)	220	400	200
	14	City of Turin	-	-	-
	15	Government of Portugal	250	250	250
		Total Chapter I	11,320	11,593	11,513
II		<u>Earned Income</u>			
	20	Income from activities	25,641	25,250	23,000
	21	Income from publications	1,243	1,100	1,450
	22	Other income	1,291	1,300	1,300
		Total earned income	28,175	27,650	25,750
	23	Use of Surplus	416	1,000	580
		Total Chapter II	28,591	28,650	26,330
		Total Budget Income	39,911	40,243	37,843
Part B – EXPENDITURE					
III		Staff Costs			
	30	Regular budget staff costs	14,720	15,631	14,982
	31	Project based staff costs	3,003	3,400	3,232
		Total Chapter III	17,723	19,031	18,214
		Non Staff Costs			
IV		<u>Fixed expenses</u>			
	40	Consultants	381	588	548
	41	Facilities	1,926	1,993	2,018
	42	Security	342	390	378
	43	General operating expenses	968	906	874
	44	Missions and representation	255	255	256
	45	Governance	175	373	394
	46	Information technology	1,715	1,703	1,546
	47	Depreciation of fixed assets	449	349	349
		Total Chapter IV	6,211	6,557	6,363
V		<u>Variable expenses</u>			
	50	External collaborators	6,045	5,210	5,142
	51	Missions	853	840	726
	52	Participants costs	5,059	5,060	4,303
	53	Books, training aids and materials	1,122	800	954
	54	Training facilities and services outside Turin	818	830	696
	55	Other variable costs	93	830	79
	56	Costs related to income from publications	815	750	1,000
	57	Other costs related to other income	225	300	300
		Total Chapter V	15,030	14,620	13,200
		Total Expenditure	38,964	40,208	37,777
		Budget surplus	947	35	66