

**Board of the Centre**

75th Session, Turin, 17-18 October, 2013

**CC 75/4**

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**FOR DECISION**

FOURTH ITEM ON THE AGENDA

**PROGRAMME AND BUDGET PROPOSAL FOR 2014**



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## EXECUTIVE OVERVIEW

The year 2014 will be the third year of implementation of the Centre's Strategic Plan for 2012-15 (the Plan) which was adopted by the 73<sup>rd</sup> Session of the Board (November, 2011).<sup>1</sup> In accordance with the Plan, the Programme and Budget Proposals for 2014 are presented in a results-based format. The five strategic priorities set down in the Plan will continue to inform and guide the work priorities of the management team in 2014.

The Plan was designed to move the Centre towards results-based management over a four-year period. In the course of this four-year period, it was foreseen that internal and external factors would emerge that would need to be taken into account and the Plan adapted accordingly. It was also envisaged that there would be a need to adjust the targets in the light of experience as this was the first time that the Centre was using an explicit results-based framework. As the Centre moves into the third year of implementation of the Plan, it is timely to take stock of progress at this half-way point and adapt the indicators and targets, as necessary, to the changing internal and external environment, as well as taking into account the lessons learned over the first two years.

One of the most important developments to be taken into account is the ILO reform agenda set down by the new Director-General and endorsed by the ILO Governing Body. A separate paper is before the Board on this matter.<sup>2</sup> In the meantime, the Centre has taken some concrete steps to adapt to the vision and priorities set by the ILO reform agenda. The 2014 Training Programme takes into account the eight Areas of Critical Importance (ACIs) as it is planned to introduce a number of new and/or upgraded and updated training activities in relation to a number of the ACIs. In addition, the technical teams are working in an integrated way on the design and delivery of training on the ACIs. The Centre will continue to collaborate closely with each of the ACI Task Teams to identify capacity development training inputs which could be delivered by the Centre.

Another important factor to be taken into account is the ILO Programme and Budget for 2014-15 which foresees that the work of the Centre should focus on the following priorities:

- capacity building of ILO constituents and ILO staff in the eight areas of critical importance;
- facilitation of knowledge-sharing across economic sectors and between regions and countries;
- development of new training courses and learning methodologies;
- more strategic and systematic role in ILO staff development including training on knowledge management and tools;
- outreach through participation in learning networks and links with academic institutions, universities and regional and national training institutions.

The paper before the Board on "The evolving role of the Centre and the ILO reform agenda" takes these five priorities into account.

It is proposed to adjust the targets under indicator 1.1 and to reformulate indicator 3.2 in the light of the experience gained in 2012 and 2013. In relation to the targets for workers' and employers' representatives set under indicator 1.1, it is now clear that these targets will not be met in the short-term as both of these programmes have been disproportionately impacted by the reduction in unearmarked voluntary contributions as well as by the discontinuation of major technical cooperation projects.<sup>3</sup> The adjusted targets proposed for 2014 under indicator 1.1, while still ambitious, are set at a more achievable level taking into account these external factors. With a view to supporting the achievement of these revised targets, a specific measure will be introduced

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<sup>1</sup> CC 73/3.

<sup>2</sup> CC 75/3.

<sup>3</sup> CC 75/2, paragraph 11.

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in 2014 which recognizes that the role and status of these programmes are different to the others in so far as they directly serve the capacity needs and priorities of Workers' and Employers' Organizations. Therefore, a new methodology for calculating the contribution to fixed costs (CFC) will be introduced which recognizes institutionally the special status of these two programmes and will provide them with additional resources which can be used to increase participation in these programmes. It is proposed to introduce this measure on a pilot basis in 2014 and to monitor its impact to determine if it should be integrated into the budget in future years.

In relation to indicator 3.2, a problem has emerged with the formulation of the indicator which contains within itself an anomaly.<sup>4</sup> Therefore, a reformulated indicator is proposed which is designed to capture and measure overall management and administrative support costs, including staff costs, compared to total expenditure. This will enable the measurement of efficiency gains in administrative and support costs and allow the trend to be tracked over time.

In the area of resource mobilization, efforts to identify new donors, funding modalities and partnerships will be intensified. The new Framework for Strengthened Collaboration between the Centre and PARDEV provides a solid framework for closer collaboration and should yield results in 2014. In accordance with the ILO Programme and Budget for 2014-15, the role of the Centre in ILO staff development will be put on a more systematic footing. Other key developments foreseen include the launch of a centralized e-campus, the implementation of a harmonized certification framework and a more strategic and coherent communication and outreach strategy. Further to the successful implementation of IPSAS, the focus on reform of administrative and business processes will be stepped-up and further opportunities for re-alignment and rationalization will be pursued.

These budget proposals are based on prudent and realistic assumptions. Their implementation will be closely monitored by the Finance Committee and adjustments will be made, as necessary, within the approved budget in accordance with the evolution of the resource situation.

In line with the strategic priorities of the Plan, it is proposed to use the 2012 surplus of €975,000 to provide support to the Workers' and Employers' Programmes and other training activities; to replenish the Innovation Fund, and to make an allocation to the Campus Improvement Fund for the Europe Pavilion renovation project.

Section I of this document provides details on progress to be made in 2014 in relation to the five strategic priorities; the strategy statements, indicators and targets under each of the three outcomes are updated or adjusted, as appropriate. Section II presents the income and expenditure proposals for 2014, including explanatory notes on income, staff costs, fixed costs and variable costs. Section III consists of a series of Information Appendices prepared in accordance with the Financial Regulations.

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<sup>4</sup> CC 75/2, paragraph 12.

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# I. RESULTS-BASED FRAMEWORK

## Strategic priorities

1. The Strategic Plan for 2012-15 identified five priorities. The measures that will be taken in 2014 to progress each of these priorities are summarized in the following paragraphs.
2. Priority 1: The introduction of a results-based framework aligned to the ILO Strategic Policy Framework for 2010-15: The Programme and Budget Proposals for 2014 are presented in the results-based format introduced in 2012. The results-based approach will be further strengthened in 2014 building on the experience and lessons learned in 2012 and 2013. Tools for the gathering and analysis of the underlying data will continue to be improved. In the light of experience, it is proposed to reformulate one indicator and adjust one set of targets.
3. The contribution of the Centre to the achievement of the ILO's 19 outcomes will be incorporated by the ILO in its measurement of results for the 2012-13 biennium. The Centre will continue to actively contribute to ILO country programme outcomes (CPOs) and global products and to support the implementation of the ILO's Programme and Budget for the 2014-15 biennium. The Centre will contribute to the preparation of the ILO's new Strategic Policy Framework.
4. Evaluation is an important part of a results-based framework. In addition to the on-going evaluation of the level of satisfaction of participants and the use made by participants and institutions of the knowledge and competencies acquired, the final stage of the evaluation of a number of selected academies will be concluded in 2014 and the results presented to the next session of the Board.
5. Priority 2: Reinforcing the governance role of the Board of the Centre: The measures introduced in 2012 and 2013 to strengthen the accountability of management to the Board, and to facilitate the oversight and governance functions of the Board, will be maintained in 2014. The first Annual Implementation Report covering 2012, and an Interim Implementation Report covering the first half of 2013, are submitted to this Session of the Board. The 2013 Financial Statements will be prepared in full compliance with IPSAS.<sup>5</sup> A revised Risk Register is presented in the Annual Implementation Report for 2012.<sup>6</sup> The External Auditors Plan for the audit of the 2013 Financial Statements is presented to this Session of the Board.<sup>7</sup> The annual report of the Chief Internal Auditor, summarizing the findings and recommendations of the internal audits or investigations undertaken in the course of 2012, is presented to the Board as well as a report on the follow-up by the Centre to previous recommendations of the Chief Internal Auditor.
6. Priority 3: Diversifying the resource base and increasing outreach: The Centre will implement the following set of actions in order to consolidate and diversify its resource base:
  - engage in a systematic effort to mobilize resources with new donors and partners;
  - strengthen promotional and outreach activities, including the organization of two Knowledge Fairs in the regions linked to ILO and/or Centre activities;
  - operationalize the new Framework for Strengthened Collaboration between the Centre and PARDEV; build on the existing dialogue and collaboration with PARDEV to develop opportunities for the Centre's early involvement in the design of ILO/donor partnerships and technical cooperation proposals as well as for the development of ILO staff competencies in technical cooperation and project-cycle management;

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<sup>5</sup> CC 74/3/3.

<sup>6</sup> CC 75/1 Appendix II.

<sup>7</sup> CC 75/5/2.

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- strengthen the role of the Partnerships and Regional Cooperation Service (PRODEV) in interacting with technical programmes with a view to better seizing opportunities identified through different contacts and networks, including competitive bidding;
  - continue publishing the internal E-NEWSletter on Partnerships and Resource Mobilization;
  - consolidate and further expand partnerships with international, regional or national academic and training institutions in order to address a larger public and generate opportunities for mainstreaming Decent Work in the global development agenda.
7. Priority 4: Reforming internal operating and administrative procedures: Work will continue to identify gaps and issues which reduce efficiency in the administrative units and technical programmes and process improvements and reporting tools will be implemented. The key internal audit recommendations on the costing of training activities will be implemented which are expected to bring about improvements to the costing methodology and allocation of fixed costs on a more equitable and transparent basis. The actual cost of the activity *vis-à-vis* the price charged to sponsors will be reflected and will provide real-time information to activity managers on the cost drivers that hinder, or contribute to, full cost recovery.
  8. The Centre will work with the ILO to streamline inter-office administrative processes in order to minimize unnecessary follow-up, reduce transaction costs and lead-time in recording transactions. Key internal administrative services and procedures will be reviewed with a view to streamlining, simplification, up-dating and closer alignment with the ILO, as well as identifying opportunities for further automation of manual processing.
  9. Priority 5: Upgrading the campus facilities: The Europe Pavilion renovation project will start in October 2013 and be completed in 2014. It will enhance significantly the quality of training facilities available at the Centre as well as the working conditions of the staff in this building. In addition to the financial resources committed by the Centre to this project, it will require a significant investment of management time and effort to ensure proper oversight and successful completion within budget and on time. Further safety improvements will be undertaken to the Italy Pavilion including the installation of a new fire safety and air treatment system. Subject to the availability of resources, the Centre will continue to upgrade the accommodation, improve accessibility for persons with disabilities and the overall physical and visual appearance of the campus.



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## Outcomes

10. The Plan set down three outcomes, indicators and targets for the period 2012-15. Annual targets under each indicator are set in the annual programme and budget exercise. This enables progress towards achieving the targets set in the Plan to be tracked on an annual basis and provides an opportunity to the Board, through interim and annual implementation reporting, to review which targets were exceeded, achieved or not achieved. The targets proposed under each indicator for 2014 have been set based on the experience and lessons learned in 2012 and so far in 2013.

### **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**

#### **Strategy**

11. The Centre will continue to actively participate in the implementation of the ILO reform process as regards policies, knowledge and operational activities. This involvement will have a number of dimensions as follows:
  - participation in the review of ILO outcome-based work plans to enhance the relevance of the Centre's learning and capacity development activities to ILO outcomes and strategies;
  - participation in the preparation of the new ILO Strategic Policy Framework;
  - support to the ILO Policy Portfolio in focusing the training and capacity development strategies and tools on the eight ACIs, including an inventory and updating of existing products and the development of new ones and a renewed effort to integrate the Centre's planning into the strategies of the reorganized ILO technical departments;
  - support to the implementation of new strategies and approaches in relation to the reform of partnerships and field operations. The contribution to specific ILO outcomes and Decent Work Country Programme (DWCP) priorities will remain the main criterion for the prioritization of the Centre's responses to constituents' demands. The Centre will continue to offer its services to the ILO for the design and facilitation of strategic planning activities with constituents to enhance participatory design, negotiation and effective delivery of Decent Work Country Programmes;
  - dialogue with the new ILO Research Department with a view to improving the synergy between the ILO and the Centre as regards the production, validation and dissemination of ILO knowledge and research findings through the training and knowledge-sharing activities of the Centre;
  - continued collaboration with the ILO Human Resources Development Department (HRD) with a view to further expanding and systematizing the training offer to ILO staff in high priority institutional areas as well as job-related competencies such as resource mobilization, planning and monitoring of Decent Work Country Programmes, management of technical cooperation projects and research skills.
12. In relation to its programme of standard courses and academies, the emphasis will be on supporting the participation of constituents from countries sharing relevant DWCP priorities, in close coordination with the ILO field offices concerned. This will require a systematic effort to mobilize additional resources from relevant ILO offices and

programmes, from donor and partner institutions and from the national constituents' organizations themselves.

13. A portfolio of training projects to be delivered in 2014 is already approved or operational with the financial support of the European Commission and the governments of Bulgaria, France, Japan, Portugal, the Walloon Community of Belgium, AGFUND and the African Development Bank among others, which focus on different ILO areas of priority. More initiatives are underway to propose new actions in the context of ILO/donor partnership programmes and/or in response to competitive bidding. The Centre will seek the active involvement of ILO technical departments and field offices in the planning and delivery of these activities.
14. The decision to use a substantial part of the Centre's 2012 financial surplus for the delivery of training activities gives an opportunity to increase support to the training programmes for employers' and workers' organizations and the involvement of social partner representatives in the other training programmes. In recognition of the special role and status of the Employers' and Workers' Programmes, specific measures will be introduced in 2014 to alleviate the cost recovery requirements for both programmes. In addition, new guidelines on tripartism were adopted in 2013 which should translate into an enhanced relevance of the Centre's curricula in other training programmes to the needs and priorities of tripartite constituents.
15. The investment in innovation will continue through an allocation from the 2012 surplus to the Innovation Fund to support the diversification of training products in areas highly relevant to the ILO mandate and strategy, including support to tripartite constituents and new tools related to the ACIs.

<b>Indicator 1.1:</b> Annual number of participants, disaggregated by gender, from tripartite constituent organizations out of the total number of participants.	
<b>Baseline (2010)</b> 1,346 employer participants 1,937 worker participants 1,293 labour ministry participants 3,500 other governmental participants 40.2% women	<b>Target 2014</b> 1,000 employer participants 1,800 worker participants 1,200 labour ministry participants 3,500 other governmental participants 43% women

<b>Indicator 1.2:</b> The use made by participants of the knowledge and competencies acquired.	
<b>Baseline (2011)</b> 99.4% 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.	<b>Target 2014</b> 95% 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.

<b>Indicator 1.3:</b> The use made by the institutions of the knowledge and competencies acquired by the participants.	
<b>Baseline (2011)</b> 16% of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	<b>Target 2014</b> 20% of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.

<b>Indicator 1.4:</b> Volume of training income linked to the ILO's 19 outcomes.	
<b>Baseline (2010):</b> 76% of annual training income.	<b>Target 2014:</b> 80% of annual training income.

<b>Indicator 1.5:</b> Percentage of Centre's training activities designed and delivered in collaboration with ILO technical departments and offices.	
<b>Baseline (2011):</b> 65.8%.	<b>Target 2014:</b> 65%.

<b>Indicator 1.6:</b> Delivery of specific ILO staff development and training programmes.	
<b>Baseline (2010):</b> 517 ILO staff.	<b>Target 2014:</b> 550 ILO staff.

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

### **Strategy**

16. On-going initiatives will be sustained and new initiatives explored to diversify the Centre's delivery methods to attain a more cost-effective use of resources. This will involve the development or adaptation of training curricula to be offered through a combination of modalities including self-guided e-learning, tutor-assisted and collaborative e-learning, mobile learning and blended-learning (i.e. a combination of distance and face-to-face). With effect from January 2014, an e-learning campus with a single entry point will be operational increasing outreach and contributing to more visible and consistent promotion and marketing of the Centre's on-line products and offerings.
17. The Centre will expand and consolidate its network of institutional partnerships with the dual objective of enhancing policy coherence and resource pooling and of creating opportunities to promote and mainstream the Decent Work Agenda into the work of international, regional and national institutions. Partnership initiatives will primarily target other multilateral organizations, regional or national training and academic institutions which can contribute to the dissemination and customization of ILO approaches and tools.
18. Further to work undertaken in 2013, the Centre will implement a harmonized certification framework in 2014. This will institutionalize a more coherent and transparent approach to the Centre's own certification processes as well as ensuring that partner training institutions and individual trainers uphold quality standards in the adaptation, use and dissemination of the learning tools and packages of the ILO and the Centre. Building on the positive experience of the last number of years, the Centre will offer again a portfolio of academies which provide a conducive environment to share knowledge and forge global communities of practice around issues of high relevance to the ILO and the international development agenda. Additional linguistic streams are foreseen for some academies.
19. The Centre will build on its existing work in the area of training programmes and tools in the field of global public governance and development, with the dual objective of expanding its portfolio and of creating opportunities to interface and cross-fertilize the ILO agenda with the broader post-2015 Development Agenda.
20. The Turin School of Development offers a unique opportunity for the dissemination of ILO and UN values through a systematic institutional partnership between the ILO, other UN organizations and academia. The Spanish edition of the Masters in World Heritage and Cultural Projects for Development launched jointly with the University of Barcelona, will be maintained in 2014 and a French edition of the Masters on Public Procurement for

Sustainable Development will be offered for the first time. The pilot Ph.D. Programme will become operational in 2014, in collaboration with the ILO.

<b>Indicator 2.1:</b> Number of training activities organized in partnership with either a national, regional or international training or academic institution.	
<b>Baseline (2011)</b> 17.3% of the Centre's activities implemented in partnership with other training, research and academic institutions.	<b>Target 2014</b> 30% of the Centre's activities implemented in partnership with other training, research and academic institutions.

<b>Indicator 2.2:</b> Annual number of participants, disaggregated by gender, and participant days.	
<b>Baseline (2010)</b> 13,730 participants 102,365 participant days 43.2% women	<b>Target 2014</b> 13,500 participants 100,000 participant days 45% women

<b>Indicator 2.3:</b> 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.	
<b>Baseline (2010)</b> Average score was 4.4 on a scale of 1 to 5 on the overall quality of training activities.	<b>Target 2014</b> Average score on the overall quality of training activities through end-of-course questionnaires is 4.5.

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

#### Strategy

21. Further work will be undertaken to identify gaps and issues which reduce efficiencies in the administrative units and technical programmes. Key internal audit recommendations on the costing of training activities will be implemented. The Business Intelligence system will start to be fully utilized by technical programmes in 2014. Its information dashboard will provide real-time key performance business indicators to managers thereby allowing for more agile and collaborative decision-making to improve overall productivity and cost effectiveness in the implementation of training activities.
22. Indicator 3.2 is reformulated as follows: "Management and administrative support costs as a percentage of total expenditure" to enable the measurement of efficiency gains in administrative and support costs. The target for 2014 is set at 25 per cent. For the purposes of this indicator, management and administrative support costs (MAC) are defined as total management and administrative costs, including staff costs and operating expenses, but excluding costs related to services provided by the ILO (i.e. internal audit and legal services) and administrative support costs directly related to training activities. The cost of ILO services is excluded as this cost is not determined by the Centre and such costs are absorbed by the ILO in certain years, which would create an anomaly in the measurement of the indicator. Total expenditure is defined as total fixed costs and variable costs.
23. The resulting percentage of MAC to total expenditure is also adjusted to eliminate anomalies caused by changes in income. When income rises, total expenditure rises, thereby reducing the resulting MAC indicator and vice versa. An adjustment factor of 200 basis points for every €1 million change in revenue is applied to the nominal percentage of

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MAC with respect to total expenditure. This enables the measurement of the trend and any savings achieved in management and administrative support costs.

24. The productivity and cost-effectiveness of the work of individual units will continue to be monitored as well as the implementation of cost saving measures across the Centre to achieve a MAC ratio of at least 25 per cent of total expenditure. With the new tools developed for activity budgeting and invoicing, coupled with the integration of MAP (the activity planning tool) with Oracle, operating efficiencies are expected to be achieved as these new tools and processes are fully embedded into daily business processes.
25. Based on the IT governance and management processes introduced in 2012 and 2013 under the Information Technology Strategic Plan (2012-2015), the focus will shift in 2014 to stronger business alignment, modernization of technologies and better risk management. The Enterprise Resource Planning (ERP) system and the Management of Activities and Participants (MAP) system will be reviewed and a feasibility study on options for future systems conducted.
26. An assessment of new Data Centre operating models will be undertaken with an emphasis on improved business continuity and disaster recovery process, reduced total cost of ownership, faster and more dynamic service delivery capabilities and green IT. Data Centre virtualization solutions, and other data hosting models such as Cloud technologies, will be evaluated to determine the approach for the medium-term.
27. The Centre will work with the ILO to improve ICT infrastructure and information exchange mechanisms such as the creation of a common directory service and secure intranet and email. The Centre will continue to use external benchmarks in the field of ICT such as ISO standards, the UN System ICT Strategic Framework and Joint Inspection Unit (JIU) recommendations.
28. Resources for staff development will be increased in 2014. Based on an assessment of staff training needs completed in early 2013, and the experience of the extensive and varied training options offered in 2013, a more focused and strategic staff development programme will be implemented in 2014. Within the very limited recruitment foreseen in 2014, the Centre will continue its outreach to qualified candidates from under-represented geographical areas as well as qualified women candidates. More generally, the Centre will focus on motivating and developing staff at all levels and increasing their effectiveness and efficiency through improved teamwork and collaboration, and strengthened performance management. Additional initiatives will be pursued to improve work-life balance and well-being in the workplace, occupational health, career planning and development. The Centre will introduce in 2014, for the first time, the payment of a stipend to interns in line with established ILO practice.
29. Fire prevention and safety measures will be reinforced in areas of particular risk, such as the basement of Pavilion Italy where the printing shop and large document and printed materials storage facilities are located. Obsolete air treatment and fire detection systems will be replaced with up-to-date equipment.
30. The Centre will aim to consolidate the progress made in 2013 in attracting third parties use of the campus facilities during off-peak training periods and will also continue to promote the campus as a suitable venue for UN inter-agency and other meetings. The voluntary accreditation process launched with the Piedmont Region to certify the quality of residential facilities will also be completed.
31. The final mandatory steps of the Eco-schools Programme will be completed and a request will be submitted to the Federation for Environmental Education (FEE) for the award of the Green Flag. This certification process provides a framework to guide the efforts of the Green Campus Advisory Group towards the enhancement of waste management and recycling measures, energy saving and reduce carbon emissions. The Centre will also continue its annual reporting in the context of the *Moving Towards a Climate Neutral UN*.

32. The strategy in relation to indicator 3.1 is detailed in paragraph 6 above.

<b>Indicator 3.1:</b> Increase the diversification and predictability of the Centre's financial resources	
<b>Baseline (2008-11):</b> €157 million. <b>Baseline (2010):</b> 2 new donors.	<b>Target 2014</b> Mobilize an overall volume of €36.1 million in funding and earned income in 2014 and identify at least 3 new donors.
<b>Indicator 3.2:</b> Management and administrative support costs as a percentage of total expenditure.	
<b>Baseline (2010):</b> 26.8%.	<b>Target 2014:</b> 25%.
<b>Indicator 3.3:</b> Timely management response to all internal and external high priority audit recommendations.	
<b>Baseline (2011)</b> Internal audit: 26%. External audit: 75%.	<b>Target 2014</b> Internal audit: 90%. External audit: 90%.
<b>Indicator 3.4:</b> Investment in staff development as a proportion of the total payroll.	
<b>Baseline (2010):</b> 0.3%.	<b>Target 2014:</b> 1% of payroll.
<b>Indicator 3.5:</b> Increased gender balance and geographical distribution of staff in professional positions.	
<b>Baseline (2010)</b> 38% women professional staff. 31% professional staff from outside Europe.	<b>Target 2014</b> 45% women professional staff. 35% professional staff from outside Europe.
<b>Indicator 3.6:</b> Greater utilization of the Centre's facilities including its accommodation, classroom and conference facilities.	
<b>Baseline (2010)</b> Accommodation room occupancy: 63%. Training facilities occupancy: 58%.	<b>Target 2014</b> Accommodation room occupancy: 65%. Training facilities occupancy: 60%.
<b>Indicator 3.7:</b> The quality of the residential accommodation.	
<b>Baseline (2011)</b> 82% of participants rated quality of accommodation as good or excellent.	<b>Target 2014</b> 82% of participants rated quality of accommodation as good or excellent.
<b>Indicator 3.8:</b> Environmental status of the Campus.	
<b>Baseline (2012)</b> Two of the seven steps completed for the award of the Green Flag.	<b>Target 2014</b> Award of the Green Flag.

## Risk Register

33. The Risk Management Committee (RMC) will continue to meet quarterly in 2014. The RMC will review the identified risks that could impact on the Centre's capacity to achieve the proposed outcomes and targets in 2014 and over the medium-term period of the Plan. The Risk Register will be updated by the RMC to reflect the implementation status of risk mitigation actions as well as taking into account any new or emerging risks.

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## II. INCOME AND EXPENDITURE BUDGET PROPOSALS FOR 2014

34. In accordance with Article 4 of the Financial Regulations, the budget proposals for 2014 are set out below. In addition to the budget proposals for the General Fund, information is also provided on the Campus Improvement Fund and the Innovation Fund.
35. The budget proposals for the General Fund are divided into chapters and items in Information Appendix II, which also shows the latest estimates for 2013 and the actual results for 2012. The income is divided into voluntary contributions (Chapter I), earned income (Chapter II), and expenditure (Chapters III-V) which is divided into three separate categories: staff costs (Chapter III), fixed costs (Chapter IV), and variable costs linked to the volume of training activities (Chapter V). Details of budget lines are presented in Information Appendix I.
36. The following assumptions were made when drafting the income and expenditure proposals:
- the programme will include training activities already in the 2014 calendar for which funding has been secured, together with those for which ongoing or forthcoming negotiations seem likely to be successfully concluded;
  - activities negotiated with financial sponsors should cover their own variable costs and generate an adequate contribution towards the Centre's fixed costs;
  - average inflation rate of not more than 1.7 per cent in Italy.<sup>8</sup>
37. The programme income, programme costs and variable costs relating to training activities are presented in Table 1.

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<sup>8</sup> This inflation forecast is based on the latest estimates provided by the Italian Ministry of the Economy and Finance and a number of Italian Economic Institutes.

**TABLE 1: PROGRAMME INCOME, PROGRAMME COSTS AND VARIABLE COSTS RELATING TO TRAINING ACTIVITIES**

(€'000)	2012 Actual	2013 Approved Budget	2013 Estimates	2014 Budget Proposals
<b>Programme income</b>				
Income from training activities	21,026	21,400	22,400	21,400
Income from publications	990	1,450	1,200	1,200
Use of surplus	669	600	18	960
<b>Total</b>	<b>22,685</b>	<b>23,450</b>	<b>23,618</b>	<b>23,560</b>
<b>Variable and project staff costs</b>				
Project-based staff costs	3,083	2,862	2,666	2,600
External collaborators	4,172	4,778	4,521	4,300
Missions	584	670	632	600
Participants costs	4,568	3,990	4,985	5,370
Books, training aids and materials	400	890	433	420
Training facilities and services outside Turin	502	650	544	520
Other variable costs	107	70	116	110
Costs related to income from publications	650	1,030	780	780
<b>Total</b>	<b>14,066</b>	<b>14,940</b>	<b>14,677</b>	<b>14,700</b>
<b>Contribution to fixed costs</b>	<b>8,619</b>	<b>8,510</b>	<b>8,941</b>	<b>8,860</b>
<b>Contribution to fixed costs ratio</b>	<b>38%</b>	<b>36%</b>	<b>38%</b>	<b>38%</b>
<b>Programme costs</b>				
Staff costs	8,441	8,808	8,667	9,089
Other direct costs	373	461	534	428
<b>Total</b>	<b>8,814</b>	<b>9,269</b>	<b>9,201</b>	<b>9,517</b>
<b>Contribution to facilities and information technology costs</b>	<b>- 195</b>	<b>- 759</b>	<b>- 260</b>	<b>- 657</b>
<b>Share in facilities and information technology costs</b>				
Facilities costs (70%)	1,313	1,407	1,332	1,337
Information technology costs (70%)	972	1,082	1,195	1,067
<b>Total</b>	<b>2,285</b>	<b>2,489</b>	<b>2,527</b>	<b>2,404</b>
<b>Support from voluntary contributions and other income</b>	<b>- 2,480</b>	<b>- 3,248</b>	<b>- 2,787</b>	<b>- 3,061</b>

38. Programme income includes income from training activities, income from publications and the use of surplus presented in Appendix I, items 20, 21 and 23.
39. Variable expenses are those costs attributed to training activities and projects presented in Appendix I, items 50 to 56.
40. Project-based staff costs have been included as part of variable costs as requirements are dictated by the volume of training and project activities.



41. Contribution to fixed costs (CFC) is arrived at after deducting variable costs from programme income. The CFC ratio (i.e. the CFC as a percentage of programme income) is an indicator used by technical programmes to measure indirect cost recovery of staff costs directly responsible for the marketing, delivery and administration of activities as well as the portion of the fixed overhead costs (administration, management and maintenance) linked to the use of rooms and classrooms.
42. In 2012, the CFC ratio was 38 per cent and remains unchanged for the 2013 budget estimates and 2014 budget proposals.
43. Part of the staff costs and fixed costs presented in Appendix I have been clearly identified as training or programme costs. These consist of regular budget staff salaries, and other non-staff costs such as consultants, general operating expenses, missions and representation that are necessary to run the different technical programmes. A share in the facilities and information technology costs, estimated at 70 per cent, is added to programme costs.
44. In 2012, €2,480,000 of voluntary contributions and other income supported training activities. The revised 2013 budget estimates and the 2014 budget proposals envisage a contribution of €2,787,000 and €3,061,000 respectively from voluntary contributions and other income.
45. The management and administrative support costs presented in Appendix I (items 40 to 47 and item 57), along with voluntary contributions and other income, are presented in Table 2.

**TABLE 2: VOLUNTARY CONTRIBUTIONS, OTHER INCOME AND MANAGEMENT AND ADMINISTRATIVE SUPPORT COSTS**

(€'000)	2012 Actual	2013 Approved Budget	2013 Estimates	2014 Budget Proposals
<b><i>Voluntary contributions and other income</i></b>				
International Labour Organization	3,385	3,527	3,297	3,354
Government of Italy (ex-lege)	7,850	7,850	7,850	7,850
Government of France	37	25	25	-
Piedmont Region (Italy)	200	-	100	-
Government of Portugal	250	250	250	-
Other income	1,114	1,300	1,000	1,200
Use of surplus	32	200	95	174
<b>Total</b>	<b>12,868</b>	<b>13,152</b>	<b>12,617</b>	<b>12,578</b>
<b><i>Management and administrative support costs</i></b>				
Staff costs	6,241	6,375	6,068	5,973
Consultants	397	321	309	304
Facilities (30%)	562	603	571	573
Security	361	375	380	375
General operating expenses	495	706	640	792
Missions and representation	65	76	62	62
Governance	168	424	205	401
Information technology costs (30%)	416	464	512	457
Depreciation of property and equipment	234	360	278	380
Other costs related to other income	177	200	200	200
<b>Total</b>	<b>9,116</b>	<b>9,904</b>	<b>9,225</b>	<b>9,517</b>
<b>Amount of voluntary contributions and other income available for training activities</b>	<b>3,752</b>	<b>3,248</b>	<b>3,392</b>	<b>3,061</b>

46. In 2012, €752,000 in voluntary contributions and other income was available for training activities after covering management and administrative support costs; it is envisaged to be €392,000 for the 2013 revised budget estimates and €061,000 for the 2014 budget proposals.

47. The anticipated operating result is broken down in Table 3.

**TABLE 3: SUMMARY OF INCOME AND EXPENDITURE**

(€'000)	2012 Actual	2013 Approved Budget	2013 Estimates	2014 Budget Proposals
Total Programme income	22,685	23,450	23,618	23,560
Variable and project staff costs	14,066	14,940	14,677	14,700
<b>Contribution to fixed costs (CFC)</b>	<b>8,619</b>	<b>8,510</b>	<b>8,941</b>	<b>8,860</b>
<b>CFC ratio</b>	<b>38%</b>	<b>36%</b>	<b>38%</b>	<b>38%</b>
Total programme costs	8,814	9,269	9,201	9,517
Share in facilities and information technology costs	2,285	2,489	2,527	2,404
<b>Total</b>	<b>11,099</b>	<b>11,758</b>	<b>11,728</b>	<b>11,921</b>
<b>Support from voluntary contributions and other income</b>	<b>- 2,480</b>	<b>- 3,248</b>	<b>- 2,787</b>	<b>- 3,061</b>
Voluntary contributions and other income	12,868	13,152	12,617	12,578
Management and administrative support costs	9,116	9,904	9,225	9,517
<b>Amount of voluntary contributions and other income available for training activities</b>	<b>3,752</b>	<b>3,248</b>	<b>3,392</b>	<b>3,061</b>
<b>Budget surplus</b>	<b>1,272</b>	<b>-</b>	<b>605</b>	<b>-</b>

  

<b>Total Revenue</b>	<b>35,553</b>	<b>36,602</b>	<b>36,235</b>	<b>36,138</b>
<b>Total Expenditure</b>	<b>34,281</b>	<b>36,602</b>	<b>35,630</b>	<b>36,138</b>
<b>Budget Surplus</b>	<b>1,272</b>	<b>-</b>	<b>605</b>	<b>-</b>

48. The 2013 revised estimates envisage a surplus of €605,000 as set down in the Interim Implementation Report for 2013.<sup>9</sup> The 2014 budget proposals foresee that total revenue would be sufficient to cover total expenditure.

49. The budget estimates for 2014 are summarized in Table 4.

<sup>9</sup> CC 75/2.

**TABLE 4: GENERAL FUND**

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>
<b>Income</b>		
Voluntary contributions	11,522,000	11,204,000
Earned income	24,600,000	23,800,000
Use of Surplus	113,000	1,134,000
<b>Total income</b>	<b>36,235,000</b>	<b>36,138,000</b>
<b>Expenditure</b>		
Staff costs	17,401,000	17,662,000
Fixed costs	6,018,000	6,176,000
Variable costs	12,211,000	12,300,000
<b>Total expenditure</b>	<b>35,630,000</b>	<b>36,138,000</b>
<b>Foreseen budget surplus</b>	<b>605,000</b>	<b>-</b>

50. Resources in the Campus Improvement Fund currently stand at €1,016,000. The 2014 budget proposal for the Campus Improvement Fund is shown in Table 5 below.

**TABLE 5: CAMPUS IMPROVEMENT FUND**

(€'000)

Chapter	Item	Title	2012 Actual	2013 Approved Budget	2013 Budget Estimates	2014 Budget Proposals
<b>Part A – INCOME</b>						
I	10	Fund balance	837	849	1,016	1,070
	11	Interest income	14	13	17	18
	12	City of Turin	-	-	149	250
	13	Compagnia di San Paolo	-	-	368	1,118
	14	Turin Chamber of Commerce	-	-	100	100
	15	Use of surplus	165	165	-	200
<b>Total Chapter I</b>			<b>1,016</b>	<b>1,027</b>	<b>1,650</b>	<b>2,756</b>
<b>Part B – EXPENDITURE</b>						
II	20	Extraordinary maintenance	-	-	-	170
	21	Greening the Campus	-	-	-	80
	22	Improvements and renovation	-	175	580	2,410
<b>Total Chapter II</b>			<b>-</b>	<b>175</b>	<b>580</b>	<b>2,660</b>
<b>Budget surplus</b>			<b>1,016</b>	<b>852</b>	<b>1,070</b>	<b>96</b>

51. An Innovation Fund to support the development of new training products and approaches was established in 2012 and €300,000 and €100,000 were set aside out of the 2010 and 2011 surpluses respectively. It is proposed to set aside €100,000 out of the 2012 surplus to ensure on-going support to innovation in learning and training in 2014.
52. The 2014 budget proposals for the Innovation Fund are presented in Table 6.

**TABLE 6: INNOVATION FUND**

(€ '000)

Chapter	Item	Title	2012 Actual	2013 Approved Budget	2013 Budget Estimates	2014 Budget Proposals
<b>Part A – INCOME</b>						
I	10	Fund balance	300	50	255	105
	15	Use of surplus	-	100	100	100
Total Chapter I			<b>300</b>	<b>150</b>	<b>355</b>	<b>205</b>
<b>Part B – EXPENDITURE</b>						
II	22	Training innovations	45	100	250	200
Total Chapter II			<b>45</b>	<b>100</b>	<b>250</b>	<b>200</b>
<b>Budget surplus</b>			<b>255</b>	<b>50</b>	<b>105</b>	<b>5</b>

53. The Board is requested to approve the Programme and Budget Proposals for 2014.

Turin, 17<sup>th</sup> September, 2013

*Point for decision:* Paragraph 53.

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### III. INFORMATION APPENDICES

#### Appendix I: Explanatory notes

#### INCOME

- Item 10**                    **International Labour Organization**  
The Programme and Budget of the International Labour Organization for the 2014-2015 biennium makes provision for a total of US\$8,747,000 by way of contribution to the Centre's operating costs for the same period. The sum of €3,354,000 (US\$4,373,500) posted to item 10 of the Centre's budget forecasts thus represents the ILO contribution towards the financial year 2014.
- Item 11**                    **Government of Italy**  
Article 1 of the Agreement between the ILO and the Italian Government, signed in December 1983, states that "the Italian Government undertakes to contribute to the Centre's budget in the form of an annual contribution to the Centre's general expenses, the said contribution to be assessed in relation to both the Centre's requirements with respect to the said general expenses and the annual contribution made by the International Labour Organization towards the financing of the Centre." Article 2 of the same Agreement states that a Joint Committee composed of representatives of the Centre and the Italian Government shall "make an assessment of the Centre's requirements for general expenses for the following year and express an opinion concerning the amount of the Italian Government's contribution to the Centre for the said following year in the light of the criteria laid down in Article 1 of this Agreement."  
  
Although the Joint Committee has yet to meet and approve the fixed contribution for 2014, an amount of €7,850,000 is expected based on historical contributions received from Italy for general expenses.
- Item 20**                    **Income from specific activities**  
This item relates to all income expected from the programme of activities for 2014. The income is estimated at €21,400,000 for the year.  
  
The detail of income foreseen by source of funding is to be found in Appendix III.
- Item 21**                    **Income from publications**  
This item relates to all income expected from publications and external work for outside clients for 2014. The income is estimated at €1,200,000 for the year.
- Item 22**                    **Other income**  
Other income, expected to amount to €1,200,000, consists primarily of earned interest and income from rental of premises and installations on the campus, together with the estimated share of costs paid by the United Nations System Staff College and the United Nations Interregional Crime and Justice Research Institute to the Centre for the use of some of the premises and rental of training and residential facilities.

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**Item 23****Use of surplus***Use of 2012 surplus*

In accordance with Article 7.4 of the Financial Regulations, the Director has earmarked the following expenditures in 2014 from the 2012 surplus of €75,000:

- Training activities: €75,000
- Innovation Fund: €100,000
- Campus Improvement Fund: €200,000

**STAFF COSTS****Item 30****Staff costs**

Staff costs account for some 49 per cent of the overall expenditure budget and the related cost increase of €261,000 (1.5 per cent) over the updated 2013 budget estimates. The staff costs increases for 2014 reflect the cost adjustments on the latest salary-related policies and decisions on the base salary scale of staff and education grant levels and flat rate for boarding, approved by the United Nations General Assembly (GA) under the recommendation of the International Civil Service Commission (ICSC) for general application throughout the UN Common System. As a controlled entity of the ILO, the Centre participates in the UN Common system of salaries and allowances, and has an obligation to apply any such statutory increases.

The Pension Board has not recommended any change to the total rate of contribution to the United Nations Joint Staff Pension Fund. The GA has not invoked the provision of Article 26 of the Regulations of the Fund for deficiency payments from its members. It is assumed that this status quo with respect to the rate and deficiency payments would continue in 2014. Contributions made to the Fund are based upon the level of pensionable remuneration for each grade. The latest table of pensionable remuneration issued by UNJSPF in February 2013 has been used to forecast the total contribution of the Centre.

**Regular budget staff**

This item concerns the staff required for the development, execution and technical and administrative support of the programme of training activities. Staff costs are estimated on the basis of a standard cost calculated for each grade in the Professional category and above, and in the General Service category. The "standard cost" embraces all elements of cost envisaged in the Staff Regulations, together with a provision to cover the benefits due to staff members upon termination of their employment, as required under Article 12 of the Financial Regulations.

The total level of resources for regular budget staff is broken down as follows:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Professional category and above	7,687,000	8,053,000	4.8
General service category	6,783,000	6,719,000	(1.0)
Associated costs	265,000	290,000	9.4
<b>Total</b>	<b>14,735,000</b>	<b>15,062,000</b>	<b>2.2</b>
<b>Total work-years</b>	<b>145/10</b>	<b>144/05</b>	<b>(1.0)</b>

A detailed account of the estimated staffing resources and the corresponding costs are set out in Appendices IV and V.

### **Professional category and above**

No real increase in base salary for Professional staff has been foreseen in January 2013 pursuant to the UN General Assembly decision in December 2012. Increases in base salary resulting from statutory entitlements relating to the length of service have been applied.

Changes in the post adjustment indices arise from the exchange rate fluctuations and movements in the cost of living as determined by the ICSC. As the budget is set at the July 2013 United Nations operational rate of exchange of US\$1.3038/€1.00, the post adjustment for 12 months is fixed at 64.3 per cent.

Pensionable remuneration of Professional staff and higher categories has been increased by ICSC by 1.93 per cent effective 1 February, 2013.

Increases in the maximum allowable level for education grant expenses incurred in designated countries/currency areas, ranging from 2.7 per cent to 7.9 per cent, were also approved with effect from 1 January, 2013 by the ICSC.

The estimated costs amount to €8,053,000 for a total of 54/05 work- years. A provision has been included in this figure for an increase in base/floor salary of 2.5 per cent in January 2014. This increase in base salary is offset by a corresponding decrease in post adjustment rates and has no inflationary impact. A table setting out the standard (based on real) cost per grade within this category is set out in the following table.

<b>Grade</b>	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
ADG	211,500	226,700	7.2
D.2	202,200	207,600	2.7
D.1	180,800	185,900	2.8
P.5	160,900	169,900	5.4
P.4	138,100	143,900	4.2
P.3	118,200	123,700	4.7
P.2	-	-	-

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### General Service category

Based on a decision taken by the Council of the Food and Agriculture Organization of the United Nations (FAO), the General Service salary scale will remain frozen until further adjustments to fill the 9.2 per cent salary overage resulting from a survey of the best prevailing conditions of employment conducted by the UN Secretariat for UN Rome based organisations (including the Centre) is completed. Pensionable remuneration remains the dollar equivalent of the sum of the local gross salary, plus any language allowance.

The estimated costs amount to €6,719,000 for a total of 90/00 work- years. No provision for increase is made in this figure. A table setting out the standard (based on real) cost per grade within this category is set out below.

<b>Grade</b>	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
G.7	109,800	108,800	(0.9)
G.6	92,000	92,700	0.8
G.5	78,900	78,800	(0.1)
G.4	67,500	68,900	2.1
G.3	56,400	56,900	0.9
G.2	37,600	32,000	(14.8)



The table below shows the composition of the standard cost elements of the Professional and the General Service categories. The home leave and annual leave is the additional accrual of leave estimated for 2014

<b>Staff category</b>	<b>Euro</b>
<b>Professional category</b>	
Base salaries	3,686,100
Post adjustment	2,370,200
Dependency allowances	103,000
Centre's contribution to the pension fund	1,176,700
Centre's contribution to staff health and other insurances	257,400
Education grants and scholastic travel	111,600
Relocation travel and allowances and terminal payments	249,700
Home leave and annual leave	98,000
<b>Total</b>	<b>8,052,700</b>
<b>General Service category</b>	
Base salaries	4,885,700
Dependency allowances	149,300
Language allowance	123,200
Centre's contribution to the pension fund	983,600
Centre's contribution to staff health and other insurances	199,600
Terminal benefits	363,100
Annual leave	15,000
<b>Total</b>	<b>6,719,500</b>

The following associated costs are also anticipated:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Staff development	190,000	190,000	-
Medical insurance	20,000	15,000	(25.0)
Advertisement and interviews	20,000	20,000	-
Medical expenses	15,000	20,000	33.0
Other staff costs and interns allowances	20,000	45,000	125.0
<b>Total</b>	<b>265,000</b>	<b>290,000</b>	<b>9.4</b>

### **Item 31**

#### **Project-based staff**

This item relates to the cost of staff engaged under short-term contracts or fixed-term contracts linked to specific training projects of fixed-term duration of 1 year or more, in accordance with Article 1.2(c) of the Staff Regulations to provide temporary assistance in carrying out one or more specific activities. Persons engaged under short-term contracts are directly recruited for the implementation of specific training activities.

The total level of resources for project based staff is broken down as follows:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Professional category and above	1,529,200	1,519,800	(0.6)
General service category	1,136,800	1,080,200	(5.0)
<b>Total</b>	<b>2,666,000</b>	<b>2,600,000</b>	<b>(2.5)</b>
<b>Total work/years</b>	<b>35/00</b>	<b>32/09</b>	<b>(6.4)</b>

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## FIXED COSTS

### Item 40

#### Consultants

Two types of consultants are included under this heading:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Medical service	242,000	246,000	1.7
Consultants	285,000	187,000	(34.4)
<b>Total</b>	<b>527,000</b>	<b>433,000</b>	<b>(17.8)</b>

#### Medical service

This service provides medical care to participants in training activities. It also provides medical services and advice on the request of the management of the Centre on all occasions when this is required by the Centre's administrative procedures. Part-time physicians and part-time nurses provide these services on an external collaboration basis. They are assisted by a senior nurse who is an official of the Centre, whose cost is included in budget item 30 under regular budget staff costs.

#### Consultants

These are primarily consultants or consulting companies hired to design and develop new programmes and assist in translation and interpretation for the Centre's activities.

### Item 41

#### Facilities

The Centre's activities are conducted on a campus with an area of roughly 100,000 square metres occupied by 21 Pavilions. The various buildings have offices, classrooms and accommodation facilities. These buildings and installations are the property of the City of Turin, which leases them to the Centre at a nominal rent. Under the terms of the Convention signed in July 1964, major repairs and certain maintenance works, such as the restoration of façades, the repair of damage caused by weather, and the upkeep of gardens and roads are the responsibility of the City of Turin. Operating and ordinary maintenance costs are the responsibility of the Centre. The estimated expenditure is broken down as follows:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Heating	330,000	320,000	(3.0)
Lighting	530,000	540,000	1.9
Cleaning	230,000	235,000	2.2
Maintenance and repairs	429,000	510,000	18.9
Garbage disposal	110,000	105,000	(4.5)
Water and gas	68,000	70,000	2.9
Upkeep of gardens and green area	75,000	-	-
Maintenance of residential equipment	100,000	100,000	-
Insurance	30,000	30,000	-
<b>Total</b>	<b>1,902,000</b>	<b>1,910,000</b>	<b>0.4</b>

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**Item 42****Security**

This item represents the cost of the security services provided by a specialized security firm. The updated 2013 budget estimate amounts to €380,000 while the 2014 estimated expenditure amounts to €375,000.

**Item 43****General operating expenses**

This item encompasses all transport, pouch and mail services, telephone and communication costs, purchase of non-depreciable materials, internal reproduction, office supplies, equipment maintenance and other administrative costs. The estimated expenditure breakdown is as follows:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Mail services, pouch, postage and telecommunications	276,000	269,000	(2.5)
Transport costs and maintenance of vehicles	116,000	113,000	(2.6)
Office supplies and internal reproduction	98,000	111,000	13.3
Equipment maintenance	94,000	96,000	2.1
Bank charges	49,000	46,000	(6.1)
Non-depreciable materials	90,000	200,000	122.0
Books and publications	18,000	13,000	(27.7)
Public information and promotion	20,000	20,000	-
Administrative services from ILO	-	45,000	-
Other administrative costs	23,000	20,000	(13.0)
<b>Total</b>	<b>784,000</b>	<b>933,000</b>	<b>19.0</b>

**Item 44****Missions and representation**

This item is concerned with missions of a technical nature aimed at promoting the Centre's activities and maintaining its close links with both the ILO and other United Nations System organisations. A proportion of the total relates to missions to maintain contacts between the administrative services of the ILO and those of the Centre. Lastly, this item includes a provision to cover hospitality expenses. The total updated budget estimates for 2013 for missions and representation amounts to €235,000 while the estimate for 2014 is €221,000.

**Item 45****Governance**

This item relates to the cost of the services of the external auditors, the cost of ILO internal audit and legal services and expenses relating to the Board and the Trade Union and Employers' Training Committees' meetings.

The estimated expenditure for governance is broken down as follows:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
ILO internal audit and legal services	5,000	198,000	3,860.0
Auditors' fees	112,000	114,000	1.8
Board of the Centre	50,000	50,000	-
Trade Union and Employers' Training Committees' meetings	38,000	38,000	-
<b>Total</b>	<b>205,000</b>	<b>400,000</b>	<b>95.1</b>

#### **Item 46**

#### **Information technology**

This item covers planned expenditure relating to training technology, maintenance and development of information systems, office automation, maintenance of computer hardware and purchase of non-depreciable computer hardware. This budget line is broken down as follows:

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>	<b>% change</b>
Internet costs	70,000	57,000	(18.6)
Maintenance of computer hardware	140,000	131,000	(6.4)
Application software, licenses and maintenance	325,000	255,000	(21.5)
Non-depreciable computer hardware and materials	248,000	110,000	(55.6)
Technical assistance	924,000	971,000	5.1
<b>Total</b>	<b>1,707,000</b>	<b>1,524,000</b>	<b>(10.7)</b>

#### **Item 47**

#### **Depreciation of fixed assets**

As required by Article 13.2 of the Financial Regulations, provision is made to cover the depreciation of all the property and equipment as listed below:

- office furniture and equipment;
- transportation equipment;
- audio-visual equipment;
- computer hardware (excluding personal computers and related printers which are expensed in the year of purchase);
- reproduction and duplication equipment;
- residential equipment;
- leasehold improvements.

The updated 2013 estimated depreciation provision is €278,000. Taking into account an anticipated investment of €810,000 in 2014 for the purchase of interpretation, information technology equipment, improvements in facilities and other capital purchases that may be required, the estimated 2014 depreciation provision is €380,000.

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## VARIABLE COSTS

Item	Heading	2013 Updated Budget Estimates	2014 Budget
50	External collaborators	4,521,000	4,300,000
51	Missions	632,000	600,000
52	Participants' costs	4,985,000	5,370,000
53	Books, training aids and materials	433,000	420,000
54	Training facilities and services outside Turin	544,000	520,000
55	Other variable costs	116,000	110,000
56	Costs related to income from publications	780,000	780,000
57	Other costs related to other income	200,000	200,000
<b>Total</b>		<b>12,211,000</b>	<b>12,300,000</b>

This table illustrates estimated variable costs broken down by type of expense. These variable costs are solely related to the implementation of specific training activities. This programme evolves during the budget year in accordance with available funding. The level of these costs thus evolves in relation to the programme of activities, just as it is subject to variations resulting from the diversity of the cost factors associated with implementation of the activities. A series of notes illustrating the nature of the costs related to each of the budget items in the table is given below.

### Item 50

#### **External collaborators**

This item covers lecturers engaged under external collaboration contracts and other external collaborators, such as interpreters and translators engaged for courses given to participants.

### Item 51

#### **Missions**

This item covers missions for the selection, preparation and accompanying of participants during study visits, and evaluation and follow-up missions carried out as part of specific activities.

### Item 52

#### **Participants costs**

This item covers all accommodation expenses incurred by participants during their stay at the Centre and during their external training. It consists primarily of:

- board and lodging;
- participants' return travel from their countries of origin;
- participants' travel during study tours;
- laundry;
- leisure activities (e.g. excursions, cultural evenings, visits to museums);
- cost of tuition provided for participants within the framework of individual or collective placements in government or private institutions;
- medical care and insurance coverage for participants;
- refreshment and meals offered to participants.

- 
- Item 53**            **Books, training aids and materials**  
This item covers the supply of books, training aids and other materials to participants as part of specific training activities.
- Item 54**            **Training facilities and services outside of Turin**  
This item covers the cost of classrooms and conference facilities, administrative costs, rental of training equipment and other costs incurred for training activities held outside of Turin.
- Item 55**            **Other variable costs**  
This item covers miscellaneous training expenses that could not be classified in the above budget line groupings and other non-training expenses of projects and activities.
- Item 56**            **Costs related to income from publications**  
This item covers the cost of graphic design, layout, editing, interpretation and publication costs of work provided by the Centre to the ILO and external clients such as the European Commission and other UN agencies. These costs are covered by income from publications (item 21).
- Item 57**            **Other costs related to other income**  
This item relates to costs to generate other income (item 22).

## Appendix II

### SYNOPSIS OF BUDGET FORECASTS FOR 2013 AND 2014

(€'000)		2012 Actual	2013 Approved Budget	2013 Estimates	2014 Budget Proposals
<b>Part A – INCOME</b>					
I	<u>Voluntary contributions</u>				
10	International Labour Organization	3,385	3,527	3,297	3,354
11	Government of Italy (ex-lege)	7,850	7,850	7,850	7,850
12	Government of France	37	25	25	-
13	Piedmont Region (Italy)	200	-	100	-
15	Government of Portugal	250	250	250	-
	Total Chapter I	<b>11,722</b>	<b>11,652</b>	<b>11,522</b>	<b>11,204</b>
II	<u>Earned Income</u>				
20	Income from training activities	21,026	21,400	22,400	21,400
21	Income from publications	990	1,450	1,200	1,200
22	Other income	1,114	1,300	1,000	1,200
	Total earned income	<b>23,130</b>	<b>24,150</b>	<b>24,600</b>	<b>23,800</b>
23	Use of surplus	701	800	113	1,134
	Total Chapter II	<b>23,831</b>	<b>24,950</b>	<b>24,713</b>	<b>24,934</b>
	<b>Total Income</b>	<b>35,553</b>	<b>36,602</b>	<b>36,235</b>	<b>36,138</b>
<b>Part B - EXPENDITURE</b>					
III	<u>Staff Costs</u>				
30	Regular budget staff costs	14,682	15,183	14,735	15,062
31	Project based staff costs	3,083	2,862	2,666	2,600
	Total Chapter III	<b>17,765</b>	<b>18,045</b>	<b>17,401</b>	<b>17,662</b>
	<u>Non Staff Costs</u>				
IV	<u>Fixed expenses</u>				
40	Consultants	418	447	527	433
41	Facilities	1,875	2,010	1,902	1,910
42	Security	361	375	380	375
43	General operating expenses	705	866	784	933
44	Missions and representation	207	251	235	221
45	Governance	168	424	205	400
46	Information and technology costs	1,388	1,546	1,707	1,524
47	Depreciation of property and equipment	234	360	278	380
	Total Chapter IV	<b>5,356</b>	<b>6,279</b>	<b>6,018</b>	<b>6,176</b>
V	<u>Variable expenses</u>				
50	External collaborators	4,172	4,778	4,521	4,300
51	Missions	584	670	632	600
52	Participants costs	4,568	3,990	4,985	5,370
53	Books, training aids and materials	400	890	433	420
54	Training facilities and services outside Turin	502	650	544	520
55	Other variable costs	107	70	116	110
56	Costs related to income from publications	650	1,030	780	780
57	Other costs related to other income	177	200	200	200
	Total Chapter V	<b>11,160</b>	<b>12,278</b>	<b>12,211</b>	<b>12,300</b>
	<b>Total Expenditure</b>	<b>34,281</b>	<b>36,602</b>	<b>35,630</b>	<b>36,138</b>
	<b>Budget surplus</b>	<b>1,272</b>	<b>-</b>	<b>605</b>	<b>-</b>

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## Appendix III

### INCOME FORESEEN FOR ACTIVITIES BY SOURCE OF FUNDING

	<b>2013 Updated Budget Estimates</b>	<b>2014 Budget</b>
ILO Regular Budget	3,400,000	2,800,000
ILO RBSA	300,000	250,000
ILO (other sources: UN Trust Funds, bilateral Trust Funds, sub-contracts)	2,000,000	2,250,000
Other UN agencies and institutions	800,000	1,000,000
European Union and related institutions	2,500,000	3,500,000
Development banks (direct and indirect sources)	1,000,000	1,000,000
Donors, direct trust funds and self-paying	10,000,000	8,000,000
Italian government (Ministry of Foreign Affairs, multilateral voluntary contribution)	1,000,000	1,600,000
Italian Ministry of Labour, Ministry of Foreign Affairs, other funds from Italy	1,400,000	1,000,000
<b>TOTAL FORESEEN</b>	<b>22,400,000</b>	<b>21,400,000</b>
Use of surplus	18,000	960,000
<b>TOTAL FUNDING FOR ACTIVITIES</b>	<b>22,418,000</b>	<b>22,360,000</b>

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Appendix IV

**COMPARATIVE SUMMARY OF STAFF RESOURCES - REGULAR BUDGET  
FOR 2013 AND 2014**

Grade	2014 Budget proposals		2013 Approved budget		2013 Latest estimates	
	Work years/ months	Estimated cost	Work years/ months	Estimated cost	Work years/ months	Estimated cost
ADG	1/00	227,000	1/00	219,000	1/00	212,000
D.2	1/00	208,000	1/00	206,000	1/00	202,000
D.1	3/00	558,000	3/00	555,000	3/00	542,000
P.5	13/04	2,259,000	14/00	2,330,000	14/10	2,374,000
P.4	16/08	2,399,000	16/06	2,328,000	15/09	2,175,000
P.3	19/05	2,402,000	19/05	2,358,000	18/06	2,182,000
P.2	-	-	1/00	-	0/03	-
<b>Total ADG+D+P</b>	<b>54/05</b>	<b>8,053,000</b>	<b>55/11</b>	<b>7,996,000</b>	<b>54/04</b>	<b>7,687,000</b>
G.7	6/00	652,000	7/00	776,000	7/00	769,000
G.6	12/00	1,112,000	12/10	1,198,000	12/06	1,151,000
G.5	23/00	1,816,000	22/10	1,822,500	21/09	1,720,000
G.4	29/08	2,047,000	29/10	2,046,000	30/02	2,042,000
G.3	19/00	1,081,000	18/00	1,047,000	18/06	1,040,000
G.2	0/04	11,000	0/02	7,500	1/07	61,000
<b>Total G</b>	<b>90/00</b>	<b>6,719,000</b>	<b>90/08</b>	<b>6,897,000</b>	<b>91/06</b>	<b>6,783,000</b>
<b>GRAND TOTAL</b>	<b>144/05</b>	<b>14,772,000</b>	<b>146/07</b>	<b>14,893,000</b>	<b>145/10</b>	<b>14,470,000</b>

## Appendix V

### STAFF RESOURCES BY GRADE AND ORGANIZATIONAL UNIT FOR 2014

Organizational Unit	Professional category and above									Total P+D+ADG Work Years/ Months	Cost (euro)	General service category							Total G Cost (euro)	Grand total	
	ADG	D2	D1	P5	P4	P3	P2	P1	G7			G6	G5	G4	G3	G2	G1	Work Years/ Months		Cost (euro)	
Director's Office	1/00	1/00	-	-	0/08	-	-	-	2/08	463,600	-	2/00	0/03	-	-	-	-	2/03	188,200	4/11	651,800
<b>TOTAL</b>	<b>1/00</b>	<b>1/00</b>	<b>-</b>	<b>-</b>	<b>0/08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2/08</b>	<b>463,600</b>	<b>-</b>	<b>2/00</b>	<b>0/03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2/03</b>	<b>188,200</b>	<b>4/11</b>	<b>651,800</b>
<b>Training and Management Team</b>																					
Learning and Communication	-	-	-	1/00	1/00	1/00	-	-	3/00	443,200	1/00	1/00	2/00	3/10	2/00	-	-	9/10	710,800	12/10	1,154,000
Sustainable Development and Governance	-	-	1/00	-	1/00	-	-	-	2/00	318,900	1/00	-	-	1/00	2/00	-	-	4/00	301,000	6/00	619,900
Training Programmes	-	-	2/00	8/04	12/00	12/05	-	-	34/09	5,046,500	2/00	5/00	7/00	8/07	7/00	-	-	29/07	2,268,700	64/04	7,315,200
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3/00</b>	<b>9/04</b>	<b>14/00</b>	<b>13/05</b>	<b>-</b>	<b>-</b>	<b>39/09</b>	<b>5,808,600</b>	<b>4/00</b>	<b>6/00</b>	<b>9/00</b>	<b>13/05</b>	<b>11/00</b>	<b>-</b>	<b>-</b>	<b>43/05</b>	<b>3,280,500</b>	<b>83/02</b>	<b>9,089,100</b>
<b>Administration</b>																					
Financial Services	-	-	-	1/00	-	2/00	-	-	3/00	461,400	1/00	2/00	2/00	5/00	3/00	0/04	-	13/04	990,500	16/04	1,451,900
Internal Administration Service	-	-	-	1/00	1/00	1/00	-	-	3/00	428,400	-	-	7/09	6/09	4/00	-	-	18/06	1,333,600	21/06	1,762,000
Medical Service	-	-	-	-	-	-	-	-	-	-	-	-	1/00	-	-	-	-	1/00	69,600	1/00	69,600
Human Resources Services	-	-	-	1/00	-	1/00	-	-	2/00	299,400	1/00	-	2/00	2/06	-	-	-	5/06	507,900	7/06	807,300
Information and Communications Technology Services	-	-	-	1/00	1/00	2/00	-	-	4/00	591,300	-	2/00	1/00	2/00	1/00	-	-	6/00	349,200	10/00	940,500
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4/00</b>	<b>2/00</b>	<b>6/00</b>	<b>-</b>	<b>-</b>	<b>12/00</b>	<b>1,780,500</b>	<b>2/00</b>	<b>4/00</b>	<b>13/09</b>	<b>16/03</b>	<b>8/00</b>	<b>0/04</b>	<b>-</b>	<b>44/04</b>	<b>3,250,800</b>	<b>56/04</b>	<b>5,031,300</b>
<b>GRAND TOTAL</b>	<b>1/00</b>	<b>1/00</b>	<b>3/00</b>	<b>13/04</b>	<b>16/08</b>	<b>19/05</b>	<b>-</b>	<b>-</b>	<b>54/05</b>	<b>8,052,700</b>	<b>6/00</b>	<b>12/00</b>	<b>23/00</b>	<b>29/08</b>	<b>19/00</b>	<b>0/04</b>	<b>-</b>	<b>90/00</b>	<b>6,719,500</b>	<b>144/05</b>	<b>14,772,200</b>