

## Board of the Centre

79th Session, Turin, 27 - 28 October 2016

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**FOR INFORMATION**

### FIRST ITEM ON THE AGENDA

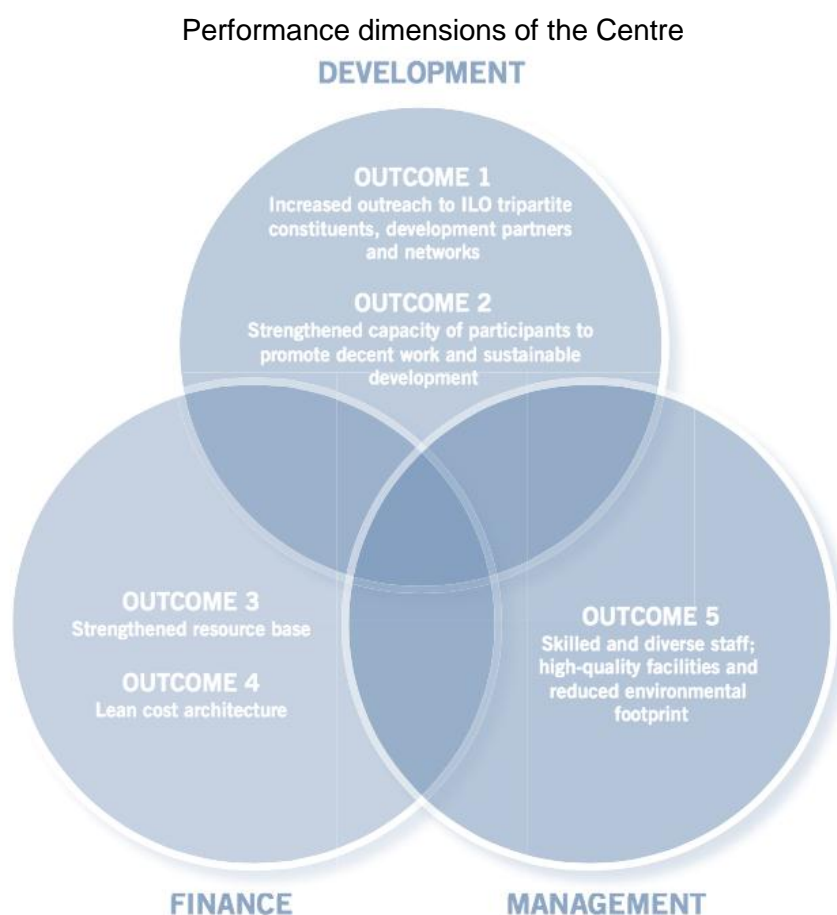
## Interim Implementation Report - June 2016

### Introduction

1. This interim implementation report captures the progress in implementing the 2016-17 Strategic Plan and Programme and Budget Proposals of the Centre (the Plan).
  2. The Plan retains for the period of 2016–17 the broad results-based framework implemented during the 2012–15 period, adapted to promote an integrated sustainable model. The Plan distinguishes between three performance dimensions, namely a development dimension, a finance dimension and a management dimension. This interim implementation report shows the progress made against the five high-level outcomes linked to the three sustainability dimension described in the Plan. It uses a set of high-level indicators of organizational performance that take into account the cause and effect relationship between training and non-training outcomes. Progress is reported for the first six months of the biennium. The Centre is on track to achieve the outcomes of the Plan. However, any conclusions are preliminary at this early stage of the biennium.
  3. The data for the first half of 2016 indicates that the Centre is on target to exceed, meet or almost meet, by the end of the biennium, its targets under the key indicators relating to the number of participants from workers' and employers' organizations, and governments; the overall number of participant–days; the volume of training income linked to the ILO's outcomes; training activities designed and delivered in collaboration with ILO technical departments and offices; as well as the delivery of specific ILO staff development and training programmes.
  4. Collaboration with the ILO continues and the Centre remains closely involved in the programming and planning at both headquarters and regional levels.
  5. Important positive developments in the first half of 2016 included the decision by the Government of Italy to renew its voluntary contribution to the Centre and the receipt of the 2014 contribution from the City of Turin. With the approval of the 2015 surplus allocated to the Centre's infrastructures, significant works will be undertaken in the summer of 2016. The streamlining project currently underway is progressing and has resulted in the one-stop shop tool being implemented resulting in efficiencies already.
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6. As at 30 June 2016, the Centre forecasts revenue of 81.261 million Euro and expenditure of 81.261 million Euro resulting in a balanced budget for the period.
  7. On-going cooperation and collaboration with the local authorities resulted in a letter of intent being signed with the Piedmont Regional Council.

## I. Progress report on the implementation of outcomes



*Source: Centre's Strategic Plan for 2016–17, page 10.*

### **Outcome 1: Training outreach**

The positive and increasing trend of the training outreach in the first semester of 2016 reflects a stronger strategic partnership with ILO's technical departments and its enhanced network linkages to national and international training institutions. While the outreach via distance learning activities picked up more slowly than originally expected, it should increase as the new Mass Open Online Courses are introduced in the second semester of 2016. The performance metrics show that the Centre will likely meet its outreach targets for the biennium, both for the face-to-face training and the distance learning activities.

High-level indicator of organizational performance	2014 results (baseline)	2016-17 target	Situation at 30 June, 2016
<b>KPI 1.1: Percentage of ILO tripartite constituents out of the total number of participants reached through face-to-face (including blended) training and learning activities.</b>	40.1%	43%	36.54%
<b>KPI 1.2.: Number of participants reached through face-to-face (including blended) training and learning activities disaggregated by ILO constituents, development partners, gender and participant/days.</b>	10,042	22,000	Total number of participants: 3,968 Total number of part/days: 35,081 Women: 39.2%  Out of the total number of participants: - 313 employer participants - 596 worker participants - 541 labour ministry participants - 1,231 other governmental and public institutions participants
<b>KPI 1.3: Number of participants reached through distance learning modalities (excluding blended activities) disaggregated by ILO constituents, development partners, gender and participant/days.</b>	2,726	8,000	Total number of participants: 1,376 Total number of part/days: 15,285 Women: 37.74%  Out of the total number of participants: - 53 employer participants - 372 worker participants - 26 labour ministry participants - 296 other governmental and public institutions participants
<b>KPI 1.4: IT usage rate in training and learning activities held on campus (expressed as the percentage of campus-based open courses using tablet computers).</b>	19%	50%	74.1%
<b>KPI 1.5: Percentage of training activities designed and/or delivered in collaboration with ILO Headquarters and field offices.</b>	53%	55%	56.5%
<b>KPI 1.6: Percentage of training activities delivered in partnership with either a national or international training institution.</b>	17%	30%	13.9%

8. At the end of June 2016, the Centre had reached 5,344 persons with its training and learning activities. Outreach via face-to-face training was in line with projections for the first year of the biennium. The Centre maintains the outlook that the target of 30,000

people set in the 2016–17 Plan will be surpassed, including the outreach among tripartite constituents. The use of distance learning modalities might be particularly important to further increase the service outreach of the Centre among ILO constituents in line with the targets set in the Plan.

9. A newly-introduced indicator in the Plan relates to the IT usage rate in training activities, as verified by tracking tablets usage in open courses delivered on campus. For 2016, the booking figures indicate that tablets will be used in three out of every four open courses, thus indicating the fast adoption rate of IT-enhanced training services.
10. The strategic partnership with the ILO has continued to grow stronger in the first six months of 2016. More than half of all training activities at the Centre will be designed and/or delivered in collaboration with ILO Headquarters and its field offices. One example is the Academy on South-South and Triangular Co-operation held on campus during the period of 11 to 15 July 2016.
11. In addition, the Centre continues to deepen its network linkages to national and international training institutions. For example, the Centre will cooperate with the V.V. Giri Institute in India and with the Vocational Training Organization of the Islamic Republic of Iran in the delivery of institutional capacity building support for policy level stakeholders in Afghanistan.
12. The Centre also continues its collaboration with the University of Turin and the *Politecnico* on the delivery of the Masters' Programmes of the *Turin School of Development*. The *Compagnia di San Paolo* continued its financial support to the various Masters' Programmes.

## Outcome 2: Training quality

In line with the quality assurance and measuring impact relevance, four levels of training quality are distinguished at the Centre: customer satisfaction on the input, the output, the outcome and the impact of its training services. In the first semester of 2016, the data shows that the training and learning services of the Centre have had a significant impact – nine out of ten participants acquired new knowledge during training and two out of three participants moved on to implement the newly acquired knowledge after the training.

High-level indicator of organizational performance	2014 results (baseline)	2016-17 target	Situation at 30 June, 2016
<b>KPI 2.1: End-of-activity satisfaction level of participants (expressed as the average score on the overall quality of training activities).</b>	4.46	4.5	4.48
<b>KPI 2.2: Share of participants in training and learning activities that have acquired new knowledge on policies and programmes to promote decent work and sustainable development.</b>	n.a.	90%	7.3 average knowledge acquisition rate (>90%)
<b>KPI 2.3: Percentage of training and learning activities that achieve at least a value of 2 under the gender marker system.</b>	35%	40%	41.9%

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13. Quality of training is assessed at four levels by the Centre:

- customer satisfaction with training services (input level);
- knowledge acquisition rates of participants as a direct result of training (output level);
- knowledge application rates after training (outcome); and
- improved institutional capacity to promote decent work (impact).

14. Participant satisfaction with training inputs is assessed in-house by way of end-of-activity customer satisfaction surveys. These surveys are administered online at the end of an activity. Customer satisfaction is qualified along a series of parameters capturing feedback on both core and enhancing services like accommodation, food and leisure activities. In the first semester of 2016, the average customer satisfaction registered at 4.48 on a scale of 1 to 5, whereby 1 denotes poor service experience and 5 denotes service excellence.

15. The quality of training outputs is tracked in-house through a newly-introduced indicator that measures the ratio of participants reporting new knowledge after training. During the pilot stage of the new monitoring routine in 2016, a total of 60 activities delivered face-to-face on campus or by way of distance learning via the internet have been pre-identified by the Centre to administer the test. As of 30 June 2016, the average knowledge acquisition rate was 7.30 on a scale of 0 to 10, whereby 10 denotes that all questions had been correctly answered. The data collected so far supports the assumption that the vast majority of participants acquire new knowledge during training.

16. To verify training outcomes and training impact, the Centre commissions external evaluations of training activity clusters. For 2016, the Centre has identified the cluster of training activities linked to capacity building support for employers' organizations which will be subject to an external evaluation of its training impact (the evaluation was on-going at the time of writing this interim implementation report).

17. In the second semester of 2016, the Centre plans to commission a survey on the training impact for selected training activities carried out in 2015 for the ILO staff under the commission of the Human Resources Development Department of the ILO. The emphasis of this study will be to validate actual improvements in the field offices' performance to which the participants are deployed one year after the training.

18. The Centre is on track to meet the targets for training and learning activities relating to the promotion of gender equality in the curriculum or that are explicitly geared towards the promotion of gender equality (score 2 and 3 respectively in the gender marker system of the Centre).

### **Outcome 3: Strengthened resource base**

During the period 2016-17, the Centre is expected to generate total income of approximately 81.261 million Euro. At the end of June 2016, projected income from training activities and advisory services was on track to reach the budgeted proposal set for the first year of the period which represents approximately 49 per cent of the overall budget proposals. The other sources of income are forecasted to be as budgeted, higher or slightly under. Details are provided Table 1 of this report. The Centre also continues to diversify its training income base in order to reduce its risks through the expansion of its portfolio of technical cooperation projects and through the competitive bidding for a project to be delivered in collaboration with the private sector.

High-level indicator of organizational performance	2014 results (baseline)	2016-17 target	Situation at 30 June, 2016
<b>KPI 3.1: Income.</b>	€ 35.8 million	€ 75 million	Forecasted budget income: € 81.261 million
<b>KPI 3.2: Training income generated from large-scale contracts.</b>	€ 731,000	€ 5 million	€ 3.1 million
<b>KPI 3.3: Number of funding agreements signed with non-traditional partners.</b>	2	6	5
<b>KPI 3.4: Average success rate of competitive bidding.</b>	23%	25%	22%

19. In the 2016-17 period, the Centre is expected to generate an income of approximately € 81.261 million of which € 51.2 million is to be earned income from training activities and advisory services. The balance is to come from fixed contributions made by the Government of Italy, the ILO, local authorities and other Governments. In addition, revenues from publications are expected to be as budgeted based on similar demand of services as observed in past years. The Centre is expecting increased demand in the second half of the year. Miscellaneous income is expected to be slightly below budget due to lower than expected returns on investments as well as lower treasury levels available in the first half of the year. The Centre also forecasts an increase in the use of past surpluses as a result of the approval by the Officers of the Board in July 2016 of € 693,500 for infrastructure works on the Campus.
20. In the first semester of 2016, the Centre substantially increased its portion of training income linked to large-scale contracts. It secured a technical cooperation project to promote youth employment in Afghanistan financed by the Government of Norway with a contract value of €1.7 million. The Centre also won a competitive bid for a project to protect the rights of migrant workers in Morocco. In the case of Afghanistan, the Centre is the sole implementing agency; in Morocco, the Centre bid as team leader in a consortium with the International Organization for Migration. Including these successful submissions, the average success rate in the bidding efforts of the Centre (number of successful submission over total number of submissions) reached 22 per cent in the first semester of 2016.
21. By the end of the first semester of 2016, the Centre had signed five funding agreements with non-traditional development partners (development partners other than multi-bilateral donor agencies). For example, the University of Zhejiang signed a funding agreement with the Centre to sponsor the implementation of the first edition of the 'Summer School on Building on Youth Talent. Developing the Next Generation of Global Leaders' scheduled to be delivered in August 2016.

#### **Outcome 4: Lean cost architecture**

In the first semester of 2016, many projects have been undertaken in order to achieve Outcome 4 by the end of the period, one of which has been completed. The Streamlining Project Team has completed the implementation of the one-stop shop which has simplified the booking, facilities and transportation reservations process for training activities and has

already resulted in efficiencies for the Centre. In addition, the procurement process review is well underway and when implemented, will result in the on-line purchase approval and receiving of goods and services. This will result in more timely and accurate financial information for the Centre and will decrease significantly its use of paper. Several IT tools, such as e-Campus, MAP, e-recruitment and new search engines to advertise the Centre are being either institutionalized, upgraded or piloted to assist the learning and training activities. Corporate costs are monitored closely and the Centre makes every effort to identify savings through its tendering process. With the new ISO certification as well as receiving an unqualified opinion for the financial year 2015, progress is well underway for the Centre to achieve its targets by the end of the period.

<b>High-level indicator of organizational performance</b>	<b>2014 results (baseline)</b>	<b>2016-17 target</b>	<b>Situation at 30 June, 2016</b>
<b>KPI 4.1: Number of priority business and administrative processes streamlined</b>	None	Six	One
<b>KPI 4.2: Corporate overhead</b>	26%	25%	26%
<b>KPI 4.3: IT governance framework alignment with the UN and recognized international benchmark for IT</b>	ISO 27001 gap analysis conducted	ISO 27001 certification obtained and maintained	ISO 27001 certification obtained
<b>KPI 4.4: Unqualified external audit opinion and compliance to IPSAS</b>	100%	100%	100%
<b>KPI 4.5: Implementation of internal and external audit high priority recommendations</b>	Internal audit: 65% External audit: 94%	Internal audit: 75% External audit: 95%	Internal audit: 66% External audit: 100%

**22.** The Streamlining Project Team has been actively pursuing its work in reviewing the overall procurement process of the Centre. Among the expected changes will be the introduction of the approval of all purchases directly in Oracle as well as on-line receiving of goods and services thus resulting in more timely and accurate financial information for the Centre. In addition, new reports will be used by management to monitor the operations of the Centre, produced automatically by the system. A significant amount of paper will be eliminated with this automation. This will contribute to the objective of greening of the Campus by way of a significant decrease in photocopy needs.

**23.** In May 2016, the one-stop shop tool to manage booking, facilities and transportation reservations was successfully implemented at the Centre and this has already produced efficiency gains in both the training and facilities areas. Efforts are also underway to automate the approval process within the e-leave system. Various other processes have been identified in the overall plan for streamlining and the reviews to be carried out. This includes the enrollment process, the activity budgeting process as well as the official missions' process, among others. Overall, the project is progressing and, at this time, it can be expected that the Centre will achieve the target set under indicator 4.1 with results in efficiency gains.

**24.** Corporate overhead is being closely monitored by management. Significant efforts have been undertaken in the tendering process to identify the best suppliers while containing

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the costs. We anticipate some savings in certain service areas as a result of new contracts. At this time, it is expected that the target under indicator 4.2 will be achieved.

25. The Information and Communications Technology Services (ICTS) Strategic Plan for 2016–20 was launched, with an emphasis on impact/value-driven programme delivery. Some focus areas included are technology-enhanced learning, improved outreach, improved business processes and data-driven business.
26. To strengthen the Centre's use of technology in support of its learning and training activities, the e-Campus has been fully institutionalized, introducing ICTS as the first central entry point of support. Improvements and new features are implemented on a regular basis. E-Campus usage increased in the first semester, compared to the same period in 2015. So did the use of tablets in training activities on campus. In order to improve the Centre's outreach and attract more potential participants, search engine optimization and search engine advertising tools and techniques are being piloted.
27. The Centre is also working on implementing and upgrading the Centre's business tools such as, the new version of the Management of Activity and Participants (MAP), and a new e-Recruitment system. The Centre also started a project to implement a Staff Development Portal. This will lead to an increase in the variety of learning modalities and to automation of various administrative processes.
28. The Centre has obtained the certification ISO/IEC 27001:2013 for Information Security Management System (ISMS). To obtain the certification, the Centre implemented the required controls and has undergone a formal audit which confirmed compliance with the standards.
29. An unqualified audit opinion was received from the external auditor on the 2015 financial statements thus putting the Centre in a good position to achieve its target of 100 per cent under indicator 4.4.
30. The implementation of both internal and external high priority recommendations is progressing and many will be addressed with the implementation of the new automated procurement process next year. The Centre is confident that the target set under indicator 4.5 will also be achieved.

### **Outcome 5 Skilled and diverse staff, high quality facilities and a reduced environmental footprint**

In the first semester of 2016, the Centre has undertaken actions in all the priority areas identified under this outcome. Investment in staff development aims to strengthen management capabilities and to upgrade the skills of the learning faculty along the ILO priorities and world of work challenges, keeping pace with learning technology developments. Proactive approaches have also been adopted to enhance the geographic distribution and the gender balance in the professional and higher categories of staff. A review of the Centre's contracts policy, including the use of project-based contracts, has been initiated in early 2016 by the management with the Staff Union under the auspices of the Joint Negotiating Committee. To ensure that the Centre's community operates in a safe and healthy environment, concrete initiatives are being taken to assess and mitigate occupational health and safety risks and address priority areas in line with the recently adopted occupational health and safety management system.

The Centre has also reinforced the already ongoing initiatives and projects to improve the overall residential experience of the participants. Through a "Customer Delight Workshop"



further actions have been identified and prioritized, aiming to achieve the indicator. Remarkable results have been recorded through the full capacity use of the newly refurbished training rooms.

The annual process to retain the Green Flag has been activated, including a range of initiatives to achieve a higher awareness about the eco-sustainability issues. The increased exploitation of renewable energy sources supports the efforts of the Centre to demonstrate best practices in the context of the overall ILO Environmental Sustainability Policy.

<b>High level indicator of organizational performance</b>	<b>2014 results (baseline)</b>	<b>2016-17 target</b>	<b>Situation at 30 June, 2016</b>
<b>KPI 5.1 Investment in staff training and development</b>	29% of staff development invested in leadership and management training  29% of staff development invested in technical and, pedagogical and service oriented training	35% of staff development invested in leadership and management training  35% of staff development invested in technical and, pedagogical and service oriented training	30% of staff development invested in leadership and management training  28% of staff development invested in technical and, pedagogical and service oriented training
<b>KPI 5.2 Regional and geographical diversity, and gender composition of professional staff</b>	31% of professional staff from outside Europe 44% of women professionals	40% of professional staff from outside Europe 50% of women professionals	34% of professional staff from outside Europe  45% of women professionals
<b>KPI 5.3. Quality of the campus residential and training facilities</b>	76% rated quality of residential accommodation as good or excellent.  93% of participants rate quality of training facilities on the campus as good or excellent.	80% rate quality of residential accommodation as good or excellent.  95% of participants rate quality of training facilities on the campus as good or excellent.	87% rate quality of residential accommodation as good or excellent.  97% of participants rate quality of training facilities on the campus as good or excellent.
<b>KPI 5.4: Environmental footprint</b>	Green Flag awarded.  40% of energy consumption from renewable energy sources.	Retain the Green Flag.  60% of energy consumption from renewable sources	Retain the Green Flag.  > 60% of energy consumption from renewable sources

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- 31.** Over the last strategic cycle (2012–15), the Centre has gradually increased investment in staff development with a view to reaching the ratio of 1.5 per cent of overall staff costs invested in staff development. The 2016–17 Plan has confirmed this commitment and has placed major emphasis on a more qualitative approach. 35 per cent of the resources are invested to promote leadership and management capabilities and to further enhance the technical relevance and expertise of the Centre. At the end of the first semester 2016, more than 70 per cent of the budget for staff training and development had already been committed, with fund usage nearing 30 per cent in the two strategic areas mentioned above. A steady increase in individual training and in team coaching and retreats approved is noticeable in the first part of 2016. Areas such as language training and wellbeing initiatives continue to be successfully delivered.
  - 32.** Efforts to diversify the workforce geographically and to further enhance the gender balance in the professional and higher categories of staff in line with our targets have been made. Progress has been recorded during the first part of 2016 as compared to the 2014 baselines. In June 2016, 34 per cent of professional staff was from countries outside Europe, while women representation in the professional category of staff has reached 45%. A proactive approach to expand the outreach and the access to competitions is being developed through an increased use of e-recruitment tools and social media, the careful review of job requirements, and more targeted recruitment efforts at the regional and national levels.
  - 33.** Since February 2016, Management and the Staff Union have engaged in consultations within the Joint Negotiating Committee to review the Centre’s contracts policy, in particular the long standing issue of project-based contracts linked to training activities. The consultation process has been conducted in a climate of mutual trust and confidence recognizing the full commitment of the two parties to reach a mutually acceptable agreement on measures to harmonize conditions of employment and to provide more stable employment perspectives to the staff involved, within the overall goal of ensuring financial sustainability at the Centre.
  - 34.** In consultation with the Joint Committee on Occupational Health and Safety, a fully-fledged occupational health and safety management system has been established in 2015. The new system identifies clear roles and responsibilities across the organization and provides a framework for managing occupational health and safety at the Centre in accordance with ILO guidelines on occupational health and safety management. Information sessions have been planned to make staff more acquainted with the new system and with the incident and hazard reporting machinery. A fully fledged safety audit will be conducted in 2016. In 2017 a new Centre-wide stress survey will be done. These initiatives will form the basis for developing an actionable work plan for the Centre to address priority areas and improve health and safety at the Centre.
  - 35.** A “Customer Delight Workshop” was also organized where staff and service providers raised a number of ideas, suggestions and recommendations to improve the overall residential experience of the Centre’s participants. Following the results of that workshop, practical projects have been launched, such as the new communication concept, the regional/ethnic menus in the cafeteria, the sport tournament and classes as well as a children’s summer camp.
  - 36.** In the framework of the 2015–17 Infrastructure Master Plan, some improvement projects were implemented and launched in the first half of 2016, such as improving health and safety in selected pavilions; increasing the eco-sustainability of the campus through dedicated entrances for bicycles, new led street lamps, trees planting and replanting; strengthening of the security systems and the related processes; as well as

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installing new mobile video-conference equipment to reduce the need to travel and thus improving the overall carbon footprint of the Centre.

## **II. PROGRAMME AND BUDGET FOR THE FINANCIAL PERIOD 2016–17**

1. In accordance with Article 8 of the Financial Regulations, a report on the implementation of the Programme and Budget for the financial period 2016-17 is set out below in Table 1. This financial report is presented in summary form and reflects the operating results expected for the period, for which the Programme and Budget was approved by the Board at its 78th Session (October 2015). This information considers all training activities implemented, or in progress, and all financial factors known at the end of beginning of July 2016 including the Officers of the Board approval of the 2015 surplus towards infrastructure work on the Campus, together with estimated financial factors for the remainder of the period.

### **INCOME (PART A)**

#### **Voluntary contributions (Chapter I)**

2. In 2016, the International Labour Organization's contribution of €3.8 million (US \$4.12 million) to the Centre resulted in a small foreign exchange gain and as a result the Centre is forecasting a higher income than budgeted for the period. The Italian contribution (ex-lege) of €15.7 million over the period was included in the budget proposals. At the time of this report, the Centre had received the first half of the contribution for 2016. The other half for 2016 is expected in the second part of the year. The Centre will receive the balance in 2017. The €250,000 contribution from the Government of Portugal for the year 2016 was received and its 2017 contribution is included in the budget proposals. The Centre expects the receipt of this amount next year. In addition, the Centre received the 2014 contribution from the City of Turin that is provided to cover extraordinary maintenance expenditure on the Campus. This was not included in the budget proposals.

#### **Earned income (Chapter II)**

3. Income from training activities and advisory services (Item 20) as well as income from publications (Item 21) should total €53.2 million over the period. Income from miscellaneous sources has been revised downwards slightly to take into consideration the lower than planned interest income on the Centre's investments over the period and the lower levels of treasury available to be invested in the first semester of the year.

#### **Other (Chapter III)**

4. The utilization of the previous years' surpluses allocated to training activities (Item 30) and to the business process review (Item 31) included a transfer from accumulated surpluses to income totaling €1.623 million for the period. Approval was received in July 2016 from the Officers of the Board on the 2015 surplus allocation to the Centre's infrastructure to carry out urgent repairs. The full amount approved of €693,500 is expected to be needed in the period and this has been included in the budget forecast.

### **EXPENDITURE (PART B)**

#### **Fixed expenditure (Chapter IV)**

5. The Facilities expenditure (Item 42) has been revised to €4.666 million as a result of urgent repairs to be carried out on the Campus. The revision includes the extraordinary

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maintenance funded by the City of Turin and the additional resources to refurbish some bedrooms, as per the Centre's rolling Master Plan. In addition, the following projects are included: the expenditure to address the serious stability issues of the Africa 10 pavilion roof and frame as well as the compliance to the current local and international building standards and the expenditure for the refurbishment of the cafeteria and the restaurant to ensure adequate health conditions and emergency evacuation. All other expenditure remains at the budget level approved by the Board for the period except for a minor transfer of funds between Regular Budget staff and Missions and representation.

#### **Variable expenditure (Chapter V)**

6. The variable expenditure fluctuates in relation to the volume and content of the training activities as well as the ways in which they are carried out. The budget forecast remains as per the budget proposals for the period based on the Centre maintaining its budget proposals for earned income from training activities and advisory services.

#### **OPERATING RESULT**

7. The revised 2016–17 forecast envisages a budget income of €81.261 million and expenditure including the contingency totaling €81.261 million resulting in a balanced budget for the period.

#### **CAMPUS IMPROVEMENT FUND**

8. The Campus Improvement Fund had a balance of €1.176 million at the beginning of the period. Total estimated expenditure for the period is set at €250,000 and could be revised further during the period, as this is dependent on the completion of other works.

#### **INNOVATION FUND**

9. The Innovation Fund had a balance of €427,000 at the beginning of the period. Total estimated expenditure for the year 2016 is set at approximately €272,000 to support further innovations in learning and training activities, leaving a balance of €155,000 for the remainder of the period.

**TABLE 1: BUDGET PROPOSALS AND BUDGET FORECAST FOR 2016–17**

(in thousands of Euro)

Chapter	Item	PART A - INCOME	2016-17 Budget Proposals	2016-17 Budget Forecast
I		<u>Voluntary contributions</u>		
	10	International Labour Organization	7 165	7 381
	11	Government of Italy (ex-lege)	15 700	15 700
	12	Piedmont Region (Italy)	-	-
	13	Government of Portugal	500	500
	14	City of Turin	-	250
		<b>Total voluntary contributions</b>	<b>23 365</b>	<b>23 831</b>
II		<u>Earned income</u>		
	20	Training activities and advisory services	51 200	51 200
	21	Publications	2 000	2 000
	22	Miscellaneous	2 000	1 914
		<b>Total earned income</b>	<b>55 200</b>	<b>55 114</b>
III		<u>Other</u>		
	30	Past surpluses to training activities	1 500	1 500
	31	Past surpluses to the business process review	123	123
	-	Past surpluses to campus infrastructure	-	693
		<b>Total income</b>	<b>80 188</b>	<b>81 261</b>
		<b>PART B - EXPENDITURE</b>		
IV		<u>Fixed expenditure</u>		
	40	Regular budget staff	31 971	31 941
	41	Consultants	954	954
	42	Facilities	3 593	4 666
	43	Security	826	826
	44	General operating costs	1 457	1 457
	45	Missions and representation	528	558
	46	Governance	732	732
	47	Information and technology costs	2 971	2 971
	48	Depreciation of property and equipment	1 348	1 348
	-	Other items	-	-
		<b>Total Fixed Expenditure</b>	<b>44 380</b>	<b>45 453</b>
V		<u>Variable expenditure</u>		
	50	Project-based staff	4 999	4 999
	51	External collaborators	9 768	9 768
	52	Missions	1 350	1 350
	53	Participants costs	13 790	13 790
	54	Books, training aids and materials	1 149	1 149
	55	Training facilities and services outside Turin	2 298	2 298
	56	Other variable costs	374	374
	57	Costs related to income from publications	1 280	1 280
	58	Other costs related to miscellaneous income	200	200
		<b>Total Variable Expenditure</b>	<b>35 208</b>	<b>35 208</b>
VI	60	Contingency	600	600
		<b>Total Expenditure</b>	<b>80 188</b>	<b>81 261</b>
		<b>Budget surplus</b>	<b>-</b>	<b>-</b>