

Board of the Centre

73rd Session, Turin, 3-4 November 2011

CC 73/2

FOR INFORMATION

SECOND ITEM ON THE AGENDA

Interim report on the activities of the Centre for 2011

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INTRODUCTION

1. This document provides summary information, facts and figures on the implementation of the Centre's training activities in the first six months of the current year. It also includes trends and forecasts related to the programme for the full year 2011. An oral update on this information will be provided at the Board meeting. Details of training activities carried out or foreseen in 2011 can also be found on the website.¹

I. STATISTICS AND TRENDS IN 2011

2. Table 1 gives a summary of participants and activities completed or underway as of 30 June 2011, compared to the same period in 2010.

TABLE 1

DISTRIBUTION OF ACTIVITIES BY TYPE OF TRAINING
(Comparison between the first semester of 2010 and the first semester of 2011)

| | 2010 | | | | 2011 | | | |
|------------------------------|------------|--------------|------------------|------------------|------------|--------------|------------------|------------------|
| | Activities | Participants | Days of training | Participant days | Activities | Participants | Days of training | Participant days |
| At the Centre | 80 | 1,757 | 559 | 12,207 | 75 | 1,848 | 493 | 11,541 |
| Blended-C² | 10 | 219 | 296 | 7,849 | 9 | 269 | 445 | 11,346 |
| In the field | 109 | 3,794 | 374 | 9,659 | 101 | 2,897 | 417 | 11,102 |
| Blended-F³ | 4 | 268 | 61 | 3,484 | 0 | 0 | 0 | 0 |
| Distance | 30 | 859 | 417 | 11,327 | 29 | 694 | 422 | 10,657 |
| TOTAL | 233 | 6,897 | 1,707 | 44,526 | 214 | 5,708 | 1,777 | 44,646 |

3. Provisional data for 2011 point to a small decrease in the overall number of activities and participants compared to 2010, which was a record year for the Centre. The final number of participants is expected to be around 12,000 and the number of participant/days around 100,000. This is slightly lower than in 2009 and 2010 and similar to the level attained in 2008.
4. Factors that have contributed to this decrease include the reduction of un-earmarked donor contributions to the Centre as well as the completion of two large European Union projects which required the implementation of national seminars in all EU member States.

¹ www.itcilo.org/board

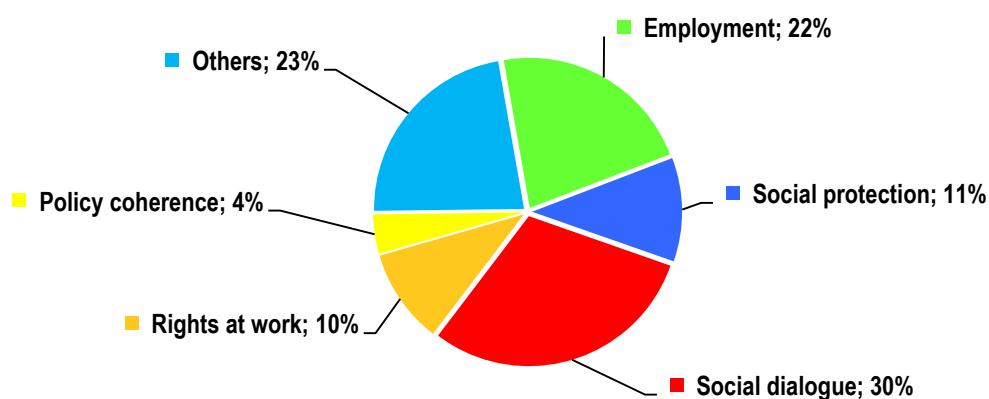
² Blended-C: Distance plus face-to-face phase at the Turin Centre.

³ Blended-F: Distance plus face-to-face phase in the field.

Collaboration with the ILO

- Operational collaboration with the ILO technical sectors and regions remained an essential feature of the Centre's programme. In addition to pooling of financial and human resources for the design and delivery of training activities, a new approach was tested in 2011 for institutionalizing cooperation with the International Labour Standards Department through the cost-sharing of one position in headquarters for the planning of capacity development activities related to international labour standards.
- Chart A shows the tentative breakdown of 2011 training income by ILO strategic objective. Almost 80 per cent of the Centre's activities were linked to the Decent Work Agenda outcomes. An increase in activities related to the strategic objective of social dialogue and a slight decrease in activities related to the strategic objective of employment are the main differences forecast by comparison to 2010.

**CHART A: INCOME FROM ACTIVITIES BY STRATEGIC OBJECTIVE IN 2011
(FORECAST)**

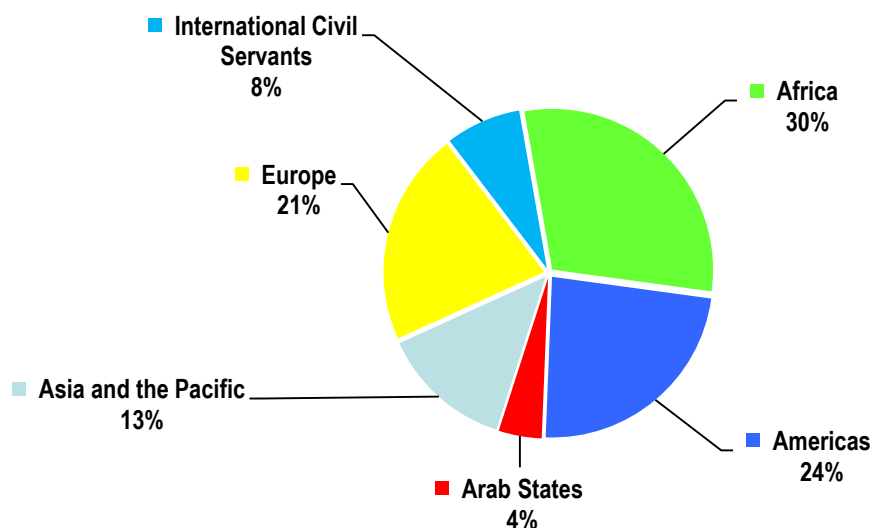


- The Centre's role in ILO staff development has remained important in 2011. In collaboration with the Human Resources Development Department, the Centre is developing a programme of training for ILO staff which will offer a menu of different options including self-learning tools, e-learning and standard or customized learning and knowledge-sharing workshops. The intention is to institutionalize and consolidate the collaboration between the ILO and the Centre on staff development and training and to obtain greater commitment from the ILO units at headquarters and in the regions which are responsible for the management of decentralized training funds. It is proposed to launch this programme in 2012.
- As a follow-up to the internal review of the operations of the Centre initiated by the Director-General in 2010, a mission was undertaken by the IRIS team in May to the Centre in relation to launching a review of business processes and enhancing the integration of the Centre into the IRIS system. Progress made on this matter will be reported directly to the Board meeting.

The regional dimension

9. Chart B gives the estimated breakdown of participants by the five main regions in 2011.

CHART B: PARTICIPANTS BY REGION IN 2011 (FORECAST)



10. Compared to 2010, an increase is expected for Africa, the Americas and Arab States, while the share of European participants will decline because of the termination of some large EU projects.
11. The Centre has continued to systematically map regional and Decent Work Country Programme priorities as a basis of the planning of its activities and the allocation of its resources. In particular, following the political unrest in Northern Africa and the Middle East, the Centre has been closely liaising with the ILO responsible offices and made several proposals for training and learning components in the context of the ILO response strategy in the sub-region. The reaction of ILO offices has been positive, although the pipeline of possible ILO activities was still in the making at the time this report was drafted.

Africa

12. The Centre has pursued its collaboration with the ILO offices and decent work teams for the joint design and implementation of training courses and for the sponsoring of African participants to selected academies relevant to specific country outcomes such as on gender, migration and social protection. Activities have been aligned to ILO regional priorities and outcomes, which has facilitated joint planning with African field offices for tailor-made activities. The value-added of the Centre's learning methodologies, tools and platforms has been acknowledged in the Director-General's draft mid-term report to the 12th African Regional Meeting scheduled in October 2011.
13. The design and implementation of training and learning programmes for ILO staff in the region in 2010 has been followed in 2011 by an effort to assist decent work teams in developing the capacity of ILO constituents in the region to design and implement DWCPs, particularly in Portuguese-speaking African countries.
14. As regards collaboration with training institutions, the Centre implemented its first joint training with MANCOSA in South Africa on labour market information, and has planned joint-training activities on mediation and reconciliation with ARLAC in the second half of the year. Different Centre projects were started or continued from 2010 in areas related to

labour market information, social protection, social dialogue, employers' activities and public procurement, among others.

Americas

- 15.** Thanks to the financial support of the government of Spain, two projects in strengthening employers' and workers' organizations in the field of social protection are being delivered throughout 2011.
- 16.** The Centre maintained its collaboration with ILO offices for the implementation of regional or national training activities. A pilot distance-learning programme on child labour for local and provincial governments was launched in Argentina. This programme may be adapted and offered to other countries in the region, in collaboration with the Regional Office and with IPEC.
- 17.** A new training of trainers' programme on entrepreneurship education using the Know About Business training package continued during 2011 in collaboration with the Ministry of Education of Costa Rica. An internal regional staff training activity on Green Jobs was offered in Lima in collaboration with the Job Creation and Enterprise Development Department in Geneva and the Regional Office.
- 18.** The Centre has also collaborated with SIALC in the framework of the EU-funded project on "Indicators for Measurement of Decent Work" as well as with CINTERFOR, which has offered local support for the delivery of training activities in Montevideo.

Arab States

- 19.** The Italian-funded programme in support of the Palestinian Authority has continued in 2011 through staff development courses for the Ministry of Local Government and communication skills workshops for Palestinian officials. A partnership with the Saudi Technical and Vocational Training Corporation has been re-vamped as the Centre has been asked to support the upgrading of TVTC staff competencies in relation to strategic planning, performance improvement and impact evaluation.
- 20.** A knowledge-sharing conference on Decent Work and Poverty Reduction was planned in Qatar at the request of the Doha International Institute for Family Studies and Development (DIIFSD) and in collaboration with the ILO Regional Office and Policy Integration Department.
- 21.** In Iraq, the Centre has been awarded a World-Bank assignment for the compilation of a national procurement manual and the development of a complete set of national bidding documents. Also, a training course on local economic development for 40 participants has been planned in the second half of 2011.
- 22.** The Centre has been invited by the Regional Office to contribute to the efforts for developing the capacity of tripartite constituents in the planning and implementation of Decent Work Country Programmes. It is also expected that the Centre will be involved in the ILO response to the challenges in the Arab countries. Proposals are being discussed with the regional offices.

Asia and the Pacific

23. Following the visit of senior Chinese delegations to the Centre during 2011, existing collaboration with Chinese institutions has been strengthened, in particular with the Ministry of Human Resource and Social Security and with the All-China Federation of Trade Unions. The Centre partnered with Nanjing University to run a three-day forum on Microfinance for 187 participants. More courses were planned for workers' activities, labour inspection, corporate social responsibility and enterprise development.
24. In Vietnam, the Centre has been awarded a new Italian-funded project to support the establishment of a WTO enquiry point and a WTO training and research centre. Also in Vietnam, a certification process on Making Microfinance Work was launched in May 2011. The Centre has also been working on microfinance in the Lao People's Democratic Republic.
25. Several region specific tailor-made activities are scheduled on value-chain development, youth employment and green jobs. The partnership with the Institute of Rural Management (NRSP) in Pakistan has been progressing very effectively.

Europe

26. The Centre has maintained and expanded its pipeline of activities notably through EU funding. New projects are being implemented for EU and Accession Countries on gender equality, social dialogue, enterprise restructuring, social inclusion and public procurement, among others. In 2011, a direct agreement was reached between the ILO and the European Commission for the funding of capacity development activities for social partners in the 27 EU member countries. The Centre will implement the training components of these programmes in collaboration with the ILO.
27. With the financial support of the European Commission, the Centre organized in February 2011 a European Labour Forum on the Role of Labour Administration in Overcoming Economic Crises with tripartite delegations from EU members and candidate countries.
28. The ILO/EU high level meeting in May 2011 has identified the need to enhance the capacity of new EU member countries as well as candidate countries to use cost-effectively EU structural funds and, in particular, the European Social Fund. In collaboration with the ILO field offices, the Centre is exploring opportunities to provide support in the light of its record of experience in the field of ESF management, monitoring and reporting.
29. The government of Bulgaria has continued its assistance to human resources development in South East Europe using the technical capacity of the Centre. This project is the extension of a previous project that the government financed to strengthen its own competencies and skills through the Centre's technical assistance.
30. The collaboration with the Drug Control Department of the Prime Minister's Office in Italy continued in 2011 as a new project was approved for the prevention of drug abuse in the workplace. The Centre also implemented a programme funded by the Italian government for the training of Italian labour lawyers in relation to international labour standards.

Gender equality

31. In the first half of 2011, women participants represented 42.2 per cent of the total number of participants, against 43.6 in the same period in 2010.
32. In 2011, the Gender and non-Discrimination team engaged in a Centre-wide "Gender Common Self-Assessment" exercise. The ultimate aim of the Gender Common Self-

Assessment is to ensure that all Centre's activities contribute to the realization of the ILO goal of decent work for all women and men, and that gender equality and non-discrimination are efficiently and consistently included in training, learning and capacity-building activities. The methods and tools for the self-assessment were partially borrowed and adapted from existing methodologies. They were used in a harmonized manner across all the teams of the Centre, so as to produce comparable results and to contribute to an overall appraisal of the Centre's performance in integrating a gender perspective into all its activities. Through 14 different workshops, each one especially designed and conducted for an individual team or unit of the Centre, personal, professional and organizational views on gender competence, knowledge and vision were collected and systematized.

33. This exercise is part of a process of revamping the Centre's gender strategy and establishing a new gender action plan for the period 2012-2015. Also, based on the inputs provided by this exercise, a revised and updated Centre policy on Gender Equality and Mainstreaming was issued in August. New performance indicators to measure progress towards the attainment of gender equality objectives are included in the ILO Gender Action Plan for 2012-15 and an internal network of gender focal points has been re-activated.

Tripartism

34. The participation of representatives from labour ministries, employers' organizations and workers' organizations in the Centre's activities has remained significant in 2011. As of 30 June 2011, 558 employer participants and 1,184 worker participants had been recorded. The figures cover activities specifically designed for worker or employer representatives by the respective programmes as well as participation in activities delivered by other Centre programmes, including standard courses and tailor-made or project-linked activities. It is expected that the number of both employer participants in 2011 will remain stable compared to 2010, while the number of worker participants should increase.
35. Again, the largest number of participants attended employers' and workers' specific programmes, while the involvement of social partners in other type of activities remained constrained by the limited availability of funds. The Centre used a significant portion of the 2009 surplus allocated to activities in 2011 to foster the cross-fertilization between employer and worker participants and participants in other courses of high priority to the ILO's tripartite constituency, such as wages policies. Also, the Centre launched an internal exercise to develop new tools and methodologies to assess the capacity needs of constituent organizations and to design and support the implementation of capacity development components within Decent Work Country Programmes.

Academies

36. The Centre significantly expanded its portfolio of learning events clustering together different topics in a particular field and offering participants a choice of individualized learning paths among a variety of thematic and linguistic options (the so-called "academies"). Four such events had been organized on the campus by August 2011 as follows: Green Jobs and Local Development; Sustainable Enterprise; International Labour Migration and Microfinance (the Boulder training programme). Six more are scheduled to take place between September and December 2011 on Social Security; Entrepreneurship Education; The Social Economy; Skills Development; Gender Equality and Labour Administration. These academies were designed and delivered with the full involvement of the relevant ILO technical departments.
37. During 2011, the design of individual academies was peer-reviewed with a view to sharing best practices and lessons learned. Further to the request of the Board, a new evaluation methodology has been developed to systematically evaluate the academies. The new evaluation system will be launched in 2012. A customized follow-up questionnaire has

already been introduced for each academy in 2011. The overall aim of the new evaluation methodology is to assess the effectiveness of the academies for increasing knowledge and skills as well as their contribution to the overall ILO objectives and outcomes. Starting in 2012, internal evaluations will be conducted by the Centre which will ensure that each academy is systematically evaluated at least once over a 3 year cycle. This means that, in addition to the customized questionnaire which will be administered for each academy, two to three academies will be internally evaluated each year. In the subsequent year, an independent external evaluation aimed at providing aggregate findings as well as strategic directions for improving the conceptualization and implementation of those academies will take place. The Centre will partner with the ILO Evaluation Unit for the conduct of this exercise.

The Turin School of Development

38. Seven different programmes and courses were offered in 2011 under the auspices of the Turin School of Development (the course on International Trade Law was upgraded from a post-graduate course to a Master Programme in its edition for 2010-11). Further steps were taken to harmonize the planning, design and budgeting of the different courses which now all propose the same blended approach. In parallel, initial contacts were made with potential academic and financial partners with a view to diversifying the linguistic portfolio by offering at least one Master Programme in French and one in Spanish.

Collaboration with the UN and other international organizations

39. The Centre's collaboration with other UN System and other multilateral organizations has continued in 2011. Specific areas of priority were public procurement and labour market policies with the World Bank, value-chain upgrading and microfinance with UNDP and gender equality with a variety of different UN partners and country teams as well as the newly established UN-Women. New collaboration was also undertaken with the Geneva-based UNITAR. A joint-initiative was undertaken with UNITAR and the campus-based UN System Staff College (UNSSC) to enhance knowledge-sharing and cooperation among the three institutions. This should result in the joint-delivery of a number of training and learning activities in 2012 in areas of common interest.

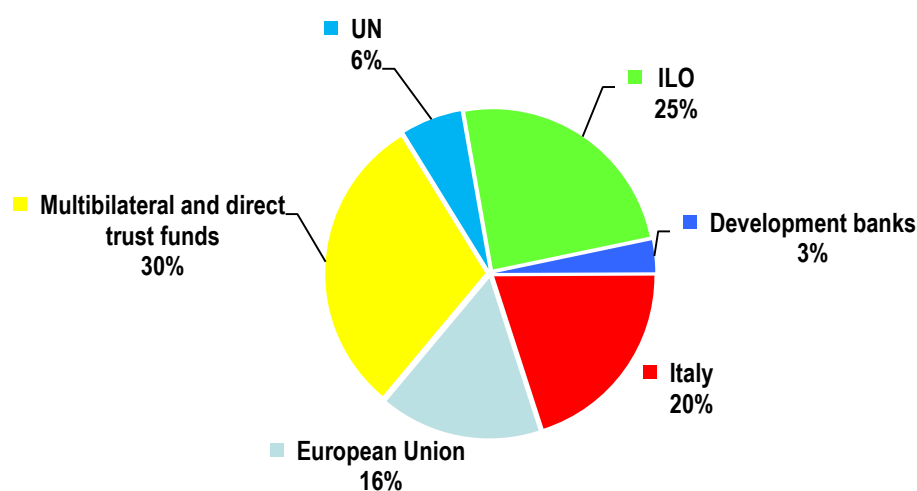
Expanding partnerships

40. The collaboration with a variety of training and academic institutions was maintained in 2011, including joint activities with the Training Institute of the Labour Ministry of Bulgaria, the Institute of Rural Management (NRSP) in Pakistan, the Nanjing University in China among others.
41. The second edition of the Learning Link, a knowledge-sharing event bringing together trainers and training managers from all over the world, was held in April 2011. The Centre has also been entrusted with the responsibility of organizing the 2012 annual meeting of Train4Dev, a donor network seeking to promote improved aid effectiveness for poverty reduction through enhanced co-operation in the field of competence development and training.

II. FUNDING OF TRAINING ACTIVITIES

42. The financial information presented here refers specifically to income for training programmes and projects, and does not take into account fixed contributions from Italy, the ILO, Portugal, France and the City of Turin and Piedmont Region. In 2011, income from training activities should not be substantially different from that of 2010. Chart C shows the anticipated breakdown of funding sources for the Centre's activities in 2011.

**CHART C: INCOME FROM ACTIVITIES BY SOURCE OF FUNDING IN 2011
(FORECASTS)**



43. ILO's share of the Centre's training income has remained stable between 2010 and 2011. At the time the report was drafted, little information was available on possibilities of additional funding linked to the end of the ILO biennium.
44. Outside the ILO, the Italian Government has remained the largest contributor to the Centre's programme. The reduction of Italy's annual voluntary contribution was partly compensated with the funding of new projects approved between 2010 and 2011. Despite serious budget constraints, the regional government of Piedmont and other Italian non-state institutions maintained their level of support to the Centre's activities.
45. The European Union remained a large donor to the Centre in 2011. The portfolio of EU-funded projects has involved again different Directorate-Generals, delegations, programmes and agencies of the European Commission.
46. Some donor agencies have secured funding for specific activities in 2011, including two projects funded by Spain for employers' and workers' organizations in Latin America, an ongoing project on social protection in the Portuguese-speaking countries of Africa funded by Portugal and a new project on natural disaster risk prevention and economic recovery funded by Brazil. The activities foreseen in the context of the recent partnership agreement signed between the ILO and France are expected to start before the end of 2011. Also the *Agence Française de Développement* (AFD) has expanded its collaboration with the Centre and the City of Suresnes (France) signed an agreement with the Centre for the training of their staff.
47. The Centre has been again very active in 2011 in tendering particularly with the European Commission and the Development Banks. The outcome of these tenders will be known in the second half of the year. Two substantial projects on public procurement were signed with the World Bank for Iraq and Rwanda.
48. As usual, a large number of standard and customized programmes were delivered with direct financial participation by the recipient institutions.

III. EVALUATION OF TRAINING ACTIVITIES

49. During the first half of 2011, end-of-activity questionnaires produced a positive assessment of the quality and relevance of the Centre's programmes by its participants. The overall average reached 4.30 (on a five-point scale, where 1 is the minimum score and 5 the maximum) against 4.28 in 2010. Also, 92 per cent of the participants – against 91 per cent in 2010 - were certain or confident that their organizations would benefit from their participation in the training.
50. The Centre's evaluation system has been adapted at several levels. The most recent change was the launch in 2011 of a follow-up questionnaire collecting information among former participants on both the application of learning in their workplace and on the impact in their organizations. In the first six months, feedback was received from 520 participants. About two-thirds of the respondents indicated an improvement in their competencies as a result of their participation in the training, particularly in relation to strategic planning, negotiation, dissemination and ability to use innovative learning methods. A majority of former participants responding to the questionnaire indicated that they strengthened their capacity to make an in-depth analysis of different aspects of their job and, therefore, improved the quality of their decisions. Overall, 64 per cent of the respondents were very satisfied with the contribution of the training activity to the improvement of their own job performance.
51. In terms of organizational impact, 40 per cent of these participants reported to be very satisfied with the improvement of their organization's performance. Half of the participants were somewhat satisfied. The most cited changes that occurred within the organization were the development of new services or products, the creation or reorganization of departments, more efficient methodological approaches and establishment of new networks. Several participants also indicated that the training contributed to legislative reforms. In terms of constraints faced in using the competencies acquired and in generating organizational impact, the most frequent were the lack of financial resources, the general situation in the country and the priorities within the participants' organizations.
52. In 2011, the Centre undertook an ex-post evaluation of the three first editions of the Summer Academy on Sustainable Enterprise Development (2008-2010). The academy aims at meeting individual learning needs with a combination of a plenary core course and around 20 specialized courses grouped into elective thematic tracks. Participants come to learn from ILO's experience and knowledge-base, tools and methodologies on enterprise development. All 45 respondents indicated that they improved their competencies on enterprise development. The exposure to the technical content of the programme stimulated them to reconsider enterprise development from varied perspectives. The combination of ILO tools and methodologies was considered the most useful feature of the academy. Everyone reported a moderate or strong improvement of job performance resulting from their participation. Many participants started to integrate in their work the concepts of sustainability, gender equality and inclusiveness. Furthermore, the multiplier effect of the academy was strong. Many participants organized training for clients, members and partners.
53. In relation to evaluating organizational impact, the information collected from this ex-post evaluation suggested that the academy contributed to changes in participants' organizations. Many organizations improved their planning towards a sustainable programme, ensured better inclusion of persons with disabilities and developed policies on environmental protection. Partnerships were strengthened, with a greater engagement of stakeholders, stronger collaboration with political and financial institutions, and new collaborations with organizations of the same type. Some organizations expanded operations to new areas, diversified the provided services, and increased staff and clientele. Motivated by the academy, some new projects were initiated. A number of participants gave details of relevant projects in Nigeria, Senegal and Morocco.

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54. Positive findings in terms of organizational impact were also found in the impact evaluation of the Boulder Microfinance Training Programme, the academy-type event that has existed at the Centre since 2005. This evaluation found that the following features of the programme played a key role in promoting organizational impact: (a) the external legitimacy of the programme and its long-standing reputation as an international forum of exchange of best practices, (b) the critical mass of participants within an organization (about 90 per cent of the interviewed alumni work in organizations that sent several participants to the programme), (c) the position of the selected participants (80 per cent of them had enough authority to take action), and (d) the coaching and technical support from experts and peers, which allowed participants to share their knowledge.

IV. INTERNAL ADMINISTRATION

Campus facilities

55. As part of a larger project to improve security and accessibility to the Centre, the pathway and fences bordering the main entrance were replaced in the first part of 2011 at a cost of euro 49,800. The next phase of the project will be linked to improving the access control security system in line with the United Nations Minimum Operating Security Standards.
56. The City of Turin carried out major work on the heating and water distribution network. The old heating and water pipes have been replaced and important technical upgrades have been made which will improve the overall efficiency of the network. This extraordinary maintenance work was paid for by the City of Turin.
57. In response to a request by the United Nations System Staff College (UNSSC) for additional office space, Pavilion Oceania was allocated for the exclusive use of UNSSC in line with Article 1 of the Agreement which governs the relationship between the Centre and UNSSC. On 1st September, the Centre's services and teams that were in Pavilion Oceania were relocated to the open space on the first floor of Pavilion Asia.

Information technology

58. So far in 2011, the following IT related work has been completed: an upgrade of the Help Desk services; enhancement of physical security of the data storage areas; migration from Office XP to Office 2010; the deployment of a large stock of portable PCs for use in the field; the upgrade of the Centre's website with a new design and new functions; and migration of several learning platforms to Plone technology.

Human resources

59. In May 2011, a project was initiated, to be completed by the end of 2011, to automate the HR data management system (HRDMS) prior to implementing a new leave management system (LMS). The automation of HR processes responds to the need to develop a modern human resources information management system to facilitate compliance with rules and regulations, and underpin new accountability mechanisms. Automation will be accompanied by a revision and streamlining of current processes and procedures. EUR 18,740 from the Investment Fund is being used for finalizing the various phases of the automation of the data management system.
60. A number of new circulars relating to human resources issues have been issued including on the use of internet and e-mail, conflict of interest, special leave without pay and arrest and detention of staff. In addition, a new policy on internships at the Centre was introduced. Furthermore, following changes in the management of the staff travel security system at the

level of the United Nations Common System, two circulars were issued clarifying the new security accountability framework and the new security level system. In cooperation with the Security Service of the ILO, information briefing sessions were organized for staff to ensure that all officials understand the new procedures and strictly comply with travel security clearance requirements.

61. Following the election of a new Staff Union Committee in May, an on-going and positive social dialogue was established between the staff representatives and the management of the Centre.

V. PROGRAMME AND BUDGET FOR 2011

62. In accordance with Article 8 of the Financial Regulations, a report on the implementation of the Programme and Budget for the 2011 financial year is set out below. This report is presented in summary form and reflects the operating results expected for the current financial year, for which the Programme and Budget was approved by the Board at its 72nd Session (November 2010).⁴ Account is taken of all the training activities implemented or in progress and all financial factors known at the end of June 2011, together with estimated financial factors for the remainder of the year.
63. Figures and indicators relevant to the 2011 programme were established in June 2011. They must be considered provisional at this time because requests for additional activities may still be included later in the year while some other activities may have to be postponed or dropped due to unforeseen circumstances.

GENERAL FUND

Income

Chapter I (voluntary contributions)

64. The International Labour Organization contributed euro 2,896,000 (USD 3,805,000) to the running costs of the Centre in 2011. The Italian contribution (*ex-lege*) of euro 7,850,000 was included in the budget. At the time of writing this report, the contribution had been paid in full. The contribution from the Government of France was included in the budget for a total of euro 100,000 for both cash contribution and the provision of young experts. At the time of writing this report, the cash contribution of euro 25,000 had not been received. The contribution from the Piedmont Region (Italy) was included in the budget for euro 400,000. At the time of writing this report, this sum had not been received.
65. Although not anticipated in the approved budget for 2011, included in the updated estimates is the euro 250,000 contribution from the Government of Portugal. The contribution was paid in full in 2011.
66. The total income from voluntary contributions included in the estimate amounts to euro 11,496,000.

⁴ Document CC 72/2/Add.1(rev.).

Chapter II (earned income and use of surplus)

67. Miscellaneous income within the provisions of item 22 of the budget is expected to amount to euro 1,200,000.
68. Item 23, utilization of 2009 surplus, included a transfer from reserves to income of euro 500,000. In accordance with Article 7.4 of the Financial Regulations, the Director set aside euro 500,000 out of the 2009 surplus to finance activities for 2011. It is estimated that this sum would generate an additional euro 500,000 in training income, partly filling the gap of the expected reduced Italian contribution in 2011.
69. The budget income forecast for 2011 in Chapter II of the budget is thus expected to total euro 27,215,000.

STAFF COSTS

70. Staff costs have been recalculated at euro 17,896,000 and can be broken down as follows:

| | euro |
|----------------------------|-------------------|
| Regular budget staff costs | 14,513,000 |
| Project-based staff costs | 3,383,000 |
| Total | 17,896,000 |

71. This estimate is 2.4 per cent lower than the original budget.

NON-STAFF COSTS

Fixed costs

72. Fixed costs have been recalculated at euro 6,722,000 and can be broken down as follows:

| | euro |
|------------------------------|------------------|
| Consultants | 531,000 |
| Facilities | 2,113,000 |
| Security | 390,000 |
| General operating expenses | 921,000 |
| Missions and representation | 347,000 |
| Governance | 220,000 |
| Information technology | 1,773,000 |
| Depreciation of fixed assets | 427,000 |
| Total | 6,722,000 |

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73. This estimate is one per cent lower than the original budget.

Variable expenses

74. Excluding project-based staff costs, these are estimated at euro 14,040,000 on the basis of the latest review of the programme of activities envisaged in 2011. They cover expenditure incurred in the implementation of specific activities, such as lecturers' fees, training material, participants' travel expenses and subsistence allowance, and external tuition fees. They fluctuate in relation to the volume and content of such activities, and the ways in which they are carried out. The budget estimates are based on the assumption that variable costs will be fully covered by the activities to which they refer.

OPERATING RESULT

75. The revised estimates for 2011 envisage a budget income of euro 38,711,000 against expenditure totalling euro 38,658,000 giving an operating surplus of euro 53,000.

CAMPUS IMPROVEMENT FUND

76. The balance of euro 186,000 remaining in the Campus Improvement Fund will be used in 2011 to fund the upgrade of the Centre's security system.

INVESTMENT FUND

77. The available euro 400,000 balance on the Investment Fund will be used as foreseen to support the testing and delivery of new training activities in the field of labour migration, labour administration and inspection, non-discrimination and corporate social responsibility. In addition, the Centre's evaluation function is being strengthened. As already indicated in paragraph 59, euro 18,740 has been allocated from the Investment Fund for the upgrade of the HR data management system.

Turin, 29 September 2011

Appendix II

SYNOPSIS OF BUDGET FORECASTS FOR 2011

(in thousands of euro)

| <u>Chapter</u> | <u>Item</u> | <u>Title</u> | <u>2010</u> <u>Actual</u> <u>figures</u> | <u>2011</u> <u>Approved</u> <u>Budget</u> | <u>2011</u> <u>Estimates</u> |
|-----------------------------|-------------|--|--|---|---------------------------------|
| Part A – INCOME | | | | | |
| I | | <u>Voluntary contributions</u> | | | |
| | 10 | International Labour Organization | 2,819 | 3,116 | 2,896 |
| | 11 | Government of Italy (ex-lege) | 7,850 | 7,850 | 7,850 |
| | 12 | Government of France | 104 | 100 | 100 |
| | 13 | Piedmont Region (Italy) | 370 | 400 | 400 |
| | 14 | City of Turin | 266 | - | - |
| | 15 | Government of Portugal | - | - | 250 |
| | | Total Chapter I | 11,409 | 11,466 | 11,496 |
| II | | <u>Earned Income</u> | | | |
| | 20 | Income from activities | 24,945 | 25,600 | 24,298 |
| | 21 | Income from publications | 804 | 1,000 | 1,217 |
| | 22 | Other income | 1,303 | 1,400 | 1,200 |
| | | Total earned income | 27,052 | 28,000 | 26,715 |
| | 23 | Use of Surplus | 633 | 500 | 500 |
| | | Total Chapter II | 27,685 | 28,500 | 27,215 |
| | | Total Budget Income | 39,094 | 39,966 | 38,711 |
| Part B - EXPENDITURE | | | | | |
| III | | Staff Costs | | | |
| | 30 | Regular budget staff costs | 14,489 | 14,944 | 14,513 |
| | 31 | Project based staff costs | 3,036 | 3,390 | 3,383 |
| | | Total Chapter III | 17,525 | 18,334 | 17,896 |
| | | Non Staff Costs | | | |
| IV | | <u>Fixed expenses</u> | | | |
| | 40 | Consultants | 333 | 378 | 531 |
| | 41 | Facilities | 2,276 | 2,015 | 2,113 |
| | 42 | Security | 386 | 390 | 390 |
| | 43 | General operating expenses | 867 | 960 | 921 |
| | 44 | Missions and representation | 264 | 350 | 347 |
| | 45 | Governance | 363 | 403 | 220 |
| | 46 | Information technology | 1,407 | 1,706 | 1,773 |
| | 47 | Depreciation of fixed assets | 438 | 590 | 427 |
| | | Total Chapter IV | 6,334 | 6,792 | 6,722 |
| V | | <u>Variable expenses</u> | | | |
| | 50 | External collaborators | 4,945 | 5,294 | 5,000 |
| | 51 | Missions | 793 | 849 | 800 |
| | 52 | Participants costs | 4,793 | 5,131 | 4,850 |
| | 53 | Books, training aids and materials | 767 | 821 | 790 |
| | 54 | Training facilities and services outside Turin | 803 | 860 | 800 |
| | 55 | Other variable costs | 799 | 855 | 800 |
| | 56 | Costs related to income from publications | 654 | 700 | 700 |
| | 57 | Other costs related to other income | 256 | 300 | 300 |
| | | Total Chapter V | 13,810 | 14,810 | 14,040 |
| | | Total Expenditure | 37,669 | 39,936 | 38,658 |
| | | Budget surplus (deficit) | 1,425 | 30 | 53 |