

**Board of the Centre**

77th Session, Turin, 30 - 31 October 2014

**CC 77/2**

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**FOR DISCUSSION AND GUIDANCE**

SECOND ITEM ON THE AGENDA

**Interim Implementation Report for 2014**



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## Introduction

1. The year 2014 is the third year of implementation of the Strategic Plan for 2012-15 (the Plan) adopted by the 73rd Session of the Board in November 2011.<sup>1</sup> This interim report covers the first half of 2014 and provides information on the progress made towards the achievement of the targets set down in the Programme and Budget for 2014 as well as the perspectives and challenges in relation to the attainment of these targets by the end of the year.
2. The first half of 2014 has seen the level of training activities, number of participants and number of training days maintained at a high-level if slightly below what was achieved in the first-half of 2013. This indicates that the Centre is reaching a sustainable level of performance within its financial resources and staffing levels. Other important positive developments in the first half of 2014 included the decision of the Governments of Italy and Portugal to make new voluntary contributions to the Centre; the renewal of the agreement with the Government of Japan; a new agreement with the Michael Imodou National Institute for Labour Studies (MINILS) of Nigeria, and the signature of a Memorandum of Understanding with the Ministry of Cooperatives, Labour and Social Welfare of the Islamic Republic of Iran.
3. Collaboration with the ILO has continued involving the Centre in programming and work planning as well as a wide range of task teams and other consultative mechanisms. The first retreat of the ILO Global Management Team was held at the Centre in January 2014 coinciding with the launch of the first edition of the ILO Executive Leadership and Strategic Management Programme jointly delivered by the Centre and the United Nations System Staff College (UNSSC). Regional RBTC resources earmarked for the Centre were programmed for the first time on a biennium basis around the priority Areas of Critical Importance (ACIs) identified by the regions. Further to the Framework for Strengthened Cooperation put in place in 2013 between the Centre and the Partnerships and Field Support Department (PARDEV), a joint planning workshop was held in May 2014 to agree on a number of joint promotional and other activities.
4. The independent evaluation of a selected number of academies was completed and the report is before this session of the Board.<sup>2</sup> Under the Turin School of Development, the first edition of the Spanish version of the Master in World Heritage and Cultural Projects for Development in collaboration with the University of Barcelona was satisfactorily completed, as well as the first edition of the French version of the Master in Public Procurement Management for Sustainable Development in collaboration with SciencesPo. Preparatory work was undertaken to determine the feasibility of launching a new Master Programme on Social Protection for the academic year 2015-16.
5. A new harmonized certification framework was put in place and significant progress was made in the implementation of a centralized e-campus. An information session on the e-campus was held during the 103<sup>rd</sup> Session (June 2014) of the International Labour Conference. A review of the impact of the projects funded in 2012-13 under the Innovation Fund was undertaken and the results will guide future allocations from the Innovation Fund.
6. The Centre launched a programme of activities to mark the 50<sup>th</sup> anniversary of the signing of the Covenant between the ILO and the City of Turin (July, 1964). These

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<sup>1</sup> CC 73/7.

<sup>2</sup> CC 77/4.

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activities included the organisation of an information stand in *Piazza San Carlo*; the *Torino Labour Film Festival* (open-air on the campus) organised in collaboration with the National Cinema Museum of Turin, and the creation of a *Tree Trail* on the campus with the collaboration of the *Coop Agriforest sc* of the City of Turin. The programme of activities will culminate with the inauguration of the renovated Pavilion Europe by the ILO Director-General and the Mayor of Turin at this session of the Board.

7. The following paragraphs of this report provide:
  - information on actions taken in the first half of 2014 in relation to the five strategic priorities set down in the Plan;
  - a status report on progress made towards meeting the 2014 targets under each indicator;
  - forecasts for the end of the year.
8. Appendix I consists of a series of tables and charts providing a summary overview of information in relation to training activities to the end of June 2014. The statistics provided under indicators 1.1 and 2.2, and Table 1, will be updated before the Board meeting.
9. Appendix II provides a summary of the Programme and Budget for 2014.

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## Progress report on implementation

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

10. In the third year of implementation of the results-based framework, good progress was made towards meeting the overall targets set down in the Plan. Specifically, the Centre is on track to meet the targets set for 2014 under indicator 1.1 concerning the annual number of participants from tripartite constituent organisations out of the total number of participants. The statistics under indicator 1.1 for the first half of 2014 show a steady increase. Additional resources were allocated at the start of the year to the Workers' and Employers' Programmes in accordance with the mechanism put in place in 2013. In addition, a number of incentives were introduced on a pilot basis designed to increase the participation of workers' and employers' representatives across the training activities of the Centre.
11. Under Outcome 3 (*Effective and efficient use of all of the Centre's resources*), the Centre is reporting against an additional indicator (3.2.2). Designed to capture the trend in overall administrative and support costs compared to total expenditure (fixed and variable costs), instead of just staff costs as in indicator 3.1.1, it was agreed to introduce it in 2014 as a way of measuring efficiency gains in administrative support staff costs and tracking the trend over time. This additional indicator takes into account the fact that reduced or increased variable costs linked to income changes tend to distort trends. Hence, an adjustment factor is applied to smooth fluctuations in ratios brought about by income changes.
12. The Centre continues to link its training activities to ILO outcomes and to actively participate in ILO outcome-based work planning processes. It is participating in the preparation of the ILO Programme and Budget for 2016-17 and the next Strategic Policy Framework. The Centre will align its next Plan to the overall priorities and strategies of the new ILO Strategic Policy Framework. In addition, there is a proposal before this session of the Board to move the programme and budget cycle of the Centre to a biennium cycle aligning it with the ILO biennium cycle.<sup>3</sup>

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

13. The second Annual Implementation Report for 2013 was presented to the 76th Session of the Board and is also before this session.<sup>4</sup> It provides data for the full year as well as providing an overall analysis of the results and progress made in 2013. This Interim Implementation Report covering the first half of 2014 provides an opportunity to the Board to give guidance and feedback to management in relation to progress and performance thus far in 2014.
14. The annual report of the Office of Internal Audit and Oversight is presented to the Board summarizing its findings and recommendations arising from its activities in 2013.<sup>5</sup> A paper on the status of implementation by the Centre of internal audit recommendations is also presented to the Board.<sup>6</sup>

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<sup>3</sup> CC 77/6/2.

<sup>4</sup> CC 77/1.

<sup>5</sup> CC 77/7/2.

<sup>6</sup> CC 77/7/3.

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15. The Plan for the Audit of the 2014 financial statements is presented to the Board by the External Auditors.<sup>7</sup>

**Priority 3: Diversifying the resource base and increasing outreach**

16. In the first half of 2014, ILO technical departments and field offices requested a significant number of tailor-made training activities. NORMES continued its longstanding support for the implementation of training on the Maritime Labour Convention (2006) and the Regional Office for Africa financed full fellowships for several participants from African countries in the Labour Migration Academy which took place in May 2014. Also, the Centre is involved in a number of ACI workplans for the 2014-15 biennium as the preferred service provider for capacity building support, and resources have been earmarked for ACI-specific activities, including knowledge-sharing events, tailor-made training activities and academies.
17. The Centre is carefully nurturing its relations with its longstanding partners. In 2014, the Centre received continued support with voluntary contributions from the Governments of Italy and Portugal. The Government of Japan renewed the agreement placing a Japanese technical expert in the programme on employment policy and skills development, and funding the implementation of a series of tailor-made training activities in Asia. The Government of Saudi Arabia provided funding for four training workshops on labour administration and labour inspection for Saudi officials. The Centre also renewed a Memorandum of Understanding with the Ministry of Cooperatives, Labour and Social Welfare of the Government of the Islamic Republic of Iran during the 103<sup>rd</sup> Session of the International Labour Conference (June 2014). The Programme for Workers' Activities received financial support from ISCOS CISL Brussels and from the Japanese JILAF while the Dutch Employers' Cooperation Programme (DECP) continued its funding to the Employers' Programme. A partnership agreement was signed with the Employers' Federation of Pakistan for capacity development on occupational safety and health.
18. The Centre has stepped up its efforts to mobilize resources from multi-bilateral donor agencies through competitive bidding. In March 2014, the in-house competitive bidding processes and function were restructured and consolidated in PRODEV, and a service catalogue and bidding guidelines for technical programmes were issued. In the first half of 2014, the number of Expressions of Interest (EoI) submitted to participate in tenders – a lead indicator to project the project pipeline in future years - doubled over previous years.
19. The Centre has also forged new partnerships with other service providers to bid in consortia, often a precondition to secure large contracts. When the Centre bids for contracts, it does so in close consultation with the concerned ILO field offices to ensure that the proposed activities make a direct contribution to the implementation of Decent Work Country Programmes and where possible, target capacity building support to ILO constituents. The Centre has increased the scope of its activities financed by non-traditional partners. It implemented a tailor-made training activity on Occupational Safety and Health for *Lukoil* and will run a series of Green Jobs awareness raising seminars in South Africa financed by a Government Trust Fund administered by the Development Bank of Southern Africa. The Centre continues its collaboration with the Saudi Credit and Savings Bank with three tailor-made activities to be implemented in 2014.

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<sup>7</sup> CC 77/7/1.

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20. Joint work was maintained with a number of UN agencies such as FAO, UN/OHCHR, UNDP and UNWOMEN, as well as with the UNSSC. In June 2014, the Centre implemented a tailor-made capacity building activity for professionals and senior officials from the Directorate-General of Forests in the Ministry of Agriculture and Rural Development in the People's Democratic Republic of Algeria; the event was sponsored by UNDP. The World Bank funded a tailor-made activity on actuarial analysis for Iraqi officials and a new agreement is expected to be signed on e-procurement for Bangladesh. The collaboration with the general secretariat of the Organization of American States (OAS) was extended in 2014 with co-funding for the Master Programme in World Heritage and Cultural Projects for Development under the Turin School of Development.

21. The Centre signed new, or renewed, collaboration agreements with several national technical, training, research and academic institutions in Brazil, Bulgaria, China, Iran, Japan, Lebanon, Mozambique, Netherlands, Nigeria, the Russian Federation, Rwanda, Slovakia, Switzerland, the United Republic of Tanzania and the United States. A new Memorandum of Understanding was signed with the Michael Imoudu National Institute for Labour Studies in Nigeria; the agreement signed in 2013 with the *École Nationale d'Administration et de Magistrature* (ENAM) in Cameroon is being successfully implemented, and the Centre is exploring the possibility of expanding this collaboration with other similar institutions in Africa.

#### **Priority 4: Reforming internal operating and administrative procedures**

The following internal reforms have been implemented:

- merger of the recruitment and travel units;
- realignment of the functions of PRODEV;
- deployment of Business Intelligence system (IBI) consolidating financial and training information for support to management decisions and monitoring purposes;
- a feasibility study and cost assessment conducted for the upgrade of the Enterprise Resource Planning (ERP) system and the replacement of the Management of Activities and Participants (MAP) system;
- IT Security strengthened by developing an Information Security Management System (ISMS) and conducting a gap analysis on ISO 27001 that confirmed a continuous improvement in implementation and preparedness to follow the certification path. A series of IT Security Awareness training sessions were concluded covering more than 90 per cent of staff.

#### **Priority 5: Upgrading the campus facilities**

22. A number of improvements have been undertaken to the campus facilities with a particular focus on upgrading technological equipment, safety and security, improving accessibility, improving the training and residential facilities, and greening the campus. These improvements included:

- installation of information screens to inform participants about training activities at the Centre and social activities;
- consolidation of server resources using blade servers and virtualization technologies;
- implementation of Virtual Desktop Infrastructure (VDI) using virtual desktops and energy efficient thin clients is already in production in seven classrooms;

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- improving the Wi-fi infrastructure with a more intuitive authentication system that supports a wider variety of devices;
  - a cost analysis of the current Data Centre operations is ongoing and the results will provide the baseline for comparison with operating models such as Data Centre virtualization solutions, and other data hosting models such as Cloud technologies;
  - the Centre has worked with the ILO (INFOTEC) to establish a secure network connection between the ILO and the Centre in order to provide a common directory service, secure email exchange, and access to ILO's applications;
  - the Europe Pavilion renovation was the main infrastructure project during the first half of 2014 requiring a significant investment in terms of financial and human resources. The project is currently in its final phase, close to completion, within budget and on time;<sup>8</sup>
  - safety improvements were undertaken in the basement of Pavilion Italy including the installation of new fire safety and air treatment systems;
  - energy efficiency measures were introduced related to the technical infrastructure;
  - the Emergency and Evacuation Plan was deployed and the safety technical equipment upgraded;
  - a "walking trail" was created in the park area of the campus.

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<sup>8</sup> CC 77/9.



**Outcome 1: The institutional capacity of ILO constituents to contribute to Decent Work Country Programmes and to address development challenges is enhanced through relevant and effective training**

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

<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>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
1,346 employer participants	1,000 employer participants	553 employer participants	1,500 employer participants
1,937 worker participants	1,800 worker participants	876 worker participants	2,200 worker participants
1,293 labour ministry participants	1,200 labour ministry participants	570 labour ministry participants	1,300 labour ministry participants
3,500 other governmental and public institutions participants	3,500 other governmental and public institutions participants	1,591 other governmental and public institutions participants	3,300 other governmental and public institutions participants
40.2 per cent women	43 per cent women	39.03 per cent women	40 per cent women
<p><b>Comments:</b> In the first half of 2014, the Centre undertook a series of measures to increase the outreach of its learning services among the tripartite constituents of the ILO. An allocation of additional funds to the Employers' and the Workers' Activities Programmes boosted the capacity of these programmes to finance the participation of employers' and workers' representatives. Furthermore, in the 2014 edition of selected academies, special learning tracks have been introduced for representatives from employers' and workers' organizations. Also, additional funds were made available by the Centre in early 2014 to promote collaborative action between the Employers' and the Workers' Activities Programmes and other technical programmes in the Centre to facilitate the participation of employers' and workers' representatives across the portfolio of training activities of the Centre. These additional measures have started to show results. As of end June 2014, the Centre was on track to meet the targets set in the Programme and Budget for 2014. Indeed, the 2014 targets could be exceeded reaching the targets set in the Plan.</p> <p>As in previous years, the Centre continued to experience challenges in its effort to achieve the target in relation to women's participation. There is a separate paper before this session of the Board which provides more analysis of these challenges and proposes a series of concrete measures which could be taken to better balance the gender composition of participants.<sup>9</sup></p>			

<sup>9</sup> CC 77/5.

**Indicator 1.2:** The use made by participants of the knowledge and competencies acquired.

<b>Baseline (2011)</b>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
99.4 per cent of former participants from tripartite constituent organizations responding to ex-post surveys indicated at least some improvement in their job performance as a result of their participation in the training and learning activities.	95 per cent of former participants from tripartite constituent organizations responding to ex-post surveys indicate at least some improvement in their job performance as a result of their participation in the training and learning activities.	99.5 per cent of former participants from tripartite constituent organizations responding to ex-post surveys indicated that their job performance improved as a result of the training.	99.5 per cent of former participants from tripartite constituent organizations responding to ex-post surveys indicate that their job performance improved as a result of the training.

**Comments:** In the first half of 2014, 1,117 former participants were surveyed representing employers' and workers' organizations, labour ministries or other governmental and public institutions in activities implemented in the second half of 2013. Those participants represented 25 per cent of the total 4,505 participants from ILO constituents who participated in any training activity during the same period.

The survey revealed that the use made by participants from constituent organizations of the knowledge and competencies acquired or fostered by the training remained at high levels. Out of the 408 former participants that responded to the follow-up questionnaire, 99.5 per cent of them indicated that their job performance had at least a slight improvement as a result of their participation in the training. Respondents could classify the degree of improvement of their job performance, going from "no improvement" to "very large improvement". Fifty-six per cent of them indicated that their job performance improvement was large or very large. Disaggregating the result by type of constituent organization, the most positive results were among participants from workers' organizations: 70 per cent of them reported a large or very large improvement. For participants from employers' organizations, the equivalent result was about 60 per cent, and for labour ministries or other governmental and public institutions the result was around 55 per cent.

When asked to further qualify the nature of the improvement in their performance, 59 per cent of the participants indicated that they had stepped up activities related to training and knowledge dissemination. Fifty-one per cent reported the creation of new policies and projects. Furthermore, 38 per cent stated that they had engaged in new strategic partnerships and networking.

As noted by the Board in previous discussions on this indicator and indicator 1.3, the low response rate to the follow-up assessment casts doubt over the extrapolation of these results to the entire population of participants from tripartite constituent organizations. It is thus possible that these results over-estimate the true use made by all participants of the knowledge and competencies acquired.

Efforts have been made to improve contact with former participants and thus increase the response rate. As a result, the response rate increased from 30 per cent to 38 per cent. Furthermore, to overcome the limitations in the follow-up assessment used to monitor indicators 1.2 (and 1.3), changes in the evaluation methodology will be piloted in the second half of 2014 to pave the way for a refinement of these impact indicators in the next Plan.

<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 per cent 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 per cent of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	<b>Situation at 30 June, 2014</b> 25 per cent of institutions of former participants were surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	<b>Forecast for 31 December, 2014</b> 30 per cent of institutions of former participants were surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.
<b>Comments:</b> In the same survey described under indicator 1.2, responding participants provided very positive feedback on the use made by the institutions of the knowledge and competencies acquired: 30 per cent of them reported a large or very large improvement in the organizational performance as a result of Centre's training; 43 per cent reported a moderate improvement. Disaggregating the result by type of constituent organization, the most positive results were among participants from workers' organizations: 43 per cent of them reported a large, or very large improvement, in the organizational performance.			

<b>Indicator 1.4:</b> Volume of training income linked to the ILO's 19 outcomes.			
<b>Baseline (2010)</b> 76 per cent.	<b>Target 2014</b> 80 per cent of annual training income.	<b>Situation at 30 June, 2014</b> 70 per cent of income for activities completed or started.	<b>Forecast for 31 December, 2014</b> 75 per cent of annual training income.
<b>Comments:</b> As of end June 2014, the volume of training income linked to the ILO's 19 outcomes stood at 70% of total training income. To further increase the volume of income linked to these outcomes, the Centre has embarked on a number of measures to further align its service portfolio with the Strategic Policy Framework of the ILO. A new mechanism for the programming of regional RBTC has been introduced that encourages Regional Offices to allocate resources for Centre activities that connect to country programme outcomes bundled under the ACIs introduced by the ILO in the 2014-15 Programme and Budget. Furthermore, the Centre has taken an active part in the formulation of the ACI work plans and is frequently identified in these work plans as a provider of capacity building services. Competitive bidding for technical cooperation funds now focuses more strongly on thematic areas that directly link to the ILO Strategic Policy Framework. For example, the Centre has submitted a bid for a technical cooperation project to deliver capacity building support to the Turkish Centre for Labour and Social Security Training and Research (CASGEM) with funding from the EU. The bid was prepared in close consultation with the ILO Ankara Office and connects to the Decent Work Country Programme priorities. Also, the Centre submitted a bid to promote gender equity and empowerment of women in Lebanon prepared in close consultation with the ILO Regional Office for the Arab States.			

<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 per cent.	<b>Target 2014</b> 65 per cent.	<b>Situation at 30 June, 2014</b> 44 per cent.	<b>Forecast for 31 December, 2014</b> 51 per cent.
<b>Comments:</b> As of end June 2014, the Centre was significantly short of meeting the target set under this indicator. In the case of the Employers' and the Workers' Activities Programmes, these programmes are conceived and delivered in close cooperation with the ILO Employers' and Workers' Bureaux. This also applies to academies, a number of the Masters' Programmes and many open courses that strongly rely on inputs from resource persons from ILO technical departments and field offices. In the case of tailor-made training activities, these are often requested by ILO departments and field			

offices but less frequently designed and delivered with their inputs. For example, seminars on participatory training approaches and techniques requested from DELTA typically draw on the in-house expertise of the Centre for design and delivery.

**Indicator 1.6:** Delivery of specific ILO staff development and training programmes.

<b>Baseline (2010)</b>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
517 ILO staff.	550 ILO staff.	431 ILO staff.	550 ILO staff.

**Comments:** As of end June 2014, the Centre was on track to meet the annual target for ILO staff. Activities included the facilitation of a seminar on EU funding modalities in collaboration with PARDEV, an induction training course for newly recruited ILO staff, and the first Executive Leadership and Strategic Management Programme co-facilitated with UNSSC. The Centre seeks to further expand the breadth and depth of its ILO staff development activities by way of a strategic partnership in support of the implementation of the ILO learning framework. The objectives of this new learning partnership are to (1) contribute to a qualitative improvement in the overall capacity development service model of the ILO; (2) streamline the provision of training and learning capacity-building services to ILO constituents thereby avoiding duplication, competition and overlap between the Centre and the ILO, and (3) create greater efficiency and effectiveness in the provision of these services by the Centre and the ILO and realize cost savings that can be passed on to service users. There is a separate paper before this session of the Board which provides more information on priority actions of the Centre to implement this new learning partnership.

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

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

**Indicator 2.1:** Percentage of Centre's training activities organized in partnership with either a national, regional or international training or academic institution.

<b>Baseline (2011)</b>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
17.3 per cent per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	30 per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	19 per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	17 per cent of the Centre's activities expected to be implemented in partnership with other training, research and academic institutions.

**Comments:** As of end June 2014, one out of five training activities had been delivered in partnership with other training or academic institutions. The Centre actively reached out to training institutions in the regions particularly for the delivery of tailor-made activities but also to run academies. The Centre collaborated with the UNWOMEN Training Centre in Santo Domingo to deliver training in English and Spanish on the Empowerment of Gender Focal Points in the UN System, and facilitated a faculty exchange programme with the Institute of Rural Management in Pakistan to provide young professionals from the Institute with the opportunity to get involved in training design and delivery on campus. Also, the Centre entered into a number of consortia with local training service providers to bid for technical cooperation projects, including for tenders in Lebanon and Turkey. During 2014, collaboration with the Turin-based European Training Foundation (ETF) continued to strengthen and they delivered inputs to a number of training courses on the campus, including an open course on career guidance policy and practice organised in April 2014.

<b>Indicator 2.2:</b> Annual number of participants, disaggregated by gender, and participant days.			
<b>Baseline (2010)</b>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
13,730 participants 102,365 participant days 43.2 per cent women	13,500 participants 100,000 participant days 45 per cent women	5,288 participants 44,074 participant days 42.80 per cent women	12,000 participants 100,000 participant days 43 per cent women
<b>Comments:</b> The Centre is on track to meet the target related to the number of participant days and to come close to the target for women participants but it is forecasted to fall short of the annual target for participants. The forecasted target for the annual number of participants for 2014 will however be close to the global target of 12,500 set in the Plan and will exceed performance in 2011 and 2012. The target for 2015 should be based on these underlying longer term trends.			

<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>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
Average score of 4.4 on a scale of 1 to 5.	Average score on the overall quality of training activities through end-of-course questionnaires is 4.5.	The average score on the overall quality of training activities through end-of-course questionnaires was 4.48.	Average score on the overall quality of training activities through end-of-course questionnaires: 4.5.
<b>Comments:</b> This indicator is monitored through the standard end-of-activity questionnaire. Responses are given on a scale of 1 to 5. In the first half of 2014, 2,727 questionnaires were collected for 141 training activities. The average score of the question on overall quality was 4.48. Satisfaction was particularly high in training activities targeting the region of the Americas (average score: 4.74) and lowest in training targeting Europe (average score: 4.39). Improvements were observed for training targeting the Arab States which scored lower than any other region in previous years. In terms of type of organization, participants from employers' organization were those rating the quality of the training highest (average score: 4.59). The same average rating was observed among participants from the ILO, who in previous years assessed the training at lower levels. Participants from workers' organizations, labour ministries or other governmental and public institutions, assigned on average a slightly lower score of 4.47. Disaggregating results by ILO Strategic Objective, gender, venue, or calendar versus non-calendar courses, no significant differences were found between the different categories.			

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

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

<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 million in funding and earned income in 2014 and identify at least 3 new donors.	<b>Situation at 30 June, 2014</b> Around € 14.2 million mobilized for the funding of training activities and around € 640,000 for publications. Fixed contributions of € 11.1 received or confirmed. No new donors.	<b>Forecast for 31 December, 2014</b> Around € 36.9 million expected to be mobilized by 31 December, 2014 for the funding of training activities, publications, other income, fixed contributions and surplus from prior years.  New donors: one new donor.
<b>Comments:</b> The Centre is on track to meet its annual income target. See information provided under Priority 3.			

<b>Indicator 3.2.1:</b> Management and administrative staff costs as a percentage of total staff costs.			
<b>Baseline (2010)</b> 37 per cent	<b>Target 2014</b> 33 per cent	<b>Situation at 30 June, 2014</b> 29 per cent.	<b>Forecast for 31 December, 2014</b> 33 per cent.
<b>Comments:</b> With the continuing streamlining of processes and re-organization of some administrative units, the target set for 2014 will be achieved. The situation as at 30 June, 2014 reflects only total costs recorded as that date and does not reflect staff costs forecasted for the six month period of the second half of 2014.			

<b>Indicator 3.2.2:</b> Management and administrative support costs as a percentage of total expenditure adjusted for revenue fluctuations from the 2010 baseline data.			
<b>Baseline (2010)</b> 26.8 per cent.	<b>Target 2014</b> 25 per cent.	<b>Situation at 30 June, 2014</b> 23 per cent.	<b>Forecast for 31 December, 2014</b> 25 per cent.
<b>Comments:</b> The target set for 2014 will be achieved. The situation as at 30 June, 2014 reflects only the total cost recorded as that date and does not include the total expenditure forecasted. The expenditure burn rate is typically lower in the first half of the year as it is directly correlated to the revenue flows that peak during the second half of the year. In addition, commitments for operating expenditure are raised only at the end of the year.			

<b>Indicator 3.3:</b> Timely response by management to internal and external high priority audit recommendations.			
<b>Baseline (2011)</b> <b>Internal audit:</b> 26 per cent. <b>External audit:</b> 75 per cent.	<b>Target 2014</b> <b>All high priority internal or external audit recommendations issued in 2013 addressed by management in 2014.</b>	<b>Situation at 30 June, 2014</b> Internal audit: 84 per cent. External audit: 100 per cent.	<b>Forecast for 31 December, 2014</b> Internal audit: 92 per cent. External audit: 100 per cent.

**Comments:** All high priority external and internal audit recommendations that can be implemented in the short-term are measured and will be addressed by the end of 2014. A table on the status of the implementation of internal audit recommendations is presented to the Board.<sup>10</sup>

**Indicator 3.4:** Investment in staff development as a proportion of the total payroll.

<b>Baseline (2010)</b>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
0.3 per cent of payroll.	1 per cent of payroll.	1.1 per cent of payroll.	1.3 per cent of payroll.

**Comments:** In 2014 the Centre increased its investment in the development of the staff. The training activities organized in the first half of 2014 were based on the recommendations of the Joint Staff Development Committee and taking into account the results of the learning needs assessment. Twelve language courses in five different languages were offered; new collective courses were delivered on management and leadership skills, emotional intelligence, stress management, IT security awareness, fire prevention and anti-smoking. A third round of the coaching programme was launched. In collaboration with UNSSC, the Centre runs a UN Development Programme for general service staff. Several retreats for staff were supported; all individual training requests have been satisfied when based on identified learning needs and with the support of programme managers concerned.

**Indicator 3.5:** Increased gender balance and geographical distribution of staff in professional positions.

<b>Baseline (2010)</b>	<b>Target 2013-15</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
38 per cent women professional staff 31 per cent professional staff from outside Europe	45 per cent women professional staff 35 per cent professional staff from outside Europe	43 per cent women professional staff 31 per cent professional staff from outside Europe	43 per cent women professional staff 31 per cent professional staff from outside Europe

**Comments:** Within the limited turnover of professional staff, attention was paid to redressing imbalances in gender and geographical distribution through more effective outreach to under-represented staff categories to improve the representation of both gender and geographical distribution.

**Indicator 3.6:** Utilization of the Centre's facilities including its accommodation, classroom and conference facilities.

<b>Baseline (2010)</b>	<b>Target 2014</b>	<b>Situation at 30 June, 2014</b>	<b>Forecast for 31 December, 2014</b>
Accommodation room occupancy: 63 per cent. Training facilities occupancy: 58 per cent.	Occupancy rate of 65 per cent of accommodation and 60 per cent of training facilities.	Accommodation room occupancy: 62 per cent. Training facilities occupancy: 80 per cent.	Accommodation room occupancy: 65 per cent. Training facilities occupancy: 65 per cent.

**Comments:** The average percentage of training facilities occupancy is higher than the target. A contributory factor to this is the unavailability of those training facilities in Europe Pavilion during the renovation. This led to higher overall occupancy rates. A similar trend is clear for the accommodation occupancy rates. Percentages are slightly higher due to the unavailability of 25 hotel rooms which were converted to temporary offices for staff affected by the Europe Pavilion renovation.

<sup>10</sup> CC 77/7/3.

<b>Indicator 3.7:</b> The quality of the residential accommodation.			
<b>Baseline (2012)</b> 82 per cent of participants rated quality of accommodation as good or excellent.	<b>Target 2014</b> 85 per cent of participants rate quality of accommodation as good or excellent.	<b>Situation at 30 June, 2014</b> 81 per cent of participants rated quality of accommodation as good or excellent.	<b>Forecast for 31 December, 2014</b> 85 per cent of participants rate quality of accommodation as good or excellent.
<b>Comments:</b> The hotel star rating system is regulated by regional law and is administered by the Piedmont Region in collaboration with the City of Turin and the Province. The system is designed for commercial accommodation facilities. Due to its status as a non-commercial and UN entity, the Centre has agreed with the Piedmont Region to be awarded a special classification, of a non-commercial nature. All of the documents necessary for the classification have been filed and the process is underway.			

<b>Indicator 3.8:</b> The 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.	<b>Situation at 30 June, 2014</b> Award of the Green Flag achieved in February.	<b>Forecast for 31 December, 2014</b> Action plan for the renewal of the Green Flag and continuous improvement in the greening of the campus.
<b>Comments:</b> The Centre was awarded the Green Flag in February 2014. Measures are in place to ensure the annual renewal of the certification.			

## Risk management

23. The main risks identified that could impact on the Centre's capacity to achieve the agreed targets in 2014 were kept under review by the Risk Management Committee. A breakdown of the business continuity risks contributing to the main identified risks and the mitigation actions have been continuously updated in a register; an implementation plan on the mitigation measures has been drawn up and continuously monitored. The implementation status of the risk mitigation actions is discussed and reported on by the members of the Risk Management Committee during its regular meetings.
24. The register is routinely updated to reflect any additional risks identified that might impact the Centre's business operations and hinder the achievement of its objectives. A rapid response team has been created to address operational emergencies.
25. The audit on Internal Governance at the Centre undertaken by the ILO Office of Internal Audit and Oversight (June 2014) contained a number of recommendations to improve risk management and business continuity planning at the Centre. These recommendations are under consideration by the Risk Management Committee with a view to incorporating them into the risk management system of the Centre.



APPENDIX I

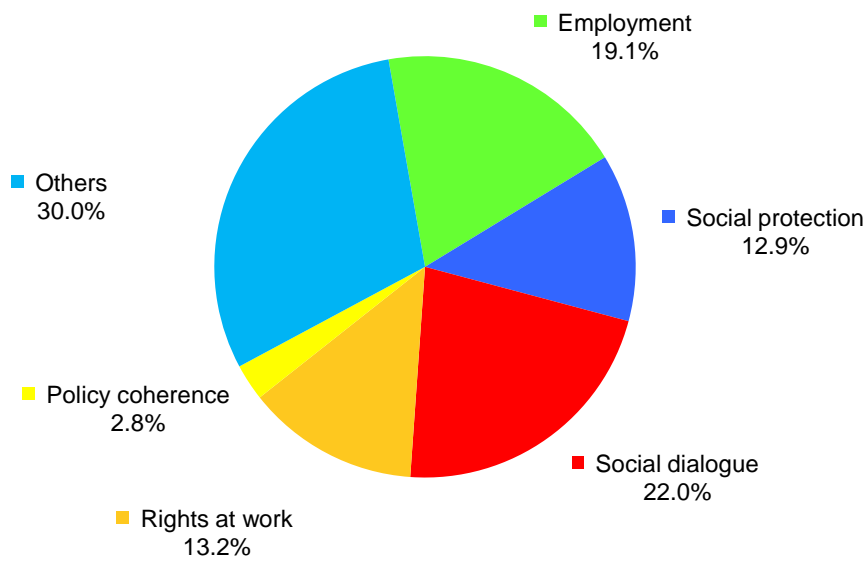
TABLE 1

DISTRIBUTION OF ACTIVITIES BY TYPE OF TRAINING

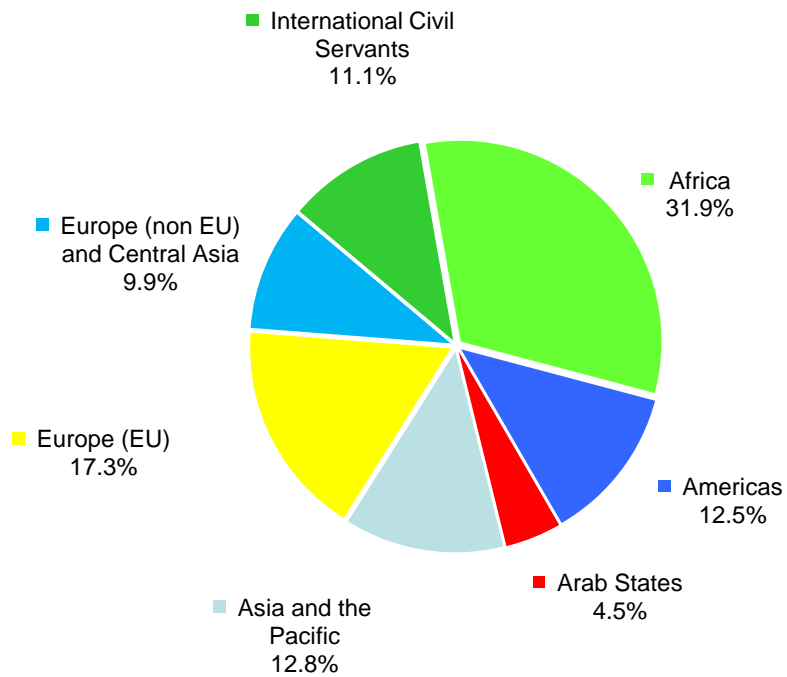
(Comparison between the first half of 2013 and the first half of 2014)

	2013				2014			
	Activities	Participants	Days of training	Participant days	Activities	Participants	Days of training	Participant days
At the Centre	83	1 856	518	11 014	98	2 129	586	11 332
In the field	141	4 110	582	16 275	85	2 368	339	9 403
Distance	12	710	122	8 474	14	389	137	3 548
Blended	16	454	628	16 286	15	402	804	19 791
<b>TOTAL</b>	<b>252</b>	<b>7 130</b>	<b>1 850</b>	<b>52 049</b>	<b>212</b>	<b>5 288</b>	<b>1 866</b>	<b>44 074</b>

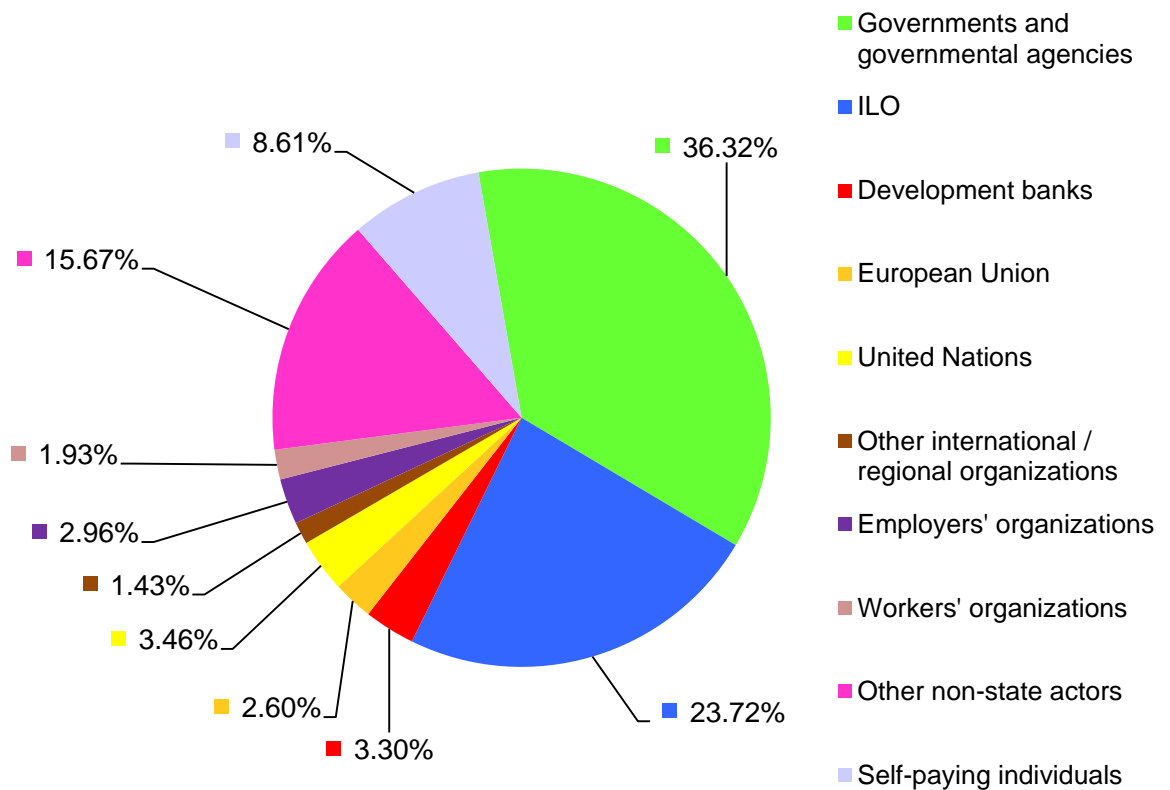
CHART A: INCOME FROM ACTIVITIES BY STRATEGIC OBJECTIVE (AS OF 30 JUNE 2014)



**CHART B: PARTICIPANTS BY REGION (AS OF 30 JUNE 2014)**



**CHART C: INCOME FROM ACTIVITIES BY SOURCE OF FUNDING IN 2014 (FORECASTS)**



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## APPENDIX II

### PROGRAMME AND BUDGET FOR THE CURRENT FINANCIAL YEAR 2014

1. In accordance with Article 8 of the Financial Regulations, a report on the implementation of the Programme and Budget for the 2014 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 75<sup>th</sup> Session (October 2013).<sup>11</sup> Account is taken of all the training activities implemented, or in progress, and all financial factors known at the end of June 2014, together with estimated financial factors for the remainder of the year.
2. Figures and indicators relevant to the 2014 programme were established in June 2014. They must be considered provisional at this time because requests for additional activities may still be included later in the year while some other activities may be postponed or dropped due to unforeseen circumstances.

### INCOME

#### Chapter I (voluntary contributions)

3. The International Labour Organization contributed €2,987,000 (US\$4,120,000) to the running costs of the Centre in 2014. The Italian contribution (*ex-lege*) of €7,850,000 was included in the budget. At the time of writing this report, half of this contribution had been paid. The €250,000 contribution from the Government of Portugal was received and included in the budget.
4. The total income from voluntary contributions included in the estimate amounts to €11,087,000.

#### Chapter II (earned income and use of surplus)

5. Items 20 and 21, income from the 2014 revised programme of activities, should total €23,900,000. This pertains to both training, advisory services and publications.
6. Miscellaneous income within the provisions of item 22 of the budget is expected to amount to €1,200,000.
7. The earned income forecast for 2014 in Chapter II of the budget is thus expected to total €25,100,000.
8. Item 23, utilization of previous years' surplus, included a transfer from reserves to income of €716,000.

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<sup>11</sup> Document CC 75/4.

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## STAFF COSTS

9. Staff costs have been recalculated at €17,137,000 and can be broken down as follows:

	<b>Euro</b>
Regular budget staff costs	14 514 000
Project-based staff costs	2 623 000
	<b>Total 17 137 000</b>

10. This estimate is 3.0 per cent lower than the original budget.

## NON-STAFF COSTS

### Fixed costs

11. Fixed costs have been recalculated at €6,261,000 and can be broken down as follows:

	<b>Euro</b>
Consultants	511 000
Facilities	1 946 000
Security	393 000
General operating expenses	959 000
Missions and representation	232 000
Governance	387 000
Information technology	1 455 000
Depreciation of fixed assets	378 000
	<b>Total 6 261 000</b>

12. This estimate is 1.4 per cent higher than the original budget

### Variable expenses

13. Excluding project-based staff costs, these are estimated at €13,452,000 on the basis of the latest review of the programme of activities envisaged in 2014, including the increased participation of workers' and employers' representatives. 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.

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## OPERATING RESULT

14. The revised estimates for 2014 envisage a budget income of €36,903,000 against expenditure totalling €36,849,000 giving an operating surplus of €53,000.

## CAMPUS IMPROVEMENT FUND

15. The Campus Improvement Fund had a balance of €1,370,000 at the beginning of the year, which included the €368,000 contribution received from the *Compagnia di San Paolo* in 2013. Added to this balance in the 2014 updated budget estimates are: €200,000 from the 2012 surplus; €250,000 from the City of Turin for extraordinary maintenance of the Centre's facilities and maintenance of its green area; €1,118,000 from the *Compagnia di San Paolo* and €200,000 from the Turin Chamber of Commerce for the renovation of Pavilion Europe. Total expenditure estimated in 2014 is €3,104,000 out of the available resources of €3,156,000.

## INNOVATION FUND

16. The amount of €201,000 remaining in the Innovation Fund is estimated to be spent in full in 2014 to support further innovations in learning and training.

## SYNOPSIS OF BUDGET FORECASTS FOR 2014

(in thousands of euro)

Chapter	Item	Title	2013 Actual	2014 Approved Budget	2014 Estimates
<b>Part A – REVENUE</b>					
<b>I</b>	<b>Voluntary contributions</b>				
	10	International Labour Organization	3 297	3 354	2 987
	11	Government of Italy ( <i>ex-lege</i> )	7 850	7 850	7 850
	12	Government of France	25	-	-
	13	Piedmont Region (Italy)	100	-	-
	15	Government of Portugal	250	-	250
<b>Total Chapter I</b>			<b>11 522</b>	<b>11 204</b>	<b>11 087</b>
<b>II</b>	<b>Earned Income</b>				
	20	Income from training activities	26 358	21 400	22 600
	21	Income from publications	1 723	1 200	1 300
	22	Other income	1 154	1 200	1 200
<b>Total earned income</b>			<b>29 235</b>	<b>23 800</b>	<b>25 100</b>
	23	Use of Surplus	81	1 134	716
<b>Total Chapter II</b>			<b>29 316</b>	<b>24 934</b>	<b>25 816</b>
<b>TOTAL BUDGET INCOME</b>			<b>40 838</b>	<b>36 138</b>	<b>36 903</b>
<b>Part B – EXPENDITURE</b>					
<b>III</b>	<b>Staff Costs</b>				
	30	Regular budget staff costs	14 657	15 062	14 514
	31	Project based staff costs	2 600	2 600	2 623
<b>Total Chapter III</b>			<b>17 257</b>	<b>17 662</b>	<b>17 137</b>
	<b>Non Staff Costs</b>				
<b>IV</b>	<b>Fixed expenses</b>				
	40	Consultants	430	433	511
	41	Facilities	2 251	1 910	1 946
	42	Security	372	375	393
	43	General operating expenses	793	933	959
	44	Missions and representation	202	221	232
	45	Governance	200	400	387
	46	Information technology	1 386	1 524	1 455
	47	Depreciation of fixed assets	285	380	378
<b>Total Chapter IV</b>			<b>5 919</b>	<b>6 176</b>	<b>6 261</b>
<b>V</b>	<b>Variable expenses</b>				
	50	External collaborators	5 219	4 300	4 234
	51	Missions	797	600	623
	52	Participants costs	5 360	5 370	5 977
	53	Books, training aids and materials	612	420	498
	54	Training facilities and services outside Turin	1 385	520	996
	55	Other variable costs	190	110	125
	56	Costs related to income from publications	1 003	780	800
	57	Other costs related to other income	232	200	200
<b>Total Chapter V</b>			<b>14 798</b>	<b>12 300</b>	<b>13 452</b>
<b>TOTAL EXPENDITURE</b>			<b>37 974</b>	<b>36 138</b>	<b>36 849</b>
<b>Budget surplus (deficit)</b>			<b>2 864</b>	<b>-</b>	<b>53</b>

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<b>Other items</b>		
58	Decrease in provision for doubtful accounts	<u>19</u>
61	Exchange gain (loss) and revaluation, net	<u>(8)</u>
	<b>TOTAL OTHER ITEMS</b>	<b>11</b>
	<b>NET BUDGET SURPLUS</b>	<b><u>2 875</u></b>