

Board of the Centre

75th Session, Turin, 17 - 18 October 2013

CC 75/2

FOR DISCUSSION AND GUIDANCE

SECOND ITEM ON THE AGENDA

Interim Implementation Report for 2013

Introduction

1. The year 2013 is the second year of implementation of the Strategic Plan for 2012-15 (the Plan) adopted by the 73rd Session of the Board in November, 2011.¹ This report covers the first half of 2013 and provides information on the progress made towards the achievement of the targets set down in the Programme and Budget for 2013 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 2013 has seen an increase in income, number of training activities and number of participants. This represents a steady and sustainable recovery in training activities reflecting the successful efforts of staff and management to adapt to the new resource environment, to innovate and to achieve cost efficiencies. Other important positive developments in the first half of 2013 include the decision of the Government of Italy to make a new voluntary contribution to the Centre; the signing of a number of funding agreements with new partners, including the Government of Japan, and a number of new partnership/cooperation agreements.
3. Collaboration with the ILO has been excellent. Additional resources were allocated to the Centre to support a range of ILO related training activities, including the design and development of new products and training courses for a selected number of Areas of Critical Importance (ACIs). The Centre continued to be an active participant in the ILO reform process. The Deputy Director-General for Field Operations and Partnerships visited the Centre in May, 2013. Arising from this visit, a new Framework for Strengthened Cooperation between the Centre and the Department of Partnerships and Development Cooperation (PARDEV) was put in place.
4. Ten academies were held in the first half of 2013, including six on the ILO Maritime Labour Convention, 2006. A new Academy on Youth Development attracted wide interest and support. The Turin School of Development launched 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, as well as the first edition of the French version of the Master in Public Procurement Management for Sustainable Development in collaboration with SciencesPo.
5. The Centre participated in the first round of reporting on the UN System-wide Action Plan for Gender Equality and the Empowerment of Women (UN-SWAP). In its analysis of the results achieved, UN Women stated that the Centre's "use of a gender marker used to determine the integration of gender issues in the specific implementation of courses and other capacity-building activities makes it a System-wide leader in the area of programme review." The Centre met the requirements for ten of the 15 performance indicators and approached requirements in another four. UN Women encouraged the Centre "to build on its significant successes in the area of gender equality and the empowerment of women to set higher targets where feasible for 2014."
6. The Innovation Fund continued to support a number of key projects. Additional resources were allocated to the following three areas: development of new products or the updating of existing products related to the ILO's eight ACIs; an in-depth review of the way gender equality is mainstreamed in the design and delivery of certain curricula, and the design and implementation of a centralized e-campus. A plan to implement a harmonized certification

¹ CC 73/7.

framework was agreed as well as a communication strategy accompanied by new promotional activities.

7. The following paragraphs of this report provide:
 - information on actions taken in the first half of 2013 in relation to the five strategic priorities set down in the Plan;
 - a status report on progress made towards meeting the 2013 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 2013. 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 2013.

Progress report on implementation

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

10. When the Strategic Plan for 2012-15 was adopted in November 2011, it stated as follows:²

“This is the first time that the Centre is using an explicit results-based framework [...]. [M]any of the targets have been deliberately set at an ambitious level as it is recognised that this is a learning exercise for the Centre which will evolve in the light of experience. Inevitably, some of the targets will not be achieved but this risk is accepted as underlying this exercise is a strong commitment to do things better, to change and to innovate.”

11. In the second year of implementation of the results-based framework, challenges have clearly emerged in relation to a number of targets. Specifically, the targets set under indicator 1.1 concerning the annual number of participants from tripartite constituent organisations out of the total number of participants will not be met. It is now clear that the targets set under this indicator underestimated the disproportionate impact of the reduction in voluntary funds on the participation of the tripartite constituents in training activities. In addition, the targets were based on an important assumption that two major Employers’ and Workers’ projects funded by Spain would be renewed. The decision by Spain in 2012 to discontinue these projects was not foreseen and has been an important contributory factor to the reduction in the number of participants in the Workers’ and Employers’ Programmes. The cumulative impact of the reduction in voluntary funds and the discontinuation of the projects funded by Spain meant that the targets set under indicator 1.1 were not reached in 2012 and will not be reached in 2013. While the statistics under indicator 1.1 for the first half of 2013 show a recovery, there is still an important gap. Additional resources have already been allocated to the Workers’ and Employers’ Programmes in the second half of 2013 and progress will continue to be carefully monitored. In the light of this experience, the targets for 2014 under indicator 1.1 are proposed at a more realistic and attainable level. These adjustments will be accompanied by a package of complementary measures to increase support to both the Workers’ and Employers’ Programmes.

12. The formulation of indicator 3.2 is also problematic. The current formulation of the indicator does not lend itself to meaningful measurement as it contains within itself an anomaly. Total staff costs include project-based staff costs which vary according to the level of training revenue. Administrative and support staff costs as a percentage of total staff costs, are also driven by changes in the levels of income i.e. administrative and support staff costs as a percentage of total staff costs decline when income rises and *vice versa*. So, even when efficiency measures are implemented leading to a reduction in costs in the administrative and support area, these will not be reflected under this indicator as it does not measure what is happening with administrative and support costs *per se*. For these reasons, a reformulation of this indicator is proposed for 2014 designed to capture the trend in overall administrative and support costs, including staff costs, compared to total expenditure which is a more meaningful way of measuring efficiency gains in administrative and support costs and tracking the trend over time.

13. The Centre continues to link its training activities to ILO outcomes and to actively participate in ILO outcome-based work planning processes. In 2012, the Centre exceeded the target set for the percentage of training activities designed and delivered in collaboration

² Results-based Strategic Plan for 2012-15 (para.20).

with ILO technical departments and field offices and is forecasted to meet its target for 2013. The Centre will participate in the preparation of the next ILO Strategic Policy Framework and align its next Strategic Plan to its overall priorities and strategies.

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

14. The first Annual Implementation Report for 2012 is presented to this session of the Board.³ It provides data for the full year as well as providing an overall analysis of the results and progress made in 2012. This Interim Implementation Report covering the first half of 2013 provides an opportunity to the Board to give guidance and feedback to management in relation to progress and performance thus far in 2013.
15. 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 2012.⁴ A paper on the status of implementation by the Centre of internal audit recommendations is also presented to the Board.⁵
16. The Plan for the Audit of the 2013 Financial Statements is presented to the Board by the External Auditors.⁶

Priority 3: Diversifying the resource base and increasing outreach

17. A number of positive developments have had an impact on the overall volume of activities implemented in the first half of 2013 and planned for the remainder of the year. The ILO allocated additional resources to the Centre to implement ILO related training activities and the Government of Italy announced a new voluntary contribution. Also, an additional allocation for training activities was released from the Centre's 2011 surplus. As a result of these decisions, the Centre can count in 2013 on a larger amount of un-earmarked or lightly earmarked resources that can be strategically used to support institutional priorities and to generate co-financing. Furthermore, the new Framework for Strengthened Cooperation between PARDEV and the Centre facilitates the better integration of the Centre into the ILO's technical cooperation and resource mobilization strategies.
18. A number of partnership and resource mobilization initiatives came to fruition in the first half of 2013. The Centre - through the ILO - signed its first agreement with the Government of Japan for US\$300,000 including the assignment of a Japanese expert to the Centre. The Government of Portugal approved a new training programme on skills and employment for Portuguese-speaking countries. The Centre has an active dialogue with other potential donors including the Republic of Korea and Qatar. Collaboration already started with the Ministry of Labour of Qatar with a training course for labour inspectors. A new agreement was signed with the Federal Ministry of Labour and Productivity of Nigeria and its National Institute for Labour Studies for the delivery of training courses on pension reform. The two-year (2013-14) partnership with the Walloon Government was renewed; three projects were funded for an amount of €19,951. Fresh contributions were received, or pledged, for specific activities from the development agencies of Australia, France, Germany, Luxembourg and the Organization of American States. The collaboration with the African Development Bank, initiated in 2012, continued in 2013 in the field of youth employment. A training programme on contract management for the Ministry of Education of Iraq (US\$298,221) was funded by

³ CC 75/1.

⁴ CC 75/5/3.

⁵ CC 75/5/4.

⁶ CC 75/5/2.

the World Bank. AGFUND continued its support with financial support to projects in Kenya (US\$80,000) and Zambia (US\$65,000). For the third consecutive year, the Technical and Vocational Training Corporation of Saudi Arabia renewed its partnership with the Centre for US\$500,000 for a staff development programme. Competitive bidding resulted in the acquisition of two new EC-funded projects for Rwanda and for the Euro-Mediterranean.

19. New non-state donors in 2013 include the Jacobs Foundation for the Academy on Youth Development. The Dutch Employers' Organization maintained its financial support to the Employers' Programme and the Friedrich Ebert Foundation and JILAF to the Workers' Programme. The cooperative agreement with the Inter-American Foundation was renewed for new training materials and courses for Latin America (US\$151,920).
20. Joint work was maintained with a variety of UN partners such as UNDP, UNECE, UNMIL, UNITAR, OHCHR, UN Women, OCHA, IFAD, FAO as well as with the UN System Staff College. The Centre signed, or renewed, collaboration agreements with several national technical, training, research and academic institutions in Brazil, Bulgaria, Cameroon, China, France, India, Italy, Nigeria, Pakistan, Peru, South Africa, Spain, Thailand, the United Kingdom and the United States.
21. A pilot was conducted with a number of training programmes to improve the promotion of training activities and help the Centre to manage its relationship with constituents, donors, and partners in a more structured way. Options are being reviewed on how to introduce the new system Centre-wide.
22. Work has started on a unified web presence by improving web publishing procedures and migrating the wide range of currently fragmented websites. This will contribute to better outreach and visibility and is an important building block in the on-going effort to create and implement a more coherent and effective external communication strategy. New promotional activities were undertaken including Knowledge Fairs, production of a new brochure and a new promotional display stand.

Priority 4: Reforming internal operating and administrative procedures

23. The process of reform of internal operating and administrative procedures continued in 2013 with the implementation of the following measures:
 - re-organization of the budgeting and financial services in line with long-standing recommendations of both the External Auditors and Internal Auditors;
 - rationalization of the internal workflow related to financial management and reporting;
 - deployment of new tools to streamline activity budgeting and invoicing processes;
 - implementation of an electronic system for payroll payments leading to reduced bank charges and improved operational efficiency;
 - implementation of IPSAS with the corresponding improvements in the management and custody of assets, enhanced management of receivables, better tracking and management of sponsor agreements, comprehensive information on costs and revenue as the basis for decision-making, and improved planning of capital acquisition and resource budgeting;
 - completion of the technical phase of the Business Intelligence project with the objective of providing management with real-time key business information. The system should go live by September 2013;
 - implementation of several IT infrastructure projects to improve security, deliver new services and modernize and improve efficiency of the IT Data Centre. A study of the next generation IT Data Centres has been launched with emphasis on improved business

continuity and disaster recovery, reduced total cost of ownership, faster and more dynamic service delivery capabilities, and green IT;

- implementation of a new e-leave management system built on the e-HR database which became operational last year. A new e-training database and a new e-recruitment system are planned.

Priority 5: Upgrading the campus facilities

24. The programme of improvement works to upgrade the campus facilities and its technological infrastructure continued. The main improvements implemented were:

- a new access system aligning the Centre with recommended UN Minimum Operational Security Standards (MOSS);
- deployment of Wi-Fi infrastructure campus-wide covering all public spaces in the campus as well as the hotel rooms, classrooms and offices;
- completion of the technical project for the refurbishment of the Europe Pavilion and launch of the tendering process with a view to commencing the works in October 2013;
- preparation of a comprehensive Emergency and Evacuation Plan;
- implementation of further improvements to increase accessibility for persons with disabilities;
- replacement of the air conditioning system in one of the buildings of the campus with more efficient technology in terms of energy consumption; and
- improvements to the residential facilities.

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

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

Indicator 1.1: Annual number of participants, disaggregated by gender, from tripartite constituent organizations out of the total number of participants.			
Baseline (2010)	Target	Situation at 30 June, 2013	Forecast for 31 December, 2013
1,346 employer participants	1,500 employer participants	535 employer participants	1,100 employer participants
1,937 worker participants	2,200 worker participants	737 worker participants	1,650 worker participants
1,293 labour ministry participants	1,500 labour ministry participants	537 labour ministry participants	1,100 labour ministry participants
3,500 other governmental and public institutions participants	3,500 other governmental and public institutions participants	2,577 other governmental and public institutions participants	4,000 other governmental and public institutions participants
40.2% women	42% women	39.2% women	42% women
<p>Comments: The volume of activities in 2013 has been positively influenced by the decision of the Government of Italy to make a voluntary contribution to training activities, by the additional resources from the ILO and, in general, the acceleration of joint-work with the Office in the second year of the ILO biennium. The availability of captive funds is producing a positive impact on the participation of workers' and employers' representatives in the training activities of the Centre. As concerns participation from governments and public institutions, the data may not be 100 per cent accurate as sometimes it is difficult to identify the legal and statutory nature of entities sending participants to standard courses. The relatively large number of representatives from government and public institutions is essentially explained by the implementation of two important training projects on public procurement in the Balkans and in Rwanda as well as training programmes for managers and trainers of the Technical and Vocational Training Corporation of Saudi Arabia and of El Salvador's Vocational Training Institute. The rate of women's participation among constituent institutions is just below the annual target.</p>			

Indicator 1.2: The use made by participants of the knowledge and competencies acquired.			
Baseline (2011)	Target	Situation at 30 June, 2013	Forecast for 31 December, 2013
99.4% of former participants responding to ex-post surveys indicated at least some improvement in their performance as a result of their participation in the training and learning activities.	60% of former participants from labour ministries, employers' and workers' organizations responding to ex-post surveys indicate that their performance improved as a result of their participation in the Centre's training and learning activities.	98.8% of former participants from labour ministries, employers and workers' organizations responding to ex-post surveys indicated that their job performance improved as a result of the training.	98% of former participants from labour ministries, employers and workers' organizations responding to ex-post surveys indicate that their job performance improved as a result of the training.
<p>Comments: The reported values are based on the standardized follow-up evaluation. An on-line ex-</p>			

post survey is sent to all participants in standard courses, 6-8 months after the course ends. In the first semester of 2013, 89 former participants in standard courses from labour ministries, employers' and workers' organizations responded to the ex-post survey. Current results are very similar to those obtained for 2012. 100 per cent of these participants reported that their professional competencies have been strengthened by the training. With improved competencies, almost 99 per cent indicated at least a slight improvement also in their job performance; for 67 per cent, this improvement was large or very large. Among participants who are not ILO constituents, 46 per cent reported a large or very large improvement in their job performance. Both the use of materials distributed during the training and the exploitation of professional networks established over the training seem to support improvements in job performance: 67 per cent of the participants make a very frequent use of the training materials and 52 per cent use often or very often the professional networks.

In the interpretation of these results, the response rate of the ex-post survey must be taken into account. Around 70 per cent of the former participants did not provide a response. This may be explained by changes in the contact details, technological difficulties, or lack of interest.

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

Baseline (2011)	Target	Situation at 30 June, 2013	Forecast for 31 December, 2013
16% of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	10% of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	22% of institutions of former participants were surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	20% of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.

Comments: The reported values are based on the standardized follow-up evaluation, which is limited to standard courses. The training impact on the institutions is assessed through the former participants' direct feedback. To measure this indicator, the assumption that each participant represents a different institution is necessary. In the first half of 2013, 706 government, employers' or workers' institutions participated in standard courses and were surveyed. 210 of them provided a response: 96 per cent indicated at least a slight improvement in the general performance of their organization as a result of the training, and around 29 per cent reported a large or very large improvement. ILO constituents report more positive results than non-constituents. Among these, 88 per cent indicate at least a slight improvement in the institutional performance, with 22 per cent classifying it as large or very large. Respondents indicate also that the impact of the training goes beyond their own institution, with 70 per cent of participants reporting a non-negligible impact outside their organization.

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

Baseline (2010)	Target	Situation at 30 June, 2013	Forecast for 31 December, 2013
76%.	78% of annual training income.	75% of income for activities completed or started.	80% of annual training income.

Comments: This indicator is particularly sensitive to the funding portfolio of the Centre. The increase in un-earmarked resources and the acceleration of joint-activities with the ILO in the second year of each biennium have increased the possibility of allocating funds to ILO priorities compared to 2012. The Centre has also been proactive in investing time and resources to develop, update or fine tune its training products that are relevant to the newly defined ILO Areas of Critical Importance (ACIs). While the definition of the scope and coverage of ILO's eight ACIs is still work in progress, the Centre has taken initial steps to organize and classify its activities by ACI and to invest in the development or upgrading of its training tools related to a number of ACIs. The Centre estimates that around 35 to 40 per cent of its training activities in 2013 could be directly linked to one or more ACI.

Indicator 1.5: Percentage of Centre's training activities designed and delivered in collaboration with ILO technical departments and offices.

Baseline (2011)	Target	Situation at 30 June, 2013	Forecast for 31 December, 2013
65.8%.	50%.	42.5%.	50%.

Comments: This indicator covers both tailor-made activities designed and implemented upon request and in collaboration with the ILO and the active involvement of ILO's technical sectors and specialists in the delivery of standard courses and academies. Data show that the level of collaboration between the Centre and different ILO technical sectors and offices is currently high, although it is sometimes ad hoc and decentralized. In some areas, the entire training programme of the Centre is conceived and delivered in cooperation with the relevant ILO technical departments. In the first half of 2013, the rate was slightly lower due to a large number of workshops held in the framework of two training projects on public procurement.

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

Baseline (2010)	Target	Situation at 30 June, 2013	Forecast for 31 December, 2013
517 ILO staff.	550 ILO staff.	305 ILO staff.	550 ILO staff.

Comments: Activities implemented for ILO staff in the first half of 2013 do not include the self-learning induction modules on international labour standards, tripartism and gender equality, as the administration of these platforms has now been transferred to ILO/HRD. ILO staff development and training included two knowledge-sharing workshops on green jobs; one workshop on SCORE; an orientation course for new officials; a course on project design and implementation; a new evaluation managers certification programme; a new edition of the courses on research skills as well as a new course on resource mobilization vis-à-vis the European Union. In addition, there is a general positive trend in relation to the participation of ILO staff in standard courses of the Centre.

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

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

Indicator 2.1: Number of training activities organized in partnership with either a national, regional or international training or academic institution.			
Baseline (2011) 17.3% of the Centre's activities implemented in partnership with other training, research and academic institutions.	Target 10% of the Centre's activities implemented in partnership with other training, research and academic institutions.	Situation at 30 June, 2013 17.9% of the Centre's activities implemented in partnership with other training, research and academic institutions.	Forecast for 31 December, 2013 17.5% of the Centre's activities expected to be implemented in partnership with other training, research and academic institutions.
Comments: This indicator was measured in 2011 for the first time. A substantial number of activities are implemented jointly with international, regional or national training, research and academic institutions. Some are the result of institutional partnerships, others of ad hoc collaboration.			

Indicator 2.2: Annual number of participants, disaggregated by gender, and participant days.			
Baseline (2010) 13,730 participants 102,365 participant days 43.2% women	Target 12,500 participants 100,000 participant days 44% women	Situation at 30 June, 2013 7,112 participants 50,622 participant days 41.9% women	Forecast for 31 December, 2013 13,500 participants 100,000 participant days 43% women
Comments: The combination of additional ILO funds, the new voluntary contribution from Italy, the increased volume of joint-activities with the Office in the second year of the biennium and the diversification of funds, are having a very positive impact on the volume of training activities. The share of women participants has remained quite stable for a number of years, with variations linked to the geographic and institutional background of participants.			

Indicator 2.3: Level of satisfaction of participants with the quality of the training and its relevance for their institutional objectives through end-of-course evaluation questionnaires, ex-post surveys and feedback from the Past Participants' Network.			
Baseline (2010) Average score of 4.4 on a scale of 1 to 5.	Target Average score on the overall quality of training activities through end-of-course questionnaires is 4.5.	Situation at 30 June, 2013 The average score on the overall quality of training activities through end-of-course questionnaires was 4.41.	Forecast for 31 December, 2013 Average score on the overall quality of training activities through end-of-course questionnaires is 4.40.
Comments: A comparative analysis of participants' feedback in 2012 and in the first half of 2013 yields similar results. On a scale of 1 to 5, satisfaction with the overall quality had a slight decrease from 4.43 in 2012 to 4.41 in the first semester of 2013. As observed in the past, the overall quality was assessed more positively among participants from labour ministries, employers' and workers' organizations (between 4.47 and 4.54). Disaggregating results by region, the most positive results are found for			

training targeting the Americas (average score: 4.60). On the other side, the overall quality of training targeting the Arab States is on average 4.29.

In terms of evaluation of specific characteristics of the training, all of them registered a similar small decrease compared to 2012. The only question that remained exactly at the same level was the relevance of the training to the needs of the participants' institution (average score: 4.45).

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

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

Indicator 3.1: Increase the diversification and predictability of the Centre's financial resources.			
Baseline (2008-11) €157 million Baseline (2010) 2 new donors.	Target Mobilize an overall volume of €40 million in funding and earned income in 2013 and identify at least 2 new donors.	Situation at 30 June, 2013 Around €14.2 million mobilized for the funding of training activities and around €650,000 for publications. Fixed contributions of €11.5 million received or confirmed. New donors: Japan, Qatar, Jacobs Foundation	Forecast for 31 December, 2013 Around €36.2 million expected to be mobilized by 31 December, 2013 for the funding of training activities, publications, other income, fixed contributions and surplus from prior years. New donors: Japan, Qatar, Jacobs Foundation
Comments: The re-establishment of an annual contribution from Italy and the improvement in the planning and allocation of ILO RBTC and other funds, in addition to responding to paying demand and bidding opportunities, have enhanced the volume and predictability of resources. Three new donors materialized in the first half of 2013, namely the Government of Japan (through the ILO), Qatar and the Jacobs Foundation. Donor diversification has been sought both through direct contacts and through improved integration of the Centre into ILO resource mobilization strategies and mechanisms.			

Indicator 3.2: Administrative and support staff costs as a percentage of total staff costs.			
Baseline (2010) 37%.	Target 35%.	Situation at 30 June, 2013 34%.	Forecast for 31 December, 2013 34%.
Comments: With the continuous streamlining of processes and re-organization of some administrative units, it is expected that the target set for 2013 will be achieved. The situation as at 30 June, 2013 reflects only the total cost recorded as that date and does not include the total expenditure forecasted. For example staff costs relating to employee benefits and commitments for operating expenditure are raised only at the end of the year. Having regard to the anomalies and measurement problems associated with this indicator, it is proposed to reformulate it in 2014 to provide a more accurate way of measuring administrative and support efficiencies (see para. 12).			

Indicator 3.3: Timely response by management to internal and external high priority audit recommendations.			
Baseline (2011) Internal audit: 26%.	Target All high priority internal or external audit	Situation at 30 June, 2013 Internal audit:	Forecast for 31 December, 2013 Internal audit:

External audit: 75%.	recommendations issued in 2013 addressed by management in 2013.	92%. External audit: 90%.	100%. External audit: 100%.
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Comments: All high priority external and internal audit recommendations that can be implemented in the short-term will be addressed by the end of 2013. A table on the status of the implementation of internal audit recommendations will be presented to the Board in 2013.

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

Baseline (2010) 0.3% of payroll.	Target 2013 1.0% of payroll.	Situation at 30 June, 2013 0.7% of payroll.	Forecast for 31 December, 2013 1.1% of payroll.
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Comments: Since the beginning of 2013, the Centre has significantly increased the learning and training opportunities for staff to allow them to develop their expertise and potential, while keeping their engagement at the highest level. The 2013 staff training and development programme is based on a comprehensive learning needs assessment which was completed in early 2013. The Joint-Training Committee is responsible for prioritizing the activities and recommending the allocation of resources. All individual training requests have been satisfied when based on identified learning needs and with the support of programme managers. Thirteen language courses in five languages were offered; new collective courses were delivered on stress management, updating on learning technologies, presentation skills, marketing and tendering, IT security awareness and other IT courses, performance management, fire prevention and ergonomics, appreciative inquiry methodologies and leadership. A second round of the coaching programme was launched and funds were allocated to respond to increasing individual learning needs. At end of June 2013, 138 staff (76 per cent) have participated in some form of learning or training activity.

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

Baseline (2010) 38% women professional staff 31% professional staff from outside Europe	Target 2013-15 45% women professional staff 35% professional staff from outside Europe	Situation at 30 June, 2013 45% women professional staff 33% professional staff from outside Europe	Forecast for 31 December, 2013 45% women professional staff 33% professional staff from outside Europe
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Comments: Although staff movements in professional positions were very limited during the period under review, increased attention was paid to redressing imbalances in gender and geographical distribution through more effective outreach to under-represented staff categories, which resulted in a positive improvement in the representation of both staff categories compared to the baseline.

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

Baseline (2010) Accommodation room occupancy: 63%. Training facilities occupancy: 58%.	Target 2013 Occupancy rate of 63% of accommodation and 58% of training facilities.	Situation at 30 June, 2013 Accommodation room occupancy: 55%. Training facilities occupancy: 58%.	Forecast for 31 December, 2013 Accommodation room occupancy: 63%. Training facilities occupancy: 58%.
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Comments: The data available for the first half of 2013 show higher occupancy rates for room and training facilities compared with the same period of 2012, with an increase of respectively two and four per cent compared with 2012. Usually, the first half of the year traditionally has lower levels of occupancy, as a substantial number of training activities normally take place in the second half of the year. This explains the relatively low figures shown as at 30 June, 2013 compared with the annual targets.

Indicator 3.7: The quality of the residential accommodation.			
Baseline (2012)	Target 2013	Situation at 30 June, 2013	Forecast for 31 December, 2013
Average of 82% of participants rated quality of accommodation as good or excellent.	85%.	86% of participants rated quality of accommodation as good or excellent.	85%.
<p>Comments: Given the non-commercial nature of the Centre, the campus residential facilities cannot be formally classified under the star rating scheme administered by the Piedmont Region in collaboration with the City of Turin and the Province. Discussions with the Region are underway to launch a voluntary accreditation process to assess the quality of the accommodation in accordance with the regional certification scheme. Pending progress on the above, a complementary indicator to evaluate the quality of the residential accommodation has been developed based on participants' satisfaction as assessed through end-of-course evaluation questionnaires. The baseline for this indicator was established in 2013. The situation as at 30 June 2013 shows a positive trend above the target set for 2013.</p>			

Indicator 3.8: The environmental status of the campus.			
Baseline (2012)	Target 2013	Situation at 30 June, 2013	Forecast for 31 December, 2013
Two of the seven steps completed for the award of the Green Flag.	Completion of two more of the remaining five mandatory steps for the award of the Green Flag.	The completion of two further steps for the award of the Green Flag is under way, i.e. the environmental review of the Centre's operations and the preparation of an action plan.	The environmental review and the action plan will be completed.
<p>Comments: The Centre completed in 2012 two of the seven steps required by the Eco-Schools certification programme. Work to complete two additional steps, namely the Environmental Review and the preparation of an Action Plan is well under way. Activities on other mandatory steps of the programme have also been started in 2013 including the definition of monitoring and measurement indicators, awareness raising and communication activities and review of training curricula.</p>			

Risk management

25. The main risks that could impact on the Centre's capacity to achieve the agreed targets in 2013 were kept under review by the Risk Management Committee. A breakdown of the business continuity risks and the mitigation actions are listed in a register; an implementation plan has been drawn up on the mitigation measures. The register is regularly updated by the

members of the Risk Management Committee to reflect the implementation status of the risk mitigation actions.

- 26.** Following the adoption of ISO 27001 as a formal standard for IT security, IT security policies were published and staff training for IT security awareness was delivered. The IT Business Continuity Plan has been documented and the related staff training and the simulation tests were conducted. The plan became operational as of March 2013.

Turin, 11th September 2013

APPENDIX I

TABLE 1

DISTRIBUTION OF ACTIVITIES BY TYPE OF TRAINING
(Comparison between the first half of 2012 and the first half of 2013)

	2012				2013			
	Activities	Participants	Days of training	Participant days	Activities	Participants	Days of training	Participant days
At the Centre	79	1,690	474	9,827	83	1,856	518	11,014
In the field	101	2,237	464	10,417	141	4,101	582	16,239
Distance	16	693	148	6,190	12	697	112	7,035
Blended	10	278	504	13,081	16	458	628	16,334
TOTAL	206	4,898	1,590	39,515	252	7,112	1,840	50,622

CHART A: INCOME FROM ACTIVITIES BY STRATEGIC OBJECTIVE
(30 JUNE, 2013)

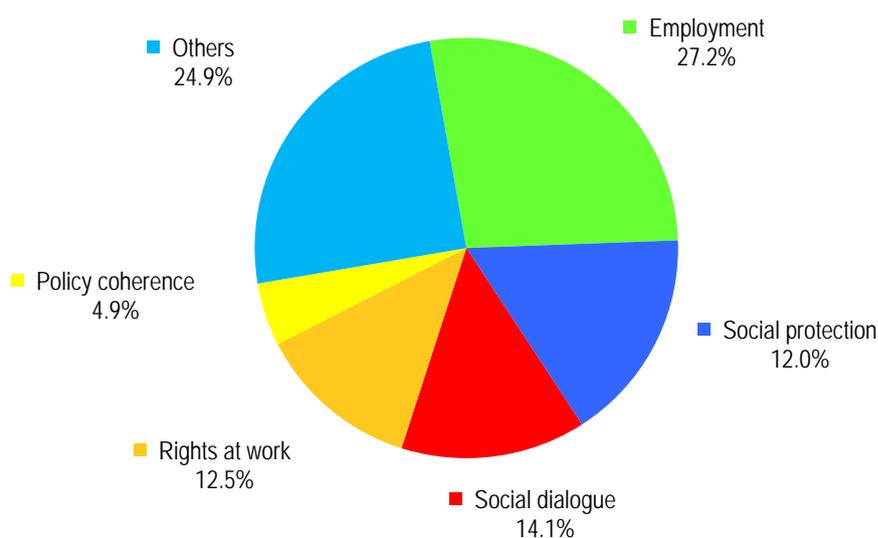


CHART B: PARTICIPANTS BY REGION (30 JUNE, 2013)

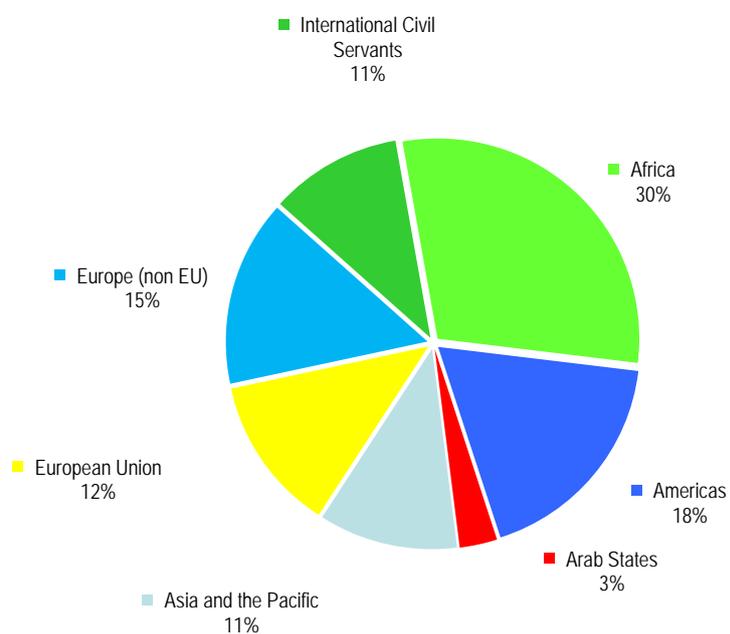
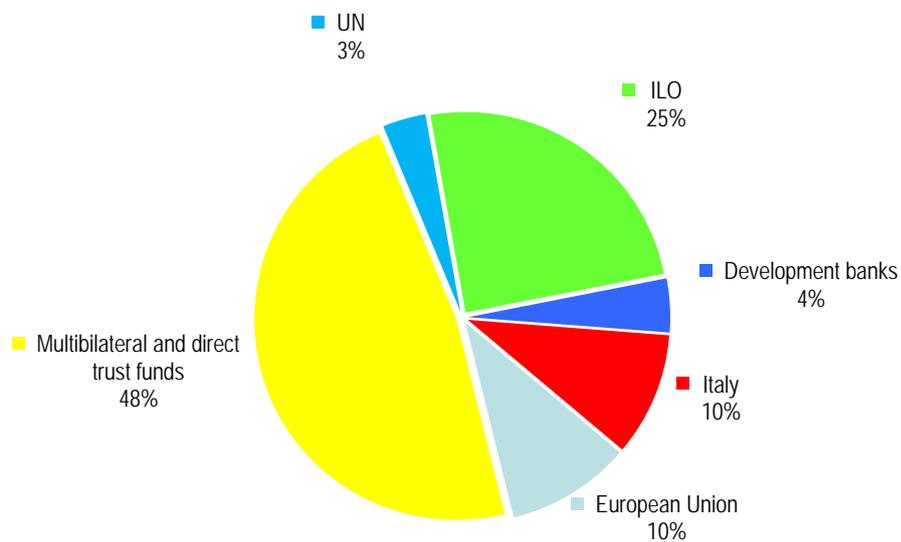


CHART C: INCOME FROM ACTIVITIES BY SOURCE OF FUNDING IN 2013 (FORECASTS)



APPENDIX II

PROGRAMME AND BUDGET FOR THE FINANCIAL YEAR 2013

27. In accordance with Article 8 of the Financial Regulations, a report on the implementation of the Programme and Budget for the 2013 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 74th Session (November 2012).⁷ Account is taken of all the training activities implemented, or in progress, and all financial factors known at the end of June 2013, together with estimated financial factors for the remainder of the year.
28. Figures and indicators relevant to the 2013 programme were established at the end of June 2013. They must be considered provisional at this time as requests for additional activities may still be included later in the year while some activities may be postponed or dropped due to unforeseen circumstances.

Income

Chapter I (voluntary contributions)

29. The International Labour Organization contributed €3,297,000 (US\$4,373,500) to the running costs of the Centre in 2013. The Italian contribution (*ex-lege*) of €7,850,000 was included in the budget. At the time of writing this report, half of the contribution had been paid. The contribution of €25,000 from the Government of France had been paid. Although the contribution from the Piedmont Region (Italy) was not included in the 2013 approved budget, €100,000 was confirmed by the region as its contribution for 2013 and therefore included in the updated estimates for voluntary contributions.
30. Also included in the approved budget for 2013 is a contribution of €250,000 from the Government of Portugal. The contribution was paid in full in 2013.
31. The total income from voluntary contributions included in the estimate amounts to €1,522,000.

Chapter II (earned income and use of surplus)

32. Items 20 and 21, income from the 2013 revised programme of activities, should total €23,600,000. This pertains to training activities, advisory services and publications.
33. Miscellaneous income within the provisions of item 22 of the budget is expected to amount to €1,000,000.
34. The earned income forecast for 2013 in Chapter II of the budget is thus expected to total €24,600,000.
35. Item 23, utilization of surplus, included a transfer from reserves to income of €13,000.

⁷ Document CC 74/3/1.

STAFF COSTS

36. Staff costs have been recalculated at €17,401,000 and can be broken down as follows:

	€
Regular budget staff costs	14,735,000
Project-based staff costs	2,666,000
Total	17,401,000

37. This estimate is 3.6 per cent lower than the original budget.

NON-STAFF COSTS

Fixed costs

38. Fixed costs have been recalculated at €6,018,000 and can be broken down as follows:

	€
Consultants	527,000
Facilities	1,902,000
Security	380,000
General operating expenses	784,000
Missions and representation	235,000
Governance	205,000
Information technology	1,707,000
Depreciation of fixed assets	278,000
Total	6,018,000

39. This estimate is 4.2 per cent lower than the original budget

Variable expenses

40. Excluding project-based staff costs, these are estimated at €12,211,000 on the basis of the latest review of the programme of activities envisaged in 2013. 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

41. The revised estimates for 2013 envisage a budget income of €36,235,000 against expenditure totalling €35,630,000 giving an operating surplus of €605,000.

CAMPUS IMPROVEMENT FUND

42. The Campus Improvement Fund had a balance of €1,016,000 at the beginning of the year. As at 30 June 2013, €368,000 was received from the *Compagnia di San Paolo*. Out of the €2.99 million budget for the renovation of the Europe Pavilion, a total expenditure of €80,000 is estimated in 2013.

INNOVATION FUND

43. Out of the available balance of €355,000 in the Innovation Fund, €250,000 will be used in 2013 to support further innovations in learning and training and the remaining €105,000 will be carried over to 2014.

SYNOPSIS OF BUDGET FORECASTS FOR 2013

(€ '000)

Chapter	Item	Title	2012 Actual	2013 Approved Budget	2013 Estimates
Part A – INCOME					
I		Voluntary contributions			
	10	International Labour Organization	3,385	3,527	3,297
	11	Government of Italy (ex-lege)	7,850	7,850	7,850
	12	Government of France	37	25	25
	13	Piedmont Region (Italy)	200		100
	15	Government of Portugal	250	250	250
		Total Chapter I	11,722	11,652	11,522
II		Earned Income			
	20	Income from training activities	21,026	21,400	22,400
	21	Income from publications	990	1,450	1,200
	22	Other income	1,114	1,300	1,000
		Total earned income	23,130	24,150	24,600
	23	Use of Surplus	701	800	113
		Total Chapter II	23,831	24,950	24,713
		Total Budget Income	35,553	36,602	36,235
Part B – EXPENDITURE					
III		Staff Costs			
	30	Regular budget staff costs	14,682	15,183	14,735
	31	Project based staff costs	3,083	2,862	2,666
		Total Chapter III	17,765	18,045	17,401
		Non Staff Costs			
IV		Fixed expenses			
	40	Consultants	418	447	527
	41	Facilities	1,875	2,010	1,902
	42	Security	361	375	380
	43	General operating expenses	705	866	784
	44	Missions and representation	207	251	235
	45	Governance	168	424	205
	46	Information technology	1,388	1,546	1,707
	47	Depreciation of fixed assets	234	360	278
		Total Chapter IV	5,356	6,279	6,018
V		Variable expenses			
	50	External collaborators	4,172	4,778	4,521
	51	Missions	584	670	632
	52	Participants costs	4,568	3,990	4,985
	53	Books, training aids and materials	400	890	433
	54	Training facilities and services outside Turin	502	650	544
	55	Other variable costs	107	70	116
	56	Costs related to income from publications	650	1,030	780
	57	Other costs related to other income	177	200	200
		Total Chapter V	11,160	12,278	12,211
		Total Expenditure	34,281	36,602	35,630
		Budget surplus (deficit)	1,272	0	605