

Board of the Centre

77th Session, Turin, 30 – 31 October 2014

CC 77/6/1

FOR DECISION

SIXTH ITEM ON THE AGENDA

PROGRAMME AND BUDGET PROPOSALS FOR 2015

TABLE OF CONTENTS

	Page
EXECUTIVE OVERVIEW	1
I. RESULTS-BASED FRAMEWORK	4
Strategic priorities	4
Priority 1: The introduction of a results-based framework aligned to the ILO Strategic Policy Framework for 2010-15	
Priority 2: Reinforcing the governance role of the Board of the Centre	
Priority 3: Diversifying the resource base and increasing outreach	
Priority 4: Reforming internal operating and administrative procedures	
Priority 5: Upgrading the campus facilities	
Outcomes	6
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	8
Outcome 2: Policy-makers and decision-makers acquire knowledge of international labour standards, tripartism, ILO values, policies and tools	9
Outcome 3: Effective and efficient use of all of the Centre's resources	9
Risk Register:	11
II. INCOME AND EXPENDITURE BUDGET PROPOSALS FOR 2015.....	12
III. INFORMATION APPENDICES	
Appendix I: Explanatory notes.....	20
Appendix II: Synopsis of budget forecasts for 2014 and 2015.....	31
Appendix III: Income foreseen for 2015 activities by source of funding.....	32
Appendix IV: Comparative summary of staff resources for 2014 and 2015.....	33
Appendix V: Staff resources by grade and organizational unit for 2015	34

EXECUTIVE OVERVIEW

The year 2015 will be the fourth and final year of implementation of the Centre's Strategic Plan for 2012-15 (the Plan) which was adopted by the Board at its 73rd Session (November 2011).¹ In accordance with the Plan, the Programme and Budget Proposals for 2015 are presented in a results-based format. The five strategic priorities set down in the Plan will continue to inform and guide the work priorities of the management team in 2015.

The Plan was designed to move the Centre to results-based management over a four-year period. As the Centre enters the final year of implementation, it is timely to take stock of the lessons learned since 2012. Based on the experience of three years of implementation, the following important lessons have been learned, particularly in relation to defining outcomes, setting baselines and targets, and selecting indicators and measurement criteria:

- outcomes should be clearly differentiated, easy to verify and to measure;
- reliable data are critical to establishing accurate baselines, setting targets and measuring progress;
- adequate tools are needed to gather and analyze the underlying data;
- indicators should be clear and measurable so that incremental improvements can be tracked against the baselines;
- both quantitative and qualitative indicators should be used to measure progress;
- the interplay between different indicators should be taken into account as progress under some indicators can negatively impact, or distort, the results under other indicators;
- targets should be ambitious but achievable;
- systematic gathering of reliable and verifiable data from participants is critical to the measurement of the impact and quality of training.

The uneven results achieved since 2012 under the gender related indicators are a matter of particular concern and point to the need to refine and improve these indicators to enable more accurate tracking of progress on gender mainstreaming. The new amended indicators should also include additional dimensions of equality taking into account the ILO Transitional Strategic Plan for 2016-17 as well as the opportunities to deepen equality-related work in the context of the post-2015 Development Agenda.² A separate paper proposing additional measures to promote gender equality mainstreaming to be implemented in 2015 and beyond is before this session of the Board.³

¹ CC 73/3.

² GB.322/PFA/1.

³ CC 77/5.

The Centre will continue to focus its work on the following priorities as foreseen in the ILO Programme and Budget for 2014-15:

- capacity building of ILO constituents and ILO staff in the eight Areas of Critical Importance;
- development of new training courses and learning methodologies;
- more strategic and systematic role in ILO staff development including training on knowledge management and tools;
- outreach through participation in learning networks and links with academic institutions, universities and regional and national training institutions.

The *ILO field operations and structure and technical cooperation review (2013)* contained wide-ranging recommendations covering the full spectrum of the ILO's work at headquarters and in the regions. It recommended, *inter alia*, that the role of the Centre in ILO learning and capacity development be clarified. In response to this recommendation, a separate paper is before this session of the Board.⁴ The Programme and Budget Proposals for 2015 take into account the changes and investments needed for the development and implementation of the new *learning partnership* proposed between the Centre and the ILO.

Additional state-of-the-art training facilities will be available on the campus from the beginning of 2015 as a result of the successful completion in 2014 of the renovation of Pavilion Europe. This should further strengthen the reputation and visibility of the Centre as an international learning and training institution as well as increase the physical capacity to deliver more training on campus. The annual training programme will be planned to ensure maximum use throughout the year of these new facilities, as well as the other campus training facilities and accommodation. Improvements to the quality of the training and accommodation facilities on the campus will remain a priority during 2015.

The Centre will jointly deliver with the Human Resources Development Department (HRD) an ILO staff development programme, including the second edition of the Executive Leadership and Strategic Management Programme. The paper before this session of the Board on *The role of the Centre in ILO learning and capacity development* envisages the establishment of a *Learning Task Force* between HRD and the Centre to ensure more strategic and coherent planning and complementarity, as well as the institutionalization of the learning partnership between the Centre and the ILO.

The targets set for 2015 under the various indicators have been adjusted to take account of experience since 2012. They are proposed at a level which is ambitious yet achievable and sustainable having regard to available staffing and other resources.

The implementation of the budget proposals will be closely monitored by the Finance Committee and adjustments will be made, as necessary, within the approved budget in accordance with the evolution of the resource situation.

⁴ CC 77/3.

In line with the strategic priorities of the Plan, it is proposed to use the 2013 surplus of €2,875,000 to provide support to the Workers' and Employers' Activities Programmes and other training activities; to make a new allocation to the Innovation Fund; to make a first allocation to provide for the future renovation of Pavilion Italy and the upgrade of Pavilion Asia; to continue with the greening of the campus, and to provide for the upgrade of Oracle and other essential IT investments. An allocation to the Working Capital Fund is proposed to bring the reserves into line with the target set in article 11.2 of the Financial Regulations.

Section I of this document provides details on progress to be made in 2015 in relation to the five strategic priorities; the strategy statements, indicators and targets under each of the three outcomes are updated or adjusted, as appropriate. Section II presents the income and expenditure proposals for 2015, including explanatory notes on income, staff costs, fixed costs and variable costs. Section III consists of a series of Information Appendices prepared in accordance with the Financial Regulations.

I. RESULTS-BASED FRAMEWORK

Strategic priorities

1. The Strategic Plan for 2012-15 identified five priorities. The measures that will be taken in 2015 to make further progress under each of these priorities are summarized in the following paragraphs.
2. *Priority 1: The introduction of a results-based framework aligned to the ILO Strategic Policy Framework for 2010-15:* The Programme and Budget Proposals for 2015 are presented in the results-based format introduced in 2012.
3. The contribution of the Centre to the achievement of the ILO's 19 outcomes will be incorporated by the ILO in its measurement of results for the 2014-15 biennium. The Centre will continue to actively contribute to ILO country programme outcomes (CPOs) and global products and to support the implementation of the ILO's Programme and Budget for the 2014-15 biennium. The Centre is contributing to the preparation of the ILO's Transitional Strategic Plan and Programme and Budget for 2016-17.
4. Evaluation is an important part of a results-based framework. A new methodology and revised questionnaires will be introduced in 2015 to improve both the qualitative and quantitative data collected from participants measuring their level of satisfaction and the use made by them and their institutions of the knowledge and competencies acquired. The results of the independent evaluation of a number of selected academies are before this session of the Board for discussion and guidance.⁵
5. Overall, the Centre has made good progress since 2012 towards implementing a results-based framework. The experience and lessons learned should strengthen its results-based approach and inform the development and implementation of the next phase coinciding with the ILO's Transitional Strategic Plan for 2016-17.
6. *Priority 2: Reinforcing the governance role of the Board of the Centre:* The measures introduced to strengthen the accountability of management to the Board, and to facilitate the oversight and governance functions of the Board, will be maintained in 2015. The second Annual Implementation Report covering 2013, and an Interim Implementation Report covering the first half of 2014, are submitted to this session of the Board. The 2014 financial statements will be prepared in full compliance with IPSAS. A revised Risk Register is presented in the Annual Implementation Report for 2013.⁶ The External Auditors Plan for the audit of the 2014 financial statements is presented to this session of the Board.⁷ The annual report of the Chief Internal Auditor, summarizing the findings and recommendations of the internal audits and investigations undertaken in the course of 2013, is presented to the Board as well as a report on the follow-up by the Centre to previous recommendations of the Chief Internal Auditor.
7. *Priority 3: Diversifying the resource base and increasing outreach:* The Centre will carry out the following set of actions in order to consolidate and diversify its resource base:
 - guidelines on resource mobilization will be issued targeting non-state entities in the third sector and in the private sector;

⁵ CC 77/4.

⁶ CC 76/1 Appendix II.

⁷ CC 77/7/1.

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- stakeholder-specific outreach strategies will be developed and implemented in close coordination with PARDEV;
 - additional resources will be sought for training linked to ILO technical cooperation and ILO led joint-UN programmes in the regions;
 - the first editions of the Chief Technical Advisers (CTAs) Global Convention and the Academy on Development Cooperation will take place on the campus in 2015. Both events are being organised jointly with PARDEV and will provide important new platforms for greater collaboration with the ILO on capacity building linked to technical cooperation;
 - the scope of the work of the Centre's in-house competitive bidding unit will be expanded. In 2014, the number of expressions of interest to bid, as well as the number of competitive bids submitted to prospective donors, has sharply increased. It is planned to further step up the number of new bids in 2015 in close consultation with ILO field offices, ILO headquarters and ILO constituents;
 - expansion of partnerships with international, regional and national academic and training institutions in order to address a larger public and generate opportunities for mainstreaming decent work in the global development agenda.
8. *Priority 4: Reforming internal operating and administrative procedures:* One of the Centre's core business applications - the Management of Activities and Participants (MAP) system - will be upgraded to a new version which should be more robust and flexible and is expected to improve the efficiency of the management of training activities and participants.
 9. The Enterprise Resource Planning (ERP) system is due to be upgraded based on a normal product refresh cycle. The implementation project will start in 2015 and deployment is scheduled for 2016.
 10. Further to the introduction of the UN Joint Staff Pension Fund Integrated Pension Administration System (IPAS), the Centre is required to develop and implement an automated interface between the ILO and the Centre for the exchange of the data required. This project will be undertaken in 2015 with an implementation date of January, 2016.
 11. Key internal administrative procedures, both in relation to human resources management, financial processing and to office automation in general, will be continue to be reviewed with a view to simplification, up-dating and closer alignment with ILO procedures, as well as identifying opportunities for further automation of manual processing.
 12. *Priority 5: Upgrading the campus facilities:* In order to serve in an efficient and satisfactory way the needs of constituents, and to provide a safe, modern and healthy work environment for staff, the Centre needs to continuously improve the campus facilities so that the functionality, technology and infrastructure are maintained at the highest possible standard.
 13. The Government of Italy, the City of Turin, and the Centre contribute to maintaining and upgrading the campus facilities. The Campus Improvement Fund created in 2002, has proved to be an effective tool to plan and fund these interventions. Resources have been allocated to the Fund from external donors (the Piedmont Region, the *Compagnia di San Paolo*, and Turin Chamber of Commerce) and from annual surpluses, if and when available.
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14. It is proposed to use the additional allocation from the 2013 surplus to the Campus Improvement Fund for the future renovation of Pavilion Italy and related upgrade of Pavilion Asia; for the upgrading of some of the residential facilities; to implement urgent works to improve safety and working conditions in Pavilion Italy; to extend accessibility for persons with disabilities; and to further reduce the carbon footprint of the campus with the introduction of IT tools to monitor and manage buildings and utilities.

Outcomes

15. The Plan set down three outcomes, indicators and targets for the period 2012-15. Annual targets under each indicator are set in the annual programme and budget exercise. This enables progress towards achieving the targets set in the Plan to be tracked on an annual basis and provides an opportunity to the Board, through interim and annual implementation reporting, to review which targets were exceeded, achieved or not achieved. The targets proposed under each indicator for 2015 have been set based on the experience and lessons learned since 2012.

Strategy

16. In 2015, the strategy under outcomes 1 and 2 will focus on the six inter-linked and mutually reinforcing drivers of change as set down in diagram 1 below. Three of these drivers i.e. a more diversified income base, higher business process efficiency and highly motivated and skilled staff are dealt with under outcome 3.

DIAGRAM 1



Impact-oriented services aligned with the ILO

- The Centre will continue to contribute to the development of the global workplan for the ILO Transitional Strategic Plan for 2016-17 and to the implementation of the recommendations flowing from the *ILO field operations and structure and technical cooperation review (2013)*.
- The technical programmes will be realigned with the new outcome strategies and high level outputs proposed in the ILO Transitional Strategic Plan for 2016-17.
- In accordance with the commitments under the ACI workplans, a number of global academies, knowledge-sharing events, expert meetings and tailor-made training activities will be organized linked to the ACIs.
- Existing training products will be adapted and new training products developed to support capacity building around the high-level outcomes identified by the ILO for 2016-17.
- Through collaboration on the Learning Task Force established with HRD, the learning partnership with the ILO will be institutionalized.
- The processes and tools to evaluate the effectiveness and relevance of the Centre's training activities will be reviewed and refined. The recommendations from the independent evaluation of selected academies, and the guidance from the Board on its recommendations, will be taken into account in the organization of academies in 2015 and beyond.
- An independent evaluation of one technical thematic training area or programme will be undertaken in 2015.

Long-term and trustful stakeholder relationships

- A more strategic approach to stakeholder relationship management will be institutionalized. This will draw on the typology of countries under development by the ILO and the implementation of segment-specific outreach strategies. The aim is to better differentiate the services of the Centre by emphasizing more tailor-made content, e-learning, and joint-delivery of training with local partner organizations.
- Increasing outreach among women and workers' and employers' representatives will remain a priority. A range of measures will be implemented involving targeted financing and tailor-made activities. The paper before this session of the Board on increasing outreach to women proposes a range of concrete actions to be implemented in 2015.⁸

Learning and innovation

- The pace of innovation in training content, service delivery approaches and tools will be accelerated in 2015 with the support of substantial additional resources to be allocated from the 2013 surplus. The e-campus will be institutionalized. The large scale use of tablet computers will be launched building on lessons learned through pilot testing during 2014. New learning technologies developed in 2014 will be mainstreamed including the COMPASS toolbox, the mobile learning toolkit and the concept of 'learnsapes.'

⁸ CC 77/5.

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

Indicator 1.1: Annual number of participants, disaggregated by gender, from tripartite constituent organizations out of the total number of participants.	
Baseline (2010) 1,346 employer participants 1,937 worker participants 1,293 labour ministry participants 3,500 other governmental participants 40.2 per cent women	Target 2015 1,500 employer participants 2,200 worker participants 1,500 labour ministry participants 3,500 other governmental participants 45 per cent women
Indicator 1.2: The use made by participants of the knowledge and competencies acquired.	
Baseline (2011) 99.4 per cent 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.	Target 2015 95 per cent 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.
Indicator 1.3: The use made by the institutions of the knowledge and competencies acquired by the participants.	
Baseline (2011) 16 per cent of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.	Target 2015 30 per cent of institutions of former participants surveyed to evaluate the impact of the Centre's training and learning activities on their institutions.
Indicator 1.4: Volume of training income linked to the ILO's 19 outcomes.	
Baseline (2010): 76 per cent of annual training income.	Target 2015: 80 per cent of annual training income.
Indicator 1.5: Percentage of Centre's training activities designed and delivered in collaboration with ILO technical departments and offices.	
Baseline (2011): 65.8 per cent.	Target 2015: 55 per cent.
Indicator 1.6: Delivery of specific ILO staff development and training programmes.	
Baseline (2010): 517 ILO staff.	Target 2015: 600 ILO staff.

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

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 per cent per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.	Target 2015 30 per cent of the Centre's activities implemented in partnership with other training, research and academic institutions.
Indicator 2.2: Annual number of participants, disaggregated by gender, and participant days.	
Baseline (2010) 13,730 participants 102,365 participant days 43.2 per cent women	Target 2015 13,000 participants 100,000 participant days 45 per cent women
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 was 4.4 on a scale of 1 to 5 on the overall quality of training activities.	Target 2015 Average score on the overall quality of training activities through end-of-course questionnaires is 4.5.

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

Strategy

17. Work will continue to identify gaps and issues which reduce efficiencies in the administrative units and technical programmes. The Business Intelligence System implemented in 2014 is being utilized by technical programmes and the administrative units to closely monitor revenue forecasts as the basis for making any adjustments in the allocation of resources. The Finance Committee will regularly and actively monitor both income and expenditure streams.
18. The productivity and cost-effectiveness of the work of individual units will continue to be monitored as well as the implementation of cost saving measures across the Centre to achieve a ratio of 25 per cent management and administrative support costs as a percentage of total expenditure (MAC).
19. In the area of IT, the Centre follows the UN system decision to adopt ISO 27001 as its IT security management standard. Based on the solid foundation on IT security established in recent years, as well as successful completion of the first round of IT security awareness training for all staff, the Centre will prepare in 2015 to formally obtain an ISO 27001 certification from an accreditation body.
20. The year 2015 is the final year of the Centre's first IT Strategic Plan (2012-15). The results will be thoroughly evaluated at the end of 2015 and the next generation of the IT Strategic Plan will be formulated for 2016 and beyond.
21. The development of a common electronic design platform for training materials is underway. Existing training materials will be migrated into a standardized electronic file

format which can then be used to configure custom-built training bringing down the cost of new product development and reducing the lead time for delivery. The design work on the platform started in 2014 and the application will be piloted in 2015.

22. Further to the piloting in 2013-14 of the Promotion Management System based on a commercial CRM package, it will be further expanded to all training programmes in 2015 to support a more coherent and efficient marketing and promotion strategy.
23. Following the implementation of the IT Business Continuity Plan, the next generation of a Business Continuity and Disaster Recovery setup will be evaluated, including an option of off-site disaster recovery. A formal assessment will start in 2015.
24. Resources for staff development will be further increased in 2015 to achieve the target of 1.5 per cent of payroll set in the Plan under indicator 3.4. These resources will be used to give priority to enhancing the technical expertise, training, pedagogical, facilitation and language skills of staff. There will also be opportunities for collective and individual training and teams will be encouraged to develop a customized learning path to address the areas for improvement that are most relevant to their specific technical expertise. Emphasis will be placed on facilitating access to on-line training products, thus enabling staff to avail themselves of learning tools to address their development needs in a flexible manner.
25. The Centre will maintain its efforts to reach out to qualified candidates from under-represented geographical areas as well as qualified women candidates, making best use of recruitment opportunities in the Professional and higher categories in 2015.
26. More generally, efforts will be maintained to motivate, develop and retain the best qualified staff at all levels and increase their effectiveness and efficiency through improved teamwork and collaboration, and performance management. Initiatives will be pursued to improve work-life balance, occupational health, career planning and development. More use will be made of the temporary redeployment of staff between programmes and units to response to spikes in workload, and the facilitation of secondments and temporary exchanges of training experts.
27. In relation to campus improvements, works to address urgent safety and work environment issues will be undertaken in Pavilion Italy. A rolling programme of other campus improvements as set down under *Priority 5* will be implemented subject to availability of resources.
28. The strategy in relation to indicator 3.1 is detailed under *Priority 3*.

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 2015 Mobilize an overall volume of €39.3 million in funding and earned income and identify at least 2 new donors.

Indicator 3.2.1: Administrative and support staff costs as a percentage of total staff costs.	
Baseline (2010): 37 per cent.	Target 2015: 34 per cent.

Indicator 3.2.2: Management and administrative support costs as a percentage of total expenditure.	
Baseline (2010): 26.8 per cent	Target 2015: 25.5 per cent

Indicator 3.3: Timely management response to all internal and external high priority audit recommendations.	
Baseline (2011) Internal audit: 26 per cent. External audit: 75 per cent.	Target 2015 Internal audit: 90 per cent. External audit: 90 per cent.
Indicator 3.4: Investment in staff development as a proportion of the total payroll.	
Baseline (2010): 0.3 per cent.	Target 2015: 1.5 per cent of payroll.
Indicator 3.5: Increased gender balance and geographical distribution of staff in professional positions.	
Baseline (2010) 38 per cent women professional staff. 31 per cent professional staff from outside Europe.	Target 2015 45 per cent women professional staff. 35 per cent professional staff from outside Europe.
Indicator 3.6: Greater utilization of the Centre's facilities including its accommodation, classroom and conference facilities.	
Baseline (2010) Accommodation room occupancy: 63 per cent. Training facilities occupancy: 58 per cent.	Target 2015 Accommodation room occupancy: 65 per cent. Training facilities occupancy: 65 per cent.
Indicator 3.7: The quality of the residential accommodation.	
Baseline (2011) 82 per cent of participants rated quality of accommodation as good or excellent.	Target 2015 85 per cent of participants rate quality of accommodation as good or excellent.
Indicator 3.8: Environmental status of the campus.	
Baseline (2012) Two of the seven steps completed for the award of the Green Flag.	Target 2015 Implementation of action plan for continuous improvement related to the award of the Green Flag. Retention of the Green Flag in 2015.

Risk Register

29. The Risk Management Committee (RMC) will continue to meet quarterly in 2015. The RMC will review the identified risks that could impact on the Centre's capacity to achieve the agreed outcomes in 2015. The Risk Register will be updated by the RMC to reflect the implementation status of risk mitigation actions as well as taking into account any new or emerging risks. Separate risk registers for each of the main operating units, including the training programmes, are planned to be in place by the end of 2015.

II. INCOME AND EXPENDITURE BUDGET PROPOSALS FOR 2015

30. In accordance with Article 4 of the Financial Regulations, the budget proposals for 2015 are set out below. In addition to the budget proposals for the General Fund, information is also provided on the Campus Improvement Fund and the Innovation Fund.
31. The budget proposals for the General Fund are divided into chapters and items in Information Appendix II which also shows the latest estimates for 2014 and the actual results for 2013. The income is divided into voluntary contributions (Chapter I), earned income (Chapter II), and expenditure (Chapters III–V) which is divided into three separate categories: staff costs (Chapter III), fixed costs (Chapter IV), and variable costs linked to the volume of training activities (Chapter V). Details of budget lines are presented in Information Appendix I.
32. The following assumptions were made when drafting the income and expenditure proposals:
- the programme will include training activities already in the 2015 calendar for which funding has been secured, together with those for which ongoing or forthcoming negotiations seem likely to be successfully concluded;
 - activities negotiated with financial sponsors should cover their own variable costs and generate an adequate contribution towards the Centre's fixed costs;
 - average inflation rate of not more than 1.3 per cent in Italy.⁹
33. The programme income, programme costs and variable costs relating to training activities are presented in Table 1.

⁹ This inflation forecast is based on the latest estimates provided by the National Institute of Statistics of Italy.

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

(in thousands of euro)	2013 Actual	2014 Approved Budget	2014 Estimates	2015 Budget Proposals
Programme income				
Income from training activities	26 358	21 400	22 600	24 200
Income from publications	1 723	1 200	1 300	1 500
Use of surplus	30	960	712	1 250
Total	28 111	23 560	24 612	26 950
Variable and project staff costs				
Project-based staff costs	2 600	2 600	2 623	2 550
External collaborators	5 219	4 300	4 234	4 650
Missions	797	600	623	650
Participants costs	5 360	5 370	5 977	6 600
Books training aids and materials	612	420	498	550
Training facilities and services outside Turin	1 385	520	996	1 100
Other variable costs	190	110	125	150
Costs related to income from publications	1 003	780	800	950
Total	17 166	14 700	15 875	17 200
Contribution to fixed costs	10 945	8 860	8 738	9 750
Contribution to fixed costs ratio	38.9%	37.6%	35.5%	36.2%
Programme costs				
Staff costs	8 775	9 089	8 784	9 282
Other non-staff costs ¹⁰	379	428	421	437
Total	9 154	9 517	9 205	9 719
Contribution to facilities and information technology costs¹¹	1 791	(657)	(468)	31
Share in facilities and information technology costs				
Facilities costs (70%)	1 576	1 337	1 362	1 344
Information technology costs (70%)	970	1 067	1 018	1 035
Total	2 546	2 404	2 380	2 379
Support from voluntary contributions and other income	(755)	(3 061)	(2 848)	(2 348)

34. Programme income includes income from training activities and income from publications presented in Appendix I, items 20 and 21. It also includes portion of the use of surplus in item 23 of Appendix I.

¹⁰ Technical Programmes' portion of items 40, 43 and 44 of Appendix I.

¹¹ Technical Programmes' share in items 41 and 46 of Appendix I.

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- 35.** Variable expenses are those costs attributed to training activities and projects presented in Appendix I, items 50 to 56.
 - 36.** Project-based staff costs are included as part of variable costs as requirements are dictated by the volume of training and project activities.
 - 37.** Contribution to fixed costs (CFC) is arrived at after deducting variable costs from programme income. The CFC ratio (i.e. the CFC as a percentage of programme income) is an indicator used by technical programmes to measure indirect cost recovery of staff costs directly responsible for the marketing, delivery and administration of activities as well as the portion of the fixed overhead costs (administration, management and maintenance) linked to the use of rooms and classrooms.
 - 38.** In 2013, the CFC ratio was 39 per cent while the 2014 budget estimates and 2015 budget proposals are forecasted at 36 per cent. The decrease in CFC ratio in 2014 and 2015 is attributed to the mechanism put in place in 2013 to support additional participation from workers' and employers' organizations which is partially funded from earned income.
 - 39.** Part of the staff costs and fixed costs presented in Appendix I have been clearly identified as training or programme costs. These consist of regular budget staff salaries and other non-staff costs such as consultants, general operating expenses, missions and representation that are necessary to run the different training programmes. A share in the facilities and information technology costs, estimated at 70 per cent, is added to programme costs.
 - 40.** In 2013, €755,000 of voluntary contributions and other income supported training activities. The revised 2014 budget estimates and the 2015 budget proposals envisage a contribution of €2,848,000 and €2,348,000 respectively from voluntary contributions and other income.
 - 41.** The management and administrative support costs presented in Appendix I (items 40 to 47 after deducting those costs directly attributed to technical programmes and item 57), along with voluntary contributions and other income, are presented in Table 2.

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

(in thousands of euro)	2013 Actual	2014 Approved Budget	2014 Estimates	2015 Budget Proposals
<i>Voluntary contributions and other income</i>				
International Labour Organization	3 297	3 354	2 987	3 034
Government of Italy (ex-lege)	7 850	7 850	7 850	7 850
Government of France	25	–	–	–
Piedmont Region (Italy)	100	–	–	–
Government of Portugal	250	–	250	250
Other income	1 154	1 200	1 200	1 200
Use of surplus	51	174	4	81
Total	12 727	12 578	12 291	12 415
<i>Management and administrative support costs</i>				
Staff costs	5 882	5 973	5 730	6 009
Consultants	304	304	352	317
Facilities (30%)	675	573	584	576
Security	372	375	393	400
General operating expenses	684	792	858	805
Missions and representation	58	62	71	70
Governance	200	401	387	393
Information technology costs (30%)	416	457	436	444
Depreciation of fixed assets	285	380	378	540
Other costs related to other income	232	200	200	200
Total	9 108	9 517	9 390	9 753
Amount of voluntary contributions and other income available for training activities	3 619	3 061	2 901	2 662

42. In 2013, €3,619,000 in voluntary contributions and other income was available for training activities after covering management and administrative support costs; it is envisaged to be €2,901,000 for the 2014 revised budget estimates and €2,662,000 for the 2015 budget proposals.

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

TABLE 3: SUMMARY OF INCOME AND EXPENDITURE

(in thousands of euro)	2013 Actual	2014 Approved Budget	2014 Estimates	2015 Budget Proposals
Total Programme income	28 111	23 560	24 612	26 950
Variable and project staff costs	17 166	14 700	15 875	17 200
Contribution to fixed costs (CFC)	10 945	8 860	8 737	9 750
CFC ratio	39%	38%	36%	36%
Total programme costs	9 154	9 517	9 205	9 719
Share in facilities and information technology costs	2 546	2 404	2 380	2 379
Total	11 700	11 921	11 585	12 098
Support from voluntary contributions and other income	(755)	(3 061)	(2 848)	(2 348)
Voluntary contributions and other income	12 727	12 578	12 291	12 415
Management and administrative support costs	9 108	9 517	9 389	9 753
Amount of voluntary contributions and other income available for training activities	3 619	3 061	2 901	2 662
Budget surplus	2 864	–	53	314

Total Revenue	40 838	36 138	36 903	39 365
Total Expenditure	37 974	36 138	36 850	39 051
Budget Surplus	2 864	–	53	314

44. In 2013, the net budgetary surplus after other items was €2,875,000. In accordance with Article 7.4 of the Financial Regulations, the Director has earmarked the following expenditures in 2015 from the 2013 surplus of €2,875,000:

Training Activities		1 700 000
<i>Training</i>	1 150 000	
<i>Innovation Fund</i>	550 000	
<i>Total:</i>	1 700 000	
Campus Improvement Fund		950 000
<i>Renovation of Pavilion Italy and upgrade of Pavilion Asia</i>	600 000	
<i>Campus improvements and greening initiatives</i>	100 000	
<i>Oracle upgrade</i>	250 000	
<i>Total:</i>	950 000	
Working Capital Fund		75 000
IT applications		150 000
Total		2 875 000

45. The 2014 revised estimates envisage a surplus of €53,000 as contained in the Interim Implementation Report for 2014.¹² The 2015 budget proposals foresee that total revenue would exceed total expenditure resulting in a budgetary surplus of €314,000.

46. The budget estimates for 2015 are summarized in Table 4.

TABLE 4: GENERAL FUND

(in thousands of Euro)		2014 Estimates	2015 Budget Proposals
Income			
Voluntary contributions		11 087	11 134
Earned income		25 100	26 900
Use of surplus		716	1 331
	Total income	36 903	39 365
Expenditure			
Staff costs		17 137	17 841
Fixed costs		6 261	6 360
Variable costs		13 542	14 850
	Total expenditure	36 850	39 051
Foreseen budget surplus		53	314

47. The remaining balance in the Campus Improvement Fund is forecasted at €29,000 after the October 2014 target completion of the renovation and refurbishment of Pavilion Europe. A total of €950,000 is earmarked out of the 2013 surplus for the renovation of Pavilion Italy and related upgrade of Pavilion Asia, other campus improvements, greening initiatives and the Oracle upgrade.

48. Table 5.1 provides a summary of the 2013 income and expenditure under the Campus Improvement Fund for the Pavilion Europe renovation project and the 2014 estimates. Table 5.2 provides a breakdown of income and expenditure for 2013 and estimates for 2014 for other campus works and the budget proposal for 2015. Table 5.3 provides a summary of all income and expenditure under the Campus Improvement Fund in 2013, estimates for 2014 and the 2015 budget proposals.

¹² CC 77/2.

TABLES 5: CAMPUS IMPROVEMENT FUND

TABLE 5.1 : Pavilion Europe

Chapter	Item	Title	2013 Actual	2014 Budget Estimates	Total 2013 and 2014	Approved Budget Pav. Europe
Part A – INCOME						
	10	Fund balance	1 003	1 474	1 003	1 149
	13	Compagnia di San Paolo	368	1 119	1 487	1 487
	14	Turin Chamber of Commerce	-	200	200	200
	15	2012 surplus	200	-	200	200
Total Chapter I			1 571	2 793	2 890	3 036
Part B – EXPENDITURE						
	22	Renovation of Pavilion Europe	97	2 764	2 861	2 990
Total Chapter II			97	2 764	2 861	2 990
Budget surplus			1 474	29	29	

TABLE 5.2 : Other Works

Chapter	Item	Title	2013 Actual	2014 Budget Estimates	2015 Budget Proposals
Part A – INCOME					
I	10	Fund balance	14	2	29
	11	Interest income	17	18	5
	12	City of Turin	-	250	-
	13	Compagnia di San Paolo	-	-	-
	14	Turin Chamber of Commerce	-	-	-
	15	Use of surplus	-	-	950
Total Chapter I			31	270	984
Part B – EXPENDITURE					
II	20	Extraord. Maintenance(City of Turin)	-	170	-
	21	Gardening (City of Turin)	-	80	-
	22	Renovation of Pav. Europe	-	-	-
	23	Pav. Italy (renov.)& Pav. Asia (upgrade)	-	-	600
	24	Campus Improv. and greening initiatives	-	20	100
	25	Oracle upgrade	-	-	250
	26	Other expenses	29	-	-
Total Chapter II			29	270	950
Budget surplus			2	-	34

TABLE 5.3 : Summary

Chapter	Item	Title	2013 Actual	2014 Budget Estimates	2015 Budget Proposals
Part A – INCOME					
I	10	Fund balance	1 017	1 476	29
	11	Interest income	17	18	5
	12	City of Turin	-	250	-
	13	Compagnia di San Paolo	368	1 119	-
	14	Turin Chamber of Commerce	-	200	-
	15	Use of surplus	200	-	950
Total Chapter I			1 602	3 063	984
Part B – EXPENDITURE					
II	20	Extraord. Maintenance(City of Turin)	-	170	-
	21	Gardening (City of Turin)	-	80	-
	22	Renovation of Pav. Europe	97	2 764	-
	23	Pav. Italy (renov.)& Pav. Asia (upgrade)	-	-	600
	24	Campus Improv. and greening initiatives	-	20	100
	25	Oracle upgrade	-	-	250
	26	Other expenses	29	-	-
Total Chapter II			126	3 034	950
Budget surplus			1 476	29	34

49. An An Innovation Fund to support the development of new training initiatives, products and approaches was established in 2012. It is proposed to set aside €550,000 out of the 2013 surplus to ensure on-going support to innovation in learning and training in 2015.

50. The 2015 budget proposal for the Innovation Fund is presented in Table 6.

TABLE 6: INNOVATION FUND

(in thousands of euro)

Chapter	Item	Title	2013 Actual	2014 Approved Budget	2014 Estimates	2015 Budget Proposals
Part A – INCOME						
I	10	Fund balance	255	105	101	-
	15	Use of surplus	100	100	100	550
Total Chapter I			355	205	201	550
Part B – EXPENDITURE						
II	20	Training innovations	254	200	201	400
Total Chapter II			254	200	201	400
Budget surplus			101	5	-	150

51. The Board is requested to approve the Programme and Budget Proposals for 2015.

Point for decision: Paragraph 51.

Turin, 16 September, 2014

III. INFORMATION APPENDICES

Appendix I: Explanatory notes¹³

INCOME

- Item 10** **International Labour Organization**
- The Programme and Budget of the International Labour Organisation for the 2014–15 biennium makes provision for a total of US\$8,240,000 by way of contribution to the Centre's operating costs for the same period. The sum of €3,034,000 (US\$4,120,000) posted to item 10 of the Centre's budget forecasts thus represents the ILO contribution towards the financial year 2015.
- Item 11** **Government of Italy**
- Article 1 of the Agreement between the ILO and the Italian Government, signed in December 1983, states that "the Italian Government undertakes to contribute to the Centre's budget in the form of an annual contribution to the Centre's general expenses, the said contribution to be assessed in relation to both the Centre's requirements with respect to the said general expenses and the annual contribution made by the International Labour Organisation towards the financing of the Centre." Article 2 of the same Agreement states that a Joint Committee composed of representatives of the Centre and the Italian Government shall "make an assessment of the Centre's requirements for general expenses for the following year and express an opinion concerning the amount of the Italian Government's contribution to the Centre for the said following year in the light of the criteria laid down in Article 1 of this Agreement."
- Although the Joint Committee has yet to meet and approve the fixed contribution for 2015, an amount of €7,850,000 is expected based on historical contributions received from Italy for general expenses.
- Item 14** **Government of Portugal**
- The Government of Portugal renewed its agreement with the Centre to provide annual voluntary contributions of €250,000 for three years (2014–16) to the Centre's budget for operating costs.
- Item 20** **Income from specific activities**
- This item relates to all income expected from the programme of activities for 2015. The income is estimated at €24,200,000 for the year. The detail of income foreseen by source of funding is to be found in Appendix III.

¹³ These explanatory notes refer to the budget lines in Information Appendix II.

Item 21 **Income from publications**

This item relates to all income expected from publications and external work for outside clients for 2015. The income is estimated at €1,500,000 for the year.

Item 22 **Other income**

Other income, expected to amount to €1.2 million consists primarily of earned interest and income from rental of premises and installations on the campus, together with the estimated share of costs paid by the United Nations System Staff College and the United Nations Interregional Crime and Justice Research Institute to the Centre for the use of some of the premises and rental of training and residential facilities.

Item 23 **Use of surplus**

The total use of earmarked surplus foreseen under the General Fund is as follows:

	2014	2015
	Estimates	Budget Proposals
Training activities	712 000	1 250 000
Business process review project	4 000	81 000
Total	716 000	1 331 000

STAFF COSTS

Item 30 **Staff costs**

Staff costs account for some 46 per cent of the overall expenditure budget and the related cost increase of €704,000 (4.1 per cent) over the updated 2014 budget estimates. The staff costs increases for 2015 reflect the cost adjustments on the latest salary-related policies and decisions on the base salary scale of staff and education grant levels and flat rate for boarding, approved by the United Nations General Assembly further to the recommendations of the International Civil Service Commission for general application throughout the UN Common System. As part of the UN Common System, the Centre has an obligation to apply any such statutory increases.

The Pensions Board has not recommended any change to the total rate of contribution to the United Nations Joint Staff Pension Fund. The UN General Assembly has not invoked Article 26 of the Regulations of the Fund for deficiency payments from its members. It is assumed that the status quo with respect to the rate and deficiency payments will continue in 2015. Contributions made to the Fund are based on the level of pensionable remuneration for each grade. The latest table of pensionable remuneration issued by UNJSPF in February 2013 has been used to forecast the total contribution of the Centre.

Regular budget staff

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

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

	2014 Estimates	2015 Budget Proposals	% change
Professional category and above	7 606 700	8 271 400	9
General service category	6 607 300	6 683 500	1
Associated costs	299 900	335 900	12
Total	14 513 900	15 290 800	5
Total work-years	144/08	145/04	0.37

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

Professional category and above

No real increase in base salary for Professional staff has been foreseen in January 2014 pursuant to the UN General Assembly decision in December 2013. Increases in base salary resulting from statutory entitlements relating to the length of service have been applied.

Changes in the post adjustment indices arise from the exchange rate fluctuations and movements in the cost of living as determined by the ICSC. As the budget is set at the July 2014 United Nations operational rate of exchange of US\$1.358/€1.00, the post adjustment for 12 months is fixed at 70.3 per cent.

Pensionable remuneration of Professional staff and higher categories remain unchanged from 1st February, 2013.

The maximum allowable level for education grant expenses incurred in designated countries/currency areas also remain unchanged from 1st January, 2013.

The estimated costs amount to €8,271,400 for a total of 57/03 work-years. A provision has been included in this figure for an increase in base/floor salary of 1.0 per cent in January 2015. This increase in base salary is offset by a corresponding decrease in post adjustment rates and has no inflationary impact.

A table setting out the average (based on real) cost per grade within this category is set out below.

Grade	2014 Estimates	2015 Budget Proposals	% change
ADG	202 700	206 900	2
D.2	199 500	201 600	1
D.1	184 100	177 800	(3)
P.5	155 200	172 400	11
P.4	137 800	138 100	–
P.3	113 300	119 300	5

General Service category

Based on a decision taken by the Food and Agriculture Organization of the United Nations (FAO) with effect from November 2012, the General Service salary scale will remain frozen until further adjustments to fill the 9.2 per cent salary overage resulting from a survey of the best prevailing conditions of employment conducted by the UN Secretariat for UN Rome based organisations (including the Centre) is completed. Arising from this decision, a second salary scale for General Service staff recruited on or after 1st February, 2013 was created, of which a provision for 1.5 per cent increase is included in 2015.

Pensionable remuneration remains the dollar equivalent of the sum of the local gross salary, plus any language allowance.

The estimated costs amount to €6,683,000 for a total of 88/01 work–years. A table setting out the average (based on real) cost per grade within this category is set out below.

Grade	2014 Estimates	2015 Budget Proposals	% change
G.7	105 400	107 300	2
G.6	92 400	93 400	1
G.5	78 700	79 700	1
G.4	65 900	68 700	4
G.3	54 800	56 400	3
G.2	32 000	30 000	(6)

The table below shows the composition of the costs elements of the Professional and the General Service categories. The home leave and annual leave is the additional accrual of leave estimated for 2015.

Staff category	Euro
Professional category	
Base salaries	3 601 400
Post adjustment	2 531 700
Dependency allowances	146 200
Centre's contribution to the pension fund	1 153 900
Centre's contribution to staff health and other insurances	266 800
Education grants and scholastic travel	253 300
Relocation travel and allowances and terminal payments	202 100
Home leave and annual leave	116 000
Total	8 271 400
General Service category	
Base salaries	4 813 400
Dependency allowances	150 300
Language allowance	127 100
Centre's contribution to the pension fund	994 900
Centre's contribution to staff health and other insurances	201 800
Terminal benefits	367 800
Annual leave	28 200
Total	6 683 500

The following associated costs are also anticipated:

	2014 Estimates	2015 Budget Proposals	% change
Staff development	190 000	225 000	18
Medical insurance	20 000	20 000	–
Advertisements and interviews	19 000	20 000	5
Medical expenses	15 000	15 000	–
Interns allowance	50 400	50 400	–
Other staff costs	5 500	5 500	–
Total	299 900	335 900	12

Item 31

Project-based staff

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

The total level of resources is estimated at 32/06 work-years, for a total cost of €2,550,100 which can be broken down as follows:

	2014 Estimates	2015 Budget Proposals	% change
Professional category and above	1 475 800	1 456 000	(1)
General service category	1 147 600	1 094 100	(5)
Total	2 623 400	2 550 100	(3)
Total work/years	34/10	32/06	(7)

FIXED COSTS

Item 40

Consultants

Two types of consultants are included under this heading:

	2014 Estimates	2015 Budget Proposals	% change
Medical service	246 000	250 000	2
Consultants	265 000	208 000	(22)
Total	511 000	458 000	(10)

Medical service

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

Consultants

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

Item 41

Facilities

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

The estimated expenditure is broken down as follows:

	2014 Estimates	2015 Budget Proposals	% change
Heating	358 000	360 000	1
Lighting	520 300	500 000	(4)
Cleaning	215 000	205 000	(5)
Maintenance and repairs	550 000	550 000	–
Garbage disposal	108 800	110 000	1
Water and gas	76 200	76 200	–
Maintenance of residential equipment	81 400	81 500	–
Insurance	36 100	37 500	4
Total	1 945 800	1 920 200	(1)

Item 42 Security

This item represents the cost of the security services provided by a specialized security firm and the annual maintenance cost of security systems. The updated 2014 budget estimate amounts to €393,000 while the 2015 estimated expenditure amounts to €400,000.

Item 43 General operating expenses

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

	2014 Estimates	2015 Budget Proposals	% change
Mail services, pouch, postage and telecommunications	248 500	245 900	(1)
Transport costs and maintenance of vehicles	110 200	108 000	(2)
Office supplies and internal reproduction	118 700	119 700	1
Equipment maintenance	98 700	114 500	16
Bank charges	48 000	48 100	–
Non-depreciable materials	250 000	190 000	(24)
Books and publications	13 100	13 300	2
Public information and promotion	25 500	28 000	10
Administrative services from ILO	35 600	36 000	1
Other administrative costs	10 700	16 000	50
Total	959 000	919 500	(4)

Item 44**Missions and representation**

This item is concerned with missions of a technical nature aimed at promoting the Centre's activities and maintaining its close links with both the ILO and other United Nations System organisations. A proportion of the total relates to missions to maintain contacts between the administrative services of the ILO and those of the Centre. Lastly, this item includes a provision to cover hospitality expenses. The total updated estimates for 2014 for missions and representation amounts to €232,000 while the estimate for 2015 is €250,000.

Item 45**Governance**

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

The estimated expenditure for governance is broken down as follows:

	2014 Estimates	2015 Budget Proposals	% change
ILO internal audit and legal services	200 000	204 000	2
External auditors' fees	105 100	107 000	2
Board of the Centre	51 900	50 000	(4)
Trade Union and Employers' Training Committees' meetings	30 100	32 000	6
Total	387 100	393 000	2

Item 46**Information technology**

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

	2014 Estimates	2015 Budget Proposals	% change
Internet costs	49 500	69 900	41
Maintenance of computer hardware	70 500	101 500	44
Application software, licenses and maintenance	307 300	258 000	(16)
Non-depreciable computer hardware and materials	137 800	108 800	(21)
Technical assistance	889 400	940 500	6
Total	1 454 500	1 478 700	2

Item 47**Depreciation of fixed assets**

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

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

The updated 2014 estimated depreciation provision is €378,000. Taking into account an anticipated investment of €563,000 in 2015 for the purchase of interpretation, information technology equipment, improvements in facilities and other capital purchases that may be required, the estimated 2015 depreciation provision is €540,000.

VARIABLE COSTS

Item	Heading	2014 Estimates	2015 Budget Proposals	% change
50	External collaborators	4 234 000	4 650 000	10
51	Missions	622 000	650 000	4
52	Participants' costs	5 977 000	6 600 000	10
53	Books, training aids and materials	498 000	550 000	10
54	Training facilities and services outside Turin	996 000	1 100 000	10
55	Other variable costs	125 000	150 000	20
56	Costs related to income from publications	800 000	950 000	19
57	Other costs related to other income	200 000	200 000	–
	Total	13 452 000	14 850 000	10

This table illustrates estimated variable costs broken down by type of expense on the basis of the resulting 2013 variable costs ratios. Line 52, participants' costs, includes additional resources allocated to the Workers' and Employers' Programmes intended to increase the participation of representatives across the training activities of the Centre. These variable costs are solely related to the implementation of specific training activities. This programme evolves during the budget year in accordance with available funding. The level of these costs thus evolves in relation to the programme of activities, just as it is subject to variations resulting from the diversity of the cost factors associated with implementation of the activities. A series of notes

illustrating the nature of the costs related to each of the budget items in the table is given below.

Item 50

External collaborators

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

Item 51

Missions

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

Item 52

Participants costs

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

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

Item 53

Books, training aids and materials

This item covers the supply of books, training aids and other materials to participants as part of specific training activities.

Item 54

Training facilities and services outside of Turin

This item covers the cost of classrooms and conference facilities, administrative costs, rental of training equipment and other costs incurred for training activities held outside of Turin.

Item 55

Other variable costs

This item covers miscellaneous training expenses that could not be classified in the above budget line groupings and other non-training expenses of projects and activities.

Item 56

Costs related to income from publications

This item covers the cost of graphic design, layout, editing, interpretation and publication costs of work provided by the Centre to

the ILO and external clients such as the European Commission and other UN agencies. These costs are covered by income from publications (item 21).

Item 57

Other costs related to other income

This item relates to costs to generate other income (item 22).

Appendix II

SYNOPSIS OF BUDGET FORECASTS FOR 2014 AND 2015

(in thousands of Euro)

		2013 Actual	2014 Approved Budget	2014 Estimates	2015 Budget Proposals
Chapter	Item	Part A – INCOME			
I		<u>Voluntary contributions</u>			
	10	3 297	3 354	2 987	3 034
	11	7 850	7 850	7 850	7 850
	12	25	–	–	–
	13	100	–	–	–
	14	250	–	250	250
		Total Chapter I	11 522	11 087	11 134
II		<u>Earned Income</u>			
	20	26 358	21 400	22 600	24 200
	21	1 723	1 200	1 300	1 500
	22	1 154	1 200	1 200	1 200
		Total earned income	29 235	25 100	26 900
	23	81	1 134	716	1 331
		Total Chapter II	29 316	25 816	28 231
		Total Income	40 838	36 903	39 365
		Part B – EXPENDITURE			
III		<u>Staff Costs</u>			
	30	14 657	15 062	14 514	15 291
	31	2 600	2 600	2 623	2 550
		Total Chapter III	17 257	17 137	17 841
		<u>Non Staff Costs</u>			
IV		<u>Fixed expenses</u>			
	40	430	433	511	458
	41	2 251	1 910	1 946	1 920
	42	372	375	393	400
	43	793	933	959	920
	44	202	221	232	250
	45	200	400	387	393
	46	1 386	1 524	1 455	1 479
	47	285	380	378	540
		Total Chapter IV	5 919	6 261	6 360
V		<u>Variable expenses</u>			
	50	5 219	4 300	4 234	4 650
	51	797	600	622	650
	52	5 360	5 370	5 977	6 600
	53	612	420	498	550
	54	1 385	520	996	1 100
	55	190	110	125	150
	56	1 003	780	800	950
	57	232	200	200	200
		Total Chapter V	14 798	13 452	14 850
		Total Expenditure	37 974	36 850	39 050
		Budget surplus	2 864	53	314
		<u>Other items</u>			
		Decrease in provision for doubtful accounts	19		
		Exchange gain (loss) and revaluation, net	(8)		
		Total Other Items	11		
		Net budget surplus	2 875		

Appendix III

INCOME FORESEEN FOR 2015 ACTIVITIES BY SOURCE OF FUNDING

(in euro)

	2014 Estimates	% to total	2015 Budget Proposals	% to total
1. Training income from:				
Governments and governmental agencies	8,207,700	36%	8,470,000	35%
ILO	5,359,900	23%	5,566,000	23%
Development Banks	746,000	3%	242,000	1%
European Union	587,100	3%	986,000	4%
United Nations	781,900	4%	736,000	3%
Other international / regional organizations	324,200	1%	484,000	2%
Employers' Organizations	669,400	3%	736,000	3%
Workers' Organizations	436,300	2%	484,000	2%
Other non-state actors	3,541,700	16%	4,114,000	17%
Self-paying individuals	1,945,800	9%	2,382,000	10%
TOTAL TRAINING INCOME	22,600,000	100%	24,200,000	100%
Publications	1,300,000		1,500,000	
Use of surplus	712,000		1,250,000	
TOTAL FUNDING FOR ACTIVITIES	24,612,000		26,950,000	

Appendix IV

COMPARATIVE SUMMARY OF STAFF RESOURCES - REGULAR BUDGET FOR 2014 AND 2015

(in euro)

Grade	2015 Budget Proposals		2014 Approved Budget		2014 Estimates	
	Work years/ months	Estimated cost	Work years/ months	Estimated cost	Work years/ months	Estimated cost
ADG	1/00	206 900	1/00	227 000	1/00	202 700
D.2	1/00	201 600	1/00	208 000	1/00	199 500
D.1	1/05	251 900	3/00	558 000	2/09	506 300
P.5	15/01	2 593 900	13/04	2 259 000	13/11	2 161 600
P.4	21/00	2 899 500	16/08	2 399 000	19/07	2 692 400
P.3 ¹⁴	17/09	2 117 600	19/05	2 402 000	16/03	1 844 200
Total ADG+D+P:	57/03	8 271 400	54/05	8 053 000	54/06	7 606 700
G.7	7/00	750 900	6/00	652 000	7/00	737 800
G.6	11/00	1 027 100	12/00	1 112 000	11/00	1 016 500
G.5	24/09	1 971 900	23/00	1 816 000	24/09	1 939 200
G.4	31/01	2 136 500	29/08	2 047 000	31/06	2 076 300
G.3	14/00	789 600	19/00	1 081 000	14/03	780 900
G.2	0/03	7 500	0/04	11 000	1/09	56 600
Total G:	88/01	6 683 500	90/00	6 719 000	90/02	6 607 300
GRAND TOTAL:	145/04	14 954 900	144/05	14 772 000	144/08	14 214 000

¹⁴ Includes 12 months and 9 months of a P3 funded by the Japanese JILAF in 2014 and 2015 respectively.

Appendix V

STAFF RESOURCES BY GRADE AND ORGANIZATIONAL UNIT FOR 2015

Organizational Unit	Professional category and above									General service category							Total G		Grand total		
	ADG	D2	D1	P5	P4	P3	P2	P1	Total P+D+ADG Work Years/ Months	Cost (Euro)	G7	G6	G5	G4	G3	G2	G1	Total G Work Years/ Months	Cost (Euro)	Grand total Work Years/ Months	Cost (Euro)
Director's Office	1/00	1/00	-	-	-	-	-	-	2/00	408 500	-	2/00	0/04	-	-	-	-	2/04	193 300	4/04	601 800
TOTAL	1/00	1/00	-	-	-	-	-	-	2/00	408 500	-	2/00	0/04	-	-	-	-	2/04	193 300	4/04	601 800
Training and Management Team																					
Learning and Communication	-	-	-	1/00	1/00	1/00	-	-	3/00	456 300	2/00	-	2/00	3/10	2/00	-	-	9/10	718 200	12/10	1 174 500
Sustainable Development and Governance	-	-	-	1/00	1/00	-	-	-	2/00	294 100	1/00	-	-	1/00	2/00	-	-	4/00	301 800	6/00	595 900
Training Programmes	-	1/05	8/10	16/00	10/09	-	-	-	37/00	5 199 100	2/00	5/00	8/07	10/00	4/00	-	-	29/07	2 312 300	66/07	7 511 400
TOTAL	-	-	1/05	10/10	18/00	11/09	-	-	42/00	5 949 500	5/00	5/00	10/07	14/10	8/00	-	-	43/05	3 332 300	85/05	9 281 800
Administration																					
Financial Services	-	-	1/03	-	2/00	-	-	-	3/03	481 900	1/00	2/00	3/00	4/00	3/00	0/03	-	13/03	1 003 300	16/06	1 485 200
Facilities and Internal Services	-	-	1/00	1/00	2/00	-	-	-	4/00	545 200	-	-	6/10	7/09	2/00	-	-	16/07	1 213 200	20/07	1 758 400
Medical Services	-	-	-	-	-	-	-	-	-	-	-	-	1/00	-	-	-	-	1/00	72 100	1/00	72 100
Human Resources Services	-	-	1/00	-	1/00	-	-	-	2/00	290 500	1/00	-	3/00	2/06	-	-	-	6/06	520 500	8/06	811 000
Information and Communications Technology Services	-	-	1/00	2/00	1/00	-	-	-	4/00	595 800	-	2/00	-	2/00	1/00	-	-	5/00	348 800	9/00	944 600
TOTAL	-	-	4/03	3/00	6/00	-	-	-	13/03	1 913 400	2/00	4/00	13/10	16/03	6/00	0/03	-	42/04	3 157 900	55/07	5 071 300
GRAND TOTAL	1/00	1/00	1/05	15/01	21/00	17/09	-	-	57/03	8 271 400	7/00	11/00	24/09	31/01	14/00	0/03	-	88/01	6 683 500	145/04	14 954 900