



SIXTH ITEM ON THE AGENDA

**INTERNATIONAL TRAINING CENTRE OF THE ILO: 2007-2011
INVESTMENT PROGRAMME**

INTRODUCTION

1. This document accompanies the 2007-2011 Development Plan. It describes how the Centre intends to translate selected components of the Fourth Development Plan into specific, time-bound, results-based projects using the Centre's General Fund reserves. Given the limitations of the available funds, the proposed Investment Programme does not represent the only effort by the Centre in implementing its new Development Plan. The Investment Programme is a complement to the efforts that will be made using the Centre's regular budget and other external funds that will be mobilized for achieving one or more of the Development Plan's objectives.
2. Previous Development Plans have shown that relatively small investments can bolster the reach, quality and effects of the Centre's products and services. Experience has also taught that the scope and size of the investment fund should be tailored to the Centre's own capacity for implementing these projects in addition to its normal tasks and activities. It is therefore proposed to use the Centre's General Fund reserves for a concentrated investment in a limited number of projects that are expected to produce significant long-term effects. The proposed projects are closely related to the main concerns and objectives of the Fourth Development Plan. A total of eight projects are proposed, grouped into three "chapters". The projects will be managed according to sound project management principles as recommended by the External Auditor in his report to the Board (document CC 66/1/Add. 3).

THE PROJECTS

3. The purpose of the projects in the first chapter is to strengthen the Centre's capacity to offer training that is central to the current ILO strategy, including the Decent Work Agenda and debate about the social dimension of globalization. The projects will focus on upgrading and developing curricula and training materials on the four interdisciplinary themes of (a) discrimination, (b) social dialogue and tripartism, (c) migration and (d) corporate social responsibility. A systematic multidisciplinary approach will ensure the appropriateness and quality of the four projects.

-
4. The second chapter of projects aims at strengthening the Centre's capacity to ensure the relevance, effectiveness and impact of its activities by further developing and applying appropriate evaluation mechanisms. It is a second objective to enhance the Centre's Web site to promote its expertise and capabilities among potential client groups, partners and donors alike.
 5. The third chapter of projects focuses on: (a) upgrading the Centre's computerized financial system; and (b) determining the functions and specifications for a human resources module of the Centre's Enterprise Resource Planning (ERP) computer application.
 6. As said before, because of the limitations of the General Fund reserves, there is a limit to the number and scope of the investment projects. Therefore, in addition to these projects, the Centre, as part of its normal operations, will continue to use its regular budget to invest in the content, methods, tools and procedures of other subject areas in order to remain relevant, efficient and effective.

**CHAPTER ONE - Supporting the ILO's Agenda:
Strengthening the Content and Substance of the
Centre's Portfolio**

7. Four topics in the proposed Fourth Development Plan have been selected to benefit from the Investment Programme. These have a particular priority in helping the Centre to reinforce its association and connection with the ILO's agenda. Investment in these topics should lead to revised or new interdisciplinary curricula and training materials that – when properly combined – can help ILO constituents and other relevant target groups to strengthen their capacity to deal effectively with this agenda in their own countries and organizations.
8. Because of the multi-faceted nature of the four topics (discrimination, migration, mainstreaming social dialogue and tripartism, and corporate social responsibility), the Centre will adopt an interdisciplinary approach in the design and implementation of the project. Each project will be accompanied by a Reference Group with representatives of the relevant Technical Programmes including the Programmes for Employers' Activities and Workers' Activities. During the preparation stage, each Reference Group will conduct a "training gap" analysis to determine the precise focus or niche of each project. Consequently, it will determine the precise outputs, outcomes and results that the project should produce, as well as the milestones to be used for monitoring and evaluation purposes. The Reference Groups, in consultation with colleagues at Headquarters and elsewhere, will ensure that their projects are fully in line with, and in support of, ILO policies, and that they can benefit from ILO-wide support.

1.1. Discrimination

9. During the Third Development Plan, the Centre strengthened its expertise, curricula and training materials related to the Declaration on Fundamental Principles and Rights by focusing on freedom of association, child labour and forced labour. Significant investments were made in the development of training materials related to freedom of association (in the context of a project financially supported by the Italian Government) and the elimination of child labour, forced labour and trafficking (with the support of the 2001-2005 Investment Fund). This work, which received technical, political and financial support from ILO Geneva, will continue during the period covered by the Fourth Development Plan.
10. In order to complete the Centre's subject-matter curricula and packages related to the Declaration, a special effort will be made to renew and expand training materials on discrimination to develop effective demand among well-defined target groups and build support among donors. As usual, this project too should benefit from close cooperation with ILO Geneva.
11. The project should result in a set of documents that include a detailed curriculum (the description and distribution of subject matter over specific learning sessions, with specified learning methods) and a set of training and learning materials (including original materials, case studies, discussion notes, references and bibliographies) that can be used in a variety of training and learning settings.
12. The estimated project budget is US\$ 350,000. This should make it possible to:
(a) bring together ILO colleagues and specialists to determine content, topics and approaches during the preparatory phase and again during the verification phase;
(b) prepare a detailed project proposal and implementation plan;
(c) give research and development assignments to selected external collaborators;
(d) pilot-test and validate outputs (training modules and training approaches); and
(e) generate final products, including their translation, registration (e.g. on CD-ROM) and printing. A small part of the funds will be used to defray management costs.

1.2. Migration

13. Since the debate on migration at the 2004 International Labour Conference, the issues surrounding migrant workers have increased in number and significance. Moreover, on the heels of the Centre's successful collaboration with ILO Geneva on a European Commission-funded migration project for Africa in 2005-2006, the Centre is developing a pilot core programme on migration, to be implemented in 2006. This pilot programme, which is being developed in close cooperation with specialists from ILO Geneva and elsewhere, forms the basis for formulating and implementing a longer-term project.
14. Because of the topic's central character, the project will lead to a core curriculum with associated training materials addressing migration issues from a variety of labour-related perspectives, and aiming at a variety of (potential) target groups. The curriculum and the materials can be used in standard Centre courses as well as in custom-made programmes and projects that respond to specific demands or opportunities. The interdisciplinary nature of migration places a high premium on

managing the necessary team work among specialists from different organizational units in Turin and Geneva.

15. During the project, the Centre, in conjunction with ILO Geneva, should: (a) develop effective demand among well-defined target groups; (b) incorporate the materials into the capacity-building components of technical cooperation interventions; and (c) build support among external donors.
16. The project budget is estimated at US\$ 350,000. This should make it possible to: (a) bring together ILO colleagues and specialists to determine content, topics and approaches during the preparatory phase and again during the verification phase; (b) prepare a detailed project proposal and implementation plan; (c) give research and development assignments to selected external collaborators; (d) pilot-test and validate outputs (training modules and training approaches); and (e) generate final products, including their translation, registration (e.g. on CD-ROM) and printing. A small part of the funds will be used to defray management costs.

1.3. Mainstreaming Social Dialogue and Tripartism

17. Social dialogue and tripartism are central to the Fourth Development Plan. The project proposes to strengthen the Centre's capacity to include the tripartite approach in its programmes and activities. Under the guidance of the Reference Group, and in close collaboration with ILO Geneva (in particular the group, Sector IV, in charge of operationalizing the follow-up to the Resolution on Tripartism and Social Dialogue), the project will develop a set of self-contained, flexible "learning/information units" on social dialogue and tripartism. These interdisciplinary units will consist of newly developed content, case studies, bibliographical references and teaching guidelines.
18. Experience with similar work on gender mainstreaming during the period of the previous Development Plan showed that it is possible to develop specific training modules and materials with which to mainstream issues and approaches successfully into programmes and activities. It requires a consistent, systematic approach and the support of management and staff alike. As in the other investment projects, the preparatory phase is therefore of the utmost importance.
19. The materials to be developed will be used throughout the Centre's activities, including: (a) staff induction and orientation (in Geneva and Turin); (b) the opening sessions of courses and programmes; and (c) special training sessions. The Centre will examine and determine the most appropriate mechanisms to create a conducive environment for experimenting with creative approaches to tripartism and social dialogue.
20. It is estimated that US\$ 250,000 will be required for this project. It should make it possible to: (a) prepare a detailed project proposal and implementation plan together with Centre staff and other ILO colleagues; (b) give research and development assignments to selected external collaborators; (c) identify and record good practice and specific expertise; (d) pilot-test and validate outputs (training modules and training approaches); (e) generate final products, including their translation, registration (e.g. on CD-ROM) and printing. A small part of the funds will be used to defray management costs.

1.4. Corporate Social Responsibility

21. The Fourth Development Plan explains that the “Focal Initiative - Corporate Social Responsibility (CSR)”, in conjunction with the ILO’s initiative of the same name, is one of the priorities.
22. Over the past years, thanks to several initiatives, including the 2003 Athens Conference¹, in close collaboration with the relevant ILO units, the Centre has developed a set of curricula and materials to use in a variety of circumstances. These materials are described in the document GB.295/MNE/2/2: “InFocus Initiative on corporate social responsibility (CSR) - (b) Corporate social responsibility training offered by the International Training Centre of the ILO”, as discussed at the Governing Body’s meeting in March 2006. Additional materials are available for use in a CSR context.
23. It is proposed to further develop the Centre’s capacity to offer relevant services and products on CSR, to update and expand existing training materials (modules) and design new, innovative materials and curricula for specific target groups, in close collaboration with ILO Geneva and the Subcommittee on Multinational Enterprises. These interdisciplinary materials can be used for separate CSR sessions, either as part of a more comprehensive CSR programme or as part of other learning activities and events.
24. The approach to curriculum and material development is based on the tripartite MNE Declaration², the OECD Guidelines for Multinational Enterprises and the CSR knowledge base that is being developed by the Office. Good use will be made of experience with the UN Global Compact and other voluntary initiatives. A special effort will be made to identify and describe cases of good CSR practice. They will serve as a basis for case studies that will form the core of the CSR curricula and training materials. The specific characteristics and requirements of the various constituents will be taken into account.
25. It is estimated that US\$ 300,000 will be required for this project. It should make it possible to: (a) prepare, under the guidance of the Reference Group, a detailed project proposal and implementation plan together with Centre staff and ILO colleagues; (b) identify existing materials, case studies and good practices; (c) give research and development assignments to selected external collaborators; (d) pilot-test and validate outputs (training modules and training approaches) with specific target groups, such as representatives of employers’ and workers’ organizations; and (e) generate final products, including their translation, registration (e.g. on CD-ROM) and printing. A small part of the funds will be used to defray management costs.

¹ Conference on Socially Responsible Enterprise Restructuring: Exchanging Experiences and Good Practices (Athens, 3-4 April 2003).

² ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

CHAPTER TWO – Enhancing the Relevance and Quality of the Activities and the Promotion of the Centre’s Expertise and Portfolio

2.1. Evaluation

26. In recent years, the Centre’s Board has emphasized the need for more extensive and intensive evaluation of the effect and longer-term impact of the Centre’s activities. This concern reflects the more generalized need for evidence-based or results-based management within the ILO and the United Nations system. There is a need to show that the Centre’s capacity-building and training makes a difference, that it has the desired effects and that those effects have a lasting impact. Insights and evidence of immediate and longer-term effects can be strong arguments for attracting (new) customers, partners, sponsors and donors. At the same time, evaluation can lend impetus to ending ineffective training programmes, to improving and modifying existing programmes or materials, and to identifying new programmes with greater strategic relevance. Thus, in order to enhance the relevance, quality and effectiveness of the Centre’s products and services, the proposed project aims to strengthen the Centre’s evaluation capacity.
27. As part of the Third Development Plan, the Centre upgraded the software applications and methods of its post-course evaluation capability. In addition, it developed a solid approach to, and methods for, assessing the longer-term effects (impact) of a series of courses³.
28. With the support of the Office, the project proposes a series of interventions to first strengthen the Centre’s own internal (impact) evaluation capacity and later, on the basis of that experience, to develop a curriculum and associated learning materials for training participants (from constituents and other client organizations) in the art of evaluating the impact of training.
29. More specifically, while using the accumulated experience and expertise, the project aims to develop an in-house system of tools and technical support (including staff development) for assisting activity managers to undertake well-designed exercises to assess the effect and impact of their programmes⁴, and to do so more frequently. In addition, the project will make it easier to run a limited number of evaluation studies focusing, for example, on: (a) a series of activities or a theme; (b) participants from one or more specific institutions; or (c) participants from one country, over time. Together, the results of these evaluation exercises can help improve the quality and effectiveness of existing programmes and promote them among potential participants, sponsors and partners. They can also help in

³ See: “Evaluation of the Impact of Training Courses on International Labour Standards for Judges, Lawyers and Educators (1999 – 2003), by A. Sanches.

⁴ Evaluation of training effects is usually done at four levels: (i) satisfaction; (ii) learning; (iii) transfer to individual performance; and (iv) transfer to organizational performance. As part of the results-based management approach, the need for evaluating at a fifth level, return on investment, is growing.

making strategic choices about the continued relevance of the programmes or the need for new ones.

30. The in-house experience gained from these evaluation exercises could serve as the framework and input for developing a new course on “evaluating training and learning” that the Centre could offer. While the project is likely to facilitate this initiative, no investment funds have (yet) been allocated for developing, validating and pilot-testing the curriculum and associated training materials. In other words, additional resources, from outside the 2007-2011 Investment Programme, would be required to develop a fully fledged curriculum and materials on the evaluation of training and learning.
31. The estimated project budget is US\$ 200,000. It should make it possible to: (a) prepare a detailed project proposal and implementation plan; (b) technically and financially support a limited number of evaluation and impact studies to be conducted by activity managers; (c) technically and financially support a small number of in-depth reviews; (d) train Centre staff in evaluation approaches and techniques; and (e) document and report the experience properly for publicity and promotion and as a contribution to developing the new training evaluation course mentioned above. A small part of the funds will be used to defray management costs.

2.2. Web Site Upgrade

32. The Investment Fund of the Third Development Plan made it possible to create a brand-new Web site in three languages. This has given the Centre’s visibility a major boost and has helped promote its expertise, products and services. The recent addition of Web pages for the Centre’s former participant network brings the Web site closer to becoming an indispensable way for the Centre and its constituents, participants and partners to keep in touch.
33. The current Web site requires further investment in order to update and upgrade its information and thus to maintain its edge. It should become the priority medium for announcing the Centre’s courses and for illustrating the scope and quality of its services. Web site visitors should be able to make informed choices about participating in Centre programmes or partnering the Centre, whether institutionally or financially or both.
34. The proposed investment project is meant to make this transformation possible. It should result in a significant increase in Web site visitors and a growth in the number of participants and others who name the Web site as their prime source of information about the Centre and its training. This could be achieved by ensuring that the content at the three levels of the Web site is continuously updated and expanded. This means that Centre staff – with different levels of access – will become skilled at direct input and content-modification at three levels: (a) the level of the institution (overall information about the Centre); (b) that of the Technical Programmes and other units (information about expertise and courses); and (c) that of training projects, courses and activities (detailed project and course descriptions with information about objectives, target groups, content, methods and materials, with regular updates). The project should also allow the Centre to have the right

tools and give the Centre's staff the skills to manage both the underlying structure and the daily use of the Web site.

35. The project budget is estimated at US\$ 110,000. It should make it possible to: (a) prepare a detailed project proposal and implementation plan in consultation with staff; (b) conduct a baseline user survey at the beginning and a user survey at the end of the project in order to measure the desirable increase in the Web site's use; (c) obtain the necessary external technical support to modify the site's structure and appearance; and (d) train Centre staff. A small part of the funds will be used to defray management costs.

CHAPTER THREE – Enhancing the Centre's Technological Infrastructure

3.1. Upgrading the Financial Software Application

36. In 2000, the Centre installed a financial software application ("Oracle Financials") as part of its Enterprise Resource Planning (ERP) project. It replaced the previous financial application, which had become obsolete and was on the verge of breaking down. The Centre now needs to upgrade its financial application from Oracle version 11.0.3 to Oracle version 11i.
37. The reasons for this are the following:
- The enhancements in the 11i version offer many new capabilities, better security and an improved user interface. Version 11i is believed to be a more robust, better integrated and easier-to-use product.
 - It will offer an opportunity to review the current system, so that the effectiveness and efficiency of the Centre's business processes can be further improved.
 - The implementation of version 11i would make it easier to do the accounts in euros and make electronic bank payments.
 - The Position Management and International Legislation Payroll/HR modules can only be installed using Oracle version 11i.
 - The Oracle Corporation has announced that it may not support the version currently used by the Centre beyond December 2006. This is a significant risk.
38. Changing to the 11i version requires careful attention to: (a) maintaining access to data in the old system; (b) ensuring that the upgrade retains the functions of prior customization and responds to the needs of the Centre; (c) full and comprehensive testing; and (d) appropriate training of staff.
39. The Centre has consulted a partner company of the software provider with a view to estimating implementation costs and to preparing a "request for proposal" (RFP) for selecting partner consultants who will provide the required technical assistance. The total cost of implementation is estimated at US\$ 620,000. As these costs are a one-off expenditure and cannot be amortized over time, they cannot be considered

“normal running costs”. Including them in the Centre’s annual budget would create an inordinate burden. Therefore, it is appropriate to charge them to the Investment Programme.

3.2. Human Resources (HR) Application in the ERP System

40. When the new financial systems were set up, it was decided that the human resources management application would be separated from the financial modules, since a review of the payroll package showed that it was inadequate for the Centre’s needs. Recent significant, specially customized software improvements, resulting in particular from the implementation of the IRIS project, now make it possible.
41. The Centre has reached the point where it needs to replace the existing Informix payroll system without further delay because of at least four major weaknesses:
 - the current system is obsolete and requires constant intervention; the quality and the reliability of processing personnel transactions and ensuring accurate payments of entitlements and benefits are at stake;
 - it requires cumbersome manual processing;
 - it is inflexible and does not allow to retrieve and use HR data as needed;
 - it cannot interface with other applications.
42. The benefits of the new ERP system would be:
 - improved quality, availability and reliability of the data needed to support decision-making on human resources management matters;
 - greater efficiency;
 - reduction of duplication in data input;
 - an effective means of upgrading the system, thereby increasing its flexibility and lifespan.
43. Beyond providing a secure arrangement for the processing of staff entitlements and payroll, the replacement of Informix by an ERP application would meet the need to develop a modern human resources information management system. It would also allow future use of other HR applications.
44. The scope of the HR application would include:
 - payroll – the monthly calculation and payment of the Centre’s staff according to entitlement rules;
 - payroll accounting – the posting of a monthly payroll to the general ledger;
 - entitlement definition - the definition of the Centre’s entitlement rules and of eligible staff;

-
- staff cost distribution – the costing of each staff member to one or more Centre projects;
 - entitlement assignments – the assignment of entitlements to individual staff members in accordance with their eligibility.
45. After an initial phase of establishing a project steering committee and a project team, there are likely to be three major phases over the period covered by the Fourth Development Plan: (a) identifying business requirements and improvements; (b) analysis and development; and (c) testing and preparation for implementation. The second and third phases will depend on what is decided at the end of the first phase. There are two possibilities:
- **Outsourcing to ILO headquarters.** This approach would mean transferring all or part of the responsibility for the operation of a system to the ILO in Geneva. It would imply processing transactions and running the payroll from Turin, via the Internet, on the ERP application servers in Geneva. This option would take into account the experience already gained by Headquarters in developing the business requirements, analysis and development, and testing phases indicated above. It will therefore be explored with ILO Headquarters. If done effectively, this option could significantly reduce initial investment costs.
 - **Independent development.** This second approach would consist of the installation, configuration and possible customization of the standard HR and payroll functions of the ERP developed for the United Nations common system. It would draw on the experience gained at the ILO in Geneva. It might require a higher initial investment in development and customization, but would allow full control of functions, data, maintenance and subsequent development costs by Turin.
46. During the initial implementation phase (identification of business requirements), a steering committee will be set up, and a project manager will be appointed. Key features will be the involvement of all system users and commitment at all levels.
47. The budget for the first phase of the project (identification of business requirements) is estimated at US\$ 130,000. The specific outcomes and conclusions of this first phase will determine the scope of the second and third phases (analysis and development, testing and preparation for implementation) and their associated costs and mode of financing.

BUDGET AND REPORTING

48. The following table summarizes the cost estimates for each of the eight projects.

OVERALL BUDGET ESTIMATE (2007 – 2011)

Project No.	Project	Cost Estimate (US \$)
1.1	Discrimination	350,000
1.2	Migration	350,000
1.3	Mainstreaming Social Dialogue and Tripartism	250,000
1.4	Corporate Social Responsibility	300,000
2.1	Evaluation	200,000
2.2	Web Site Upgrade	110,000
3.1	Oracle Financials Upgrade to 11i	620,000
3.2	Oracle HR Analysis of Business Requirements (Phase 1)	130,000
TOTAL		2,310,000

49. Each year, the Director of the Centre shall produce a technical and financial report on the progress of the Investment Programme, stating what has been achieved as regards the objectives and expected outcomes of each of the eight projects.
50. **In the light of the above, the Board of the Centre is invited to:**
- Approve the four projects proposed in the First Chapter of the Investment Programme and approve the transfer of the sum of US\$ 1,250,000 from the accumulated reserves of the General Fund to the Investment Programme on a progressive basis.**
 - Approve the two projects proposed in the Second Chapter of the Investment Programme and approve the transfer of the sum of US\$ 310,000 from the accumulated reserves of the General Fund to the Investment Programme on a progressive basis.**
 - Approve the two projects proposed in the Third Chapter of the Investment Programme and approve the transfer of the sum of US\$ 750,000 from the accumulated reserves of the General Fund to the Investment Programme on a progressive basis.**
 - Recommend that the Governing Body of the ILO take note of the Board's decision to approve the proposals, the Investment Programme and the means to finance it.**