



**FOR INFORMATION**

FIFTH ITEM ON THE AGENDA

**THE FUTURE DEVELOPMENT OF THE TURIN CENTRE AND ITS  
RELATIONSHIP WITH THE ILO**

1. At the 294<sup>th</sup> session of the ILO Governing Body in November 2005, the Employers' Group and the Workers' Group asked the Office to prepare a document that clarified the guidelines it intended to propose for the Centre's future.
2. That document was submitted to the Governing Body's Programme, Financial and Administrative Committee in March 2006. It set out the measures taken or planned to achieve better coordination between the Office and the Centre.
3. The document, together with the Programme, Financial and Administrative Committee's report on the issue, is submitted to the Board of the Centre **for information.**



## FOR INFORMATION AND GUIDANCE

### FIFTEENTH ITEM ON THE AGENDA

## Other financial questions

### Future development of the Turin Centre and its relations with the ILO

#### Background

1. During the 294th Session (November 2005) of the Governing Body, the Employers' and Workers' groups requested the Office to draw up a document setting forth the guidelines it intended to propose for the future of the Centre and for better integration with the ILO.<sup>1</sup>
2. The present document outlines the key aspects of the future development of the Centre and on its relationship with the ILO. It reports on measures taken or planned to ensure greater programmatic and operational coordination between the Office and the Centre and raises a few issues in relation to the long-term development of the Centre in the context of the ILO's strategic directions.
3. The evolution of the ILO, UN and international cooperation over the past two decades has been marked by an increasing attention to the need to create or enhance the capacity of national institutions to steer and manage their own development process. Hence, the emphasis on sustained capacity building as a critical factor for the attainment of international development goals.

#### History of the Turin Centre

4. Through the creation of its International Training Centre in Turin in 1964, the ILO was and remains at the forefront of this effort. The Centre is a non-profit technical international body of the International Labour Organization. The Centre has separate legal personality pursuant to article VIII of its Statute, which was recognized by the law of the host country – Italy – and has its own autonomous statute, staff and budget. The Centre's Board is appointed in part by the ILO Governing Body and in part by others (Statute, article III). The Board is chaired by the ILO's Director-General.

<sup>1</sup> GB.294/8/1(Rev.), para. 38.

5. Initially born as a vocational training institution, the Centre today has become an important training and capacity-building arm of the ILO for the pursuit of decent work for all and a unique platform where professionals from all over the world share their experience of the world of work. It is also the hub of a worldwide network of partner institutions and resource persons with expertise on employment, labour, human resources development and learning methodologies.
6. Since the early 1990s, the Turin Centre has experienced a significant quantitative and qualitative growth, including the establishment of new training programmes mirroring the entire range of the Decent Work Agenda, the introduction of innovative training design and delivery modalities, such as decentralized training and open and distance learning, and the adoption of new evaluation, budgeting and management information systems. The Centre's legal and financial base obliges the Centre's management to recover a substantial share of its fixed costs from the fees charged for training activities. The Centre has succeeded in diversifying its funding portfolio in a highly competitive training market and in balancing its budget for some 15 consecutive years despite the growing gap between fixed costs and contributions received directly from the host Government, other member States of the ILO and the annual ILO subvention.
7. At the same time, a number of constituents, and notably the Workers' group, have on different occasions signalled the potential contradiction between the Centre's increasing dependence on training market demand and its continued commitment to the principles and policies of the ILO, notably the accessibility and relevance of the Centre's training programme to ILO's constituents. This concern was echoed in the External Auditor's report to the Centre's Board in November 2005 which stated "the need to ensure that the strategic aims and objectives of the Centre are properly defined and that the link with the ILO's strategic objectives is considered in the light of the growing dependence on external sources of income".
8. A closer look at the Centre's programmes shows that the current training offered is actually more representative of the Decent Work Agenda than it was five years ago. In addition, those areas of the Centre's activity that do not immediately fall under one of the ILO's strategic or mainstreamed objectives – notably management of development and training methodology and technology – do represent a potentially important service to ILO's constituents. However, taking into account the physical, human and financial limitations to a continued expansion of the Centre's programmes, the concern of ensuring and enhancing the constituents' access to the Centre's future programmes and its relevance to the Decent Work Agenda pose continuing challenges to both the Centre's and the Office's management.

## Joint ILO/ITC Task Force

9. In response, the Director-General established in March 2003 a joint ILO/ITC Task Force with the mandate of proposing measures for better utilization of the Centre's capacity in ILO programmes and development cooperation activities. The Task Force, chaired by the Director of the Centre, produced a set of recommendations in February 2004 to ensure the Office's greater ownership of, and contribution to, the Centre's programmes in order to maintain and enhance their alignment with the ILO's strategic directions. A number of concrete actions have been taken and/or are in progress in the areas mentioned below.
10. **Capacity building strategy.** An Office-wide capacity building and learning strategy has been recommended by the Task Force as the basis for the future development of the Centre and its operational integration with the ILO. Proposals have been made to further develop methods and tools for capacity building for responding to the needs expressed by

constituents, institutions and individuals. This is an area where greater synergies can be achieved by working closely with the Centre in identifying specific longer term products and services. This remains a priority for 2006-07. Within the ILO's overall strategy, the Centre's role in the development of human resources, both of constituent organizations and of the Office itself, can be identified in training needs analysis and design and testing of training and learning products and tools; implementation of training components of ILO programmes and projects; training of ILO staff; support to ILO research and publication activities; and development of academic networks and programmes aiming at the dissemination of the Decent Work Agenda.

- 11. Joint planning.** Regular meetings are taking place with the relevant Office and Centre programmes. In addition, the Centre is invited to participate in joint planning exercises with the Office which are facilitated through access to the IRIS Strategic Management Module. Concerted effort has also been made in the past couple of years to share information on annual meetings with donors and ensure that the Centre is present at such major meetings. During this biennium, it is envisaged that more systematic annual planning meetings between the Centre's staff and the Office's regional and technical departments will be arranged. These exercises should result in concrete commitments on resources to be pooled from either side for joint activities. In addition, joint planning could be introduced between the Centre and the Institute with regard to the development of post-graduate courses and the design of academic networks in general. The Centre would then be better equipped to plan its activities and have a reliable basis to estimate the income from ILO regular budget, RBTC and/or extra-budgetary funds.
- 12. Technical cooperation.** An operational agreement was concluded in November 2005 between the Partnerships and Development Cooperation Department (PARDEV) and the Centre as regards some practical measures aiming at enhancing the Centre's participation in the ILO extra-budgetary technical cooperation programme. This includes: the Centre's regular attendance at planning and review meetings between the ILO and donor agencies; a timely and frequent exchange of information and briefings on existing operational and pipeline projects, as well as scheduled negotiations with donor agencies; the negotiation, wherever feasible, of core allocations for capacity building within donor partnership agreements and/or project budgets; and collaboration in competitive bidding exercises.
- 13. ILO staff development.** The dedicated resources for staff development and training in 2006-07 will offer the opportunity to discuss and plan a number of core curricula to be implemented through the Turin Centre. The Turin Centre is already collaborating with the Management Leadership and Development Programme. Potential areas for curriculum development include: training of ILO staff on training design and delivery; training on project design, management and evaluation; induction training for new ILO officials; and introduction of open and distance learning in the ILO staff development programmes. These areas could be progressively extended depending on the nature of the staff development demand and availability of resources.
- 14. Staff mobility and human resource management.** A new circular was issued in December 2005 on "Rules governing loan of staff between the ILO and the International Training Centre of the ILO". This circular sets the rules and procedures aimed at facilitating the exchange of staff between the two institutions. Under the ILO's mobility policy circular of November 2005, temporary assignments to the Centre can be considered part of the overall career development pattern of ILO officials. As long as the Centre remains an autonomous entity within the Organization, the Office is of the opinion that the Centre's management should retain ultimate authority and independence in recruiting and managing staff. However, the current practice of involving the relevant ILO departments in the selection of technical professional staff of the Centre could be expanded.

- 15. Multimedia design and production.** A first joint ILO/ITC agreement was signed in 2003 giving the Centre a first right of refusal priority option for the awarding of ILO desktop publishing and multimedia production contracts up to a maximum ceiling. This agreement is subject to annual review by both parties and may possibly be expanded in the future.
- 16. Information technology.** To facilitate the exchange of information, the Centre's email addresses were integrated into ILO GroupWise in early 2005. The Centre's access to the IRIS management information system is also planned as part of IRIS' future development, and the Centre's integration in a number of applications is under review. Finally, the Office is considering the potential of making use of the Centre's experience to enhance the outreach of its training and operational programmes through open and distance learning and educational technology applications.

## **ILO financial contributions to the Centre**

- 17.** The Office recognizes that an increase in regular budget contributions would help maintain the Centre's focus on the ILO's strategic directions and rely on a more stable basis for planning its activities and services. In this spirit, the ILO's core funding to the Centre has not been reduced in real terms for many years, contrary to other ILO programmes. However, the ILO is not in a position to make any additional commitment in the context of the current budget constraints. The Office also is cognizant of the potential for the Centre's greater involvement in delivering the capacity building and training components of the ILO extra-budgetary technical cooperation projects. This would entail an increasing adaptation of Turin's training programmes to the needs of the technical cooperation projects. While a very important factor, the financial contributions and cash flows alone do not do justice to the present level of collaboration between the Office and the Centre, as many more programmes are jointly conceived and implemented. The Office is confident that the implementation of the measures described above will, over time, yield benefits and translate into more effective participation in the ILO's operational programmes.

## **Looking ahead**

- 18.** The ILO is committed to the vision of a centre of excellence devoted to the development of institutional capacity in ILO member States for the promotion of decent work. The Centre's contribution to the Decent Work Agenda consists of: reaching out to a large number of individuals and institutions participating in the definition and implementation of policies and programmes in the economic, social and labour sphere; enhancing cross-fertilization and mutual learning through pooling and comparing national experiences and practices; and designing and applying cutting-edge methodologies and technologies that make training and learning accessible and affordable to developing countries.
- 19.** The implementation of decent work country programmes (DWCPs) is the main vehicle for making decent work a global goal and a national reality, as foreseen in the ILO 2006-07 programme and budget. This will generate increasing opportunities for strengthening the knowledge and capacity of a large number of actors at the national level and, in particular, of the tripartite constituents of the ILO, thus opening new frontiers for action by the Turin Centre in this area.
- 20.** This calls for the ILO and the Turin Centre to jointly undertake an active resource mobilization strategy to support DWCPs through extra-budgetary funding. Approaching and engaging together, the donor community will contribute to one single ILO voice and greater efficiency and impact. Sharing resources within a common framework such as the

DWCPs will enhance prospects for a more stable platform for funding of capacity-building activities.

21. The Office is endeavouring to set up an internal joint steering mechanism with the Centre in order to continue the progress and monitor the implementation of the above provisions.
22. As the Centre's senior management will be changing in the near future and the fourth development plan for 2007-11 is under preparation, the Committee's general views would be welcomed on the following questions:
  - (i) The Centre's new development plan represents an opportunity to reflect on the Centre's long-term orientation and its operational ties with the overall Decent Work Agenda. From this point of view, should the Centre align itself with the planning cycle of the ILO's Strategic Planning Framework?
  - (ii) The Centre will need to continue raising additional extra-budgetary resources for funding its training programmes in a highly competitive environment. How can the Office, in the context of the Centre's development plan, further support the development and promotion of training products and programmes in areas of the ILO's mandate and the Centre's competence?
  - (iii) How can the ILO and the Centre best work together to optimize the mobilization and sharing of extra-budgetary resources available in the donor community and ensure increasing support for training components in technical cooperation activities?

Geneva, 6 March 2006.

*Submitted for information and guidance.*



NINTH ITEM ON THE AGENDA

**Reports of the Programme, Financial  
and Administrative Committee**

**First report: Financial questions**

*Excerpt*

**Other financial questions: Future development of the Turin Centre and its relations with the ILO**

(Fifteenth item on the agenda)

- 119.** The Committee had before it a paper<sup>13</sup> on the International Training Centre of the ILO, Turin.
- 120.** Mr. Blondel welcomed the inclusion at last of the policy issue of relations between the ILO and the Turin Centre in the Committee's agenda. Without challenging the legal structure of the Centre, his group aimed to improve its integration where feasible. The debate should be frank and open, and provide clear responses as to what the ILO wished to do with the Centre in the service of its tripartite constituents, as well as its method of financing and management if it transpired that its services were not competitively priced. In that regard, he wished to commend the huge contribution the host country authorities had made to the Centre's financing and management, while promoting its international nature. Thanks to recent investments on the occasion of the Olympic Games, the Centre was now more modern and effective.
- 121.** He also wondered whether there was in fact genuine cohesion and cooperation between the Centre and the technical departments, the International Institute for Labour Studies and the ILO's regional offices and teams in designing their strategies and activities, and what the situation was with regard to cooperation on policies on training and capacity building of the staff of both institutions. The Workers' group had some ideas when it came to answering these questions, which it had communicated to the Director-General on several occasions. They related in particular to the reduction of the Centre's fixed expenses, joint mobilization of resources and the role of technical cooperation. But the time had come to move on to the implementation of concrete measures aimed at ensuring more complementary structures. While there were objective constraints preventing integration, there was a need to strengthen cooperation through exchanges between Turin Centre staff and that of the Office, or by providing training activities in line with the Organization's strategic objectives and policies.
- 122.** The Governing Body's role was not to manage the Centre from Geneva, but rather to work continuously to ensure closer cooperation with the Centre. The Director's departure, the preparation of the Centre's quadrennial development plan and the discussion on the next ILO programme and budget presented an opportunity that could not be missed. The appointment of the new Director and the close relationship that he could foster between Geneva and Turin would be an indication of the message that the Office wanted to give about its relationship with the Centre. To strengthen links, the new Director must continue

<sup>13</sup> GB.295/PFA/15/1.

to play his part with the management structures at Office headquarters and maintain a physical presence at headquarters.

- 123.** Lastly, Mr. Blondel, on behalf of his group, commended the enormous task accomplished by Mr. François Trémeaud at the head of the Centre and paid personal tribute to him.
- 124.** Mr. Barde stated that the Employers' group supported the Centre and the work it had accomplished over the past 40 years on behalf of the tripartite constituents. The Centre was the ILO's only training facility. The ILO in Geneva did not have the capacity in terms of training technology. Moreover, the Centre was sufficiently flexible to meet the needs of the market and enjoyed direct contacts with constituents.
- 125.** It was at the request of the Employers and the Workers that the Committee at last had the opportunity to discuss the Centre and its future. The Office paper did not provide answers as to the future of the Centre. The Centre was instrumental in implementing the ILO's activities. It had to maintain a tripartite spirit that the departments at headquarters should uphold. He stated that the department responsible for employers' activities should be at the same level as that for workers. The main issue was improvement of cooperation between the Centre and headquarters. Given the fact that it depended on non-guaranteed sources of income for 80 per cent of its funding, it could not be seen as a department of the Office. Owing to that dependence, full integration would pose legal and financial problems, and it was difficult for the Centre to work according to planning similar to that applied at headquarters. Since it was difficult to envisage an increase in the ILO's subsidy, other avenues would have to be explored, such as temporary secondment of Office staff or outsourcing of activities. He stated that the present sound management should continue, for the Governing Body was ultimately responsible. The Employers' group wished to thank the Government of Italy and the local authorities for financing the Centre, but the Office should give some thought to the financing of more costly investments. The Employers' group had insisted on the need for improvements between the two institutions. They could not bid or compete for the same invitations to tender. While maintaining its own strategy and resource mobilization, the latter should ensure better coordination with CODEV and the regions. Better coordination also meant a review of the Centre's competencies, as well as the training needs of officials at headquarters, so as to identify synergies.
- 126.** Furthermore, Mr. Anand (Employer member, India), stated that as two years had passed since the Joint ILO/ITC Task Force submitted its report, some of the priorities contained in the Office paper needed to be refocused in consultation with the Employers' and the Workers' groups. The Centre needed to develop linkages with training institutions in the regions and subregions. Its training and skills development programmes should be linked to the new challenges of a global economy. Lastly, he requested that the ILO attach importance to the nomination of the successor to the Director of the Centre, whom he personally thanked.
- 127.** On behalf of his group and all the employers who had been through the Centre, the Employers' spokesperson thanked the Director for his remarkable work, both in developing the Centre's activities and with regard to its image. The Employers' group considered that his successor should possess the same political acumen and managerial skills.
- 128.** The representative of the Government of Italy thanked the Employers' and Workers' groups for initiating this discussion which was critical to the future of the Centre. He also expressed his appreciation for the work of the Director who over 17 years had turned a small vocational training institution into an essential arm of the ILO, and an internationally recognized centre of excellence and expertise on employment, labour, human resource development and learning methodologies. This high profile should be kept in mind when

replacing the Director. As the host country, Italy was the main source of funding for the Centre at the national, regional and local levels. Recent investments have enhanced the accommodation capacity of the Centre as well as its technological capacity. This has resulted in added value to the ILO and increased the potential for developing the institutional capacity of member States and promoting the work of the Organization. It was not clear that the recommendations of the Task Force had been followed by concrete measures, in particular through a higher contribution to the Centre from the ILO's regular budget. As a result, the Centre was increasingly dependent on extra-budgetary support. This had not prevented it from increasing its focus on the ILO's strategic objectives. However, if the Centre was obliged to further diversify its funding sources, the relevance of its programmes to the Decent Work Agenda and to the needs of the constituents might be hindered. The ILO needed to make strategic choices on the nature of its relationship with the Centre. As a first step, the Italian Government expected that the Centre would be fully integrated, without delay, into the technical cooperation activities of the ILO.

- 129.** The representative of the Government of the Philippines called for more support for the Centre as it was a core partner in delivering the Decent Work Agenda. She welcomed the Centre's training programme, in particular in the area of corporate social responsibility, and requested that training modules also be developed in the field of labour inspection.
- 130.** The representative of the Government of South Africa, speaking on behalf of the Africa group, concurred that there was a need for this discussion in view of increasing calls for technical assistance to enable member States to manage their development processes. Capacity building and training were key components of these processes in pursuit of the Decent Work Agenda. He encouraged stronger linkages between the programmes of the Centre and the ILO's strategic objectives as well as closer collaboration in the field of ILO staff development. The technical cooperation operational agreement should also assist to enhance cooperation between the Centre and the ILO. He called for increased support to the Centre, including financial support, and thanked the Director of the Centre for his work.
- 131.** The representative of the Government of Hungary also emphasized the importance of the Centre's capacity building and training initiatives in pursuit of decent work for all, especially in the context of the implementation of decent work country programmes. It would therefore be important to provide the Centre with a sufficient budget to undertake this work while at the same time increasing efficiencies through initiatives such as the joint steering mechanism referred to in the Office paper.
- 132.** The representative of the Government of France noted that the change of direction, at a time of preparation for the elaboration of the Centre's Fourth Development Plan (2007-11), provided an ideal opportunity to reflect on the relationship between the Organization and its Training Centre. The Centre formed a vital element in the implementation of the ILO strategic objectives and dissemination. However, its specific nature and independence made it difficult to align the planning of its activities with the Organization's. Better harmonization would require a more thorough debate, to include the matter of the level of the resources supplied to the Centre by the ILO. This should be conducted in several stages. He joined the previous speakers in recognizing the support provided by the Italian authorities and in paying tribute to the Director of the Centre for his talent for innovation and his dynamic and rigorous leadership.
- 133.** The representative of the Government of Jordan, speaking on behalf of the Arab countries of the Governing Body, considered that the Centre must remain an essential arm of the activities of the Organization. The Fourth Development Plan of the Centre should be the tool for the ILO and the Centre to work together on identified shortcomings and the achievement of their common goals as well as to enhance the positive aspects of mutual

cooperation. He associated himself with the appreciation expressed to the Italian authorities and to the Director of the Centre for their contribution to its success.

- 134.** The representative of the Government of Brazil similarly thanked the Italian authorities and the Director of the Centre. Knowledge of the ILO by government officials and employers' and workers' representatives was to a large extent due to the training activities of the Centre. He supported the initiatives arising from the work of the Joint ILO/ITC Task Force, as they would contribute to ensuring that the ITC remains a centre of excellence devoted to the development of institutional capacity in ILO member States for the promotion of decent work.
- 135.** The Director-General welcomed this discussion and reiterated the Office's appreciation to the Italian Government and the authorities of Piedmont and the City of Turin for their continuing support to the Centre.
- 136.** This discussion on the Centre at the Committee was welcome as the Governing Body usually only had the opportunity to consider the Board's annual report and on the occasion of the discussion of the programme and budget, which normally concentrates on the need for resources to be allocated to the Centre. This discussion had shown a strong sense of ownership of the Centre by the ILO tripartite constituents and had highlighted the need for a strategic vision for the future of the Centre and its relationship with the ILO.
- 137.** In addition to the findings and recommendations of the Joint ILO/ITC Task Force, there was a clear need for stronger reciprocal knowledge and understanding. The Centre is probably ahead in this connection following the decision to align its programmes with the ILO's four strategic objectives. Similarly, there was a clear need for better use of each others' services and building on each others' strengths as well as a need to avoid duplication. The emphasis placed in the 2006-07 programme and budget on decent work country programmes and the exercise under way in each of the sectors to identify the policy options and tools available to implement each of the strategic objectives through the decent work country programmes, will offer an opportunity to identify in a systematic fashion the training components within each of the ILO's objectives and programmes. It was important to clearly define the respective roles of the Office and Turin so as to work together in a complementary way. While the Office work focused on policy development, analysis and advice, Turin had the expertise for product development, training and capacity building based on such policies. At a time when funding decisions are increasingly made at the country level, it was necessary to look into the possibilities of joint fund raising and to ensure better coordination with donors. Efforts were also required to ensure that donors better understood the global scope and nature of the Centre, and that contributions from other donors, joining the generous support from Italy, would reinforce this international dimension.
- 138.** The Office will continue working on these possibilities and proposals, but guidance will be required from the Governing Body as to overall policy direction. Such guidance needs to find the right balance between the autonomy of the Centre and the governance role of the Governing Body in relation to the ILO as a whole.
- 139.** The Director of the Centre, Mr. Trémeaud, thanked the Committee for its message of thanks for the work accomplished by the Centre since he became Director in 1989. The work could not have been done without the teams with which he had had the good fortune to work. It was on their behalf that he felt pride and satisfaction at the Committee's message. He also wished to offer his thanks to the Italian authorities for the unfailing support he had received from them, as well as to the Director-General for entrusting him with the challenging but exciting role of Director of the Centre for the past 17 years. He

assured the Committee of the quality and commitment of the Turin staff – especially the younger members who, in his opinion, were the guarantee of the Centre’s future.

- 140.** Finally, the Director-General, adding his voice to the Committee’s, wished to pay tribute to the Executive Director and Director of the Centre, François Trémeaud, on the eve of his departure after 37 years of service to the Organization and the values it represented. Mr. Trémeaud’s career had been exemplary, particularly as Director of CABINET under Francis Blanchard. He had been one of the pillars of technical cooperation activities, first under Mr. Blanchard, and then as Director of the Technical Cooperation Department, before being appointed Executive Director responsible for the Regions and Technical Cooperation, while retaining his responsibilities as Director of the Turin Centre. Nevertheless, it was especially with the Turin Centre that Mr. Trémeaud’s name was associated. Since taking up the position of Director in 1989, he had succeeded, with the help of the Italian, Piedmont and Turin authorities, in making it a centre of true training excellence, widely recognized as such within the multilateral system. The decision to set up the United Nations System Staff College and to establish it on the site of the Centre was evidence of that. Mr. Trémeaud’s career was the perfect example of an international official who had spent his entire career at the Office and reached the highest office through ability and merit. His loyalty, sense of diplomacy and commitment to the ideals of the ILO were an honour to the Office and the international civil service as a whole.
- 141.** The representative of the Government of the Netherlands, speaking on behalf of the IMEC group, requested that the Committee’s time management be reviewed. He called on all delegates to adhere to the timetable of meetings as programmed and to complete the work of the Committee in the time assigned.
- 142.** Mr. Blondel asked if three sessions were really sufficient for the Committee and recognized that it was difficult to gauge the time required for each agenda item.
- 143.** In response to a question from Mr. Blondel, the Treasurer and Financial Comptroller explained that Japan had paid 76,628,387 Swiss francs since 24 March 2006. This amount included arrears for 2005, i.e. 69,137,710 Swiss francs, as well as a part payment for 2006 of 7,490,677 Swiss francs.

Geneva, 27 March 2006.

*(Signed)* M. Blondel,  
Reporter.

*Points for decision:* Paragraph 11;  
Paragraph 24;  
Paragraph 38;  
Paragraph 41;  
Paragraph 48;  
Paragraph 51;  
Paragraph 55.