



INTERNATIONAL TRAINING
CENTRE OF THE ILO

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FOR DISCUSSION

FIRST ITEM ON THE AGENDA

Follow-up to the Recommendations of the ILO Team and Preparation of a New Medium-term Strategy for 2012-2015

Introduction

1. The Centre's current five-year Development Plan ends in December 2011. The purpose of the present document is to share initial ideas with the Board with a view to the preparation of a new medium-term plan to submit to the Board in 2011. This document also responds to the recommendations of the "internal review of the operations of the ITC Turin", which were presented by the Office to the Officers of the Board on 24 September 2010 in Geneva, and to the requests made on that occasion by different Officers of the Board for more information about how the Centre's management sees the Centre's future development in the current institutional and operational context.
2. As one of the key recommendations of the ILO team is to introduce a results-based approach into the strategic planning of the Centre's activities, the initial part of the discussion paper focuses on the process of preparing such a plan. The subsequent sections deal with the other specific recommendations of the ILO team.

A new development plan

2. The Centre is still operating in the context of the 2007-2011 Development Plan, which was conceived and adopted before the systematic introduction by the ILO of a results-based management approach. The ILO team recommended that the Centre adopt *a medium-term plan using established RBM-based methodologies, with a fully integrated operational risk management module*.
3. A new Development Plan may very well be designed in an RBM format, setting specific outcomes and indicators of achievement, and linking them to the broader ILO outcomes and indicators established in the ILO 2010-2015 Strategic Policy Framework. A realistic new Plan, however, must factor in the lingering uncertainties about the medium-term funding base of the Centre and the difficulty of effectively planning the use of resources whose volume, timing and level of earmarking are largely unpredictable. The implementation of the new Plan will therefore inevitably require annual monitoring and adjustment in a spirit of full and open dialogue with both the Office and the Centre's Board.
4. The new Plan can build on the set of key performance indicators that the Centre already uses to measure and monitor: relevance (contribution to attainment of individual ILO outcomes); outreach (the number and composition of participants and participant days, including the proportion of tripartite constituents and that of women participants); quality (through feedback and systematic evaluation by participants); impact (through ex-post evaluation); and financial sustainability (recovery of fixed costs). Further development of those indicators is needed, particularly in relation to impact assessment and to linking activities not only to ILO outcomes but also to DWCP priorities.
5. In the context of the 2007-2011 Development Plan, the Centre has invested considerably in the development of new training programmes and products. As a result, the Centre's current portfolio mirrors almost the entire range of ILO outcomes and components of the Decent Work Agenda. While the Centre will continue to update and diversify its products, the priority for the next medium-term plan will be to consolidate existing training and to strengthen the Centre's capacity to make an effective and sustainable contribution to the development of the institutional capacity of constituents and to the attainment of global development goals. The following areas will require specific attention:
 - a. Further development of the Turin Learning Approach and the pursuit of innovative, cost-effective learning methods that respond better to the increasingly diverse and sophisticated demands for assistance by the ILO, its constituents, and both national and international development partners.
 - b. Strengthening the Centre's capacity to assess more systematically the impact of its training and learning activities on institutional performance and capacity of constituents and

- partners, and its contribution to the attainment of ILO outcomes.
- c. The development and application of specific methodologies for assessing the capacity needs of ILO constituents and for designing and supporting the implementation of capacity-development components in broader ILO and national strategies.
 - d. Enhanced partnerships and networking with international development training institutions to reduce duplication of effort and to promote policy coherence in the international drive to attain global development goals.
 - e. Active support and partnership with national and regional training institutions to replicate and adapt the Centre's training products effectively, with a view to enhancing the outreach of ILO policies and tools, with priority going to training institutions associated with the ILO's tripartite constituency.
 - f. Consolidation of the Turin School of Development and partnerships with academic institutions and networks, with a view to reaching out to future generations of political, economic and social leaders.
6. It is proposed that the next medium-term plan cover the period 2012-2015 in order to align the Centre's planning with the ILO Strategic Policy Framework cycle. The new plan will be prepared in close coordination with the ILO Bureau of Programming and Management (PROGRAM) and with the Officers of the Board.

The Centre's mission

7. The ILO team recommended that the Centre set out a new vision and mission statement that would serve both as *a tool to encourage joint work and to communicate the Centre's mission and role internally and externally* and *a reference for future strategic alignment of the Centre's medium-term planning and operational work plans*.
8. According to its current formulation, the Centre's mission is to provide training, learning and capacity-building services in support of the Decent Work agenda and the MDG. Its activities aim at enhancing participants' knowledge and competencies with a view to strengthening their performance as policy makers, managers, practitioners and trainers of the ILO's constituents and partner institutions.
9. The Centre is ready to re-examine and further refine its vision and mission statement in collaboration with the Office. The new statement may take into greater account the different ways in which the Centre currently pursues its mission, such as:
 - supporting the development of the institutional capacity of ILO constituents in the context of Decent Work Country Programmes and national development strategies;
 - facilitating cross-fertilization and peer learning among ILO constituents from countries with similar DWCP priorities and decent work challenges;
 - disseminating ILO standards, policies and tools among ILO constituents and among non-captive audiences;
 - contributing to the development of ILO human resources;
 - providing training and learning services to reputable external development partners in the context of the global development agenda.
10. The re-statement of the Centre's role as a more specific sub-set of functions may indeed lead to a better understanding on both sides of the value the Centre can add to the ILO's strategies and operations.

The operating model

11. The ILO team also recommended a new operating model for the Centre as a means of greater integration with the ILO, including *more integrated joint planning of the Centre's activities with the ILO, within the framework of outcome-based work plans*. As noted by the team, the Centre has already gone a long way by linking its training activities to ILO outcomes and by actively participating in the design of ILO outcome-based work plans and global products before the start of the present ILO biennium. Further progress depends on the extent to which the Centre is fully integrated into the RBM module of IRIS. The feasibility of this option is being examined by ILO headquarters.
12. The Centre's experience is that successful instances of programme integration between the Centre and the ILO's technical and regional departments derive much more from collaboration and the recognition of both sides' added value and complementarity than from compulsory institutional mechanisms. This was also recognized by the ILO team after consulting ILO technical sectors during the review. Needless to say, success will also ultimately depend on the volume of resources channelled through the ILO in the long term for the implementation of the outcome-based work plans.

Standard courses and learning academies

13. The ILO team suggested considering *an enhanced mix of activities (e.g. global academies) – including through joint investment by the ITC and the Office, based on careful analysis*.
14. The Centre currently has several product lines. A core calendar of standard courses is offered every year. The Centre is currently working at further diversifying and improving this. A review process is under way. Its aim is to repackage standard curricula, with innovations, with a view to offering participation in more attractive and visible learning events, such as “academies”, which will progressively become internationally recognized benchmarks of excellence. Each event will cluster together different courses in a particular field and allow participants to choose individual learning paths among a variety of subject and language options. This approach has already been successfully tested in areas such as micro-credit and sustainable enterprise development. It is also likely to attract greater interest and ownership on the part of the relevant ILO technical sectors with whom the academies will be jointly planned, and will allow for participation by well-known international personalities as keynote speakers.
15. Drawing on past experience, the Centre is already planning to expand the number of academies on offer in 2011, as long as the following conditions are met:
 - Active ownership and participation by relevant ILO technical sectors. Discussions are already under way, and the final list of academies in 2011 will depend on the technical and institutional commitment of the sectors concerned.
 - Equally active involvement and ownership by ILO regional and field offices, in order to ensure the global cross-cultural dimension of the knowledge-sharing process and its relevance to DWCP priorities. To this end, simultaneous interpretation at the plenary session is a must. This substantially increases the fixed costs of the activity, which can only be absorbed if a critical mass of participants from different regions and languages attend.
 - Institutional collaboration with relevant global or regional organizations and centres of excellence, who will help the activities to reach beyond traditional ILO constituencies. This has been one of the most critical factors in the extraordinary success of the annual academy on micro-credit.
 - Attracting internationally known personalities as keynote speakers.
 - Investment in the design of both content and methodology, in order to maximize participants' satisfaction and learning.
16. The Centre believes that organizing standard courses on the academy model may have several

advantages:

- improved deployment of existing support staff across the technical teams, as each team would concentrate its work on different times of the year, with possible savings on the recruitment of short-term staff;
- the possibility of investing in larger-scale promotional efforts, including publicity through specialist magazines and newspapers;
- opportunities for networking and diversification of target audiences: many participants show great interest in connecting with other professionals and practitioners in the same area of work; the larger and more diverse the group of participants is, the more opportunities will exist for fruitful discussions and new partnerships;
- a modular approach that enables participants to customize their learning schedule, including the possibility of attending only specific components of each event;
- diversification of sponsors;
- increased visibility;
- development of more attractive and dynamic virtual platforms for networking;
- more time for training staff, to respond to opportunities for tailor-made activities in the remainder of the year.

Tailor-made activities

17. In addition to its core programme, the Centre meets requests for customized learning to bridge human resource and capacity gaps in the context of the development strategies of ILO constituents, national and international institutions and development partners. The Centre hopes that the progressive concentration of standard courses into a smaller number of academy-type events will allow the Centre to allocate more staff time to the development of tailor-made activities, thus enhancing the Centre's flexibility to respond to requests from the ILO and its constituents.

Resource mobilization

18. The ILO team also recommended that the Centre concentrate *resource mobilization efforts on well-coordinated large-scale undertakings in close collaboration with the ILO*. This recommendation was prompted by a concern that the current large volume of small negotiations on individual fellowships and activity-based contributions may be inefficient and entail high transaction costs.
19. In the Centre's current set-up, resource mobilization responsibility is centralized as regards the negotiation and management of donor partnerships and competitive bidding operations, as well as the allocation of resources from ILO regional offices. Conversely, the individual Technical Programme managers are responsible for mobilizing resources for funding individual participation in their standard courses, meeting specific requests for assistance, and negotiation with individual ILO technical departments and projects.
20. The Centre agrees with the ILO team that the current resource mobilization approach entails high transaction costs, due to the large number of negotiations on small financial contributions. However, this is the one approach that has ensured the financial viability of the Centre over the years in the absence of adequate access to donor resources or ILO programmatic allocations.
21. As indicated in the Director's Report and in other policy documents, the Centre maintains that direct contributions to the Centre's budget, as well as allocating upfront resources for training and learning activities from the RBTC, the RBSA and ILO/donor partnerships, would significantly enhance the cost-effectiveness and reliability of the Centre's planning, reduce transaction costs and help the Centre focus on its core business. The adoption of a more explicit results-based management strategy in the Centre's future medium-term plan may provide additional arguments

for a programmatic approach in the Centre's resource mobilization strategy.

A new financial model

22. The ILO team recommended a number of improvements to the Centre's current financial model, including: a) a *revised budget format* segregating *training vs. management and administrative costs* as well as *fixed vs. variable costs*; b) *enhanced cost attribution*; and c) *enhanced management reporting*.

Budget format

20. The ILO team has taken note of the management reports prepared on a regular basis to assist in monitoring the financial performance of training activities. These reports, matching fixed and variable costs against the training revenue of the Technical Programmes, are mirrored in reviewing the budget proposals of the Technical Programmes during the budget hearings. Budgetary reviews of the income and expenditure of the Technical Programmes were performed during the 2011 budget preparation. Since this exercise is already being done internally, the budget formats can be amended to reflect better how management and administrative costs are recovered and funded, and to show whether fixed and variable training costs are fully covered by training revenue.

Cost attribution

23. The ILO team acknowledged that the Centre has a good base for management reporting, and is encouraging the Centre to develop it further to report fully on actual costs. However, the team wants the Centre to be in a better position to estimate the actual direct and indirect costs of its different types of activities.
24. The Centre's individual activity budgets include an element of indirect cost recovery (called "contribution to fixed costs") broken down into three main components:
 - a. the time of the Professional and General Service staff directly responsible for the design, marketing, delivery and administration of the individual activity (at standard costs);
 - b. a fixed overhead that covers indirect administrative and management costs;
 - c. the recovery of maintenance costs of the campus facilities, linked to the use of rooms and classrooms.
25. The Centre uses standard parameters to set the unit price of these cost recovery elements. The budget of individual activities is based on an estimate of the mixture of direct and indirect inputs needed for the planning, design and running of each activity. Depending on the contractual arrangements with the activity sponsor, the amount of staff time invoiced may be adjusted in line with the actual volume of work. Lessons learned from similar activities are fed back into the pricing of new activities. However, the highly customized nature of the Centre's activities and related contractual arrangements requires specific assumptions and specific review processes case by case.
26. The Centre does indeed not analyse ex-post the actual attribution of staff time to individual activities, as recommended by the ILO team. That could only be done by having the Centre's staff fill in individual time sheets on a regular basis. The Centre's management is reluctant to take this path, as it would increase the workload of staff already under strong pressure to do more with fewer resources, and might also require additional administrative support to manage and monitor the system. However, a light version could be piloted in 2011, with a weekly indication of the percentage of time spent on a list of activities, while searching for the most cost-effective and cost-efficient time-sheet and billing software that would meet the Centre's needs.
27. Existing data analysis shows that different types of activities may be more or less financially

profitable. Activities on campus with a large number of participants tend to be the most cost-effective, as they entail a greater use of the Centre's inputs and a higher absorption of fixed costs. However, the success and credibility of the Centre over the past few years has been built on its capacity to offer many different options that meet constituents' and partners' needs, demands and constraints.

Fuller management reporting

28. The ILO team made a number of suggestions to improve the set of key performance indicators used by the Centre. The aim is to ensure that the Centre's budgetary and financial decisions are based on a sound and reliable set of indicators. New performance indicators suggested by the ILO team can be added to those currently used by the Centre to assess the financial sustainability of its programmes, namely: a) progress towards the cost-recovery target set for each team; b) financial productivity; and c) capacity to multiply captive funds.
29. Other quantitative indicators are being established, not only for the Technical Programmes, but also for the administrative and support functions. These will equip managers with cost intelligence with which they can identify contributors to, or detractors from, improvement and cost efficiency. New business-intelligence software is being launched in mid-2011; it will further assist in extracting and analysing financial and performance data.
30. Once the Centre has built the capacity to report on actual costs, costs can be attributed to functions and activities better, and improved management reporting on the above financial indicators will follow.