SECOND ITEM ON THE AGENDA

Proposed allocation of the 2018-19 net budget surplus

1. Under Article 7.4 of the Financial Regulations of the Centre, the Director can include the whole or part of the final financial surplus at the end of any complete financial period (defined as two consecutive calendar years) in a proposal to be approved by the Board or use it as an increase in the accumulated reserves of the General Fund.

2. As a result of the decision taken by the Board in October 2017, the Officers of the Board have been delegated the Board’s authority to approve the allocation of any surplus at the end of a complete financial period. Thus, the Director submits the following proposals for the allocation of the 2018-19 net budget surplus which amount to a total of €3.088 million:
   a. €1.5 million to the training activities to provide partial and full fellowships for participants from developing countries and thus partly offset the course fees, travel and subsistence costs. This would permit the training department to be in a position to increase slightly its financial support during the 2020-21 biennium due to the challenges of the COVID-19 pandemic and its impact on its operations.
   b. €500,000 to the Innovation Fund to provide needed funding to promote learning and innovation as a cross cutting policy driver to the organization, thus further becoming a world-class training service provider, as expected by the Board for the Centre. This would also support the expansion of e-learning at the Centre, using a variety of IT tools, as another method of learning which is now being identified as critical during the COVID-19 pandemic. This will further expand the ability of the Centre to reach further participants worldwide.
   c. €1,088,000 would remain in the General Fund to provide flexibility to management in allocating additional funds to priority areas over the 2020-21 biennium, as a result of the negative financial impact that the COVID-19 pandemic will have on the final budget 2020 results.

3. The Officers of the Board, as delegated by the Board, are requested to approve the proposed allocations from the 2018-19 net budget surplus.

Point for decision: Paragraph 3.

Turin, April 2020