

## Officers of the Board of the Centre

Meeting of the Officers of the Board, 22 May 2020

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**FOR DECISION**

### SECOND ITEM ON THE AGENDA

## Revised proposed allocations 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, its Officers have been delegated the authority to approve the allocation of any surplus at the end of a complete financial period. In this framework, the Director has prepared proposals for the Board's consideration taking due account of the impact of the COVID-19 pandemic and the uncertainty it has generated for the operations of the Centre. The 2018-19 net budget surplus amounts to a total of €3.088 million and the largest portion is allocated to the General Fund while provisionally, proposals are made for smaller allocations for fellowships and for innovation. The proposals are as follows:
  - a. €750,000 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 financial year 2020 due to the challenges of the COVID-19 pandemic and its impact on its operations.
  - b. €250,000 to the Innovation Fund for the financial year 2020 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. €2,088,000 would remain in the General Fund, due to the uncertainties as a result of the negative financial impact that the pandemic will have on the final 2020 budget results and the impact in the longer term.
3. The proposed allocations of funds to the training activities and to the Innovation Fund for the financial year 2021 will be submitted for decision later in the year when the impact of the pandemic can be more firmly assessed, also taking into account the ongoing discussions on the financial sustainability of the Centre in the short-term and over the next several years.
4. **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 4.

Turin, May 2020