



SIXTH ITEM ON THE AGENDA

**International Training Centre
of the ILO, Turin****Report on the 66th Session of the
Board of the Centre
(Turin, 4-5 November 2004)**

1. *The Chairperson, Mr. Diop*, welcomed the members of the Board, in particular those who were taking part for the first time. He was pleased and honoured to be presiding over this 66th Session of the Board of the Centre in place of the Director-General, Mr. Juan Somavia, who was unfortunately unable to be present because of urgent engagements. In the name of the Director-General, he thanked the ILO, the Government of Italy, the City of Turin and the Piedmont Region most warmly for their continued support for the Centre's activities. Because of the link between the first and second items on the agenda, he proposed that the documents to which they referred be examined together. He proposed that the Board should also examine document CC 66/2/Add.2 on the "Pension status of certain officials with Italian nationality at the International Training Centre of the ILO" under this item because it called for a financial decision. The Chairperson declared the 66th Session of the Board of the Centre open and invited the representatives of the Italian authorities to take the floor.
2. *The representative of the City of Turin, Mr. Calgaro*, the Deputy Mayor, said that Turin, a traditionally industrial city, was currently going through a period of transformation. In this transition phase, the city intended to follow its international vocation and wanted to establish a centre of excellence in high-level training. The Centre, which had been set up in Turin in 1964, was a key factor in that strategy. A large number of activities highlighted the fruitful cooperation among the Italian Ministry of Foreign Affairs, the City of Turin and the Centre. In the wake of the decision to use the Centre as a media village for the Olympic Winter Games of 2006, the sum of 17 million euros had been allocated for the renovation of certain pavilions, especially those used to accommodate participants. Furthermore, an equivalent amount would be set aside for renovating the rest of the campus. The Deputy Mayor of the City of Turin said that he accepted the Centre's fundamental value to his city and was convinced of the benefit of long-term cooperation.
3. *The Chairperson* thanked the City of Turin for its constant support. He called upon the representative of the Italian Government to speak.

4. *The representative of the Italian Government, Mr. Tria*, said that his Government held a deep interest in the Centre and its achievements. He affirmed that the Italian Government was committed to developing its links with the Centre and the ILO, to strengthening the Centre's position as the training institute of the United Nations system and lastly to consolidating its international role. He confirmed the Italian Government's financial commitment for the future.
5. *The Chairperson* expressed his gratitude to the Italian Government for its decisive support for the Centre's activities and invited the representative of the Piedmont Region to speak.
6. *The representative of the Piedmont Region, Ms. Cotto*, said how pleased she was to be taking part in the Board meeting and informed it that Regional Law No. LR13/2003 had just come into force. It was an expression of the Region's firm desire to develop its cooperation with the Centre with the aim of making Piedmont more international and of supporting international cooperation activities between the Region and foreign countries. The Law established three means of supporting the Centre's activities: first, an extraordinary contribution of 3 million euros over the next three years to fund the renovation of the Centre's facilities; second, an annual contribution of 200,000 euros as general support to the fixed costs of the Centre; finally, an annual contribution of 200,000 euros to fund joint training programmes between the Piedmont Region and the Centre. On this subject, an initial work schedule had been launched in 2004. It covered the following activities: a course on "Design and management of development projects" for officials of local Piedmontese institutions; the fourth Master's degree course on "Management of development"; a master's degree course on "Cultural projects for development"; and, lastly, a conference on "The right to development" in conjunction with the Italian Ministry of Foreign Affairs, the Centre and UNICRI. The passing of the Regional Law was an important step in enhancing cooperation among the Centre, the Region and Piedmont's training institutions. That cooperation was part of a regional strategy to increase the international role of Piedmontese institutions. Lastly, the Region would like to see ever more effective cooperation with the Centre in order better to highlight the Piedmont Region's training excellence at international level.
7. *The Chairperson* welcomed the commitment by the Piedmont Region and called upon the Director to present his report.

I. Director's report on the activities of the Centre in 2003-04 and perspectives for 2005

Report on the implementation of the programme and budget for the current financial year (2004), and programme and budget proposals for the 2005 financial year (First and second items on the agenda)

8. *The Director* introduced the documents relating to the first and second items on the agenda, which presented the accounts for the 2003 and 2004 financial years, together with the most significant developments expected in 2005. From the quantitative point of view, he underlined the continued growth in the number of participants and activities. Four hundred activities had been held in 2003, and 2004 should record further growth. In 2003, 9,750 participants had been recorded; in 2004, the number of participants should rise to nearly 10,000. In line with the wishes expressed by the Workers' group at the previous Board sessions, the "participant days" indicator had been reintroduced so that the evolution of the Centre's activities could be measured better. The Director specified that whereas

40 per cent of activities were held in Turin, 50 per cent were held in the field and distance activities accounted for 5 per cent. He also stressed that the activities held on the campus lasted longer than those held elsewhere. As regards quality, the Director dwelt on the diversification of the Centre's activities. The cooperation agreement signed with the national law schools of Morocco and Jordan to enhance judges' awareness of international labour law illustrated that diversification of programmes, with their objective of bringing the ILO's principles and standards to new audiences. The Centre had also continued its efforts in the areas of employment promotion, local development, public sector reform, social dialogue, the extension of social protection and new training technology. He was happy with the support of Italy and informed the Board that in the context of discussion on the three-year programme of activities funded by the Italian Government, the Director-General of Cooperation had approved the funding proposals which had been submitted to him for the next three years. That programme covered new activities in the areas of migration, human trafficking, combating child labour and the fight against HIV/AIDS. Italy's support had also made it possible to increase participation by workers and employers in the Centre's programmes, thanks to the award of specific training fellowships. The number of such fellowships had risen to 102 in 2002, to 127 in 2003, and would reach 180 in the 2004 financial year. The Centre would continue its efforts in that direction. As regards the geographic distribution of participants, the Director noted with satisfaction the rise recorded from all five continents. He pointed out that women now accounted for 40 per cent of participants, which was an encouraging trend. He highlighted two positive developments in the activities of the Centre. The first was the number of tenders won, which demonstrated the Centre's competitiveness. Foremost among them were a 2 million euro project to train European Union officials in gender issues, a US\$250,000 reprography contract awarded to the Centre by the European Training Foundation and three important World Bank tenders. The second development was the significant rise in participants paying the cost of their training themselves. The Director thanked those governments and institutions who had given the Centre their support, especially Italy. In the area of human resources, he informed the Board of the continuing attempt to introduce baseline competencies, as the ILO had done. The Director pointed out that the number of the Centre's participants had multiplied five times over 15 years while the number of staff had remained stable. Concerning the renovation of the Centre's facilities, he reiterated his thanks to the Italian Government, the City of Turin and the Piedmont Region for the efforts they had agreed to make. Thanks to the measures taken to minimize the negative impact of the works, the Centre's activities had been able to take place under nearly normal conditions. At the end of 2004, a new temporary pavilion and two renovated pavilions would be available for the Centre's activities. The Director welcomed the City of Turin's commitment to undertake a second series of works which would renovate the facilities which were not being modernized for the 2006 Olympic Winter Games. Regarding security matters, he noted the significant progress that had been made and the City of Turin's promise to allocate US\$2 million to revamp the electricity plant. In view of the heightened risk of outside attack, the United Nations security services based in Vienna and the ILO's internal administration office had carried out inspections. A working party comprising members of the three organizations housed on the campus (the Centre, UNICRI and the UNSSC) had been set up to work out a joint approach to security. As regards the Centre's financial situation, the Director stated that 2003 had been a difficult year but that the measures taken, especially a freeze on recruitment and, even more so, unforeseeable events at the end of the year, namely exchange rate gains and the award of an important contract, had made it possible to close with a profit. Following the debate at the 65th Session of the Board on whether to adopt the euro as the accounting currency, and in view of the fact that 80 per cent of the Centre's expenses came in euros, consultations had been held. The internal and External Auditors had recommended changing over to the euro, and ways to do so were being examined. It would mean using a new version of the management software, the one also used at the ILO (Oracle 11.i). The Director thought that a proposal could be put to the Board to use the reserves to introduce

the new version of the management software next November. Financial balance was likely to be achieved for the year 2004. The budget forecast for the year 2005, based on an exchange rate of US\$1.20 to the euro, was for a slight deficit of US\$150,000, for which efforts would have to be made to eliminate. The Director informed the Board that a consultant had been chosen to help the Centre improve the promotion of its activities, teaching quality and contribution to fixed costs. The recommendations would be ready by 15 April 2005. He also proposed hiring a consultant to improve financial procedures, especially recovery of outstanding debts. To meet the Board's recommendations, the Centre was continuing its efforts to strengthen activity evaluation procedures, especially through impact evaluation financed by the Investment Fund. To conclude, the Director pointed out that the document on the pensions of certain officials with Italian nationality gave an account of the measures taken in compliance with the decisions of the 65th Session of the Board and weighed up the financial implications of these measures.

9. *The representative of the External Auditor declared:*

I am very pleased to be here today on behalf of the External Auditor, Sir John Bourn, to present our external audit report for the year ended 31 December 2003.

I should first confirm that our audit revealed no weaknesses or errors which we considered material to the accuracy, completeness and validity of the financial statements as a whole. Accordingly, as our report confirms, the External Auditor was able to place an unqualified audit opinion on the Centre's financial statements for 2003.

This is not an automatic outcome from the audit process, which is an independent and rigorous external scrutiny, conducted in accordance with the Common Auditing Standards of the United Nations Panel of External Auditors. It included a detailed examination of the financial statements, including tests of accounting records and supporting documents, and review of control procedures and systems.

As you know, under the Financial Regulations, and in addition to the audit of the accounts before you today, we carry out management audit work on performance issues which we think it necessary or appropriate for us to examine. This work includes examining the efficiency and effectiveness of financial procedures and systems; the internal control environment; and financial management generally.

The results of this work are incorporated in the External Auditor's report before you; and our main findings and recommendations are set out in the Executive Summary, at the front of the report.

All the recommendations in the report have been accepted by the Director of the Centre.

I can perhaps begin by saying a little about the Centre's financial and operating position.

This year's income was some 20 per cent more than approved in the annual budget. The Centre's expenditure increased in line with the increased resources. There was therefore no risk of the Centre breaching financial limits or appropriations set by the Board.

The Centre has reported an operating surplus of US\$1.2 million for the period. With savings on prior periods of US\$155,000, and an increase in the provision for doubtful accounts of US\$356,000, the financial surplus for the period is US\$1.37 million. The Centre's overall financial position at the end of 2003 therefore remained sound, as it had large reserves and significant cash and term deposits to meet its liabilities, as and when they fall due [US\$8 million at 31.12.2003; US\$4.3 million at 31.12.2002].

The Centre recorded a positive cash flow from operating activities in 2003 of approximately US\$3.37 million. This was due largely to an increase in payments received in advance [US\$4.7 million] and a large operating surplus [US\$1.2 million], which were offset partially by a decrease in other liabilities [US\$2 million] and an increase in accounts receivable [US\$1.5 million].

On the substance of our main audit findings for 2003, we chose to look at two issues concerning the running of the Centre. We examined the management of the 2002-05 Investment Fund, and we revisited the management of debt arising from training activities.

The projects financed from the 2002-05 Investment Fund are linked directly to the objectives set out in the Third Development Plan detailing the Centre's future strategic direction. The five strategic directions are: closer association with the ILO; gender mainstreaming; quality of training; information technology; and extended reach.

The total value of the Fund was set at \$1 million and was split into 12 distinct projects. We reviewed the Centre's control and monitoring of these projects to assess how the Centre was managing them.

We found that the projects took between six and 17 months to be planned and approved. The extended time involved in the planning of some of these projects has reduced the time scale available for their implementation. We also found that the degree of planning and the management approaches on the 12 projects varied considerably within the Centre.

We have recommended that in future the Centre should ensure that all projects should detail the project scope and risk assessment; pre-defined project milestones; budgets broken down to task levels; and reporting commitments. This should help promote improved accountability for the use of funds for each of the projects.

We have also recommended that progress reporting on activities should be carried out against qualitative pre-defined milestones and that the Centre should undertake a post-implementation review of each of the projects in the Investment Fund.

We looked again at debt management at the Centre, which we had previously covered in our report to the Board in 1997. The main reason for this was that the receivables balance on the Centre's assets and liabilities statement represents 50 per cent of the total assets belonging to the Centre. This amounts to some \$11,464,000.

Each year the Centre assesses the nature of these amounts, and writes off the parts of this debt which it deems unrecoverable. In 2003, this amounted to a write-off of \$347,000, with a further amount of \$314,000 netted off in the year. The Centre has estimated that it must establish a provision for a further \$547,000 of debt in its financial statements which may become unrecoverable in the future.

We reviewed the Centre's management and control procedures from the point of raising invoices at the inception of courses to the point of collection and follow-up for payment from sponsors.

We have again recommended that the Centre review its procedures for managing debt through its computerized systems, and that it should review its invoicing procedures to implement more timely invoicing of project sponsors at the end of training activities.

We have recommended that the Centre follow more closely its procedures and controls for entering into activities funded by the ILO, and seek proper authorizations. I am pleased to say that following our review the Centre has reminded programme managers of the need to adhere to the existing procedures.

Concerning our follow-up to earlier recommendations on the 2006 Winter Games; succession planning; earlier accounts closure; information systems review; and implementation of the Centre's financial and administrative systems. We found that the Centre had made progress against the recommendations made last year, and this is set out at Annex 1 of the report.

We have made further recommendations in respect of the Centre setting itself the target date of 30 April 2005 for the submission of complete and accurate accounts for the year ended December 2004. We have also recommended that the Centre extend the coverage of the work performed by the Management Information Services section, to develop an organization-wide disaster recovery and business continuity plan for emergencies.

Mr. Chairman, that brings me to the end of the points I wished to make on the External Audit report for 2003. On behalf of Sir John Bourn, I should like to express our appreciation for the open and constructive cooperation provided to us by the Director, the Deputy Director, and the staff of the Centre.

Mr. Chairman, distinguished members of the Board, thank you for your attention.

10. *The Employer Vice-Chairperson* thanked the Director of the Centre and the External Auditor for the quality of their reports. She affirmed the importance that the Employers' group attached to the recommendations of the External Auditor.
11. Regarding the first item on the agenda, she was pleased with the very good information contained in the Director's document. She noted the exceptional growth in the number of activities and participants in 2003. She pointed out that it had been partly due to obtaining an important training project, worth more than US\$4 million, financed by the European Social Fund. She wanted to congratulate the Centre's team on that success.
12. Concerning the number of participants, she pointed out that in 2003 more than half of them had done the Centre's training away from the campus, which she thought positive.
13. As regards the regional distribution of activities, she remarked that in the previous year all the regions had seen an increase in training programmes. She recalled that the Employers' group was in favour of greater use of the Centre by the ILO's technical cooperation programmes. The Director-General had also expressed such a wish, and she hoped that it would be fulfilled by the ILO's various Executive Directors. As to the gender distribution of participants in the Centre's activities, the Employer Vice-Chairperson noted a slight growth in women's participation from 2002 to 2003. The 40 per cent rate reached that year was progress that deserved to be built on, especially in terms of women employers.
14. As regards distance training, she highlighted the dynamic nature of such activities in Latin America and hoped that they would be broadened to encompass the other regions. Furthermore, participation by ILO and United Nations staff had risen in 2003. This trend, however, deserved to be strengthened.
15. Concerning budget matters, the spokesperson for the Employers' group reminded the Board that 30 per cent of the Centre's training budget came from the voluntary contribution of Italy and from the ILO's regular budget. She thanked the Italian Government, as well as the Piedmont Region and the City of Turin, for supporting the Centre. She hoped that more resources would be mobilized by the various governments to finance the Centre's activities. On this subject, she noted with satisfaction the Chinese Government's decision to use the Centre to train its personnel. Finally, she stressed that it was crucial for the Centre to be able to answer calls for tenders in the field of training. The Centre's recent achievements in that area were encouraging.
16. As regards the running of training activities, she pointed out that the Centre had begun to call upon experts from employers' organizations. That was very welcome news to the Employers' group, which hoped that such cooperation would develop further.
17. Regarding the representatives of workers' and employers' organizations who had taken part in the Centre's activities in 2003, although their number had risen in absolute terms, she still deemed their percentage of the total number of participants too low. In that regard, the spokesperson for the Employers' group would like to see bipartite and tripartite training activities developed which would make it possible to go further than the target of 20 per cent worker and employer participants set for 2005.
18. Concerning gender issues, she supported the three main steps taken by the Centre, namely integrating gender equality into all training programmes, holding awareness-raising sessions within the Centre itself and assessing the attention given to the issue in the Centre's personnel management policy and practice. She went on to stress that the training activities on entrepreneurship and development of women entrepreneurs' skills were an effective tool in the fight against poverty and unemployment. The number of those activities should be increased so that more women could take part.

19. On the question of international labour standards and human rights, she was happy with the results obtained, especially with the extension over several years of the “freedom of association” project within the Standards and Principles and Fundamental Rights at Work Programme, made possible by the support of the ILO and of Italy.
20. As regards employment and skills development, the spokesperson for the Employers’ group noted with interest a new training product for youth employment. The Employers’ group was very much in favour of that initiative and hoped that synergy with the United Nations “Youth Employment Network” would be created so that proposals on the subject could be submitted to the next general discussion at the International Labour Conference.
21. Turning to enterprise development, the Employer Vice-Chairperson hoped for greater efforts, especially as regards development services for small and medium-sized businesses. To that end, closer partnership among the Centre, the International Organisation of Employers (IOE) and the Bureau for Employers’ Activities (ACT/EMP) was needed. She went on to point out the importance of offering training in a greater number of languages. On that subject, cooperation with the ILO’s Regional Offices was fundamental. She reiterated that cooperation among the Programme for Employers’ Activities, the IOE and ACT/EMP should be strengthened to meet the growing needs of employers’ organizations faced with the challenges of globalization.
22. The spokesperson for the Employers’ group then stressed the importance of evaluating the impact of training activities. Adequate resources should be invested therein. Furthermore, she would like to have more detailed information on certain activities, such as those held in South Africa on developing skills in gender equality, employment promotion and poverty reduction. She pointed out that the success of that initiative had been made possible by the active participation of the country and of local organizations in the project.
23. Lastly, she noted with interest the Centre’s efforts to strengthen training support services, which were essential to the effective implementation of training programmes.
24. The Employer Vice-Chairperson then looked at the progress report on activities in 2004 and perspectives for 2005. She hoped that every effort would be made to maintain the very high level of activities reached in 2003. She noted with satisfaction the Centre’s will to turn the recommendations of the World Commission on the Social Dimension of Globalization into training initiatives. She advised the Centre to focus its efforts and resources on the heart of its mandate, namely the promotion of standards, employment, social dialogue, tripartism and social protection. She appreciated the fact that the Centre had adopted a less academic and more pragmatic approach in the design and implementation of activities in this area. She mentioned the new steps to set up a network of former participants and asked for more information on that subject.
25. As regards the regional dimension of activities, she welcomed the enhanced cooperation with the decentralized offices of the ILO. She pointed out, however, that more means and expertise should be made available to the Africa region. Finally, she wanted the programme for employers to be strengthened.
26. As regards document CC 66/1/Add.1 on human resources, she noted the recruitment of Mr. Villemonteix and Ms. Lortie, and wished them every success in their important duties.
27. She was happy that the Centre had taken up the recommendations of the Employers’ group on implementing a succession plan to replace the numerous officials going into retirement.
28. As concerns document CC 66/1/Add.2 on the internal administration of the Centre, she highlighted the progress of the works linked to the organization of the 2006 Olympic

Winter Games and underlined their positive impact on the renovation of the campus. She thanked the City of Turin and the Games Organizing Committee for what they had done to implement that project. She said that she was reassured by the information from the Director on the running of the Centre's activities while the works were in progress.

- 29.** She went on to analyse the External Auditor's report (document CC 66/1/Add.3). She highlighted the compliments the External Auditor had paid the Director on the Centre's performance in 2003. Equally, she noted the concerns expressed in the External Auditor's report and hoped that the Centre would answer them. She quoted in particular delays in implementing certain activities. In addition, she suggested that the Centre assess the implementation of projects financed by the 2002-05 Investment Fund so as to draw useful lessons from them for the future. She then cited the difficulties in recovering certain debts and wondered about the delays in payment for activities co-financed by the ILO. She stressed that the data available on the beneficiary organizations of certain projects and on the participants in certain activities were sometimes insufficient. She concluded by hoping that the Centre would give serious consideration to the External Auditor's recommendations.
- 30.** She then turned to document CC 66/2 on the programme and budget for the 2004 financial year and programme and budget proposals for the 2005 financial year. She thanked the Government of Italy, the Italian local authorities and the Government of France for their voluntary contributions and for their efforts towards the Centre's development. She thanked the ILO equally for its contribution. The spokesperson for the Employers' group said she hoped the Centre would use the resources derived from the voluntary contributions to correct the imbalance between the Centre's activities for workers and those for employers. She then declared that the Employers' group approved the budget proposal for 2005. Lastly, she pointed out that there were rather few training activity projects for employers in 2004 and that the Centre should think about the best way to strengthen its initiatives in that area.
- 31.** Turning to document CC 66/2/Add.2, she referred to the pension status of certain officials with Italian nationality. She reminded those present that the Director had taken a certain number of steps in line with the decision made at the 65th Session of the Board of the Centre. In particular, he had asked the United Nations Pension Fund to reconsider the 1983 agreement concerning the staff of the Centre. Unfortunately, the Fund had not considered it possible to negotiate a new agreement. Concerning the measures taken by the Director and the request for authorization to cover the resulting expenses, she conveyed the Employers' group's agreement.
- 32.** In conclusion, the Employer Vice-Chairperson summarized the points to which her group was particularly committed. She reminded the Board that in 2003 the Centre had achieved exceptional results in quantitative terms. However, it was worth ensuring that this success translated into activities that met the priority needs of constituents. Although it was true that more employers had taken part in training programmes, it had to be pointed out that fewer of those activities had been designed to meet the specific needs of the employers to enhance the capabilities of their organizations. Furthermore, whereas international officials had benefited from the Centre's services, she considered that the ILO had not been the main user of the Centre, as the Employers' group had very much hoped. The group equally hoped that more governments would use the voluntary contribution system to benefit the Centre, and would use the latter to train their staff. In addition, the Employers' group was in favour of closer cooperation among the different departments of employers' organizations, both of industrialized countries and of developing countries. She again mentioned the need to set up a working party that brought together ACT/EMP, the IOE and the Centre to establish more clearly the priority training needs of employers and ways to mobilize the resources needed for training activities to meet them. Finally, she insisted

on the importance of accepting the recommendations of the External Auditors concerning the pace at which the 2002-05 Development Plan was implemented.

33. *The Worker Vice-Chairperson* declared:

On behalf of the Workers' group, I would like to congratulate the Director on his comprehensive report and reiterate that our group considers the Centre an important instrument for the ILO to fulfil its mandate via training and information provided to the constituents.

We welcome Mr. Assane Diop, Executive Director of the Social Protection Sector, who is representing the Director-General. While favourably noting that the ILO Director-General, Mr. Somavia, has visited the campus several times, we regret that he has been unable to participate in this Board session. We would like the ILO Director-General to take full advantage of the strategic implications of education and training for the implementation of the Decent Work Agenda. The educational work of the ILO Turin Centre can also influence, support and guide the debate on the social dimension of globalization.

I would like to convey our special thanks to the representative of the City of Turin, the Deputy Mayor, Mr. Calgaro, for the continuous support provided to the Centre and for the crucial effort of upgrading the facilities of the campus. The Workers' group has noted in previous Board meetings that the foundation of a new campus should coincide with a renewed managerial strategy able to fulfil in the medium term the strategic objective of the integration of the Centre with the ILO.

I would like to present the main thrust of our point of view, while asking my colleagues to intervene later on in the discussion with specific comments regarding the nature and quality of programmes in different regions and sectors.

My intervention will focus on two areas:

- general comments on the trends deduced from the current documents;
- follow-up of previous proposals presented by the Working Group and endorsed by the Board.

The Workers' group notes with interest the rising of the total number of activities and participants, both in-house and in the field, in 2003, but – as in the past – we are very cautious on statistics focused mainly on quantitative growth.

We would like to see in the report more qualitative data reflecting the content and the subject areas related to the training offered as well as how ILO constituents have benefited directly from the training activities of the Centre via the promotion of the Decent Work Agenda.

As it was already done in the past we have regrouped the activities tabled in chart D (participant days) following this criteria, we notice that:

- sector 1 has only 5 per cent;
- sector 2 has 24 per cent;
- sector 3 has 7 per cent;
- sector 4 has 16 per cent.

Around 52 per cent of the Centre's activities were delivered in technical areas related to the Decent Work Agenda.

As it was already noted in past Board meetings, the imbalance continues to be a permanent feature of the Centre. There is an urgent need for the Centre to refocus its training activities on ILO's objectives. Despite the implementation of the Third Development Plan that is aimed at promoting closer association with the ILO and in particular to address the imbalance of sector 1 (international labour standards and human rights), little progress has been made.

The Workers' group has proposed to define and agree specific targets related to the four sectors for next year. We would like to hear from the Director how he intends to address this issue.

The Turin programme on standards should also be mandated to have an input on the whole set of international labour standards in all other courses of the Centre. In 2002 the ILS Programme made 40 specific inputs out of 369 training activities (only 10 per cent of the overall training activities of the Centre had a technical input on international labour standards). In 2003 there is no data (see paragraph 78) on this fundamental qualitative issue. We would like to know how many training programmes in 2003 had an international labour standards technical input.

The Workers' group reiterates that a teaching/technical input on international labour standards should be a minimum common denominator in all training activities as this is an area where the ILO has a comparative advantage compared to other international organizations and training institutions and that in particular, the importance of core Conventions must be introduced in all the Centre's curricula with a view to obtain their universal ratification and implementation.

Strategic Objective No. 1 should reflect closely the operational objectives already established in Geneva and be further developed and strengthened in the educational activities of the Centre.

In this regard, the Workers' group reiterates its strong support for the development of a programme aiming at specifically promoting the rights and principles of the ILO Declaration through training and educational activities and teaching tools.

The development of bipartite and tripartite programmes, even if increased, was not yet satisfactory. In 2003 the overall percentage of workers' participation went down to 11.9 per cent (14 per cent in 2002). It should also be noted that the secretary of the Workers' group had officially nominated trade union organizations invited to attend regional and subregional training programmes. Therefore the information contained in paragraph 60 is not correct because a large number of trade union organizations were invited to attend national bipartite and tripartite activities by the Centre. However, the secretary of the Workers' group was not consulted for the selection process. We would like to remind the Centre that Worker participants attending field-based activities should be recruited through the secretariat of the Workers' group and not through the ILO Regional Offices.

The Workers' group would like to ask the Director of the Centre to monitor this procedure and assure that the secretary of the Workers' group would be consulted for the nominations of trade union organizations invited to attend ILO training activities, including field-based training courses.

The Workers' group is also particularly worried about a constant pattern that has been observed in relation with bipartite and tripartite courses. Some technical programmes such as enterprise development (2.9 per cent) and management of development (0 per cent) do not target trade union organizations in their training programmes. This trend continues to perpetuate a lack of knowledge of the important role played by trade unions in the economic and social development of a country.

The Workers' group is requesting, as a matter of clarity, to introduce in table 2, Annex II, the percentage of workers' and employers' participation and would like to ask the Director of the Centre to raise this issue with the technical programmes concerned with a view to reverse this trend.

Another qualitative indicator of the work of the Centre is the development of distance education. Despite a modest increase of the number of training activities, the DELTA programme was not adequately developed and staffed. No replacement of staff took place and the development plan did not contribute to prepare the Centre to its future work and challenges in this strategic area of work. The Workers' group would therefore like to receive information from the Director concerning the measures that will be adopted to ensure a proper implementation and follow-up of this important programme.

Regarding the participants' profile (table 2 of Annex II) only 18 per cent are Worker/Employer representatives (1,779 participants) and around 82 per cent

(7,970 participants) are defined as “other participants”. This category should be broken down to indicate the number of representatives from governments and the private sector, etc.

We reiterate our commitment to support the development of the technical programmes of the Centre. We also would like to take this opportunity to thank all technical and regional programmes for their support to the Programme for Workers’ Activities.

A special thanks also to the Management Information System department (MIS) of the Centre, which has closely worked with and supported ACTRAV for the development of distance education and trade union networks.

With regard to the technical and regional programmes the Workers’ group would recommend for the development of projects a close consultation with ACTRAV and ACT/EMP in order to actively involve the constituents.

In this regard, we reiterate our proposal for a Joint Management Training Committee, with both Worker and Employer representatives, with the specific objective of exchanging ideas and discussing common areas of interest for the development of bipartite training activities.

Given the increasing demand for training from Central and Eastern Europe, the Workers’ group would also welcome the consolidation of the ACTRAV position in this region.

In paragraphs 188-191, once again, the report is referring to the process of examining the current practice of awarding certificates and diplomas.

For social partners’ participants, the learning process gained at the Centre cannot be accurately assessed with parameters and criteria used in a normal university context. In particular the delivery of a certificate at the end of a course is a fundamental element and incentive in the learning process of the future work of our participants.

The Workers’ group would like the management to take into account the specificity and mission of the ILO as compared to other institutions of learning.

We would also like to reiterate some observation related to the five postgraduate courses organized with the University of Turin. These curricula are designed for students that have a higher education degree. The ILO Turin Centre being a tripartite institution, it is quite surprising to see a systematic exclusion of trade union officials from the training opportunities offered by the Centre (share of 17 per cent of the overall participant days for the five master degrees).

The Workers’ group is requesting either to change the selection procedure in order to substantially change the target group of those masters with a real opening to the social partners, or to consider the five programmes as external curricula, where the Centre is providing services and facilities to the University of Turin, provided that this is not interfering with the Centre’s activities.

The Workers’ group welcomes the efforts in the area of gender to integrate gender equality in all curricula, while providing a higher profile to gender issues in terms of research and training instruments. We welcome the increase of women-specific or gender-related training activities as well as of the number of women participants in 2003 as compared to 2002.

The Workers’ group would also like to receive information on the content of the proposals made by the Centre concerning the follow-up to the recommendations of the Global Report on the social dimension of globalization.

The Workers’ group would also like the Director of the Centre to take the necessary steps to harmonize the list of members of the Board by including a representative of CGIL-CISL-UIL of Turin as it is already the case for the Employer representative of “Unione Industriale di Torino”.

The Workers’ group would like to thank the Director of the Centre and the Government of Italy for the financial support of the ACTRAV programme and we expect that this support will continue in 2005.

Follow-up of previous proposals

While thanking the Director for the introduction of the participant days in table 5, we would like to reiterate some proposals on which action is still needed.

- Introduction of tables with desegregated data on the number of bipartite and tripartite curricula/activities delivered in each technical/regional programme with clear percentage of Worker and Employer participants.
- Introduction of a qualitative indicator that would enable the Centre to monitor, evaluate and report to the Board the presentation in training courses of ILO core issues and the distribution of basic ILO training material/packages in the training courses of the ILO Turin Centre.
- In the strategic area of staff mobility, raised several times by the Workers' group with both the Director of the Centre and the Director-General, we would like to know the latest initiatives and developments, if any.
- Request to promote training activities on cooperatives and the development of a consistent programme on the "third sector".
- Introduce more precise information on projects financed by the Centre (their background, how they relate to regular ILO programmes, their strategic developments and how they might be incorporated in the Centre's future activities). The Director's report should also present a section/annex with desegregated data of major projects as has been done for the ESF Desk project. This process of reporting would help to clarify and better define the regular programme of the Centre, based on the offering of core curricula and core courses, from project-based training activities.
- More precise information on agreements and projects financed by the World Bank, in particular to know if they include reference to core labour standards, especially on procurements.
- In relation to the capacity of the Centre to respond to tender opportunities, present the full list of projects awarded and the impact of these projects on the constituents.
- The establishment of a tender committee for the selection of projects related to the mandate of the ILO.

CC 66/1/Add.1 (Report on the human resources of the Centre)

The Workers' group notes with concern that the issue of personnel's integration between the Centre and ILO Geneva – a question of the utmost importance – is not even mentioned in this brief document as well as some ideas on the succession planning recommended by the auditors.

It is worth recalling that the issue of personnel integration has received support from the Director-General and that the Workers' group has made several proposals for starting this process.

We have been asking for several years for the definition and implementation of a policy for the gradual integration of the Professional staff of the Centre with headquarters.

As a first step regional and technical managers' salaries should be assumed directly by the ILO, in order to ensure technical integration for training activities. Such development could be envisaged as a trade-off with voluntary contributions.

Reading the information on officials in service by category and type of contract found at the end of the document, we note with concern that some officials continue to be linked with precarious contracts to training projects since 1994.

The Workers' group would like to ask the Director of the Centre to look into this issue. The development of a structured succession plan should look into the issue of project-based staff in order to improve the overall situation of the Centre's staff.

We would request the Director to maintain the international character of the Centre by ensuring a proper gender and geographical balance and distribution of fixed-term and short-term staff.

Regarding the IRIS project, we would like to know its impact on the applications used for staff and payroll management and how the Centre is linked to that project.

The Workers' group would like to once again request that staff members be actively involved in the succession planning. This plan should also offer to the existing staff of the Centre opportunities for developing new skills/training services and a greater chance for career development.

We note that the tables do not provide information on the vacant posts. We know that some units like the Regional Programme for Africa, being the largest one, or the Delta Programme (in charge of strengthening information technologies for training and for distance education) still have no managers in charge.

CC 66/1/Add.2 (Report on the general administration of the Centre)

The Workers' group takes note of the positive development related to the progress of works in the campus and of the quality of work accomplished which did not interfere with the training activities of the Centre.

In relation with paragraph 3, point (d), the Workers' group requests the Director to fully implement measures for making pavilions 1 and 2 fully accessible to people with disabilities. Staff and course participants were severely affected by the barriers that continue to exist in such pavilions.

The Workers' group would like to support in paragraph 5 the use of the Centre's facilities for services to third parties associated to the mandate of the ILO. These activities, mainly for social partners, would enhance the image of the Centre.

CC 66/2/Add.2 (Staff questions – Pension status)

The Workers' group takes note of the positive development and of the agreement reached between management and the Staff Union on the Italian pension cases.

The Workers' group strongly recommends the Director to continue negotiation with the Staff Union in order to achieve a positive outcome of the agreement in its three components in full. We take note that the issue has not been resolved completely and therefore we urge the management to pursue negotiation with the Staff Union with a view to reach a final settlement of the four pending cases. In the light of this situation, we suggest that point 5(a) for decision should be amended to read as follows: "take note of the measures adopted and the progress made so far in their implementation".

CC 66/1/Add.3 (External Auditor's report on the year 2003)

The Workers' group has read with great interest the report of the External Auditor for the past fiscal year. Many issues presented in the report were also noted by the Workers' group in previous Board meetings. In particular the group has raised its concern on:

- the efficiency of the financial management (account closures and financial reporting);
- the management of the Third Development Plan.

*Follow-up of previous proposals and observations presented by the Workers' group
Reorganization of the financial services*

A reorganization of the financial services was implemented. The Workers' group noted in the past that no document to enable an analysis of the costs and benefits of this reorganization was prepared. This reorganization, which added an extra layer of middle management, did not achieve the objective of shortening considerably the delay in the closing of accounts and did not reduce the amount of financial resources expected to be lost (around half a million US\$) in the last estimates.

In addition the collection of funds did not improve. Funds are most of the time committed by the sponsor and if the invoice is not raised on time with a proper follow-up, there is a risk of a financial loss for the Centre.

In addition in its first phase of implementation the introduction of Oracle resulted in an increase in the average time necessary to create invoices as well as increase in the quantity of doubtful accounts.

The Workers' group was worried about the general financial reporting and evaluation procedures of the Centre. In their 2000 report the auditors drew attention to the Centre's "failure to properly manage the implementation" of a "new financial and administrative system". In their 2001 report the auditors state that the "Centre has not fully capitalized on the implementation of the new system, even though the Oracle system was conceived as an integrated database".

The reorganization of the financial services should be based on consultations with the staff involved and the union, where retraining of the current staff becomes a strategic feature of success. For the time being we have not seen any training targeting the officers of this department or any other measures aimed at retraining and upgrading the skill of the existing staff. This should be the first step to be taken rather than recruiting new staff from outside the Centre.

Last but not least the development of an organization chart that is not based on creation of additional management layers, departmentalization of tasks and processes, but on the development of team/cluster structures might also contribute to improve the current situation.

CC 66/2 (Report on the implementation of the programme and budget for the current financial year (2004) and programme and budget proposals for the 2005 financial year)

Regarding proposals for future financial assets, the Workers' group refers to the comments made under the External Auditor's report as well as those that will be made under the progress report of the Third Development Plan.

The Workers' group has once more read with great interest the report on the implementation of the programme for 2004 and in particular the budget proposal for the 2005 financial year.

However, we have serious concern with the amount budgeted for variable expenses, i.e. 80 per cent of fixed expenses. For instance, an allocation under item 29 (missions and representations) of an amount of US\$380,000 appears under fixed expenses, whereas a bigger amount (US\$1,150,000) on item 34 (missions) under variable expenses is also earmarked. We would want some clarifications on these budget lines. Similarly, a large amount (US\$1,804,000) is budgeted under "other fixed costs" of which about half is to be spent on "maintenance and repair of equipment". Is it not proper to have a separate item under this heading? We find also the amount budgeted under item 39 "other variable costs" of US\$3,350,000 to be excessive if this item covers only production and purchase of training materials, minor medical care and insurance coverage for participants. Why is the cost of refreshments and meals to participants mentioned here, whereas item 35 (participants' subsistence of an amount of US\$3,360,000) covers also board and lodging?

We noted in Annex VI for 2005 the creation of an additional D.1 position compared to 2004 (approved budget) and of one D.2 position (latest estimate 2004).

The Workers' group requests the Director to maintain for 2005 the same number of D.1 and D.2 positions approved in the 2004 budget.

Point for decision: We approve the point for decision in paragraph 17 subject to our previous observation being taken into consideration.

34. *The Chairperson* assured the Employer Vice-Chairperson and the Worker Vice-Chairperson that the suggestions and recommendations of each one's group, as well as their requests for additional information, would be taken into consideration.
35. *The representative of the Government of China* thanked the Employers' group and the Workers' group for their comments. He stressed the importance of the Director's report for the follow-up of the discussions. He was delighted that the Centre had organized a number of projects and activities that had benefited his fellow countrymen. He mentioned that the Government of China, in particular the Ministry of Labour and Social Security, had held six activities on promotion of small and medium-sized enterprises (SMEs) and apprenticeship, and had set up a training programme for women in Shanghai. Other projects had been successfully concluded thanks to the financial support of donors such as the Flemish Community and the Government of Italy. He underlined that these

programmes and projects enabled his Government to undertake important work on market, employment and social security reform. He thanked the Italian authorities for their sustained support that had made long-lasting cooperation with the Centre possible.

36. *The representative of the Government of Kenya* thanked local and national authorities for their financial support to the Centre and for their warm welcome, and she thanked the representatives of the Workers' and Employers' groups for their comments. She noted the efforts made by the Centre to control its administrative and operational costs. She pointed out the Centre's crucial role as regards training and the putting into practice of the ILO's four strategic objectives, and she was very pleased with the overall increase in participation in training activities. In that regard she noted with satisfaction the rate of women's participation, which totalled 40 per cent. She took the opportunity to congratulate the Gender Coordination Unit on its work on integration. She stressed the relevance of training activities on decent work and recommended organizing more training in the management of development, employment and skills development, entrepreneurship promotion and the fight against AIDS. She was happy with the Centre's achievements in the promotion of tripartism in its activities, with its emphasis on information technology and with its efforts to standardize end-of-course evaluations. She approved the budget proposal for 2005.
37. *Mr. M'Kaissi (Employer, Tunisia)* picked up the comments of the Employer spokesperson. He complimented the Director for the excellent documents presented, which indicated the good progress of the Centre's activities. He pointed out how well the works to renovate the Centre were progressing and thanked the City of Turin and the committee that is organizing the upcoming 2006 Winter Olympic Games. He saw in this an indicator of the continual support of the Italian authorities, on which he complimented them. He wished to see an increasing number of training activities develop in the African region so as to better prepare the employers' organizations for the effects of globalization. He proposed that, for courses organized in the field, the Centre call on employers as resource persons. He considered that social dialogue was indispensable for social and political stability and that, as a result, it was essential to managers and future heads of employers' organizations. He reiterated his desire that increasing cooperation take place with the International Organisation of Employers and with ACT/EMP, and that the Programme for Employers' Activities quickly become able to play its role in full. He expressed his thanks to the Italian local and national authorities for their support and financial backing for the Centre, and also to all donors, among them France.
38. *The representative of the Government of Spain*, on his first visit to the Centre, greeted the Director and the Italian local and national authorities. He fully approved of promoting decent work as a guarantee of social cohesion. He expressed his appreciation for the informative quality of the report and thanked the Director for the additional useful information he had provided verbally. He also expressed appreciation for the transparency and objectivity displayed in the report, especially on the amount of satisfaction of participants. However, he was surprised that the report evaluated activities that had taken place last year only at the end of 2004. He considered that given the rapid changes currently taking place in labour markets, there was a need to react quickly to training needs. He suggested that the Centre carry out interim and quarterly evaluations of activities during the year. He noted that the presentation of the report and other documents published by the Centre conveyed an attractive, interesting image. He emphasized the importance of such an image in facilitating the promotion of the Centre's activities among, for example, private training institutions and universities, which could be interested in financing training activities. He also emphasized the major role the Centre had to play in promoting the recommendations of the World Commission on the Social Dimension of Globalization. Recalling that numerous European enterprises were relocating to countries with lower levels of labour protection, he considered the Centre to be in a good position to help the

ILO's constituents to introduce practical measures aimed at handling that phenomenon better.

39. *The representative of the Government of South Africa* congratulated the Director on the quality of his report. He was also pleased with the upward trend in the number of trainees in 2003 and, particularly, the increasing number of participants from Africa. He noted that the Centre had the possibility to act as privileged spokesperson on the application of the recommendations of the World Commission on the Social Dimension of Globalization and those of the Extraordinary Summit of Heads of State and Government of the African Union on Employment and Poverty Alleviation in Africa, which had just been held in Ouagadougou. The recommendations mainly focused on the types of strategy that were necessary to develop management skills and good governance. He thanked the ILO, the French and Italian Governments, the Piedmont Region and the City of Turin, the World Bank and the United Nations agencies for their sustained support for the Centre. He confirmed that his delegation approved the budget proposal for 2005.
40. *Mr. Anand (Employer, India)* congratulated the Director on the Centre's achievements, all the more so since they were in accordance with its mandate. He stressed that in order to make this success sustainable, it was important that the Centre continued to focus on its objectives, such as the promotion of small and medium-sized enterprises, employment development, poverty reduction and encouraging the formalization of the informal economy. With regard to this, he thanked Mr. Lenglet and Mr. Tomlinson for their business development services activities. Moreover, Mr. Anand hoped that there would be closer cooperation with the UNDP, particularly in Africa and South Asia. He recalled that a large proportion of the planet's poor population was located in South Asia and that this fact should be taken into account in establishing the number of activities for that region.
41. *The representative of the Government of France* congratulated the Director on the quality of the documents submitted and on the excellent results achieved by the Centre in 2003. She noted that this success was based on several factors, such as the increasing competitiveness of the Centre, demonstrated by the award of many international tenders, and a considerably higher contribution in the ILO's regular budget for the Centre's activities. She was also very pleased about the increase in participation by ILO and United Nations staff in the training activities. She further noted with satisfaction that, as provided for by the Third Development Plan, a larger number of employers and workers had benefited from the Centre's training activities. Finally, she considered positive the opening up of the Centre to a broader public than the traditional constituents of the ILO, such as union officials. With regard to the prospects for 2005, the representative of the Government of France appreciated the Centre's efforts to transform the conclusions of the World Commission on the Social Dimension of Globalization into training initiatives. She also commended the Centre's dynamism on fundamental subjects such as the fight against poverty through decent work and the extension of social protection. She emphasized with interest the network established with former participants of the Centre, which made it possible simultaneously to follow up training activities and to evaluate their impact. She also stated that the Government of France approved the budget proposal for 2005. Lastly, she thanked the members of the Board for their appreciation of France's voluntary contribution, and she once again thanked the Director of the Centre for the quality of the documents submitted.
42. *Mr. Wade (Employer, Senegal)* pointed out the importance that should be given to the External Auditor's report. With regard to this, he stressed that the previous year's report had emphasized that several of the Auditor's recommendations had not been followed up, whereas this year's report was very positive about the progress made by the Centre. Mr. Wade also stated that he hoped that a larger proportion of activities would take place in the field and that increasing efforts would be dedicated to Africa, particularly to solve

the problems of young people looking for work. He also welcomed efforts in distance training, while expressing the hope that those initiatives would be extended to new countries. Furthermore, Mr. Wade recalled the importance of strengthening training on the subject of SMEs and, lastly, he hoped that more sustained attention would be given to striking a better balance between employers' activities and workers' activities.

43. *The representative of the Government of Belgium* underlined the importance that his country attached to social dialogue and to building the capacity of employers' and workers' organizations. With regard to this, he recalled that his country had supported activities in the Maghreb and in the Baltic States, as well as strengthening an active network among trade union organizations in French-speaking countries. She was also very pleased about the implementation of the project to improve judicial and extra-judicial decisions on labour disputes in Albania. With regard to gender issues, she noted with satisfaction the efforts made by the Centre; these had enabled increasing participation by women in training activities. The representative of the Government of Belgium also examined the impact evaluation of the training activities. She considered the efforts made very positive and she suggested that the Centre draw inspiration from the Catholic University of Louvain's *Institut Supérieur du Travail* (Higher Institute for Labour). With regard to relations between the Centre and the ILO, she was very pleased with the progress made and congratulated the Centre for being completely involved in the ILO's thinking on fundamental topics such as the fight against poverty through decent work and the social dimension of globalization. She hoped to be kept informed of how the ILO treated the proposals that the Centre would draw up on the last-named subject. She also noted the Centre's action on migration and youth employment. She noted with satisfaction the implementation of the projects on gender, employment and poverty reduction in South Africa and on safety and health in the maritime sector. The latter initiative had made cooperation possible between the ports of Antwerp and St. Petersburg. The representative of the Government of Belgium concluded her speech by emphasizing that the Centre should protect and strengthen three major assets, namely its ability to meet the real needs of the world of work, to offer a wide range of training activities and to implement training projects fast.
44. *The representative of the Government of Japan* stressed that it was important that the Centre's objectives be consistent with the four strategic pillars of the ILO. He appreciated the fact that the volume of activities for the Asian region had increased, but regretted that it was still low compared to activities for the African and South American regions. He hoped that the Centre would act on that. He noted that distance training only involved 7 per cent of participants. He believed that the development of that type of training could be particularly suitable for reaching a vaster Asian audience. Finally, he wished that the Centre would diversify its sources of income, in particular by developing tailor-made activities.
45. *Mr. Lambert (Employer, United Kingdom)* congratulated the Director on the quality of the documents submitted, but he wished to go back over certain comments made by the External Auditor. The first concerned the follow-up to projects and, in particular, the time required to plan and approve them up to 17 months, which was too long. The second item was debt management. Mr. Lambert noted that in ten years the Centre had accumulated irrecoverable debts totalling US\$547,000, which had to go through as profits and losses. He observed that a lack of punctuality in administrative procedures accounted for a part of that amount but, like the External Auditor, he found that the Centre's accounting system did not permit systematic follow-up of accounts receivable. He therefore recommended that the Centre show more rigour both in following up investment plan projects and in debt management. Finally, he supported the External Auditor's recommendation to systematically draw up a detailed evaluation of the impact and risks of projects, it being

understood that it was important to give a clear account of business practices and, in this case, to show that all purchases had been the subject of market research.

46. *The representative of the Government of the Islamic Republic of Iran* thanked the Italian Government for financing activities in aid of his fellow countrymen. He considered that the objectives of sustainable development were based largely on the performance of entrepreneurship as a creator of employment. He suggested to the Director that he allocate the budget surplus of 2003, amounting to US\$1.3 million, to training activities that centred on the capacity of enterprise to create productive employment. As mentioned by the Worker representative and by the representative of the Government of Spain, such training activities should be the subject of consultations with social partners in order best to meet the needs of the ILO's constituents.
47. *The representative of the Government of Barbados* thanked the Director for the excellent work done, the Italian national and local authorities and the donors as a whole for their support, which enabled developing countries to take advantage of the Centre's programmes. Although participation by representatives of the Caribbean was significant, it was held back by costs, especially that of travel. An increase in programmes in the field and at a distance made it possible to remedy that. She hoped that two of the Centre's interregional activities, on health and safety at work and on the management of public employment services, would be held specifically for the Caribbean. The master's degree courses held in conjunction with the University of Turin were a positive development. She recalled that at their annual meeting, the Caribbean labour ministers had asked for a strengthening of the cooperation among the ILO's regional structures, the Centre and the University of the West Indies. As regards the programme of activities for 2005, she hoped that activities specific to the countries of the Caribbean would be held, especially on globalization and its consequences. The representative of the Government of Barbados wished the management success in the coming year and approved the budget proposal for 2005.
48. *The representative of the Government of the United States* was pleased with the number of tenders won by the Centre but hoped for more precise information concerning the exact figures for 2003 and 2004, the subjects, the target population and the organizations involved. She recommended that the billing process be initiated at the beginning of an activity so that the invoices could be sent when the activity finished. She supported the Auditor's recommendation that the Centre adopt more effective methods of handling debts and following projects up.
49. *Mr. de Arbeloa (Employer, Venezuela)* congratulated the Director and all those who worked with him on the excellent results in 2003. He cited China as illustrating a country that was increasingly well integrated into the Centre's activities and thereby taking advantage of the possibilities the Centre offered for meeting the needs of its workers and employers. He supported the position of the Employer Vice-Chairperson, Ms. Sasso Mazzufferi, and added that it would be preferable, in ILO documents, to mention the promotion of productive employment rather than simply employment creation, so that the accent was placed on the promotion of effective employers and managers. Moreover, he hoped to see means set up to compensate participants coming from far away, especially South America and Africa. He supported the IOE in its efforts to establish an employer coordination network. He told the Board of his negative experience of the shrinking place of tripartism in vocational training in national institutes such as the INCE, and added that he had alerted the Director-General of the ILO. He considered that the activities on social dialogue, on tripartism and on social solidarity were crucial, and he appealed to the Centre to run more such activities in Venezuela.

50. *The representative of the Government of Argentina* highlighted the importance of the Centre's activities on decent work for Argentina. He noted with satisfaction the growth in the number of activities, even though that had not led to a similar rise in the number of participants in the Latin America region. However, he recognized that the gender issues trend for 2003 was extremely positive. He thanked the donors for their generosity, but recommended diversifying the Centre's sources of income. Moreover, he would like more precise information on the allocation of fiduciary and bilateral funds. He agreed with the employers that the Centre should concentrate its activities on the ILO's strategic mandate. He approved paragraphs 236 and 237 concerning the need to integrate the recommendations of the World Commission on the Social Dimension of Globalization more systematically. Lastly, he congratulated the Director on the quality of the documents submitted to the Board.
51. *The representative of the Government of Brazil* took up and supported the proposals by Argentina. He added that the Government of Brazil appreciated the activities of the Centre, especially those that promoted decent work. He stressed that it was important for the Centre to concentrate on the ILO's strategic objectives. He was pleased with the efforts to attain gender parity, but recognized that there was still a long way to go. On the basis of paragraph 281, he thanked the Centre for the activities held in Colombia, but regretted the absence of activities in Portuguese on social protection. To cut the cost of such activities, he suggested making full use of the skills of DELTA and of distance training technology.
52. *The representative of the Government of Bulgaria* expressed his satisfaction with the activities run by the Centre, and noted with pleasure the growth in programmes held for the countries of Central and Eastern Europe. In 2003, an agreement had been signed with the Turin Centre to boost the capabilities of the Ministry of Labour and Social Policy. That project had made it possible to create a national centre for the development of vocational training, which had been opened two months ago by the Minister of Labour and Social Policy and the Director of the Turin Centre. In that framework, more than 1,000 Bulgarian experts had already been trained and 2,000 would be before the end of the initiative. He also mentioned that 400 experts from Bulgaria had benefited from training run by the Turin Centre since it was created. The representative of the Government of Bulgaria pointed out that the facilities of the recently created national centre for the development of vocational training were available to the Turin Centre, the ILO and their constituents for holding regional and subregional activities. Bulgaria's acquired experience of integration into the European Union could also prove useful to other countries in the region. In conclusion, he encouraged the Centre to press forward with its efforts on behalf of the countries of Central and Eastern Europe, especially to bolster their capacity to evaluate the application of international labour standards and of the "*acquis communautaire*", together with their economic and social impact.
53. *The representative of the Government of Italy* thanked the Director and his co-workers for the excellent quantitative and qualitative results they had obtained, and expressed his satisfaction with the growth in training activities and with the diversification of content and participants' geographical provenance. He was pleased to see the Centre respect its mandate to promote decent work. The growth in multilateral funding (European Union and World Bank) was a sign of the relevance and the quality of the Centre's programmes. He wanted the Centre to continue to grow while respecting its budget constraints, which called for an increase in sources of outside funding. In that respect, he thanked the other donors such as France, the Belgian Government and the Governments of the Flanders and Walloon Regions for their support, and said he hoped to see a growth in bilateral funding or in that from fiduciary funds. He appreciated the recognition of the Italian contribution by the members of the Board, but stated that it seemed too high to him, not in absolute terms but as a percentage of the Centre's overall resources, which showed the need for greater diversification in the Centre's sources of finance. It was also from this perspective

that he urged the members of the Board to support the recommendations of the “task force” on better use of the Centre by the ILO. The meeting which was going to take place in Geneva on 11 November 2004 would be especially important in that regard.

54. *Ms. Brighi (Worker, Italy)* expressed the Workers’ group’s satisfaction with the commitments made by the management to meeting its requests. She welcomed the growing number of participants and of activities held in the field, because it was easier to follow up and evaluate the impact of such activities, and she hoped for a substantial rise in their number. She was equally pleased with the high number of training activities for trade union organizations and, in that regard, with the budgetary commitment by the Bureau for Workers’ Activities (ACTRAV). It was desirable that a similar commitment could be made by the Employers’ group to activities for employers. She noticed, however, that table 5 showed a drop in the number of training days on international standards and human rights, whereas the 593 training days per participant for the master’s degree in management of development were unrelated to the core mandate of the ILO. She also wanted more training to be provided in freedom of association and collective bargaining. She thought that participation by the social partners in the bipartite and tripartite activities was still too weak, and recommended setting concrete objectives with a view to doubling what was currently done. She regretted that the contributions from the ILO seemed frozen at under 10 per cent, which forced the Centre to seek alternative resources in the market, at the risk of being diverted from its mission. She appreciated the management’s efforts to balance the budget, but considered that the situation was unsustainable. That should also be the subject of a formal discussion when the next two-year budget was adopted by the ILO Governing Body in March 2005. She proposed that the meeting on 11 November 2004 should also tackle that subject. As regards the European Social Fund, she pointed out that although it accounted for 9 per cent of training activities, it did not involve any participation by trade unions. She proposed to encourage trade union participation by forging closer ties with the Italian federations. She wanted training activities in 2005 to give more room to matters of freedom of association and collective bargaining, and to mainstream international labour standards in all courses. On enterprise development, she stressed that issues like cooperatives and industrial relations should also be included. A pilot programme on industrial labour standards in economic integration processes was also needed.

55. *The Director* thanked the members of the Board for their comments and for having expressed their satisfaction. He congratulated them on the rich and full debate that had resulted. He assured them that every effort would be made to take all suggestions into account. He found it an invaluable help for his colleagues and himself to receive the advice of the Board and to respond to the various questions in order to make use of that advice in exercising his responsibility in managing the Centre. In response to the questions by the Employer Vice-Chairperson, the Director stated that the training programmes for judges were not based on theory but on the study of practical cases. Moreover, he said that it was planned to replicate the training project on gender and poverty issues in South Africa on a subregional basis. The Centre was continuing to set up networks of former participants. Accordingly, the Programme for Workers’ Activities had created the SOLICOM network and the Centre was setting up a database which would make it possible in 2005 to establish a system of communication between former participants and the Centre. With regard to bipartism and tripartism, the Director recalled that employers and workers were not excluded from any programme, and he pointed out that certain training activities seemed less attractive to the social partners – those touching upon the management of development or master’s courses – but naturally it was always possible to involve them if they expressed an interest. The Centre was always ready to listen to the Workers’ and Employers’ groups when they expressed their specific training needs. With regard to the selection of Employer and Worker participants, the Director pointed out that this was always done in coordination with the Programme for Employers’ Activities, the Programme for Workers’ Activities and

their experts in the field. The Director stated that he was willing to examine any proposal to improve the current system. He recalled that targets in figures had been set for the year 2005 in the Third Development Plan. One was 20 per cent Worker and Employer participants, a target reached since 2003. Likewise, the Development Plan had envisaged 20 per cent bipartite and tripartite activities by 2005, a volume that would surely be reached in 2004. Going over the good reception given to the participant days indicator, the Director declared that he was open to other proposals that the Workers' group might put forward. In response to the question regarding the assessment of knowledge acquired, efforts were being made in two main directions: the process of certification of activities conducted in partnership with universities, and impact evaluations. The Centre would naturally adapt them to the characteristics of the ILO's constituents. The Director informed the representative of the Government of South Africa that the Centre was actually preparing to follow up the conclusions of the Summit of Heads of State and Government of the African Union on Employment and Poverty Alleviation in Africa, which had just been held in Ouagadougou. The Centre would also increase its presence in Asia, particularly in India, through an important project on child labour financed by Italy. In response to the question by the representative of the Government of Spain, the Director recalled the decision which the Board had adopted 15 years previously to hold one Board session per year instead of two. In reply to the question asked by the representative of Kenya regarding the fight against AIDS, the Director pointed out that the proposals had been made within the framework of the activities to be financed by Italy over the following three years. As concerns cooperation with the University of the West Indies, an activity had been organized jointly with Trinidad and Tobago on international labour law, for judges and lawyers. It was envisaged that the activity would be developed so that it could take place on a regular basis for the countries in the Caribbean area. In response to the numerous declarations by the Board members of the importance of training activities on international labour standards, the Director pointed out that 50 per cent of the ILO's resources for technical cooperation specifically concerned the sector that was responsible for programmes on fundamental principles and rights at work. The Director hoped that the recommendations of the "task force", which would fully link the Centre to the implementation of the ILO's projects, would allow him to develop the activities in that area widely. With regard to the organization of work within the Training Department, the Director informed the Board that he had assigned a detailed study of contributions to fixed costs to three work groups made up of Centre officials and one external consultant. While awaiting the conclusions and recommendations of the work groups and the consultant, the Director had decided to postpone the replacement of the person in charge of the African region, which was currently experiencing an increasing volume of activities. With regard to external collaboration contracts, the Director explained that the sum of US\$431,000, which was used to implement all the courses, did not concern the computer programmes but represented all external collaboration, which came down to a reasonable average sum of US\$1,000 per course. Speaking on personnel matters and the contracts considered to be precarious at the Centre, the Director thought that a training institution such as the Centre must be able to rely not only on fixed human resources but also to work as promptly and flexibly as possible in line with the projects it had to implement. He recalled that the system of contracts linked to projects had been ratified by the Board of the Centre and had been included in the Staff Regulations. This is why there was a category of officials linked to projects but whose posts were not subject to a competition. It was also worth noting, he said, that in most cases, officials in that category received a fixed-term contract of one year or less. The Centre made no commitment to renewing such contracts, even though they were often extended because of the volume of activities and on the basis of mutual interest. Finally, the Centre was currently engaged in an effort to plan human resources to take better account of those situations, particularly in terms of career development. The plan for temporary human resources management also provided for the vacancies to be publicized in advance. Women currently accounted for 40 per cent of the Professional category, a figure that stood as the average for all international organizations. The effort to increase

this percentage, in particular at the higher grade levels, should continue. However, the Director pointed out the difficulties that had repeatedly been encountered recently in recruiting women candidates, who had often given up for family reasons or for the lack of employment prospects for their spouse in Turin. To the question on the use of IRIS for human resources management at the Centre, the Director replied that this would require purchasing a new application, Oracle 11.i, an investment estimated at US\$1 million, which was worth including in the next Development Plan. In response to the request for information regarding calls for tender, the Director pointed out that the European Union and the World Bank were generally the partner institutions. More detailed data would be provided starting from the next report to the Board. The Director confirmed that the Centre had made a significant effort to take into account the conclusions of the World Commission on the Social Dimension of Globalization in the preparation of new programmes. Eighteen proposals for activities had been submitted to the Director-General, for example on fundamental rights in an informal economy, the promotion of a favourable environment for enterprise development, the social dimension of international trade, and the social aspects of international migration. As concerns staff mobility between the Centre and the ILO, a subject often addressed by the Board, the document submitted to the Board was an important step. Moreover, the “task force” set up by the Director-General to propose concrete measures for the ILO to make better use of the Centre, had generated a series of proposals. The Centre was already more systematically and regularly associated with the activity-programming process of the ILO. The possibilities for working together were potentially more significant in the area of technical cooperation. The “task force” had proposed a mechanism for regular consultation with the Centre in order to make better use of it for implementing training components and strengthening institutional capacities within the ILO’s technical cooperation programmes. Criteria had been developed for this; they were the subject of internal consultations with a view to implementation. Use of the Centre by the ILO for reprographic work had also increased recently.

56. *Mr. Lenglet, the Centre’s Director of Training*, pointed out as regards the Third Development Plan that the training material on the ILO Declaration on Fundamental Principles and Rights at Work in general and forced labour in particular would be completed before the end of the year. He also said that someone would be recruited specifically to ensure that the material was used comprehensively in 2005. The training material on labour relations and collective bargaining would also be finalized in 2005. He reminded the Board with regard to the Delta Programme that the unit acted both as an independent department delivering its own training activities and also as a strong support for the training initiatives included in the Centre’s other programmes. Delta’s cooperation therefore made it possible to deliver several distance training projects on gender, employment and poverty reduction, the incorporation of gender issues, local employment initiatives and local economic development. He said that the matter of appointing the head of the Delta Programme should be settled in 2005.

57. *Mr. Jones, Treasurer and Head of Financial Services*, wished to provide further information on the two issues of managing doubtful accounts and preparation of budgets. He began by pointing out that as far as doubtful accounts were concerned, it was difficult to compare the Centre to an academic institution with regular courses planned well in advance whose funding was received before its activities began. He said that as the members of the Board would have noted, the Centre’s activity and financial structure were very different from that: in a large majority of cases, training was designed on the basis of specific requests by sponsors, was tailored to their needs, and more often than not required funds to be actively procured from several potential sponsors. The Centre’s Financial Regulations took this into account and stipulated that expenditure could be committed while payment of the contributions promised was awaited. Unfortunately, not all the funding promised was paid, which meant that a risk had to be managed and that doubtful debts could be incurred. The introduction in 1999 and 2000 of Oracle financial application

software, meanwhile, had temporarily interrupted the monitoring of funds and contributions promised by various sponsors and by the persons or institutions that were the direct beneficiaries of the Centre's activities. This temporary situation had been corrected and, as the Director had stated, measures providing for the assistance of a consultant were under study with a view to effecting a rapid improvement in invoicing systems and systems for monitoring amounts receivable. He said that it should first be noted that the Centre's budget was examined and prepared in the August preceding the budget year under study. The first question arising was the exchange rate to be adopted between the US dollar and the euro, bearing in mind that almost 80 per cent of the Centre's income and expenditure was denominated in euros. This was why the Centre had carried out a pilot study with a view to establishing an accounting system denominated in euros. Once the exchange rate had been fixed, it was relatively simple to calculate the voluntary contributions in so far as they corresponded basically to the ILO and Italy's contributions to the Centre's overheads, as established by the 1983 agreement. The Centre's fixed charges were calculated on the basis of a projection and estimate of fixed costs in terms of staff and overheads (external personnel, electricity, heating, etc.), after discussion with the units concerned and the managers responsible. Calculating revenue from specific activities was more complex, on the other hand, and involved projections and estimates according to demand, the likelihood of a successful outcome to negotiations with sponsors, and the Centre's capacity. Finally, variable costs were basically calculated by extrapolating the figures based on past experience. He concluded by stating that before any activity was initiated, a specific budget was prepared, discussed and approved by the sponsor and the programme manager concerned.

- 58.** *The Worker Vice-Chairperson* suggested that point 5(a) of document CC 66/2/Add.2 should be amended to allow discussions between the management and the Staff Union on the pension situation of certain Italian officials, and to guarantee that the problem would be completely resolved. Mr. Rampak therefore proposed that point 5(a) awaiting the Board's decision should be amended as follows: "The Board takes note of the measures adopted and the progress made thus far in their implementation".
- 59.** *The Legal Adviser of the Centre* reminded the Board that during its 65th Session the Board of the Centre had authorized the Director to implement a series of measures proposed by the Officers of the Board following consultations and an agreement reached between the management and the Staff Union of the Centre. The measures thus adopted by the Board made it possible to resolve a problem that had been latent for over 30 years. The Board now had to authorize the Director to cover the amount of expenditure arising out of those measures by means of a deduction from the accumulated reserves of the Centre's operating fund. The Legal Adviser therefore specified that negotiations on the matter of pensions had already led to an agreement and that the Board therefore did not have to reopen discussions on a subject that it had already taken a decision on at the 65th Session.
- 60.** *The Chairperson* said that the question of pensions had already been discussed at length with the Union, and that the undertakings made by the Centre following those discussions had been respected.
- 61.** *The Director* reminded the Board that, in accordance with its wishes, objective, precise, legally well-founded and equitable criteria had been established, discussed and approved by the Board, on the recommendation of its Officers, in order to resolve the question of pensions. The criteria and measures thus adopted had been implemented faithfully by the Centre.
- 62.** *Ms. Brighi (Worker, Italy)* specified that the aim of the amendment proposed by the Workers' group was simply to allow the Staff Union to continue to discuss the question of the pensions of certain Italian officials.

63. After a discussion in which the Chairperson and the Legal Adviser also participated, *the Worker Vice-Chairperson* suggested that the Workers' group's proposal should be taken into account as follows: delete point (a) of paragraph 5 of document CC 66/2/Add.2 and amend paragraph 5 of that document to be submitted to the Board for decision to read as follows:

Bearing the above in mind, the Board is called upon to authorize the Director of the Centre to cover the total amount of expenditure already incurred or to be incurred at the end of 2007 by deducting it from the accumulated reserves of the Centre's operating fund, as specified in paragraphs 3 and 4 above.

64. *Mr. Anand (Employer, India)*, was anxious to ensure that approval of the amended paragraph 5 of document CC 66/2/Add.2 would not run counter to the decision taken by the Board at its 65th Session.
65. *The Chairperson* confirmed that approval of the amended paragraph 5 of document CC 66/2/Add.2 would not run counter to the decision taken by the Board on the same subject at its 65th Session and brought the question of pensions to a close.
66. *The Board* approved paragraph 17 of document CC 66/2, and the amended paragraph 5 of document CC 66/2/Add.2, which read as follows:

Bearing the above in mind, the Board is called upon to authorize the Director of the Centre to cover the total amount of expenditure already incurred or to be incurred at the end of 2007 by deducting it from the accumulated reserves of the Centre's operating fund, as specified in paragraphs 3 and 4 above.

The Board also took note of documents CC 66/1; CC 66/1/Add.1; CC 66/1/Add. 2; CC 66/1/Add.3; and CC 66/2/Add.1.

II. Reports of the Trade Union Training Committee and of the Management Training Committee (Employers' Training Committee) (Third item on the agenda)

67. *The spokesperson for the Trade Union Training Committee (TUTC)* stated:

First, we would like to remind the Board of the request that came from the TUTC about a specific discussion on the Turin Centre during the Governing Body of the ILO, in order to seriously commit the Organization to its future development. In this context, the Workers' and Employers' groups are organizing a panel discussion on the "Contribution of the Turin Centre to the ILO's mandate and its Decent Work Agenda" from 6.15 p.m. on 11 November 2004 in the ILO's Governing Body Room.

Then, we would like to express our satisfaction for the way the Programme for Workers' Activities was carried out.

Many important deliberations were taken in order to strengthen the Programme. I invite the Board to read them carefully since I think they are also valid for other programmes.

68. *The spokesperson for the Employers' Training Committee* said that he was happy with the change in the name of his committee, since it was a better reflection of its missions. He noted with satisfaction the increase in fellowships awarded for employers to take part in the Centre's activities and hoped that the Director's report would include more exhaustive information on such developments. He recalled that a working party comprising

representatives of ACT/EMP, the IOE and the Centre had been set up to identify strategies for mobilizing resources for delivering activities for employers.

69. *Mr. Anand (Employer, India)* proposed that the task force's report should be submitted for information to the Trade Union Training Committee and the Employers' Training Committee.
70. *The spokesperson for the Trade Union Training Committee (TTUC)* expressed its satisfaction for the way the Programme for Workers' Activities was carried out in the past years. He also invited the Board to read the TUTC report, since its content may also be valid for other programmes. He supported the proposal made by Mr. Anand, as he was convinced that the two Committees would thus be able to make constructive suggestions.
71. *Mr. de Arbeloa (Employer, Venezuela)* recalled that the effective design and planning of activities required a detailed analysis of the needs of employers' organizations in cooperation with the IOE.
72. *The Director*, in response to the question raised by Mr. Anand and by the spokesperson for the Trade Union Training Committee, pointed out that some of the Task Force's recommendations were still being discussed internally with a view to their finalization. Since it was an internal report, he would examine the request made by the two members of the Board in consultation with the Office in that light. The Board had already been informed of a specific measure on staff mobility which represented significant progress in relation to the past.
73. *The Board* took note of documents CC 66/3/a and CC 66/3/b.

III. Update on the 2002-05 Investment Fund of the Third Development Plan (Fourth item on the agenda)

74. *The Director* pointed out that document CC 66/4 relating to the Investment Fund of the Third Development Plan had been submitted to the Board for information. He said that the Fourth Development Plan would be put to the approval of the Board next November.
75. *Mr. M'Kaissi (Employer, Tunisia)* stressed that the Auditor's report had highlighted significant delays in implementing projects provided for in the Third Investment Plan. Such difficulties could be caused by staff shortages. He also welcomed the initiatives taken to assess the impact of the Centre's training activities, and hoped that sufficient resources would be allocated for that purpose. Mr. M'Kaissi noted with satisfaction the modernization of the Centre's computer equipment and hoped that it would promote an increase in distance training activities. Finally, he was pleased to note the introduction of a database on former participants.
76. *The Worker Vice-Chairperson* declared:

The Workers' group invites the Director of the Centre and the Board, first to take into consideration the proposals made by the Workers' group in relation with this strategic exercise which should have contributed to the mission of accelerating the process of integration of the Centre with the ILO.

For a number of years, the Workers' group has been concerned with the question of the integration of the Turin Centre with the ILO, insisting on its necessity in order to better serve ILO constituents. In 1998, the Workers' group produced a document entitled "The new ILO strategies and the role of the International Training Centre of the ILO". This document was

communicated to the ILO Director-General and his positive response was very encouraging. The following year the Workers' group further specified its ideas in a document aiming at providing guidelines for the elaboration and implementation of the Turin Centre's Third Development Plan.

A number of strategic proposals were presented for fostering the integration of the Centre with the ILO.

In particular the Workers' group made proposals to achieve an integrated structure in the following areas:

- (a) delivery of training activities in line with the four sectors and with ILO policy orientations;
- (b) integration of the staff;
- (c) better define target groups and increase the participation of workers' and employers' participants;
- (d) improving technical integration between the Centre and the ILO headquarters/field;
- (e) better coordination between the Centre and the Institute.

Proposals were also made to achieve a more balanced financial situation by restructuring the Centre (limit fixed and variable expenses and to increase its income). The Workers' group made specific proposals for:

- (a) the reduction of the Centre's fixed expenses;
- (b) increase joint resource mobilization with the ILO.

Follow-up and comments on the progress report

The implementation of the Third Development Plan, as also noted by the auditors has been slow, quite weak from a management perspective and did not affect major structural strategic changes.

The Workers' group is not fully satisfied with the results of this plan and it would like to start the process of consultations for the preparation of a serious development plan for 2005-10, where a more in-depth exercise – to be developed with the ILO – should be organized around the proposals made by the Workers' group on the future developments of an integrated training centre of the ILO.

Finally the Workers' group would like to receive clarifications on the project on forced labour and in particular to be reassured that there is a plan for recruiting for a year a Professional staff for launching the project and organizing training activities. This measure would help the Centre to better organize its work in sector one and to add to the programme on international labour standards and to the unit on freedom of association, a specialized programme on forced labour.

77. *The Director* said that the delays in implementing the Development Plan were due in part to the time-lag between approving the plan and approving the resources. He recalled that the time-lag was a result of the Board's wish to go over the content of the plan again in more detail. The situation would have to be taken into account to avoid similar difficulties when the next Development Plan was implemented.

78. *Mr. Lenglet, the Centre's Director of Training*, reiterated his proposals as regards the training material on abolishing forced labour. The material should be completed before the end of the year and someone should be recruited in 2005 to ensure that it would be used in training activities.

79. *Mr. Anand (Employer, India)* proposed that information relating to the Fourth Development Plan should be provided in May at the forthcoming meeting of the Management Training Committee. This would allow the Employers' group to put forward substantial suggestions on the content of the plan at the next session of the Board. He also said that the content of the plan should focus on the ILO's action priorities. Finally, he

hoped that the network of former participants would be used regularly in order to maximize the effects of the Centre's training.

80. *Ms. Brighi (Employer, Italy)* hoped that someone would be taken on to support the Centre's action against forced labour. She hoped that the Bureau for Workers' Activities (ACTRAV) would be consulted when training programmes were established in the area. She emphasized that ACTRAV had run activities on freedom of association in Myanmar, a country notorious for the wholesale flouting of Conventions prohibiting forced labour. She therefore proposed that a pilot project on forced labour in Myanmar should be set up in cooperation with ACTRAV. Similar projects could then be implemented for the Sudan and for other African countries. She also suggested that the draft Fourth Investment Plan should be presented in May at the meeting of the Trade Union Training Committee and the Employers' Training Committee.

IV. Staff questions (Fifth item on the agenda)

81. In accordance with the usual practice, the Chairperson asked the Board to listen to the statement by the representative of the Staff Union Committee (the statement is set down in the annex to this document).
82. *The Director* pointed out that the amendments to the Staff Regulations arising out of documents CC 66/5/a and b were simply a transposition of general decisions applicable to international civil servants as a whole. Document CC 66/5/c indicated that Mr. Arrigotti has taken up the duties of Deputy Director of the Centre since 1 January 2004. The Director stressed the importance of document CC 66/5/d on staff mobility. By virtue of this amendment, two- to three-year secondments were possible from the Centre to the Office and vice versa. On conclusion of the secondment, the officials concerned could present themselves as internal candidates to the two institutions' recruitment competitions, if their services had been deemed satisfactory. The amendment was the first response to the wishes expressed by the Board as regards staff mobility.
83. *The Chairperson* asked the members of the Board to take note of documents CC 66/5/a and CC 66/5/c and to take a decision on paragraph 6 of document CC 66/5/b and paragraph 7 of document CC 66/5/d.
84. *The spokesperson for the Employers' group* approved the two paragraphs submitted for a decision.
85. *The Worker Vice-Chairperson* took note of the documents submitted for information. He pointed out that his group had not had sufficient time to analyse document CC 66/5/d on staff mobility. He also said that he understood that the document had not been discussed in advance with the Staff Union. A quick reading of the document suggested that the question of exchange of staff between the International Training Centre and the ILO would have some implications on the integration process, particularly since the staff mobility would also involve other UN institutions. In such circumstances, the Workers' group could not adopt the document until the Union's consent to it was forthcoming.
86. *The Director* acknowledged that the observation made by the spokesperson for the Workers' group was accurate. He accordingly asked for the Officers of the Board to be authorized to approve the amendment on staff mobility when the necessary agreement had been reached with the Union.
87. *The Worker Vice-Chairperson* accepted the Director's proposal.

88. *The representative of the Government of Spain* gave his consent to the request for authorization presented by the Director. He drew the Centre's attention to the need to refer to international legislation on the hiring out of employees in order to ensure that the transfers of staff provided for in the amendment were legal.
89. *The Board* took note of documents CC 66/5/a and CC 66/5/c and approved paragraph 6 of document CC 66/5/b and paragraph 7 of document CC 66/5/d.

V. Report of the Programme, Financial and Administrative Committee of the Governing Body of the ILO
(Sixth item on the agenda)

90. *The Chairperson* informed the members of the Board that the report on the 66th Session of the Board of the Centre would be available to the Programme, Financial and Administrative Committee of the Governing Body in Geneva from Monday 8 November 2004. In accordance with the usual practice, and in view of the very short deadline, he proposed that the Board should authorize the Chairperson to approve the draft report.
91. *The Board* approved the Chairperson's proposal.

VI. Place and date of the next session
(Seventh item on the agenda)

92. *The Chairperson* proposed that the 67th Session of the Board of the Centre should be held in Turin on a date determined by the Officers of the Board before the 294th session of the Governing Body of the Office, to be held in Geneva from 3 to 18 November 2005. The exact date would be communicated to the Officers of the Board, having due regard to other meetings of the Office.
93. *The Board* approved the Chairperson's proposal.
94. *The spokesperson for the Workers' group* pointed out that the Governing Body of the Office would devote a special evening meeting on 11 November 2004 at 6.15 p.m. to the role the Training Centre could play in implementing the ILO's programme on decent work. The spokesperson welcomed this meeting and indicated that the Workers' group would do its utmost to ensure that it produced concrete results.
95. *The spokesperson for the Employers' group* expressed her satisfaction with the good progress of the Board, with the quality of its work and with the mutual understanding between the Worker, Employer and Government groups. He thanked the Chairperson, the Director, the Workers' group and all those who had helped to organize the meeting of the Board.
96. *The Chairperson* closed the 66th Session of the Board of the Centre and, in view of the fact that in June 2005 the Organization would renew the members of the Governing Body of the Office and, as a result, of the Board of the Centre in Turin, he warmly thanked those present for their contribution and the guidance they had provided to the Centre during their three-year term of office.
97. *The Director* added his thanks to those expressed by the Chairperson.

Appendix

Statement by the Chairperson of the Staff Union of the International Training Centre of the ILO in Turin to the Board of the Centre (5 November 2004)

Mr. Chairperson,
Members of the Board,
Ladies and gentlemen,

This year we again meet in the aftermath of dramatic international events and humanitarian crises. We share the concern of the Secretary-General that our world is not safer today than yesterday, and that our societies are going through a period of deep general malaise which generates forms of unacceptable violence.

In this regard, we would like to remember those colleagues who have lost their lives defending the values of the United Nations during these last months.

The observation by the Secretary-General calls for serious thought to be given to changing our modus operandi. Moreover, it raises serious questions concerning efficient management, decent working conditions, respect for rights and principles, and more equal distribution of resources at all levels. We believe that if we manage to deal with all this properly, we can help make our Centre contribute to the global effort to build a better world.

The work of the ILO on decent work and the report of the World Commission on the Social Dimension of Globalization will provide platforms from which to influence the social dimension of globalization so that it generates more equitable development for all.

The fight against poverty, human rights violations, social inequality, injustice, discrimination and abuse will remain an empty slogan unless it is introduced into our most ordinary operational decisions regarding the use of our limited resources in the shape of decent criteria for filling vacancies and equal application of rules to everyone. We should promote international standards based on respect for ethnic, cultural, gender and religious differences and on the interests of the staff as a whole rather than those of small groups. There should be decent working conditions and transparent application of rules and regulations from the top to the bottom of the ITC pyramid.

An important issue for all staff and their representatives continues to be the lack of concreteness of the Turin/Geneva relationship. Although there is no doubting the crucial importance of the ITC's affiliation to headquarters, when it comes to staff integration, rules and procedures appear to be applied subjectively. The Centre plays an important role for the ILO, one that should be bolstered by stronger synergy between Turin and headquarters, and between Turin and the field offices. The staff's long-standing aspiration to overdue "integration" with the rest of the Organization has not been met.

Every year, the number of participants and activities grows, yet quality is maintained. The Centre's training activities respond adequately to the dynamic changes in the surrounding world. Having recognized the need to carefully balance the priorities of sponsors with the emerging development needs of tripartite constituents, the staff of the Centre's hard work ensures quality in training. However, better consultation in decision-making processes would have a positive impact and demonstrate respect for colleagues. More sensitivity and better judgement in prioritization vis-à-vis our constituents should be re-established as a principle in the management of the Centre's resources.

On behalf of the staff, we would like to express appreciation for the ongoing dialogue existing between the staff representatives and the representatives of the management.

However, we would like to share with you some thoughts about issues that have arisen during the last five months and to express some of the staff's expectations.

The Agreement on Collective Bargaining, signed in October 2000, established joint decision-making by the management and the Staff Union Committee as an overruling principle. After four

years of experience, we wish to see the views of the staff representatives better reflected in the outcome.

The Staff Union Committee asks to be involved and consulted in advance in all processes which have direct implications for staff working conditions.

Particular attention should be paid to staff whose employment at the Centre is precarious. We are most concerned about vulnerable groups, such as officials with temporary contracts, including short-term ones. Previous committees have addressed this problem several times, because such precariousness contradicts decent work and other principles of the Organization.

We have brought the “succession planning” to the attention of the management on several occasions and would urge that it takes place in consultation with the Staff Union, thereby ensuring a balanced policy of recruiting properly qualified staff with multicultural skills, a guarantee of fair performance appraisals, fair promotions and gender equity. Although we have learnt from the auditors that they obtained satisfactory information concerning the succession planning from the Human Resources Services, the ITC Staff Union Committee would like to receive more information in this regard.

We would wish further transparency in the selection process, since it may allow some subjectivity and bias in the decision-making process and even, in certain instances, conflicts of interest.

In 2002, we reported to you that “... the Director’s report states that 33 per cent of Professional category staff are women”. This is true, but there is not a single woman in the D category and there are only four women out of 19 staff at grade P.5. That situation has not changed. If a target of 50 per cent of women at Professional level by 2010 is to be achieved, change must start now.

The ITC Staff Union Committee takes this opportunity to thank the Board of the Centre for the measures taken during its 65th Session to improve the pension status of a group of Italian colleagues. The measures have been implemented, and we thank the management of the Centre and of the ILO for the results achieved, notwithstanding the failure of the negotiations with the United Nations Joint Staff Pension Fund. We would like to point out, however, that the results have not been satisfactory for all, and four cases have not received any compensation.

We are proud to network closely and actively with the ILO Staff Union Committee and to pool knowledge, expertise and values that help to develop and strengthen our respective institutions.

Mr. Chairperson, members of the Board, ladies and gentlemen, we also welcome the presence of representatives of workers, employers and governments from all over the world who share our goals.

Thank you.