

Board of the Centre

85th Session, October 2021

CC 85/2/3 rev.

FOR DECISION

SECOND ITEM ON THE AGENDA

Initial funding of institutional investments

1. Reference is made to the Board document submitted in May 2021¹ whereby the Centre proposed to the Board that future programme and budgets include systematic funding of institutional investments for a range of reserve funds earmarked for specific purposes. These included investments in the Innovation Fund, the ICTS Development Fund, the Fellowship Fund and the Campus Improvement Fund.
2. The proposed 2022-23 Programme and Budget includes these institutional investments. Although the proposed allocations to Institutional Investments are specified in the Programme and Budget, these resources would be released on an annual basis. The Centre would have little funding in the Innovation Fund and no funding available in the ICTS Development Fund and Fellowship Fund until the full biennial funding has occurred. The Campus Improvement Fund would have a balance of approximately €200,000, after the renovation of Africa 10/11 is completed.
3. To ensure that the Centre has an adequate level of funding in each reserve fund to support its operations under the new operational model effective January 2022, it would be desirable to commence funding the reserves within the current biennium.
4. Subject to the proposed 2022-23 Programme and Budget submitted to the Board at the October Session being approved, including the proposed Institutional Investments, the Centre is also seeking approval from the Board to provide initial funding to each reserve in line with the proposed levels of funding first presented in its Board paper in May 2021 and as set out in Table 1 below, from resources forecasted to be available in the current biennium:

¹ CC 84/1

Table 1: Proposed institutional investments

Reserve	Purpose	Biennial amount (euros)
Campus improvement fund	To meet capital investment needs in campus refurbishment not covered by ordinary maintenance budgets or host country complementary contributions.	500,000
Innovation fund	To promote innovation in learning and knowledge sharing tools, develop new training activities in response to emerging ILO policies and invest in other innovative actions deemed beneficial to the Centre.	400,000
ICTS Development fund	To provide for periodic investments in ICT infrastructure and software renewal which are not a part of normal operating expenses.	300,000
Fellowship fund	To establish a reserve to cost-share participation in Centre activities by constituents.	1,200,000

5. The 2020-21 forecasted results of the Centre, as presented in the 2022-23 Programme and Budget, show a continued strong performance under the operational model adopted to address the COVID pandemic and the evolving economic environment. After 20 months of the biennium, the Centre is confident that sufficient resources will be available to commence the systematic funding of these reserves within the current biennium. However, as the 2020-21 Programme and Budget adopted by the Board in October 2019 did not foresee expenditure for Institutional Investments, approval by the Board would be required for any such expenditure to be incurred in compliance with articles 6 and 7 of the Financial Regulations.
6. The purpose and broad parameters of each reserve fund are set out in appendix I and in accordance with Financial Regulation 18, the Director would establish financial procedures to ensure their optimal use and ensure that each submission for their use is supported by the appropriate business case including any future impact on the Centre's earned revenue, if appropriate. With respect to the Fellowship Fund, allocations from this fund would be subject to a separate consultative process with the Officers of the Board, when required.
7. Summary information on the use and available balances would be provided annually within the audited financial statements or more frequently, as determined by the Board.

Point for decision

8. **The Board is requested to approve the initial funding of the reserve funds during the biennium 2020-21 as set out in Table 1 above.**

Appendix I – High level objectives and parameters

Reserve fund	Parameters
Campus Improvement Fund	<ul style="list-style-type: none"> • Refurbishment and improvements to the campus facilities not covered by ordinary maintenance budgets or host country contributions • Investments in material and equipment of a capital nature not funded by the host government • Finance the Centre's complementary contribution to future refurbishment plans of the campus funded by the host government
Innovation Fund	<ul style="list-style-type: none"> • Develop new training activities/products to respond to new and emerging policies, initiatives and developments as well as digital inclusion • Develop new knowledge-sharing tools including the expansion of free self-guided DL modules on ILS, social dialogue and tripartism, gender equality and workplace inclusion • Develop new products linked to non-training activities leading to new offerings • Develop new business processes leading to efficiencies in use of resources
Information and Communication Services Fund	<ul style="list-style-type: none"> • Major upgrades of IT and communication infrastructure • Replacement of obsolete hardware and platforms underpinning critical systems • Investments in new technologies, including digital inclusion • Development of new strategic large-scale ICT initiatives
Fellowship Fund	<ul style="list-style-type: none"> • Partial fellowships to cover tuition and/or logistical expenditure of Workers, Employers and Government representatives to promote tripartism, social dialogue and labour standards • Partial fellowships to cover tuition and/or logistical expenditure of participants to promote gender and diversity in the workplace • Partial fellowships to cover tuition and/or logistical expenditure of a limited number of participants from LDCs (less developed countries) in Centre activities.