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Inter-American Council for Integral Development
(CIDI)



**SECOND MEETING OF THE WORKING GROUPS
OF THE XIX INTER-AMERICAN CONFERENCE
OF MINISTERS OF LABOR (IACML)**

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FINANCIAL STATUS OF THE INTE-AMERICAN NETWORK FOR LABOR
ADMINISTRATION (RIAL) AS OF APRIL 2017

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OF THE
INTER-AMERICAN NETWORK FOR LABOR ADMINISTRATION (RIAL)
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(Updated: April 20, 2017)

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I. Summary

The RIAL is currently financed through a Voluntary Contribution Fund, created by a decision of the Inter-American Conference of Ministers of Labor (IACML) and constituted within the OAS since 2011. The Fund receives contributions from the Ministries of Labor, according to their availability and financial capacities, at any time of the year; the minimum contribution is US \$5,000.

Between 2006 and 2010, before the creation of the Fund, the RIAL was financed with an important financial contribution from the Labour Program of Canada, as detailed in Appendix 1.

The Voluntary Contribution Fund has received **\$557,745** to date; 20 countries provided **\$357,745** and the Government of Canada provided **\$200,000**. This support from Canada was given as matching funds, and because of its large amount is recorded as a separate project. Its period of implementation was from March 2012 to September 2014. Added to these resources is co-funding of approximately **\$187,000**, for a total budget of **\$744,745**.

Decisions on the use of the fund, in accordance with its Guidelines, are made at the Planning Meetings of the IACML, which are held every two years and which include the participation of the Ministries that lead the Conference: the troika (past, present and future Chairs) and the Chairs and Vice Chairs of the Working Groups. In the last meeting of this nature (February 2016), the authorities decided to use the resources as it is described in section IV of this document.

Resources are divided into two areas: RIAL Activities (Workshops, Bilateral Cooperation, etc.) and operating costs, which partially cover the human-resources component of the RIAL and include administration, follow-up and communications.

Spent and committed resources to date, which cover the period from 2011 to April 2017, amount to **\$679,617**, coming from the Voluntary Contribution Fund (\$492,617, including \$200,000 from Canada) and other in-kind contributions valued at \$187,000. The Fund's balance is **\$65,128**, which has been destined in its entirety to cover the activities of the RIAL for the period of 2016 and 2017, as it is described on section IV. The funds available should be at least \$120,000, which is the estimated annual operation cost.

II. Contributions

To date, 21 Ministries of Labor have contributed to the Fund. As shown in **Chart No. 1**, some countries have made more than one contribution and others have contributed much more than the established minimum. In the case of Canada, given the large amount of the contribution, a separate project was established, but its use was also decided upon by IACML authorities.

Chart No. 1
Contributions received by country to the Voluntary Contribution Fund

Country	Amount	Year
1. Argentina	29,700	2011
2. Bahamas	15,000	2011, 2012, 2016
3. Barbados	30,000	2011 to 2016
4. Belize	7,492	2011, 2013
5. Bolivia	15,000	2013, 2014, 2015
6. Brazil	43,129	2013
7. Colombia	7,669	2015
8. Chile	5,000	2016
9. Ecuador	10,000	2011, 2013
10. El Salvador	5,000	2015
11. Grenada	5,000	2016
12. Guyana	4,975	2016
13. Jamaica	19,970	2012, 2013, 2014, 2015
14. Mexico	20,000	2011, 2013, 2014, 2015
15. Panama	20,000	2011, 2013, 2015, 2016
16. Paraguay	20,015	2015, 2016, 2017
17. Peru	24,850	2012 to 2016
18. Dominican Republic	9,964	2012, 2013
19. Suriname	4,980	2011
20. Trinidad & Tobago	60,000	2011 to 2016
TOTAL	\$357,745	
21. Canada	\$200,000	2012 to 2014

Annual contributions have varied, as shown in **Chart No. 2**, but are expected to stabilize in the future as Ministries incorporate contributions into their budgets. The Ministries of Labor of Trinidad & Tobago, Barbados, Peru and Ecuador have informed the Technical Secretariat that this item is already included in their annual budgets. It is worth noting that during 2016, 3 countries contributed for the first time, Chile, Guyana and Grenada.

Chart No. 2

Contributions received by year to the Voluntary Contribution Fund

Year	Amount
2011	74,681
2012	34,940
2013	95,555
2014	34,970
2015	57,588
2016	55,010
2017	5,000
Total	\$357,745

III. Expenditures

The authorities of the IACML, in accordance with the Guidelines of the Voluntary Contribution Fund, determined the allocation of the Fund's resources during the Planning Meetings of 2012, 2014 and 2016, dividing them among Hemispheric Workshops, bilateral cooperation activities, studies, communications and operation costs, the last of which partially cover RIAL's human resources.

Chart No. 3 details costs to date, separating those covered by the Voluntary Contribution Fund from those covered by the contribution from Canada (2012-2014). Chart No. 6, in Section IV of this document, contains the budget of approved expenditures for 2016 and 2017.

Chart No. 3

Details of current and projected expenditures by area; contribution from Canada separate

Area	Voluntary Contribution Fund	Contribution from Canada (2012-2014)
Hemispheric Workshops		
Workshop on Freedom of Association - Washington, D.C., Oct. 2012	8,717	
Workshop on Child Labor - San Jose, Costa Rica, Feb. 2013		37,695
Workshop on More Just Labor Conditions - Bahamas, Apr. 2013	24,112	
Workshop on Formalization - Barbados, Sept. 2014	16,266	
Workshop on Social Protection and Employment - Mexico, Dec. 2014	5,977	
Workshop on Inspection - 2015 (Webinar)	1,002	
Webinar - Virtual Platform		2,185
Intersectoral Workshop on Youth Employment - Brasilia, Dec. 2016	18,617	
Workshop subtotal	\$74,691	\$39,880
Bilateral cooperation		
Activities of the 5 th Call (2012) - 9 activities	15,112	30,476
Activities of the 6 th Call (2013) - 7 activities		34,639
Activities of the 7 th Call (2014) - 8 activities	25,514	14,343
Activities of the 8 th Call (2015) - 7 activities	36,328	
Activities of the 9 th Call (2016) - 5 activities	29,043	
Bilateral cooperation subtotal	\$105,997	\$79,458
Studies		
Study on Bilateral and Multilateral Social Security Agreements	20,000	
Studies subtotal:	\$20,000	
Communications		
Website, Portfolio, Newsletters	20,000	29,650
Publication: 10 years of the RIAL	5,000	
Communications subtotal	\$25,000	\$29,650
Operations (administration and logistics)		
Support to administration and Logistics (2011-mid 2016)	63,662	28,990
Indirect cost recovery	3,267	22,023
Operations subtotal	\$66,929	\$51,013
TOTAL EXPENDITURES	\$292,617	\$200,000

The Fund's expenses have generally been lower than the amount approved, especially for Hemispheric Workshops, as shown in **Chart No. 4**. This is due mainly to two reasons: important funds from other sources have been leveraged, and the modality of co-funding has been established to cover travel costs for Ministries of Labor delegates (RIAL and the Ministries share costs).

Chart No. 4
Approved budget and costs of the Voluntary Contribution Fund for RIAL Workshops
(excluding contribution from Canada)

Item	Approved Budget	Expenditures
Hemispheric Workshops		
Workshop on Freedom of Association - Washington, D.C., Oct. 2012	15,000	8,717
Workshop on More Just Labor Conditions - Bahamas, Apr. 2013	25,000	24,112
Workshop on Formalization - Barbados, Sept. 2014	25,000	16,266
Workshop on Social Protection and Employment - Mexico, Dec. 2014	25,000	5,977
*Workshop on Inspection - 2015 (substituted by Webinar)	20,000	1,002
Intersectoral Workshop on Youth Employment - Brasilia, Dec. 2016	25,000	18,617
Total:	\$135,000	\$74,691

*Planning Meeting in 2014 authorized the use of up to US\$20,000 should it be decided to undertake an on-site Workshop in 2015. During WGs meetings in 2014, it was decided to hold the labor inspection exchanges virtually using new Technologies.

The RIAL's expenditures between 2011 and April 2017 total \$679,617, which come from the Voluntary Contribution Fund (\$492,617, including \$200,000 from Canada) and from other in-kind contributions or those made directly for specific activities, calculated at \$187,000 as specified in Chart No. 5.

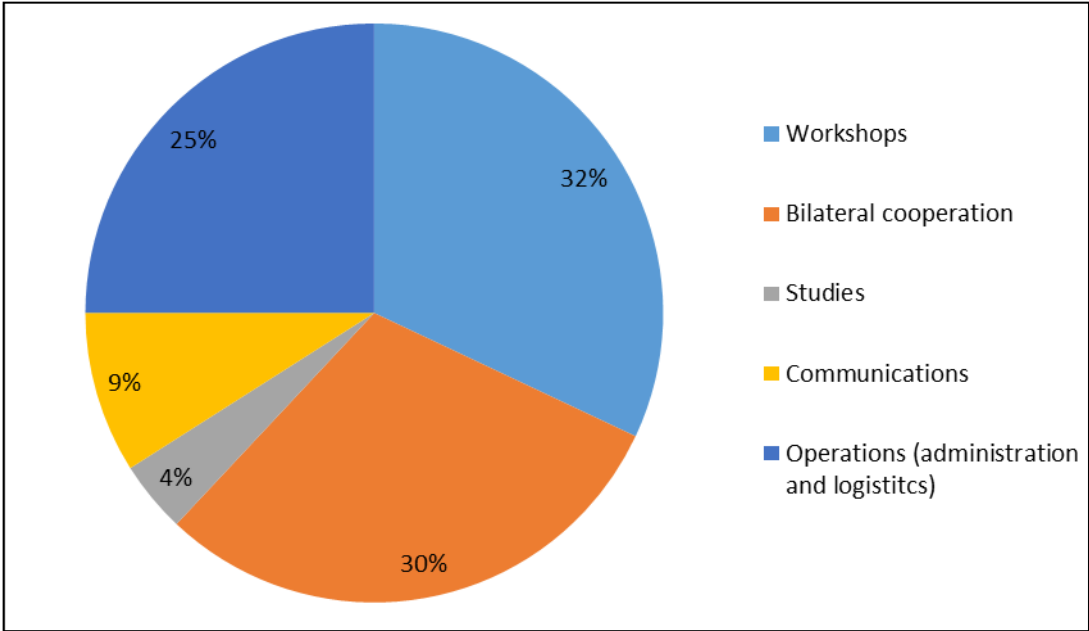
Chart No. 5
Total costs by category and funding source

CATEGORY OF COST	SOURCE			Total
	Voluntary Contribution Fund (excluding Canada)	Contribution from Canada (2012-2014)	Other support (in-kind or direct)	
Workshops	74,691	39,880	101,000	215,571
Bilateral cooperation	105,997	79,458	20,000	205,455
Studies	20,000		10,000	30,000
Operations (administration)	66,929	51,013	50,000	167,942
Communications	25,000	29,650	6,000	60,650
TOTAL COSTS	\$292,617	\$200,000	\$187,000	\$679,617

Appendix 2 expands on this Chart and provides details about past costs according to their funding source, including resources that have been leveraged for each activity

Figure No. 1 shows the distribution of expenses according to their component.

Figure No. 1
Distribution of RIAL costs



Some important facts about costs:

- Average cost of a RIAL Workshop: \$35,000
- Average cost of a cooperation activity: \$5,500
- Operating costs, which as shown in Figure 1 are 25% of the total, refer to administration and follow-up on activities. That is, they represent an important part of the human-resources component of the RIAL and are essential for its development. In terms of the Guidelines of the Fund, 15% of contributions are designated for operating expenses, up to a maximum of \$50,000 annually. Current level of contributions is insufficient to cover RIAL’s operating costs, which is why the OAS has provided an important amount of resources.
- The OAS supports the RIAL’s coordination in kind, which is calculated at approximately \$80,00 annually and is not included in the amounts reported in this report.
- RIAL’s component of communications includes updating the website and the Portfolio of Programs, the elaboration of newsletter and social media managing. It is a component with increasing relevance, currently representing 9% of the RIAL’s expenses. It is worth noting that this component includes \$20,000 for the re design of the web page and partial funding of the publication “10 years of the RIAL”, which were authorized during the Working Groups of the IACML Meeting in 2015.

- The costs of Workshops and cooperation activities have been reduced relative to the 2006-2010 period, where they were \$55,000 and \$6,500 respectively. In the case of Workshops, this is due to co-funding travel expenses for participants (the Ministry covers some costs and the RIAL others), while in the past the RIAL would cover all the costs. In the case of bilateral cooperation activities, it is because stricter criteria for participants have been adopted and a maximum of three delegates are covered per activity.

IV. Perspectives and allocation of available resources

The balance of the RIAL's Voluntary Contribution Fund is **\$65,128**, after having covered several of the activities authorized during the Planning Meeting (see Chart No.6). This balance will be primarily intended for the Workshop on Labor Migration, to be held in July 2017 in Costa Rica, and to the bilateral cooperation activities of the 10th RIAL Call for Proposals.

Chart No. 6
Budget of approved expenditures for 2016 and 2017
of the RIAL's Voluntary Contribution Fund

Activity	Approved Budget
RIAL Workshop about Youth Employment / Intersection between Education and Work - ACCOMPLISHED	25.000
RIAL Workshop about Labor Migration	25.000
9th RIAL Call for Proposals (2016) - ACCOMPLISHED	30.000
10th RIAL Call for Proposals (2017)	----**
TOTAL:	\$80.000

* It will be financed with contributions received during 2016.

It is worth noting that contributions received during 2015 and 2016 were around \$55,000 per year, which is a low figure. On the other hand, the Canadian contribution between 2012 and 2014 was defining to cover the communications, web page maintenance and portfolio (human resources intensive) component. In the absence of this contribution the resources allocated by the RIAL's Fund for this purpose should be reconsidered.

Given this current realities, it is imperative that the commitment from all countries to ensure the sustainability of the RIAL be reaffirmed. To date, 21 of the 34 OAS Member States have made contributions to the Fund, while all of them have participated in the RIAL.

The Fund should have a budget of no less than \$120,000 per year to guarantee continuity of actions, according to the standards that have been established. Thus, contributions should be reinforced.

The RIAL calls on Ministries of Labor to make contributions in accordance with their national capacities. In this sense, it is hoped that more developed countries with more robust economies will make contributions above the established minimum of \$5,000 per year.

APPENDIX 1

2006 - 2010 Period

The establishment of the RIAL and most of its activities in the period 2006-2010 were funded from a large contribution by the Canadian Labour Program, provided under four agreements with the OAS for a total of US\$1.35 million. This funding covered RIAL's activities and basic operating costs.¹

*Contribution by the Canadian Labour Program to the RIAL
2006-2010*

Agreement	Can\$	US\$
RIAL 1 (2006)	65,844.45	56,483.91
RIAL 2 (2006 - 2007)	310,800.00	265,812.91
RIAL 3 (2007 - 2008)	275,280.00	261,251.79
RIAL 4 (2008 - 2010)	890,000.00	771,851.92
TOTAL	\$1,541,924.45	\$1,355,400.53

During this period, financial contributions from the United States, Mexico, Argentina, and Brazil were also received. Additionally, the OAS has contributed financial resources for RIAL's coordination and operations.

*Other financial contributions to the RIAL
May 2006- July 2010*

County/organization	US\$	Description
United States	171,680.00*	Most bilateral activities in 2006, contribution to the labor dimension workshop (July 2006), and co-financing of the youth workshop (May 2008) and bilateral coop in 2010
Mexico	15,000.00	Employment services workshop (November 2006)
Argentina	12,000.00	Bilateral activities co-financing
Brazil	33,900.00	Bilateral activities and youth workshop (May 2008) co-financing
OAS	320,000.00	RIAL coordination and operation
TOTAL	\$552,580.00	

¹ Operating expenses included the hiring of a person full time as technical and administrative support and a person part-time, who administers and updates the web page.

APPENDIX 2 - DETAILS OF COSTS BY FUNDING SOURCE, 2011 TO APRIL 2017

Item	Voluntary Contribution Fund	Contribution from Canada (2012-2014)	Other support	Total	Sources of "Other support"
Hemispheric workshops					
Workshop on Freedom of Association - Washington, DC. Oct. 2012	8,717		10,000	18,717	OAS
Workshop on Child Labor - San Jose, Costa Rica, Feb. 2013		37,695	4,000	41,695	Costa Rica
Workshop on More Just Labor Conditions - Bahamas, Apr. 2013	24,112		12,000	36,112	Bahamas
Workshop on Formalization - Barbados, Sept. 2014	16,266		25,000	41,266	United States and Barbados
Workshop on Social Protection and Employment - Mexico, Dec. 2014	5,977		25,000	30,977	Mexico, CISS, RIPS0, GIZ
Workshop on Inspection - 2015 (substituted by Webinars)	1,002			1,002	
Webinar - Virtual Platform		2,185		2,185	
Intersectoral Workshop on Youth Employment - Brasilia, Dec. 2016	18,617		25,000	43,617	Brazil, DCF/OAS
Workshops subtotal	\$74,691	\$39,880	\$101,000	\$215,571	
Bilateral cooperation					
Activities of the 5 th Call (2012) - 9 activities	15,112	30,476	6,000	51,588	Argentina
Activities of the 6 th Call (2013) - 7 activities		34,639	2,000	36,639	Argentina
Activities of the 7 th Call (2014) - 8 activities	25,514	14,343	4,000	43,857	Argentina
Activities of the 8 th Call (2015) - 7 activities	36,328		8,000	44,328	Argentina, Canada
Activities of the 9 th Call (2016) - 5 activities	29,043				
Bilateral cooperation subtotal	\$105,997	\$79,458	\$20,000	\$205,455	
Studies					
Study on Bilateral and Multilateral Social Security Agreements	20,000		10,000	20,000	CISS
Studies subtotal	\$20,000		\$10,000	\$30,000	
Communications					
Website, Portfolio, Newsletters	20,000	29,650		49,650	
Publication: 10 years of the RIAL	5,000		6,000	11,000	OAS
Communications subtotal	\$25,000	\$29,650	\$6,000	\$60,650	
Operations (administration and logistics)					
Administration and Logistics (2011-mid 2016)	63,662	28,990	50,000	142,652	OAS
Indirect cost recovery	3,267	22,023		25,290	
Operations subtotal	\$66,929	\$51,013	\$50,000	\$167,942	
TOTAL PAST AND PROJECTED COSTS	\$292,617	\$200,000	\$187,000	\$679,617	