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FINANCIAL STATUS OF THE INTER-AMERICAN NETWORK FOR LABOR
ADMINISTRATION (RIAL) AS OF JANUARY 2020

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INTER-AMERICAN NETWORK FOR LABOR ADMINISTRATION (RIAL)
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(Updated: January 30th, 2020. All monetary figures are in US dollars)

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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 **\$878,349** to date; 21 countries provided \$525,349 and the Government of Canada provided \$353,000. Added to these resources is co-funding of approximately **\$360,000**, for a total budget of **\$1,238,349**.

Decisions on the use of the fund, in accordance with its Guidelines, are made at the Planning Meetings of the IACML, which are held immediately after each conference and 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.

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 resources to date, amount to **\$1,087,688**, coming from the Voluntary Contribution Fund (\$727,688 including Canada’s contribution) and other in-kind contributions valued at \$360,000. In addition, and based on decisions made during the IACML Planning Meeting in 2018 and the virtual meeting of Authorities in 2019, resources in the amount of **\$97,500** have already been budgeted to fund activities for 2020 of the IACML Work Plan. Therefore, the Fund’s balance is **\$53,161**.

II. Contributions

To date, 22 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. Canada has made two important contributions: \$200,000 between 2012-2014 and \$153,000 for 2018-2020. Given the large amount of the contributions, two separate project were established for accounting purposes, but its use was also decided upon by IACML authorities.

Chart No. 1
Contributions received by country
(In US dollars)

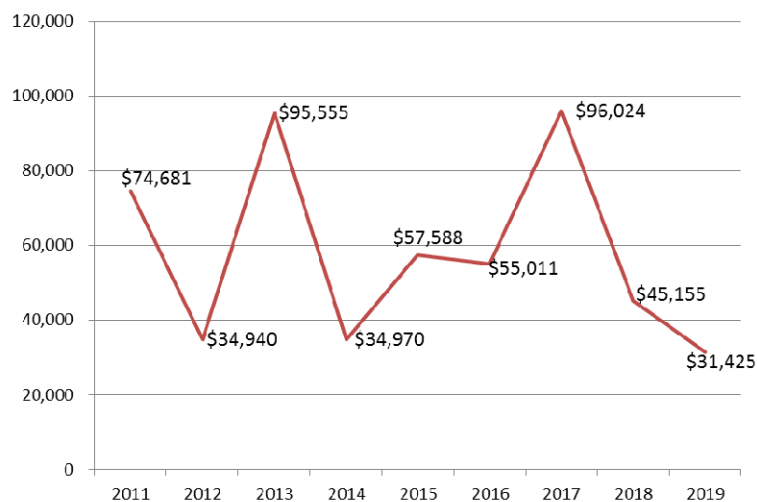
Country	Amount	Year
1. Argentina	29,700	2011
2. Bahamas	45,000	2011, 2012, 2016, 2017, 2019
3. Barbados	45,000	2011 to 2019
4. Belize	7,492	2011, 2013
5. Bolivia	29,995	2013 to 2018
6. Brazil	43,129	2013
7. Colombia	7,669	2015
8. Chile	10,000	2016, 2017
9. Ecuador	10,000	2011, 2013
10. El Salvador	5,000	2015
11. Grenada	20,000	2016 to 2019
12. Guyana	21,840	2016, 2017
13. Jamaica	19,970	2012, 2013, 2014, 2015
14. Mexico	19,194	2011, 2013, 2014, 2015
15. Panama	30,000	2011, 2013, 2015 to 2018
16. Paraguay	29,762	2015 to 2019
17. Peru	39,760	2012 to 2019
18. Dominican Republic	20,016	2012, 2013, 2018, 2019
19. Saint Kitts and Nevis	6,840	2017, 2019
20. Suriname	4,980	2011
21. Trinidad & Tobago	80,000	2011 to 2018
TOTAL contributions to Voluntary Fund	\$525,349	
21. Canada	\$353,000	2012-2014, 2018-2020
TOTAL	\$878,349	

Annual contributions vary considerably, as shown in Chart No. 2 and Graph No.1. In 2018 and 2019, contributions have been low, but have been compensated by Canada’s contribution for 2018-2020. 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 expected that others may follow.

Chart No. 2
Contributions received by year to the Voluntary Contribution Fund
(In US dollars)

Year	Amount	Canada’s contribution
2011	74,680.5	
2012	34,940.0	200,000.0
2013	95,555.4	
2014	34,970.0	
2015	57,588.1	
2016	55,011.0	
2017	96,023.6	
2018	45,155.0	153,000.0
2019	31,425.3	
Total contributions	525,349	353,000.0

Graph No. 1
Contributions received by year to the Voluntary Contribution Fund
(In US dollars)



In-kind or financial contributions which have not entered the OAS/RIAL accounting -valued in \$360,000-, have allowed for the development of RIAL activities and should be accounted for as part of total contributions.

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, 2016 and 2018, dividing them among Hemispheric Workshops, bilateral cooperation activities, studies, communications and operation costs, the last of which partially cover RIAL's human resources. The Authorities held a virtual meeting in January, 2019, where, among other topics, they reviewed the financial situation of the RIAL and took decisions on resource distribution.

RIAL's expenditures between 2011 and January 2020 of \$1,087,688, which come from the Voluntary Contribution Fund (\$727,688, including Canada's contribution) and from other in-kind contributions made by OAS, governments or partner international organizations, calculated at \$360,000 as specified in Chart No. 3.

Chart No. 3
Total costs by category and funding source
(In US dollars)

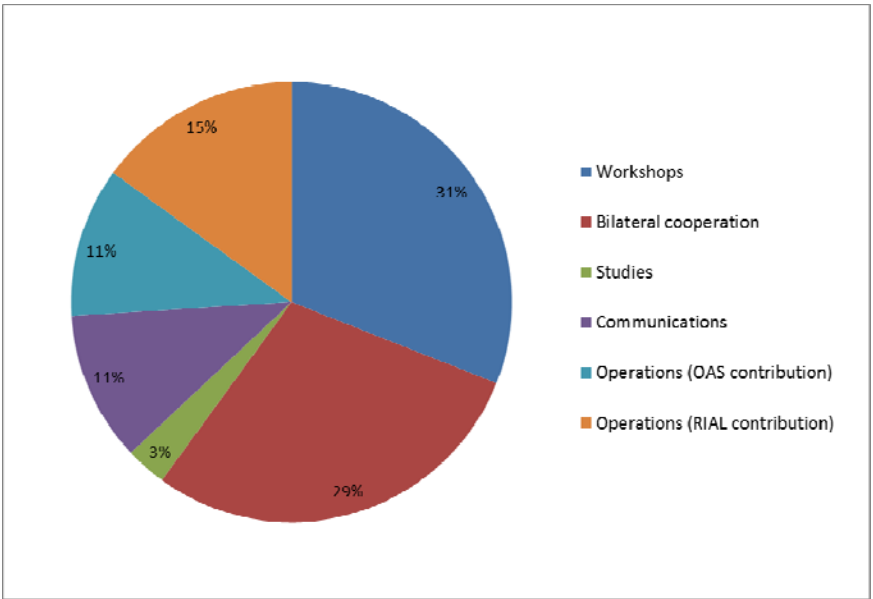
CATEGORY OF COST	SOURCE			Total
	Voluntary Contribution Fund (excluding Canada)	Contribution from Canada	Other support (in-kind or direct)	
Workshops*	128,350	67,580	144,000	339,930
Bilateral cooperation*	182,143	104,857	20,000	307,000
Studies	20,000	6,500	10,000	36,500
Operations (administration)	92,695	70,913	120,000	283,608
Communications	25,000	29,650	66,000	120,650
TOTAL COSTS	448,188	279,500	360,000	\$1,087,688

*Under "Workshops", an estimate of RIAL contribution to the 2019 Working Groups meeting is included. Under "Bilateral cooperation" the estimate cost of an activity selected in the Call for proposals of 2019 but being undertaken beginning 2020 is included. Therefore, these amounts may vary slightly and were adjusted after the financial report presented in December, 2019.

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. 2 shows the distribution of expenses according to their component. The operation component is divided in 2: 1) the part that the OAS has covered in salaries of a consultant that supports the administration and logistics of the RIAL, and 2) the part that the RIAL Fund has covered for the same purpose. The time of the Coordinator of the RIAL is not counted.

Figure No. 2
Distribution of RIAL expenditures



Some important facts about costs:

- Average cost of a RIAL Workshop: \$31,000. Includes costs of simultaneous interpretation, equipment, materials and travel expenses covered by RIAL, host country or partner institution (Human resources not included).
- Average cost of a cooperation activity: \$5,600. Includes travel expenses in terms of airfare ticket, accommodation and meals (Human resources not included).
- Operating costs, which as shown in Figure 1 are 26% of the total (distributed between the OAS with 11% and the RIAL Fund with 15%), refer to administration and follow-up on activities. That is, they concentrate the human-resource 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. OAS contribution has increased in recent years.

- The OAS supports the RIAL’s coordination in kind, which is calculated at approximately \$80,000 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 11% of the RIAL’s expenses. As for the operations component, the OAS has provided important resources to the communications component. This contribution represents half of total communications costs.
- 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, this is due to stricter criteria for participants selection and a cap of three delegates maximum per activity cap.
- The Fund’s expenses have been consistently lower than the budgeted amounts, especially for Hemispheric Workshops, given important leveraging of resources.

IV. Budgeted resources for upcoming activities

Based on decisions made during the IACML Planning Meeting in 2018 and the virtual meeting of Authorities in January, 2019, resources in the amount of \$97,500 (\$30,000 from RIAL Fund and \$67,500 from Canada’s contribution) have already been budgeted to fund activities for 2020 of the IACML Work Plan, as detailed in Chart No. 4.

Chart No. 4
Budget approved for activities of the 2018-2020 IACML Work Plan in 2020,
Per funding source

Activity	Approved budget of the RIAL	Canada Project	In-kind or to define in the future
RIAL Study - Gender Mainstreaming in Labor Ministries*		7,500	
RIAL Workshop - Gender Mainstreaming		40,000	Argentina
Virtual Meeting of IACML Authorities			OAS
2nd Preparatory Meeting of the XXI IACML			Host Country and OAS
XXI IACML			Host Country and the OAS
Activities 13 th RIAL Call (2020)	30,000	20,000	OAS
TOTAL:	\$30,000	\$67,500	

*Budgeted amount only for translation and printing.

VI. Outlook and available resources

Summarizing what has been reported, the total budget of the RIAL between 2011 and 2019 is \$1,238,349, consisting of \$878,349 from contributions from 22 countries to RIAL's Voluntary Fund and \$360,000 of in-kind co-funding resources.

Spent resources to date, amount to \$1,087,592. In addition, and based on decisions made during the IACML Planning Meeting in 2018 and the virtual meeting of Authorities in 2019, resources in the amount of \$97,500 have already been budgeted to fund activities for 2020 of the IACML Work Plan. Therefore, the Fund's balance is \$53,161.

Although the situation seems positive, it is mainly because of Canada's contribution in 2018 of \$153,000. Therefore, it is imperative that the commitment from all countries to ensure the sustainability of the RIAL be reaffirmed. To date, 22 of the 34 OAS Member States have made contributions to the Fund, while all of them have participated in the RIAL.

In addition, the new provisions on Indirect Cost Recovery (ICR) of the OAS require that 13% be charged for this concept to new contributions.

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.

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	

APPENDIX 2 - DETAILS OF COSTS BY FUNDING SOURCE, 2011 TO NOVEMBER 2019 (In US dollars)

Item	Voluntary Contribution Fund	Canada's Contribution	Other Support	Total	Sources of "Other support"
Hemispheric workshops					
Workshop on Freedom of Association - Washington, DC. Oct. 2011	8717		10000	18,717	OAS
Workshop on Child Labor - San Jose, Costa Rica, Feb. 2013		37695	4000	41,695	Costa Rica
Workshop on More Just Labor Conditions - Bahamas, Apr. 2013	24112		12000	36,112	Bahamas
Workshop on Formalization - Barbados, Sept. 2014	16266		25000	41,266	USA and Barbados
Workshop on Social Protection and Employment - Mexico, Dec. 2014	5977		25000	30,977	Mexico, CISS, RIPSO, GIZ
Workshop on Inspection - 2015 (substituted by Webinars)	1002			1,002	
Webinar - Virtual Platform		2185		2,185	
Intersectoral Workshop on Youth Employment - Brasilia, Dec. 2015	18617		25000	43,617	Brazil, DCF/OAS
Workshop on Labor Migration - San Jose, Costa Rica, July 2017	12638		6000	18,638	IOM and ILO
Workshop on Compliance - San Jose, Costa Rica, Dec 2018		27700	8000	35,700	ILO
Intersectoral Workshop on Skills for the future - Santiago, Chile, Dec. 2018	27021		14000	41,021	Chile and ILO
*Meeting of IACML Working Groups - Quito, Ecuador, Dec. 2019	14000		15000	29,000	Ecuador
Workshops Subtotal:	\$128,350	\$67,580	\$144,000	\$339,930	
Bilateral Cooperation					
Activities of the 5th Call (2012) - 9 acts.	15112	30476	6000	51,588	Argentina
Activities of the 6th Call (2013) - 7 acts.		34639	2000	36,639	Argentina
Activities of the 7th Call (2014) - 8 acts.	25514	14343	4000	43,857	Argentina
Activities of the 8th Call (2015) - 7 acts.	36328		8000	44,328	Argentina, Canada
Activities of the 9th Call (2016) - 5 acts.	29043			29,043	
Activities of the 10th Call (2017) - 4 acts.	25320			25,320	
Activities of the 11th Call (2018) - 7 acts.	28825	5400		34,225	
Activities of the 12th Call (2019) - 8 acts.	22000	20000		42,000	
Bilateral Coop Subtotal:	\$182,142	\$104,858	\$20,000	\$307,000	
Studies					
Study on Bilateral and Multilateral Social Security Agreements	20000		10000	30,000	CISS
Study on Institutionalization of Gender Perspective		6500		6,500	
Studies Subtotal:	\$20,000	\$6,500	\$10,000	\$36,500	
Communications					
Website, Portfolio, Newsletter	20000	29650	60000	109,650	OAS
Publication 10th Anniversary of RIAL	5000		6000	11,000	OAS
Communications Subtotal:	\$25,000	\$29,650	\$66,000	\$120,650	
Operations (administration)					
Management and logistics (2011-2019)	88802	28990	120000	237,792	OAS
Indirect Cost Recovery	3893	41923		45,816	
Operations Subtotal:	\$92,695	\$70,913	\$120,000	\$283,608	
TOTAL PAST AND PROJECTED COSTS	\$448,188	\$279,500	\$360,000	\$1,087,688	