

# **Knowledge for Change Program**

## **Minutes from the 10<sup>th</sup> Consultative Group Meeting**

**November 7, 2011  
Stockholm**

### **Participants:**

#### *KCP Members*

- **Canada**, Mr. Hossein Rostami
- **Denmark**, Mr. Bent Graff, Ms. Helene Tanderup
- **Finland**, Ms. Nina Kataja
- **Germany**, Mr. Alexander Freese, Ms. Katja Röckel
- **Korea**, Mr. Kinam Oh
- **Sweden**, Mr. Johan Kiessling, Mr. Torsten Wetterblad, Mr. Per Knutsson, Mr. Anders Granlund, Erik Jonsson
- **Switzerland**, Ms. Gabriella Spirli
- **United Kingdom**, Mr. Michael Anderson, Mr. John Piper

#### *Panel member*

- Mr. Arne Bigsten, Gothenburg School of Economics, Sweden

#### *World Bank*

- Mr. Justin Yifu Lin, Chairman
- Mr. Martin Ravallion
- Mr. Hans Timmer
- Mr. Martin Rama
- Mr. Jimmy Olazo
- Mr. Ivar Cederholm

### **1. Opening Remarks**

Mr. Per Knutsson opened the meeting by welcoming all participants to the CG meeting on behalf of the Director General, Charlotte Petri Gornitzka, Swedish Development Cooperation Agency (Sida), who was unable to attend the meeting. He mentioned that the KCP was a very valuable partnership for Sida as the knowledge generated by the KCP was both important and relevant for Sida. He also commented on the 2011 KCP Annual Report and saying that the theme of 'Aid Effectiveness' was both timely and relevant to the development debate.

Then the Chairman thanked Sida and the government of Sweden for hosting the meeting and for their support of the program. He expressed great satisfaction that most KCP partners had been able to attend the meeting, and also thanked all for their generous support of the KCP.

He introduced the Bank representatives and asked the attendants to introduce themselves briefly. He then gave the floor to Martin Ravallion.

## **2. KCP II Research Findings and New Initiatives**

**Martin Ravallion**, Director Research, gave an overview of selected research programs that has benefited from the KCP. He also talked about a new approach to building research capacity in developing countries. The new model could be described as a ‘wholesale approach’ where the Bank and other development institutions would give open and free access to the same research tools and data that their own researchers were using. This is different from the current approach where each institution would conduct its own research and disseminate the results. The new approach would give an advantage to researchers in developing countries that they lack today as it would provide them with free access to data and reduce costs and other thresholds for conducting their own research. Further details about the new approach and KCP II research findings can be found in the presentation that is posted on the KCP website ([www.worldbank.org/kcp](http://www.worldbank.org/kcp)).

a Bank uses in its own research. The idea is to lower the policies ought to be underpinned by vigorous and high quality research. Despite of this it was not a straight forward road between policy and research. He cited a KCP funded study on the impact of a ten year old welfare reform in rural China. Most of the households that were interviewed a decade earlier were re-interviewed, and the positive effects of the reform were only found in households of a higher educational level. This evidence based knowledge will help policy-makers change and improve the design of future economic policies. He concluded that evidence based knowledge, or impact evaluations, which take years to conduct, are well suited for advancing our knowledge on the effects of certain development interventions.

## **3. Open Data and Open Knowledge**

**Ivar Cederholm**, KCP Program Coordinator, made a presentation on the ‘Open Data’ initiative that has rendered the Bank a leading position globally when it comes to free and open access to development data. The key message was that the Bank provides both legal and technical access free of charge to its data in line with the Bank’s disclosure policy. The Bank is also promoting new applications of the data through winning ideas from a ‘Aps’ competition that has lead to new ways of presenting development data. He also explained that the Bank is engaged in assisting client countries to build systems to provide free and open data at the country level.

**Hans Timmer**, Director Development Prospects Group, talked about three development tools that have become very popular among Bank clients. These tools form part of the ‘Open Knowledge’ agenda that provides free access to all users. 1. Maquette for MDG Simulation (MAMS), is a tool that was developed thanks to the KCP support it got in the design phase. MAMS is built on the General Equilibrium Econometric model and it is used by policy makers in 45 developing countries to test the sequencing and the timing of development interventions in order to maximize their development impact. 2. Global

Income Distribution Model, which looks at the long to medium term trends on changes in income distribution at the global level. 3. iSimulate, is a tool that is used by policy makers in developing countries to simulate and track links and channels of contagion of global economic trends. It is a web-based forecasting tool that has been very useful during the recent financial and economic crisis.

#### **4. Financial report on the KCP II**

**Jimmy Olazo**, KCP Program Manager, gave a presentation on the financial status of the KCP. In short, the KCP II has gotten off to a very healthy start with USD 15 million in cash contributions since inception in December 2008. In addition the KCP II had an additional USD 3 million in outstanding pledges as of June 30, 2011. The partnership has grown to 10 members with Korea as the most recent partner joining in August 2011. More information about key financial figures and project portfolio data can be found on the KCP website and the 2011 KCP Annual Report.

#### **5. Discussion on the morning session topics**

The chairman thanked the presenters for their comprehensive and informative presentations on the morning session, which was more looking back at the progress and accomplishments of the KCP, and opened the floor for discussion. The following were the main comments by the donors.

- A question was raised about a potential conflict between the structure of the KCP with four pillars and the new research strategy.
- There was also a request for an outside look at the impact of the KCP so far and how effective the transmission of its knowledge was.
- Another member suggested that it was also the responsibility of development agencies to actively search for data and knowledge, especially since the Bank had adopted an open and free access to its data and knowledge.
- Several members thanked for a very comprehensive presentation and were very supportive of the new initiatives on ‘Open Knowledge’ and ‘Open Data’ that could also benefit policy makers and development institutions in developed countries.
- Another participant mentioned that there was an advantage of being part of the KCP as it increased access to the most recent research findings and that it would also benefit researchers in partner countries.
- There was another question on how the research would benefit Bank operations and technical assistance to specific countries.
- One member asked how the Bank would disentangle research outputs from the KCP compared to research funded by other sources.

The response from the Bank to the comments was the following:

1. On the KCP structure and the research agenda. It was explained that there was no conflict as the process of selecting research topics was primarily a bottom up process, and not a top down decision model. The process would start at the individual researchers that would come up with sometimes difficult questions and what methods and models would be most suitable in finding the correct answers.
2. On the outside perspective question, it was mentioned that the first phase of the KCP was evaluated in 2007, and it was preceded by the ‘Deaton’ research evaluation that perhaps was not entirely relevant to the KCP.
3. On getting out the message, it was mentioned that the Bank is using all kinds of dissemination tools including, websites, social media, and blogs in addition to the traditional publication of books, papers, research reports and flagships. The new KCP newsletter, KCP Perspective, was also mentioned as a new initiative to put the spotlight on results and impact.
4. Bank representatives explained that the Bank’s researchers were actively involved in Bank operations and technical assistance, given that a third of the salary of the researchers originated from selling their time to the Bank’s regional and networks (sector units) on a competitive and market based system called ‘cross support’. Furthermore, many of the impulses for new research came from such work in the regions and the networks.
5. On the disclosure of specific KCP research, all researchers were instructed to disclose the funding source of the research, and that it was mostly complied with.

## 6. Briefing on the WDR 2013

**Martin Rama**, Director WDR 2013, made a presentation on the ongoing World Development report on ‘Jobs’ that had received some funding from the KCP. The purpose of the report was to put Jobs at the focus of the development agenda given that jobs could be seen as the “hinge” connecting three transformations at the center of economic development:

- From an economic perspective, earnings opportunities lift households out of poverty and raising their **living standards** afterwards. Improved yields in farming, access to off-farm small enterprise activities, migration of family members to cities, and transitions to formal sector employment are milestones on the path to improved material well-being.
- Through structural transformations job creation and destruction within sectors, and reallocation across sectors and countries, jobs are also at the root of aggregate **productivity gains**.
- Jobs are also associated with fundamental **social change**. The feminization of the workforce has influenced intra-household relationships and transformed the economic and social role of women. Jobs also affect **social cohesion**. There is a rich literature on the links between happiness and work status.

The entire presentation can also be found on the KCP website.

The discussion that followed touched on the notion of ‘Good Jobs’, structural transformations and the importance of moving away from informality without losing jobs and productivity.

## **7. Panel Discussion on Research Capacity Building, New and Old Approaches**

A short presentation was made by **Martin Ravallion** on the new approach to building research capacity built on the new initiatives on ‘Open Knowledge’ and ‘Open Data’ that were discussed in the morning sessions and that were outlined in the paper sent out to all members ahead of the CG meeting. The panel included the following members: **Michael Anderson**, Director General, DfID, **Arne Bigsten**, Professor, Gothenburg School of Economics, **Anders Granlund**, Head of Research, Sida, **Martin Ravallion**, and **Hans Timmer**.

The following were comments made by panel members and participants.

- The proposal that was circulated on a new approach to building research capacity was well in line with current efforts in this area. The free and easy access to tools and data was really the new and revolutionary approach that could make a clear difference.
- Involving local researchers in research projects was also a very effective way of building research capacity.
- Summer schools and local training was a good complement to the ‘new’ approach.
- The most effective way of producing high quality research and to build research capacity doesn’t always coincide.
- The main focus of the KCP should remain on producing cutting edge research and to build capacity whenever suitable and possible as a secondary objective.
- In this context the Bank was suggested to improve the communication on the results of the KCP-funded research. The KCP newsletter ‘The KCP Perspective’ was seen as a good step in this direction.
- It is high time to move into the ‘wholesale’ model described by Martin Ravallion, as the last 40 years of ‘old’ approach has only yielded modest results. The new approach looks very promising.
- It was a welcome move towards a two-way street than just a one-way street as had been the case in the past.
- Improving quality of data and tools is key to successful capacity building.
- The Bank and other development institutions need to become broker of development, rather than generators.
- Continue to build research networks, and to create the right incentives.
- The Bank has a comparative advantage in producing universal and ‘open’ tools and data for research.
- Africa remains the region with the highest need for building research capacity.

## **8. Concluding Remarks**

The Chairman thanked the participants for a fruitful discussion and for useful and constructive suggestions. He also thanked the panel members for a comprehensive and very constructive discussion. He added that the Bank sees great value in this interaction with the KCP partners and is also welcoming new partners in order to broaden and deepen the discussion on the development challenges. He also thanked all partners for making the KCP such a success, and mentioned that this was likely his last CG meeting as his term in the Bank as its Chief Economist was to expire in June 2012. He ended by thanking the Swedish Government and Sida for hosting the 10<sup>th</sup> CG meeting and closed the meeting.