

2nd Steering Committee Meeting
“Job Creation, Core Labor Standards, and Poverty Reduction”
BMZ, GTZ, ILO, and World Bank
November 17 2004

Participants:

Achim Johannsen, BMZ; Larry Kohler, ILO; Frank Tibitanzl, GTZ; Susanne Dorasil, WB (German ED Office); Robert Holzmann, Louise Fox, Gordon Betcherman (chair), Amy Luinstra, Friederike Rother, WB.

Introduction

After words of welcome from Gordon Betcherman, the participants agreed upon the proposed agenda of the meeting, focusing on the country-level activities and the capacity-building program. Discussions were based on a background document circulated prior to the meeting, which included a brief overall status report, a proposal for a revised budget and project plan, preliminary drafts of the four research papers, the proposals for country-level work, and a proposal for the capacity-building component.

Update on Component 1 Research Papers

Gordon Betcherman and Louise Fox emphasized that the research drafts were incomplete “zero drafts” at this point, with considerable work still needed. Ultimately, the plan is to disseminate the papers and, if they meet professional peer review standards, they could be published in World Bank research/discussion paper series. As the papers were only circulated shortly before the meeting, it was agreed that the ILO and the BMZ could submit written comments by December 3. Achim Johannsen and Larry Kohler stressed that the results of research papers should feed into phase-two activities as well as the capacity building. Achim Johannsen noted that the BMZ had agreed to extend the timeline for the Trust Fund Project into 2006, which will improve project sequencing including the impact the research papers can have on the phase two and three activities.

Proposals for country work under Component 2

After briefly introducing the content of the country proposals, Louise Fox explained the review process the Bank has implemented. Submissions were reviewed by a World Bank committee, including Gordon Betcherman, Louise Fox, and others. Proposals had been originally solicited from Ghana, Burkina Faso, and Zambia. In the request to the country teams, the region emphasized that work should focus on applied and operationally-relevant activities, including partnership activities with ILO and/or GTZ. Since the Bank’s Zambia team initially indicated that it was only interested in research and was not interested in making a proposal within the framework of the TF project, the region sought proposals from other units in Africa with a strong interest in labor market issues. In the end, proposals were received from five countries (including Zambia). The Bank’s review committee concluded that proposals from Ghana, Burkina Faso, and Ethiopia should be funded and presented these proposals to the Steering Committee.

While considering these three proposals, BMZ, ILO, and GTZ requested that they be allowed to see if country proposals might come from their constituencies, possibly in countries where they have offices or where there is Friedrich Ebert Stiftung (FES) presence. Achim Johannsen and Larry Kohler stated that, to their knowledge, their country units had not been involved in the process of identifying and reviewing country-work proposals. They expressed an interest in enquiring whether stakeholders had been involved in elaborating the country proposals, and also underlined the importance of including issues relevant to core labor standards in these proposals. Louise Fox responded that these points had been included in the instructions given to Bank teams in developing proposals.

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The three country proposals were then discussed case by case. With reference to the Burkina Faso case, consensus was reached that the proposal included a balanced mix of applied research and analysis, implementation and evaluation of pilot projects, and capacity building. Frank Tibitanzl responded that the consultative process in Burkina Faso had been very fruitful and led to productive results.

The Ethiopia country proposal aims at closing the knowledge gap on the functioning of labor markets and to engage with the Government over integrating labor market issues more prominently in the PRSP. BMZ, GTZ, and ILO raised questions about the practical relevance and impact of the research and whether the proposed workshop is in line with the TF’s objective to promote replicable labor market strategies. Gordon Betcherman and Louise Fox emphasized that the proposal is strongly linked with the PRSP process, which speaks to its practical relevance. Partners also questioned the consultation process used in developing the Ethiopia proposal, as well as the timeline. Louise Fox replied that she was under the impression that there had been stakeholder consultation and would go back to the country team to enquire and reconsider timelines. Achim Johanssen indicated that the team could expect further comments from the BMZ regional unit.

The country proposal from Ghana aims at enhancing the competitiveness of entrepreneurs operating in the ICT sector and at improving their access to global markets. The committee appreciated that the proposal was a pilot – in contrast to research – but raised questions about the relevance of the ICT sector in Ghana and the impact of the proposal on employment. Louise Fox explained that Ghana is currently developing a new PRSP for 2005, which will include labor market issues and, therefore, that funding activities in that country could have a catalytic function. BMZ and ILO concluded that they would like to contact their regional counterparts and country offices about the proposal and to ask about other activities in that country that might be appropriate for TF support.

The Bank’s review committee did not support the Zambia proposal that had been submitted by the country team. However, Committee members wanted to find out about outcomes from consultations between the WB-country office, ILO and Friederich Ebert Foundation in order to see whether a more appropriate proposal might still be developed in that country.

It was agreed by all that country work for Burkina Faso could start as soon as possible. ILO and BMZ will like to consult with their regional units regarding Ethiopia and Ghana, although there was support now for the Ethiopia proposal on the condition that it reflected a consultative process. BMZ, ILO, and GTZ might submit further country work proposals for review after discussions with their regional networks. Louise Fox and Gordon Betcherman reiterated that additional proposals are welcome but that they would have to fit into the World Bank program at the country level for ensuring Bank involvement.

Capacity Building Proposal

Gordon Betcherman gave a short overview of the capacity-building plan, developed by the Bank’s Social Protection unit. He explained that a number of the proposed activities would also involve the World Bank Institute, as well as the region and external partners. He also

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emphasized that the capacity building program should build on the outcomes of the phase one and two activities. The proposal included six activities.

1. An ILO course on Core Labor Standards and Poverty Reduction had already been included in the workplan. The ILO will now submit a detailed program. It was discussed whether the course could possibly be delivered through a decentralized mode to get greater reach in the region. Also Committee members agreed that the course should complement other activities under the capacity-building component.

2. World Bank distance learning (DL) courses have also been part of the workplan from the outset. The Bank (SP and WBI) is now developing plans for courses for both anglophone and francophone countries.

3. The Bank is organizing a workshop on labor markets in low-income countries at the Global Development Network conference in Dakar in January 2005. It will include the presentation of the main findings of the WB’s stocktaking exercise in Africa with researchers from developing countries. It will also provide an opportunity for invited researchers to share and discuss their work among colleagues. The Committee supported the proposal to use \$15,000 from the TF to support the participation of African researchers.

4. A proposal was also endorsed to allocate \$20,000 from the TF to support the participation of African government officials, civil and trade union representatives, and researchers to participate in the World Bank Labor Market Policies Core Course in March 2005.

5. A capacity-building workshop on PRSPs that would build up on the WB-ILO/ACTRAV-FES Lusaka workshop in 2002 was included in the proposed plan. Gordon Betcherman suggested that ILO might take the lead on this activity. He also outlined some difficulties and lessons learned from the Lusaka workshop that should be reflected in the new workshop. Achim Johannsen said that he will inform FES and BMZ and submit further suggestions from their sides. All participants agreed that the proposal can be an effective way for capacity enhancement, but that further discussion is needed to overcome the difficulties encountered at the Lusaka workshop. It is planned that a more detailed proposal will be presented to the partners in the coming months.

6. Robert Holzmann gave a short presentation on a proposal on Intensive Labor Market Research Training for Graduate Students. Under this proposal, about 20 PhD-students would participate in an intensive labor market training course taught by a team of German/European academics in Africa (e.g., AERC in Nairobi) and the best among those students would be selected to present their papers at a workshop and be invited for a 3-6 months “secondment” to European universities and research institutions. A number of questions and ideas were introduced in the discussion to consider how the development impact of this training would be maximized. For example, Achim Johannsen suggested that policy makers might be included. Larry Kohler suggested that this type of training should be used to deepen the capacity of national policy-making teams. It was concluded that the proposed training should try to strengthen the link to other activities funded by the TF.

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Overall, the World Bank proposed an increase in resources allocated for capacity building. Gordon Betcherman clarified that the increase would be possible because of an improved exchange-rate (Euro/US\$) and a shift of some resources from component 2 (country-level work). He noted that, for activities 2-5, additional funding would come from the World Bank. With regards to proposal 6, the Social Protection unit is currently looking for additional sources of funding.

Gordon Betcherman concluded the meeting by stating that the Social Protection unit will introduce the comments made by the Committee into the capacity building program. The region will follow up with the countries regarding component 2 activities. He thanked all partners for their contribution. All partners agreed that the meeting was very useful for the success of the project.