

Draft Minutes

TFESSD Semi-annual consultations, November 19, 2009

World Bank Headquarters, Washington DC

Attending from the donors: Ingjerd Haugen (Norway), Elina Levaniemi (Finland).

Attending from the Reference Group: Matti Nummelin, Timo Voipio, Ronald Wiman, Anita Kelles-Viitanen (Finland); Vedis Vik, Johan Tingulstad, Hans Olav Ibrenk, Eva Kloeve, Gunnar Boe, Dan Banik, Maren Aase (Norway).

Attending from the World Bank: Arup Banerji, Bassam Ramadan (SP); Warren Evans, Poonam Pillai, Nenuca Robles (ENV); Jaime Saavedra, Paula Suarez (POV); Cyprian Fisiy (Chair), Myrtle Diachok (SDV); Rasmus Heltberg (Program Manager); Heidi Stensland (NTF-PSI).

Welcome

Cyprian Fisiy, Dan Banik, Arup Banerji, Warren Evans, and Jaime Saavedra opened the meeting by thanking all for the productive seminars and rich discussions. The Bank tends to work in sectoral silos but TFESSD brings the sectors together around issues of common interest. Although TFESSD is sometimes perceived internally as a relatively small trust fund it has a high impact via the analytical work that often shapes the Bank's agendas, for example in the ongoing IDA replenishment negotiations. Part of the value of the TFESSD to the Bank is its flexibility which allows regional departments and others to respond in a timely manner to emerging needs for analytical work and capacity building.

Updates from the sectors

Social Protection (SP)

Arup Banerji, the new Director for SP, informed the meeting that Briana Wilson will take over from Raiden Dillard as Window Manager for SP; Briana's experience from the IFC with promotion of better employment will be helpful for many of TFESSD's employment-focused activities. Regional SP staff has found TFESSD very useful to help them gear up safety net and other crisis responses in many countries during the ongoing financial crisis, in which the SP sector has seen sharply increased demands for its analytical and lending services. SP is interested in doing more on dissemination of results, and feels that staff incentives to work on dissemination, especially dissemination after products are published, need to be strengthened.

Environment

Warren Evans and Poonam Pillai reported that the regions continue to find TFESSD highly useful for a wide range of operationally-relevant analytical work and capacity building and gave examples of activities under the Environment window that are seeing good progress: WBI work on youth and climate change; South Asia programmatic work on climate change and on Himalayan watersheds; Africa climate change programmatic work; Madagascar disaster risk preparedness; West African regional mining program; LAC's work on lessons from early adaptation projects; and the coastal city adaptation work (joint with NTF-PSI) and undertaken with the ADB and JICA. Much of the work under the Environment window is inherently cross-sectoral, for example a recent publication on Environment-Poverty links.

Striking the right balance between the climate change agenda and core environmental issues such as biodiversity and pollution remains a challenge; progress on this has so far been uneven across regions. While the new World Bank Group Environment sector strategy will revisit the balance between climate change and other environmental topics, climate change is a cross-sectoral mandate which other sectors are supporting in various ways, including in the context of the TFESSD where the climate change portfolio is spread across all four windows.

Poverty

Recent global economic growth has created jobs but not necessarily good jobs. One therefore needs to pay attention to the quality and not just the quantity of growth and employment. Jobs are one of the focus areas for the poverty window which feels that there is weak knowledge on how to promote better work, especially in Africa and other areas with high informality.

Inequality of outcomes and opportunities is another major area of focus; whereas there is room to discuss inequality of opportunity, the Poverty window would like to see more dialogue on inequality of outcomes. The poverty window is also doing promising work on the distributional impact of ongoing financial crises as well as of the impacts of climate change.

The sector would like to see more dissemination and capacity building in the form of continuous engagements and partnerships rather than one-off events. For example, the Bank often finds it helpful to produce joint reports with local or regional partners as a capacity building measure, especially when there are relatively strong local partners. Local capacity building is more challenging in small countries and countries with weak capacity where there are few potential partners to engage with. At the team level, weak and unproven local partners provide a clear risk of not meeting deadlines. Given also the Bank's knowledge agenda, the trust fund should consider incorporating capacity building even more into proposals' objectives than currently done, although this needs balancing with the incentives facing task managers to deliver reports on time.

Social Development

The social window has seen good progress in activities on social inclusion, violence prevention, and slum upgrading, among others. The window has generated some savings which it would like to use to start two new activities of high importance and urgency for the Social Development department and the social family Bank-wide. The bulk of the savings come from an activity under the FY09 Call which was slow to get started and from which the Social Window withdrew a part of its budget, and from an activity under the FY10 Call which the executing department wanted to drop as the task manager left for another department before the activity started implementation. The two new proposals, on social fragility and on strategic social analysis, were shared with the donors and the reference group during the seminars and subsequently in electronic form. The donors and RG promised to revert shortly with their decision.

In response to a question from the donors on the process followed by SDV for funding these proposals, it was clarified that the role of the Sector Board in the governance structure for reallocating funding was maintained and that some funds will also be allocated by the Sector Board to ongoing TFESSD activities with demonstrated need (typically for dissemination). Cohesion, inclusion, and accountability are key issues for the social development family and for the two new proposals. Rights-based approaches feature prominently here, although sometimes under other names (e.g., citizenship, forest dwellers rights).

The donors highlighted the importance that the process of selection of activities is perceived as fair and that there should be transparent criteria for funding of new proposals outside the competitive Call for Proposals (CfP) process. Outside the CfP process emphasis should be given to proposals that were part of the previous calls, but could not be funded due shortage of funds and/or proposals triggered by major unforeseen events.

Call for Proposals

There has been a satisfactory process this year around the annual Call for Proposals involving consultations with the RG and the four sector boards. The rich discussion during the seminars on vulnerability and implications for the trust fund had suggested broad agreement on the text of the draft Call. The donors approved the Call and suggested that the points discussed during the seminar be used as a basis to assess the proposals.

Update on funding level and three-year funding framework

Norway's newly re-elected government has prepared a revised political platform document that makes Norwegian support to the World Bank contingent on results and on progress with "democratization" (i.e., enhanced voice for developing country members). This document marks a more positive view of the Bank than seen in the past.

However, Norwegian ODA is increasingly earmarked towards the political priorities including, forest initiatives. In addition, there has been an increase in ODA funds that go toward reimbursement of refugee expenses during the last years. In the budget proposal for 2010 there is a 20% cut in the budget line from which TFESSD receives its funding. Therefore, Norway's indicative TFESSD budget for Calendar 2010 is NOK 50 million (compared to NOK80 million in recent years). Finland confirmed to maintain their contribution of Euro 1.5 million per year, subject to political approval. At current exchange rates, these contributions would result in total receipts to TFESSD of around USD11 million compared to around USD13 million in recent years.

A three- year funding framework for TFESSD with a stronger results framework is currently being discussed. A three-year funding framework would enable long-term planning, manage expectations better, and increase predictability over the current system of annual replenishments. The annual Calls would continue and annual release of the funds will be dependent upon the annual consultations, progress reporting, and proposals for the coming years. The donors proposed to undertake a mid-term review of results by the end of the second year of the three-year cycle. The donors requested the two secretariats to coordinate the preparation of this review and to link to relevant other ongoing reviews and evaluations (e.g., at IEG). The preparation should start in 2010 and the ToRs should be agreed by the donors.

Discussion of reporting and results focus

TFESSD's results focus continues to be of critical importance. The annual report should continue to report on results, especially by tracing influence on TFESSD-funded activities on loan design, strategies, and operations, and by reporting on the amount of local capacity building done by the activities. The trust fund should also strive to communicate its value added over other funding sources. The Bank representatives welcomed this results focus which fits well with the Bank's own results agenda but also emphasized some of the challenges, for example stemming from the unpredictability of country political processes and some countries' fluctuating commitment to build and utilize technical capacity. Furthermore, no satisfactory methodology exists anywhere for attributing development results to analytical work.

Update on Secretariat

As of November 1, 2009, NORAD has taken over the Secretariat function for the TFESSD and NTF-PSI. Gunnar Boe (NORAD) joined the RG and will head the NORAD-based Secretariat while first Johan Tingulstad and later Hege Bakke will carry out the operational responsibilities. Dan Banik will continue as the RG chair. The Secretariat will look at the synergies with the NTF-PSI and ensure greater involvement of NORAD technical staff in certain trust fund activities. The Bank noted these changes and thanked Maren Aase and her predecessors at SUM for the excellent cooperation.

Dissemination

The new Secretariat is working on a dissemination plan for NTF-PSI and TFESSD. The objectives are to strengthen previous dissemination activities, exploit simple and cost effective ways of dissemination, and clarify target groups. There are different target groups which will need different dissemination channels: (a) Norwegian and Finnish development practitioners; (b) Norwegian and Finnish civil society and political circles; (c) Bank staff; and (d) partner countries. The proposed outline is to 1) strengthen dissemination in the projects' objective and activities, 2) to continue with one annual flagship event in either Finland or Norway, partly joint between the two trust funds if possible, 3) develop an electronic journal, and 4) supplement with smaller events as opportunities and need arises.

The ensuing discussion emphasized that dissemination and local capacity building should often be seen as a continuous engagement, not merely as an ex-post activity, and be incorporated into activities' objectives. There are many ways to be more creative with dissemination methods, including via social media. Dissemination products should always be targeted to the intended recipients and it is important to always demonstrate the usefulness of the knowledge being disseminated to partner country audiences. In partner countries, piggybacking on country level dissemination events is sometimes the best approach. RG members stressed that the Washington seminars are very useful and should continue.

Next steps: The two Secretariats will collaborate on refining a joint dissemination plan which will be circulated for virtual review, preferably by December 31st.

Other business

The next consultation will take place in Helsinki in May or June 2010 at a date to be determined. Potential topics for the seminar could be land grabbing, forest rights and governance, and also potentially showcasing selected good practice examples of TFESSD funded environmental and climate change activities.

This is a good time to increase cross-sectoral collaboration; there is good collaboration between the relevant Bank Sector Directors and many of the topics of interest to the trust fund span multiple networks (e.g., inequality, vulnerability, climate change). The wording of future Calls could do more to promote cross-sectorality, for example by phrasing bullets in a cross-sectoral manner rather than in a manner that appeals directly to sectoral instincts. There are also important issues for a future discussion of whether the trust fund should continue funding of earlier topics or should primarily be an innovator that primarily funds new topics.

There was a proposal from the Environment Sector Board to consider social and environmental dimensions of infrastructure in future Calls, given the Bank's ongoing rapid scaling up of infrastructure lending.

There was a proposal to invite regional staff and country directors to offer their perspective in terms of the challenges they face. The donors and the RG requested that the power point presentations be sent to them ahead of time in order for them to better prepare for the discussion. If this was not possible, they would like to have hard copies of the presentation distributed at the meeting. They also requested to allot more time for dialogue.

The meeting closed with appreciation for the seminars which had offered rich discussions and a good balance between cross-cutting thematic sessions and discussions of specific trust funded activities.