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Program - 1975 / 1977 Correspondence - Volume 1

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LIAISON - ILO/IBRD Cooperative Program Vol. I

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Bank Administration and Policy : International Labor Organization [ILO] / International Bank for Reconstruction and Development [IBRD] Cooperative Program - 1975 / 1977

### CLOSE - OUT SHEET

RECORDS MANAGEMENT SECTION

LI-ILO/IBIOCON

Mr. Vincent J. Riley (IRD) and Mr. William P. McCulloch (URBD3) Harold B. Sunkerley

February 9, 1977

Bank-ILO Cooperation

I talked to Narold Lubell of the ILO over the phone this morning with regard to the covering of costs of ILO personnel attached to our missions to consider small-scale enterprise components. It was agreed that for the Initial missions, such as that in which Harold Lubell himself will be engaged on, the ILO will cover staff salaries expenses and we will cover travel expenses. The situation will however be further reviewed during the course of my forthcoming visit to Geneva. In March.

HBDunkerley/peb

cc: Messrs. Jaycox, Churchill, Strombom o/r/Madavo, Venkateswaran, Stone

LI-ILO/IBAD Conflingi

February 9, 1977

Dear Harold:

My many thanks for your letter of January 26. We are delighted that the prospect of closer collaboration in the field on the informal sector and small-scale enterprises now appears to be becoming a reality.

This letter will serve to put on record the agreement at which we arrived this morning on the telephone and which follows your earlier conversation with Mr. McCulloch and yesterday's cable from Mr. Cook. It is our understanding that during this initial stage of cooperation in this area of common interest the Bank will contribute the travel expenses and local costs incurred in the field by ILO staff sembers in support of our missions; we will be guided in this by normal Bank practice for field missions. Terms of reference will be established in advance. We will not however contribute the salaries of ILO staff during this initial period.

Should the program develop to such an extent that additional ILO staffing is required specifically to support Bank projects, we will of course be prepared to consider a different arrangements. However, this is a matter which can be discussed during my forthcoming visit to Geneva in the second week of March.

With all good wishes.

Yours sincerely,

Harold B. Dunkerley Senior Adviser Urban Projects Department

Mr. Harold Lubell Technology and Employment Branch Employment and Development Department International Labour Office CH-122 Geneva 22

cc: Mr. D.Bell-ILO Messrs. Riley (IRD); McCulloch (Urban)



# OFICINA INTERNACIONAL DEL TRABAJO DES. Chiefs DES. Chiefs OFICINA INTERNACIONAL DEL TRABAJO D. Riley (IRD)

Copies to Copies to Mr. Jaycox

Mr. Jaycox

Dir. Chiefe

AJO V. Riley (IRD)

Adresse postale CH-1211 GENÉVE 22 Télégrammes INTERLAB GENÉVE Télex 22.271 Téléphone 98 52 11

Réf. BIT/ILO nº WEP 2-19

Votre réf. no

Mr. Harold Dunkerley,
Senior Adviser,
Urban projects Department,
International Bank for
Reconstruction and Development,
1818 H. Street N.W.,
WASHINGTON, D.C. 20433
(USA)

2 6 JAN. 1977

Dear Harold,

- 1. This is a partial reply to your letter to Gus Edgren of 9 December 1976 concerning possibilities of closer cooperation between the World Bank and the ILO on projects involving a component for small industries and/or the informal sector.
- 2. For the immediate future, I want to make the following suggestions concerning participation in your urban project missions to South and East Asia scheduled for February and March 1977. These are in line with my discussions with Bill McCulloch in Washington in December:
- (a) I would like to participate myself in the post-appraisal mission to Calcutta in late February and, if it can be combined, the supervision mission to Manila in February-March.
- (b) Depending on the timing, I would like to get Mr. S.V. Sethuramar to participate in the supervision mission to Madras in February-March and the project preparation mission to Jakarta/Surabaja/Jogjakarta in March. (I am sending you under separate cover two copies of Sethu's 1975 technical report for the UNDP on "Development of the informal sector in Java".) One absolute time constraint on Sethu's movements in March is that he has to be in Accra (Ghana) for an ILO seminar on the informal sector in anglophone West-Africa which starts on 27 March.
- (c) For the Manila supervision mission in February-March, I suggest you also pull in Mr. Susumu Watanabe whose current work here is on technological linkages between the formal and informal sectors of manufacturing and who has recently done some work on transfer of technology to small enterprises through sub-contracting by foreign automotive assembling plants in Manila for the Asian Productivity Organisation. 3

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Urban Projects Department Correspondence
Office of the Director
Answered by: Dunker leg Date: 2/9/>



### INTERNATIONAL LABOUR OFFICE BUREAU INTERNATIONAL DU TRAVAIL OFICINA INTERNACIONAL DEL TRABAJO

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De. Griefo

De. Chiefo

De Riley (IRD)

Adresse postale CH-1211 GENEVE 22 Telégrammes INTERLAB GENEVE Télex 22.271 Téléphone 98 52 11

Réf. BIT/ILO nº WEP 2-19

Votre rét. nº

Mr. Harold Dunkerley,
Senior Adviser,
Urban projects Department,
International Bank for
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(USA)

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Urban Regjects Department Correspondence
Office of the Director
Answered by Westerley Date: 2/9

- (d) In Manila, my own project has a Swedish ILO Associate Expert, Mr. Klaes Leijon, who is worrying about employment planning for the Tondo Foreshore. Klaes will be available to work with your mission.
- (e) In Jakarta, Mr. William Bartsch who is an ILO employment planning expert and Mr. P. Sengupta, who is an ILO expert on labour statistics currently engaged in a country-wide survey of small enterprises should be available for consultation. They can be reached at the ILO Area Office in Jakarta.
- (f) On the training side, we do not propose any participation from Geneva before end-May 1977, but we do suggest your tapping the ILO field offices in Jakarta and in Manila for support. In Jakarta, Mr. S. Ramalingam is the ILO management training expert for Indonesia and can be reached through the ILO Area Office in Jakarta. In Manila, the new Director of the ILO Area Office is Mr. Unni Nayar, who used to be the ILO regional adviser on management development for Asia in Bangkok.
- 3. On the question of financing, it is now the ILO's policy in the absence of a formal Cooperative Programme, to request the Bank to reimburse the full costs of missions undertaken by ILO staff i.e. salary as well as travel and subsistence.
- 4. In formulating your projects in Latin America and the Caribbean, I urge you to get in contact with Mr. Viktor E. Tokman, Director, PREALC, Casilla 618, Santiago (Chile). PREALC, the ILO's Programa Regional del Empleo para America Latina y el Caribe, has been doing a considerable amount of work over the last couple of years on analysing the informal sector in a number of Latin American countries and in Jamaica. Viktor Tokman has been involved himself and has at least two other men on his staff, Paulo R. Souza and Emilio Klein, who have also been active. They are now all tooled up to do feasibility studies leading to lending programmes for the informal sector.
- 5. For the less immediate future, we are putting together a package of suggestions for activities that the relevant departments of the ILO could undertake after the end of May 1977. These activities would include: feasibility studies leading to lending programmes for the informal sector; choice of technology, training of managers and entrepreneurs; vocational training; and possibly organisation of cooperatives. We have had a preliminary round of discussions within the house on the modalities implied and other related questions. It will be useful to be able to discuss these with you and whichever of your colleagues are planning to come through Geneva "early in the New Year".

6. I am attaching brief CV's for S.V. Sethuraman, Susumu Watanabe and myself.

Yours sincerely,

Harl

Harold Lubell,
Technology and Employment Branch,
Employment and Development Department.



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CT - I to (Iron) Mr. Alastair Stone November 23, 1976 George Beier Meeting with Representative of ILO On November 16, Messrs. Dunkerley, Churchill and Beier met with Mr. Edgren to discuss the resources that ILO had available that might be tapped by the Bank in its urban poverty program. This note summarizes the main points of interest at that meeting. Staff and Specialities Among the 500 professionals and miscellaneous additional 2. consultants of ILO, are included staff in the following specialities: (a) Small Scale Industries - Two or three persons with actual experience in field study of small scale industries. Extremely limited practical experience of ILO staff in execution of SSI projects of any type though some of their consultants have more. Training Department (Director is Mr. Miln) has extensive experience in courses for SSI personnel (especially Mr. Phil Nick). Technology - Main experience is with studies of construction fechnology or industrial technology. Some prospects of specializing in rural non-farm activities. (See catalogue of Technology Studies, ILO publication. Contact Mr. Bhalla, Geneva Office, Technology Branch for further information, including experience with consultants in this field.) In construction, main emphasis is on technological choice and the consequent employment effects. The ILO would be interested in expanding to analysis of self-help methods, but have no staff engaged in this work at present. The Employment and Development Department (Director Mme. Beguin) is particularly interested in becoming more operational, for example by relating the work of Lubell's team on the informal sector with T.A. Basic Needs Study - A branch headed by Dahran Chai is beginning the survey of basic needs and the degree to which they are met, for different groups in the population. Eventually, this will become a worldwide effort, one country at a time. So far, only a few are done (i.e., Bangladesh, Sri Lanka, Kenya, Zambia, Swaziland) work is going on in other major Asian countries. Messrs. Little and Streeten both currently in the Bank, have some of these studies in mimeo. They are not yet printed. The work on basic meeds - a poverty exercise of sorts, is largely done from secondary sources, through field work. Only in Egypt has separate assistance been given to conducting surveys.

### ILO Involvement with Bank

- 3. ILO is apparently keen to cooperate in operations and at least this representative seemed much less enthusiastic about non-project studies. It was suggested at the meeting that project preparation particularly for follow-on-projects might usefully use ILO staff in one or more of the specialities described above. Where both interests and country experience overlap, this would seem a low-risk, high benefit cooperation. ILO would welcome visits by staff of Urban Projects Department to discuss practical cases.
- 4. Reference was also made to the interest of the International Institute for Labor Studies in the urban field and the work of the Economic and Social Analysis Department (including Ralph Turney) in supplying short term advice to the Director-General.

GBeier:bb

cc: Messrs. Jaycox, Dunkerley, Churchill, Strombom, McCulloch, Venkateswaran and Madavo.

LI-ILO /IPAN Competative

Mrs. Shirley Boskey, Director, IRD
Vittorio Masoni, IRD

September 16, 1976

### Bank-ILO Relationship. Supplement

This is to reply to your questions on mye memo of September 13, analyzing the Bank-ILO relationship.

- The breakdown of the cases of cooperation between the Bank and ILO in CY 1975 up to last July is as follows (details in the table attached): the major users of ILO consultants were EMENA (5) and LAC (4). CPS also contracted 2 ILO people. Only the South Asia Region and East Africa, among the potential users, did not avail themselves of ILO's services. In regard to sectors, education is by far predominant (8); tourism, industry, water supply and economic missions were represented in one or more instances. As it concerns their purpose, the missions were about evenly distributed in the main categories: projects preparation, appraisal, supervision, sector and general economic missions.
- LAC has contracted an ILO staff member for four years (Mr. Hemingway) to work on education projects. Mr. Hemingway is based in Washington and the Bank reimburses his salary to ILO. He has just returned from a mission to Brazil, which was staffed with 5 ILO consultants out of eight mission's members. This mission provides a good illustration of the long-known fact that the best way to increase cooperation between institutions is to promote personal acquaintance among the staffs. In a system, like the Bank's, where appointments are essentially a matter of cooptingon, personal knowledge of the ability of the peers working in other organizations is by far the most effective way to bring people together on joint missions.
- 3. As you may notice from the attached table, the Bank has taken the initiative of the joint staffing in all instances, except one. In the case of Indonesia's economic mission it was ILO that asked that one of their people team up with ours. In that case, of course, the Bank did not reimburse ILO for the staff's salary.

Attachment

VMasoni:az

### ILO Consultants used by Bank CY 1975 to July 1976

### Distribution by Department

	Total (75/76)
EMENA Projects:	5
West Africa Projects	14
LAC Projects	3
East Asia + Pacific	1
Tourism Projects	- 1
Industrial Projects	1
Development Economics (Employment and Rural Development Division)	<u>1</u>
	10
Distribution by Sectors	
Education	8
Industry	1
Tourism	1
Water Supply	1
Employment	1
Tech. Assistan and Manpower Planning	1
Economic Missions	3
	16
Distribution by Mission Purpose	
Economic Missions	3
Sector Review	3
Project Appraisal	1,
Project Preparation	3
Project Supervision	3
	16

## OFFICE MEMORANDUA

TO: Mrs. Shirley Boskey, Director, IRD

FROM: Vittorio Masoni

SUBJECT: Bank-ILO Cooperation in Staffing Bank Missions

- From time to time, ILO staff members have joined Bank missions as consultants. In other intances, ILO has helped the Bank to locate and select outside consultants for Bank missions. The latter cases cannot be documented but are not negligible as I understand that departments like Tourism have often benefitted from this kind of assistance. The number of ILO staffs that have been contracted by the Bank is still limited but there is a definite progression: 7 in CY 1975 and 9 up to July 1976 (see table attached). Preliminary data for August and September seem to indicate that the trend is continuing.
- In order to assure that ILO was well informed about possible openings for consultancy, a canvass was made to determine which missions were planned in the sectors relevant to ILO. A six-month forecast of our possible needs was sent to ILO with your letter of October 30. Of the missions that were clearly identified in the forecast, about 40% took place; in addition, several other missions were staffed with ILO personnel that had not been originally foreseen.
- What does the Bank pay for when using ILO staff as consultants?. As a general rule, the Bank is willing to pay for their mission travel and subsistence expenses (letter Twining to the UN Under-Secretary General for Administration and Management of April 13, 1970). In "appropriate" cases, however, also the salary and related benefits accruing to the staff member while on mission can be reimbursed to ILO. In 3 out of the 7 cases occurred in CY 1975, the Bank paid travel and subsistence; in the other 4, the salary was added. In CY 1976 the proportion of the "appropriate" cases was even greater: 8 out of 9 instances. Therefore, it seems that the exception has now become the rule.

It is the people directly responsible for staffing Bank missions who usually initiate the search of suitable skills at ILO. And it is during the discussion of potential candidates with ILO - often done informally on the phone, like the inquiry of few days ago in connection with the appraisal of an education project in Korea - that it is agreed what costs the Bank will be charged for. According to Personnel, the basic criteria for deciding which organization bears the burden of the salary is which of the two organizations has the greater interest in the mission. Judging from the data we have gathered, our people felt that in most instances it was the Bank that had paramount interest in the missions. It is also possible, however, that the outcome was dictated by other factors and, in particular, a greater pressure from financially strapped ILO to secure Bank agreement to pay staff salaries. In a way this would be confirmed by Mr. D. Bell's statement few days ago that it was his understanding that, from now on, ILO will always bill the Bank for salaries. On the Bank side, there could have been a waning of the awareness of the Administration's cost-sharing ruling which, after all, dates back six years. Incidentally, no one remembers any instance in which ILO might have paid for the

Mrs. Shirley Boskey, ...

September 13, 1976

expenses (and salary) of the Bank staff that joined ILO Comprehensive Employment Strategy Missions. I am awaiting Leiserson return from leave to get a better feel for Bank-ILO cooperation in this sector.

- As you know, to broaden the knowledge of the areas of possible cooperation with ILO we have distributed on August 24 an ILO memorandum describing ILO's activities relevant to Bank work. The initial distribution has
  been 90 copies, over 50 additional copies have been requested by various
  departments (Breakdown attached). The EAP Program devoted their semi-monthly
  staff meeting to a discussion of the subject. Clearly there is an interest
  for knowing more about ILO.
- What does all this suggest for the future?. Two points are quite clear. ILO is keen in setting up a cooperative program agreement with the Bank. Second, the amount of present Bank-ILO "traffic" is modest but no smaller than that of the two younger CPs: last year the WHO CP handled ten missions; UNIDO's handled nine. At the moment the question of setting up a cooperative agreement with ILO seems premature. Cooperation on staffing of missions seems to be satisfactory and there appears to be no instance in which ILO has not been responsive to Bank requests of staff. Thus the only recommendation I would like to make is to keep the Bank-ILO cooperation under constant review. A more formal structure for our relationship may be justified later on.

VMasoni:az

cc: Mr. Leiserson

### ILO Consultants 1976

Period	Country	Purpose	Terms	Name
1/11-3/21/76	Jordan	Economic Mission	Salary + rel. bene- fits, travel and	Yasin
(67 days)			subsistence	iasin
2/8-5/28/76		Education	11 11	
for about 40 days total	Algeria	project prep.		Sariyan
3/15-6/15/76	Saudi Arabia	Tech. Assist. + Manpower	" "	
(65 days)		Planning Study Mission		Yasin
3/22-4/04/76	Mauritania	Education		
(14 days)		Project Superv supervision	•	Motel
4/06-5/20/76	Guinea	Economic Missic	on " "	Berthillot
(40 days)	0.			
5/12-5/21/76	Iran	Education Projesupervision	ect " "	Schoen
3/30-5/31/76	Kenya	Small Business dev. project	Travel + subsist.	Neck
1/15/75-1/03/77	LAC Projects Education Division		Salary + rel. bene- fits + resettlement	
1/15-2/15/76	To prepare a paper central policy is ILO research on the and employment	ssues of an	to Washington  Salary + rel. bene- fits	Hemingway Lubell

### ILO Consultants 1975

Period	Country	Purpose	Terms	Name
10/4-7/04/75 (26 days)	Colombia	Tourism	Salary + rel. bene- fits + travel + subsistance	Mueller
3/18-3/28/75	Cameroon	Education project appraisal	Travel + sub- sistence	Motel
6/18-6/24/75	Mali	Education project supervision	и . и	Motel
9/20-11/13/74 1/2-1/24/75	Indonesia	Particip. on mission at ILO request	H H	Watanabe
11/21/74- 1/30/75 (62 days)	Tran	Education Sector Review	Salary + rel. bene- fits + travel sub- sistance	Grima
10/22-11/11/75 (20 days)	Paraguay	Education project prep.	и и	Guthrie
6/21-7/04/75	Bahamas	Water Supply proj. appraisa	n n	Oliveira

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(D.S. Ballantine, Director)	3		
Energy, Water + Telecommunications		Energy, Water + Telecommunications	
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(M. Paijmans, Director)	3	(Paijmans) (Chaudry)	3
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September 13, 1976

Compley.

Mr. V. Masoni

M. van Gent, Chief, Div I, Tourism Projects

Bank/IIO Cooperation on Sector and Project Work

With reference to your August 27 memo, subject as above, the appraisal missions to Turkey and Senegal took place as planned. No mission has as yet been sent to the Philippines, nor is one scheduled at this time. In addition to ILO's participation in the mission to Turkey, they also assisted in a tourism mission to Syria in July 1976.

vb

INTERNATIONAL FINANCE
CORPORATION

## OFFICE MEMORANDUM

1: -110/18RD coop -

TO: Mrs. Shirley Boskey, Director, IRD

DATE: September 8, 1976

FROM: Vittorio Masoni, IRD

SUBJECT: Bank/ILO Cooperation

Following the circulation of your memo on Bank/ILO cooperation of August 24 and your presentation to CPS's Directors meeting of August 25 there have been a number of inquiries and requests for additional copies of the memo from the Regions, CPS and DPS. On September 3, the East Asia and Pacific Region dedicated one of its semi-monthly staff meetings to the discussion of the help ILO can offer in staffing Bank missions and in providing reports of significance for the Bank operations.

Following is a brief account of the meeting, which lasted one hour and a half. Mr. Votaw was in the chair on behalf of Mr. Bell and all EAP Program staff were attending. Messrs. Leiserson (former ILO staff) and Hawkins had been invited to present the subject. As you know, after the establishment of the World Employment Plan, ILO began to make Comprehensive Employment Strategy Missions to determine how and under what conditions employment could be increased in the various countries. Comprehensive missions were carried out in Iran, Dominican Republic, Kenya, Sudan, etc. The Bank was substantially involved in them but there was a general feeling at both ILO and the Bank that results had been mixed. Several participants expressed the view that the ILO missions' reports were too general, not sufficiently focussed on employment problems. One case was cited, the Philippines, were the report dealt with all chapters of macro-economics, beginning with foreign trade, investment, savings, etc. but no section was devoted to employment. On the other hand it was recognized that employment is the end-result of all the socio-economic forces, a derivative rather than an independent factor so that a full employment strategy must consider all parts of the country's system.

The Chairman asked whether there is any reason to believe that cooperation with ILO is any more difficult than, for instance, with FAO or Unesco. Mr. Leiserson and others felt that the answer should be negative. The former, however, spelled out some of the elements which may have hindered Bank-ILO joint missions. ILO has few economists and therefore ILO's language is different from the Bank. ILO has a tripartite make-up that affects their approach to problems injecting into ILO action a concern for the interests and position of the country's social partners. Very often the goal of an ILO mission is to prod the countries to implement the ILO-sponsored conventions on labor · standards, working conditions, etc. The difference in approach with the Bank's is also reflected in the kind of contacts ILO seeks to have in each country. · Besides the financial government authorities and the private economic sector, ILO keeps in touch with the labour ministry and the unions. On the latter point, several felt it was not at all a bad idea for the Bank staff to use ILO cooperation to broaden their contacts in the borrowing countries. Finally, there are no "labor projects" in the same sense as there are agriculture or education projects. Therefore the possibility of Bank-ILO cooperation needs to be established each time on the case's own merits.

.../....

Mrs. Shirley Boskey

A participant asked whether the Ban work on income distribution and whether ILO enterprises development. On the first point the affirmative with some eleboration about made by ILO and about a visit planned early

September 8, 1976

A participant asked whether the Bank kept in touch with ILO's work on income distribution and whether ILO had done any work on small enterprises development. On the first point Mr. Leiserson replied in the affirmative with some eleboration about the country poverty profiles made by ILO and about a visit planned early October by ILO staff to discuss coordination of statistical work with the Bank. As to the second, I mentioned that few months ago ILO participated in a mission to Kenya just for a small enterprise project and suggested that our colleagues of the Kenya desk may have views about the usefulness of the joint exercise. I added that ILO can be contacted any time to find out which studies and missions they have made or are making, and quoted the instance of the research we made few days ago, on behalf of CPS, whereby we located a useful ILO report on nutrition.

The Chairman concluded the meeting by saying that opportunities for Bank-ILO cooperation do exist and that they should be exploited whenever possible

cc: Mr. Leiserson

VMasoni:az

LI ILO /IBRD Crep.
Prog.

Those Listed Below.

August 27, 1976

Vittorio Masoni, IRD

### BANK/ILO Cooperation on Sector and Project Work

Following this morning call I am attaching hereto copy of the letter we wrote ILO on October 30, 1976 to present our tentative six-month forecasts of the missions that may have required ILO assistance. Your Department's forecast is of course included in the letter. As I mentioned, I would appreciate if you could let me know which ones of the planned missions have taken place, and if ILO personnel was used in the period under consideration for missions not contemplated in the October forecast. Also, it would be useful to know of any instance in which ILO's assistance failed to materialize because ILO could not provide the people the Bank needed. Thank you.

### Attachment

Mr. Kalmanoff,

Mr. Odone

Ms. Carole Johnson

Mr. Ruddy

Mr. Denning

VMasoni:az

Hr. H. Zoetewaij Chief, Bureau of Economic and Social Analysis International Labour Office CH-1211 Geneva 22 Switzerland

Dear Bert:

I have decided that I should now put down on paper the information I gave you orally when I set with you in Geneva earlier this wonth, even though there are still some gaps.

As you know, I asked our Regional Office Projects Departments, and our Industrial Projects, Transportation and Urban Projects, Population and Nutrition Projects, and Tourism Projects Departments to forecast for me what their needs might be for ILO assistance on sector and project missions over the six-month period beginning October 1975.

I was informed that no such needs are now foreseen by three Regional Projects Departments, those for East, Asia and Pacific, South Asia, and Europe, Middle East and North Africa.

The Western Africa Regional Projects Department forecasts a need, over the next six menths, for two ILO experts specialized in adult training for the agricultural sector to participate in identification missions, to determine the scope and nature of the problems facing West African countries in training project managers, and to propose measures to be taken to improve the present situation. The experts' services would be required for two man-months each, one in the field and one in Washington for report writing. The Department would also like to obtain the services of an ILO expert (the name of Mr. Motal is mentioned) to participate in a project identification mission to Guinea for vocational and technical training, in March 1976. This would require about four weeks, two in the field and two for report writing. Finally, it contemplates requesting ILO assistance (here Mr. Berthillot is mentioned) for a supervision mission to Dahomey in early February 1976.

The Eastern Africa Regional Projects Department may call upon ILO in the latter part of this fiscal year for assistance in the supervision of the training program component of the Bank's Third Railway project in Sudan. It estimates that no more than four or five man-weeks of time would be involved. The Department notes the small complication that it has no allocation in its travel budget for ILO participation. We can discuss this later, if the mission and the need for ILO help materializes.

The Latin America and Caribbean Regional Projects Department, however, has noted a possible need for three future missions. These would be concerned with (a) pre-appraisal of a port project (Chisbote) in Peru, calling for experience in port bulk handling (fishmeal and mineral/steel projects) (one man-month, probably beginning in late November); (b) pre-appraisal of a railway project in Calombia, calling for review of over-all training needs (1-1-1/2 man-months, likewise beginning late November); and (c) re-appraisal of "COFIDE", the Government-owned development bank in Peru, calling for experience in the setting up and administration of "social property enterprises" (1-2 man-months, beginning in December). (As you knew, ILO is now participating in a project preparation mission concerned with an education project in Paraguay. We should know some time in November whether we shall be seeking ILO assistance at the appraisal stage.)

The Population and Mutrition Projects Department foresees no need for ILO expertise on its missions during the period in question.

The Industrial Projects Department envisages the possibility of some 12 man-weeks of 110 expertise on a sector mission (country and timing not yet identified), and perhaps for preparation of a small industry project in Indonesia (10-12 man-weeks). I understand there has already been some Bank/ILO discussion of this last possibility.

The Tourism Projects Department forecasts interest in possible ILO assistance on three appraisal missions, all calling for expertise in hotel training: to Turkey (six weeks, beginning in November/December); Senegal (four weeks, beginning in December); and the Philippines (six weeks, beginning May/June 1976). The mission to the Philippines is still highly tentarive.

In fact, as I believe I told you, all forecasts are tentative, since mission schedules are unfortunately subject to postponement or cancellation.

There is one further item on which I owe you a reply, concerning the status of the UNDP project on small industries in Chana, in which Keith Maraden was interested. The Industrial Projects many who should be able to

Mr. H. Zoetoweij - 3 -October 30, 1975 give us the information has not yet returned to headquarters from a mission. However, we have the matter in mind and will reply to you as soon as we can. Sincerely, Michael L. Hoffman Director International Relations Department SBoskey: tsb cc: Mr. George Weaver

LITTLO/IBRD

Those Listed Below

August 24, 1976

Shirley Boskey, Director, IRD

### Bank/ILO Cooperation

Cooperation between ILO and the Bank has increased substantially in recent years. These relationships have developed largely on an ad hoc basis, as staff in each organization have become aware of the other's activities. Some ILO officials believe, however, that Bank staff do not fully realize how great a variety of services ILO is equipped to offer, and that if such information were made widely available within the Bank, the occasions for Bank/ILO cooperation would increase.

Accordingly, ILO has prepared a paper (three copies attached) describing ILO activities and the range of its competence in the sectors likely to be of most interest to the Bank and in which ILO sees a potential for greater collaborative effort: management development and vocational training; cooperatives and other self-help organizations; working environment; statistics; and research and policy advice in the employment/manpower fields.

I would be grateful if you would bring the paper to the attention of appropriate staff in your Department. Additional copies can be obtained from Mr. Masoni in this Department (ext. 3595). Mr. Darwin Bell, Special Adviser for International and Regional Organisations, in ILO's Washington Branch Office (tel. 634 6335), may be consulted for further information concerning ILO activities or staff availability.

Messrs. D.L. Gordon, J.A. King, van der Tak, Yudelman, Ballantine, Rovani, Fuchs, Kanagaratnam, Tolbert, Willoughby, Jaycox;

H.A. Adler, Loh, Wiehen, Thalwitz, Wright, de la Renaudiere, Kirmani, Votaw, Picciotto, Blobel, Knox, Paijmans, Bart, van der Meer, Lerdau, Wiese;

ul Haq, Tims, Avramovic, Duloy

VMasoni/SBoskey:az

### POSSIBLE FIELDS OF ILO/WORLD BANK COOPERATION

Management Development and Vocational Training	Page	2
Cooperatives and other Self-Help Organizations	"	6
The Working Environment	"	7
Statistics	**	10
Research and Policy Advice in the Employment/	"	11

### POSSIBLE FIELDS OF ILO/WORLD BANK COOPERATION

- 1. The International Labour Organisation (ILO), founded in 1919, is a specialised agency within the United Nations system with a broad mandate to improve the level of income, skills, employment, social security, working conditions, human rights and general welfare of the workers throughout the world. It is unique among international organisations in that its Governing Body, standing committees, annual Conference and many other meetings convened by it have a tripartite composition, i.e. with representatives not only of governments but also of workers' and employers' organisations nominated independently. The experience and interests of the main social partners are therefore reflected in its deliberations and programmes.
- 2. Total funds available from all sources for its activities in the biennium 1976/77 are expected to reach \$245 million. These funds are devoted to research, organisation of meetings and seminars, dissemination of information, standard setting activities and technical cooperation (mainly training and advisory services in its main fields of competence, on a grant basis). The ILO has a staff of around 3,000, of whom over 700 are experts serving on some 300 technical cooperation projects in almost all developing countries.
- 3. ILO expertise might contribute to and complement Bank activities in five broad areas. The first three may be of primary interest to Central Projects Staff and Regional Projects Departments. The last two are likely to be of concern principally to Country Programme Departments and Development Policy Staff.

### A. Management Development (Training and Consultancy) and Vocational Training

- 4. ILO programmes in these fields cover rural development, small enterprise development, several branches of industry, construction, transport, hotel and tourism and other service sectors. The Vocational Training Programme includes the vocational rehabilitation of handicapped persons (physical and mental), vocational guidance and special programmes for women and youth. The occupational levels range from skilled craftsmen, technicians and foremen to instructors, administrators, entrepreneurs and managers of all sizes of enterprise. The ILO is currently executing over 100 field projects in the training sector.
- "there will continue to be a shortage of middle-and high-level
  manpower in specific areas in many developing countries. The Bank
  will, therefore, continue to support the development of skills to
  meet the needs of vocational and professional manpower in the urban
  and rural sectors", both in its education sector loans and as
  "training components in projects in agriculture, tourism, transportation,
  public utilities and other sectors at the post-basic level of education".

  ILO training experts and ILO-assisted training institutions have already
  collaborated with the Bank in over 20 countries and close contact has
  been established between the ILO's Training Department and several of
  the Bank's Central and Regional Projects Departments. Future cooperation
  could include:
- (a) Participating in sector missions to undertake an overall assessment of manpower requirements and availabilities and to review existing training programmes and facilities; previous examples of such

- cooperation include the recent Small Enterprise Development Mission to India with two ILO participants.
- (b) Joining project appraisal mission to define the training needs of specific Bank investment projects in various sectors; ILO has contributed to all stages of such missions project identification, project preparation, pre-appraisal and final appraisal; one of the most recent is the Paraguay Vocational Training Project Appraisal Mission where ILO participants provided expertise in managerial training and vocational training (industrial and rural); several project proposals have been formulated for the Bank by the ILO in the field of Hotel and Tourism Training (e.g. Turkey, Korea, Morocco, Indonesia, Brazil, Senegal and Syria).
- (c) Briefing Bank staff on technical questions of general concern or country-specific information on training activities and problems; This briefing can be provided in Geneva, Washington or most of the countries being visited by Bank missions.
- (d) Organising tailor-made training programmes for the managers, trainers, instructors and technicians of Bank-assisted projects either in local institutions staffed by ILO experts in the countries in question or in the International Centre for Advanced Technical and Vocational Training run by the ILO in Turin, Italy. This latter Centre registered a record expansion in 1975 when the number of participant/days rose to 125,820 in 58 training courses covering all fields in general and functional management specifically for medium and small industries; management of cooperatives, of

hotels, of tourism; management of training schools in forestry and fishery and other vocational training institutions; production management; management of maintenance and repair; training of training officers in industry; training of technical instructors from practically all specialisations; training in training media development (audio-visual aids). In its modern equipped workshops and classrooms the Centre conducts training in seven languages: English, French, Spanish, Italian, Portuguese, Farsi, and Arabic. Within developing countries themselves, ILO supported training institutions have already implemented the technical assistance components of Bank projects on a sub-contract basis in several countries, e.g. Honduras (rural vocational training); Senegal (vocational training and upgrading); Mali (road maintenance management); Tunisia (hotel and tourism); Mauritania (vocational training) and Liberia (planning and organisation of vocational training).

(e) Training the officials of government departments responsible for rural and urban poverty programmes; the ILO has had a long-standing programme for small enterprise development (including training and advisory services, technological research, product design and marketing, and organisation of cooperatives); its World Employment Programme has provided insights into the causes of powerty and of the policy instruments needed to tackle them which could be tapped through Bank-sponsored training programmes; collaboration on poverty-oriented projects is currently being explored with the Bank's Industrial Projects Department (Kenya SSI) and the Urban Projects Department (India - sites and services).

- (f) Providing management consultancy advice and courses in investment appraisal techniques for the clients of the Bank's financial intermediaries (DFC's and others); this would help to raise the level of utilisation and efficiency of existing plant and ensure that expansion and diversification projects were capital-saving; at least one ILO management consultancy project has been attached to a development bank (the Small and Medium Industry Bank in Korea); possible ILO/Bank collaboration in this area is being considered in Kenya, India and Colombia.
- (g) Advising on the selection of training equipment and machinery, the design of workshop layouts, course curricula and training materials.
- (h) Preparing case-study and instructional materials on labourmanagement techniques for diffusion through Bank-assisted projects;
  the aim would be to reduce the biases against labour-intensive,
  capital saving technologies so that the Bank's investment capital
  would go further in raising both output and employment.
- (i) Organising special training programmes for the indigenous engineering industry within developing countries (design of machines, quality control, tool and die design, material testing, preventative maintenance, cost accounting, etc.) in order to increase its capacity to design, adapt and manufacture appropriate equipment for other sectors of the economy (in ways better adapted to their resource endowment than imported machinery) and to compete for World Bank supply contracts.
- (j) Preparing self-help manuals, study kits, programmed learning books etc. for publication in local languages and distribution through Bank financial intermediaries focussed on poverty groups in the informal sectors; existing examples include a joint ILO/IBRD manual on data collection for civil construction projects and

another on labour-intensive techniques which is being prepared.

- (k) Organising mobile workshops and equipment demonstrations for groups of small-scale entrepreneurs linked to special credit facilities (e.g. hire purchase) provided by DFC's; the aim would be to raise productivity and income levels within small-scale enterprises by encouraging a widespread diffusion and efficient utilisation of appropriate technology.
- (1) Providing special training programmes for those members of poverty groups not readily absorbed into productive employment, e.g. women, illiterates, nomads, the handicapped; the ILO has implemented many projects concentrating on these underprivileged groups, proving that they can also be economically viable (e.g. umbrella-making by the blind in Ethiopia).

### B. Cooperatives and other Self-Help Organisations

6. The Bank's Rural Development Sector Policy Paper and Urban Poverty Task Force Report have rightly stressed the importance of collective, self-help action by the poor on their own behalf. Their participation in the planning and execution of governmental and international programmes is also desirable. The ILO has been engaged for many years in a wide range of activities for the promotion of cooperatives and representative worker and employer organisations. Its main concern has been to strengthen the administrative, managerial, legal and financial structures of these organisations through advisory, information exchange and training services directed at their full-time officials and individual members. Over 30 cooperative development and workers education projects are now being implemented in developing countries.

- 7. ILO could help the Bank to increase local community involvement in the development process in ways indicated in the Rural Development Sector Policy Paper, viz. "If decentralisation is to be effective, regional and local government, development authorities and cooperative—type organisations must be provided with the trained manpower to fulfil these obligations ... More consideration also should be given to the possibility of training community opinion leaders, such as primary school teachers, religious leaders and village cooperative secretaries as agents of change. The number of people who need to be trained is so large that the only practical way is to adopt a multiplier approach by training the trainers. This could be done by establishing internationally financed regional training institutes."
- 8. The ILO would be glad to join with the Bank in the establishment of such regional training institutions for cooperative-type organisations as well as making its experience available at the national level through participation in sector and project appraisal missions, research and publications aimed at cooperative officials and members. Such activities could assist urban and rural based organisations. The Bank's Issues Paper "Employment Creation, Small Enterprise Development and the Role of Intermediaries" suggests that the Bank should "work closely with ILO, the International Cooperative Alliance and experienced national cooperative federations in developed countries as sources of advice and technical assistance".

### C. The Working Environment

9. An improvement in working conditions for the urban and rural poor should be an important element in development programmes on their behalf not only as a social welfare objective in its own right but also because a more favourable working environment is conducive to efficiency.

- 10. Occupational accidents and disease are the causes of considerable suffering and the loss of countless man-days of labour time. Safety and health control measures are generally most inadequate among the overcrowded workshops of urban slums but they can also be seriously deficient in large enterprises employing substantial numbers of lowlypaid casual workers who can least afford the loss of income and jobs which result and yet normally fall outside the coverage of social security schemes. In the rural sector much hardship is caused by the ignorance of elementary safety and health precautions. The Bank has recognised this problem. The Issues Paper on Small Enterprise Development cited above proposes that "the Bank should press for including in the policy statement and operating rules of its DFC clients an obligation to examine critically the working conditions maintained by sub-borrowers, and to seek to upgrade them insofar as practicable. In some cases relatively minor and inexpensive adaptations of sub-projects might considerably improve substandard conditions. Moreover, appraisal/ supervision missions should give explicit attention to the DFC's actions and effectiveness towards improving work standards, taking due account of the economic and institutional environment."
- ll. The ILO's safety and health programme includes the establishment of national and regional institutions, the incorporation of minimum standards of protection in international conventions and national legislation, the preparation of technical guides and model codes and the dissemination of information through the International Occupational Safety and Health Information Centre (CIS).

- 12. Cooperation with the Bank could take various forms. Guidelines could be drawn up for the design of industrial estates and other investment projects of the Bank to ensure proper built-in safety measures, supervision of industrial hygiene requirements, implementation of health control measures, prevention of dangerous pollution. proper stockage of dangerous materials. an effective system of waste disposal and avoidance of excessive noise. Advice would be given to Bank-sponsored programmes for the development of appropriate technology, drawing upon ergonomic design principles and safety devices to ensure that equipment with a low capital cost does not exact a high cost in human discomfort or injury. safety training experts could join Bank education missions to assess governments industrial safety policies and field activities; to evaluate training plans especially in relation to target groups and objectives and to determine the viability of proposed project items for inclusion in Bank financed vocational training projects. ILO has been asked to provide a safety expert with these terms of reference for a Bank mission to Brazil.
- 13. Another aspect of the working environment where ILO experience could be brought to bear is the general area of working conditions and industrial relations. A lot can be done through dissemination of information, training programmes and other means to reduce hours of work where they remain excessive; eliminate or rehabilitate the most tedious and unpleasant jobs; make work systems less authoritarian and heirarchical; prevent the prejudicial consequences on working and living conditions of new technologies and work organisation methods; and promote the establishment and good functioning of

industrial welfare services better suited to the needs of workers and their families. Action in this field would aim at making work more human for the less-skilled workers in both small and large organi ations, while giving them an opportunity to up-grade their skills and derive personal satisfaction from their jobs. More harmonious labour/management relations would discourage unnecessary capital/labour substitution and raise productivity.

### D. Statistics

- on the characteristics and conditions of the poor. The ILO has prime responsibility for collecting and publishing labour and income statistics which would provide vital elements of "poverty profiles" needed to identify target groups with greater precision, to design action programmes which take account of their heterogeneity, and to monitor progress in improving their lot. It is also concerned with general statistics on labour force and employment trends by economic activity, occupational classification, age, sex, employment status etc., which are necessary for manpower planning purposes.
- 15. Unfortunately, although it has a number of expert labour statisticians advising central statistical offices and labour departments, the ILO's statistical work has been hampered by a reluctance on the part of governments and aid financing organisations to provide the necessary funds for data collection and analysis. In some countries the large-scale, modern enterprises are fairly well covered from a manpower point of view but little is known about the real situation in the traditional sectors. Household surveys, essential

sources of information on trends in income distribution and the extent to which the basic needs of the poor are being met, are few and far between.

16. A combination of ILO technical expertise and the Banks'
persuasiveness and financial resources could do much to remedy this
situation. Statistical programmes geared to basic needs policies
are likely to have greater support at the national level than hitherto.
The World Employment Conference has recommended that "the ILO should,
in cooperation with other UN bodies and with interested national
governments, consider the feasibility of initiating a world-wide
programme in support of household surveys to map the nature, extent
and causes of poverty; to assist countries to set up the necessary
statistical and monitoring services; and to measure progress toward
the fulfilment of basic needs".

## E. Research and Policy Advice in the Employment/Manpower Fields

17. A recent review of ILO and Bank research programmes has revealed a wide area of common interest. The Bank's annual report for 1975 stated that more than half of its total economic research expenditure was devoted to "such subjects as income distribution and employment, population, and rural and urban development with particular reference to the lower income groups". The ILO's World Employment Programme has over 300 research projects (completed, underway or planned) covering similar ground. Many of its research projects in the fields of vocational training, entrepreneurial and managerial development and social institutions are also relevant.

- 18. The Bank's executive directors, after examining its research programme, "agreed that there should be a continuing effort to ensure the operational relevance of the programme: and to favour research for which the Bank has a comparative advantage and avoid duplication". The ILO's Governing Body has expressed similar views about the ILO's research. There has been increasing consultation and exchange of findings between the research managers in both organisations and one or two projects have been jointly conceived and executed, e.g. a study of substitution of labour and equipment in civil construction in Kenya and a study on farm size, factor productivity and technical change.
- 19. Further joint research projects would reinforce the comparative advantages of both ILO and the Bank. Operational relevance might be increased by building cooperative research into on-going investment and/or training projects to provide a direct feedback between those concerned with practical implementation and those trying to evaluate policy instruments against various criteria and goals.
- 20. A high proportion of the Bank's investment projects, particularly for rural development, now make provision for built-in monitoring and evaluation. A recent paper by the Employment and Rural Development Division of the Development Economics Department states that the main purpose is to provide the information needed for efficient project management (by the Bank and the sponsoring Ministries) and to assess their impact in relation to project

World Bank Annual Report, 1975.

objectives. Much of this information is project specific and is collected by evaluation units attached to the projects. As the main sources of data are farm surveys and household budget studies, ILO statisticians might be helpful in the design of these surveys.

- 21. In addition, the paper recommends that the evaluation units should conduct "discretionary studies" concerned with broader policy issues. Several examples given are of particular interest to the ILO, e.g.:
- (a) "Employment benefit studies estimating the marginal products of labour and comparing these with wages plus supporting material, capital and other costs, in order to assess the costs and benefits of employment promoting policies".
- (b) "Studies of indirect income, income distribution and employment effects".
- (c) "Comparative analyses of the effectiveness of different institutional arrangements, and
- (d) "Other: e.g. land tenure, rural labour markets ...".
- 22. The paper suggest that such specialised studies "would seem to be worth contracting out to independent units since this would enable units attached to ministries and project management to concentrate on the latter's more immediate needs". The ILO would welcome the opportunity of undertaking such studies on a sub-contractual basis.
- 23. The impact of research is greatly influenced by the way in which the findings are presented and the communication channels used to reach policy makers and their advisers. Joint research

efforts could be fruitfully tapped and disseminated more widely by further cooperation between the Bank and the ILO in the organisation of seminars and publication of reports (as, for example, in the collaboration between the Bank and the Institute for Development Studies in "Redistribution with Growth").

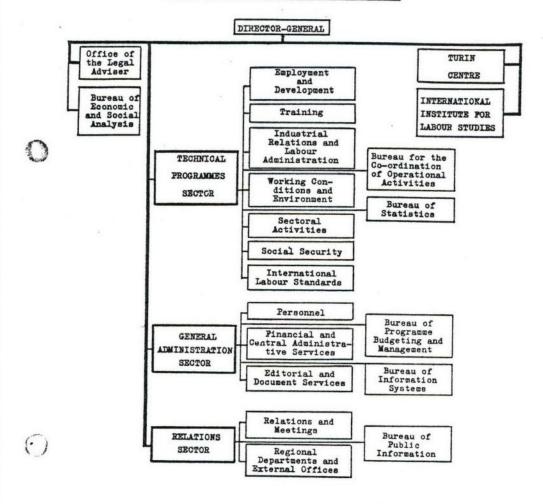
- 24. Participation in each other's advisory missions to individual countries is another important medium. Bank officials have joined several ILO Comprehensive Employment Missions. ILO has reciprocated by taking part in Bank economic and sector missions dealing with employment/manpower/human resource development aspects. Policy advice has been provided on missions to Bangladesh, Philippines, Indonesia, Malaysia, Pakistan, Jordan, Egypt, Ivory Coast, Ghana, Algeria and Morocco in addition to the issues dealt with in project-related missions already mentioned. ILO officials have also been seconded for varying periods of time to join the Bank's staff in the Education and Industrial Project Departments.
- 25. ILO has a large headquarters staff of experienced economists, sociologists, engineers, manpower planners and management, training and social institution specialists who could be made available for Bank missions with appropriate scheduling and financial arrangements. In addition, its regional advisers and field project personnel, who are not only experts in their own technical fields but in many cases have acquired in-depth knowledge of the situations in the particular countries in which they serve, could be seconded as full or part-time collaborators on Bank missions, with the agreement of the national authorities. Field personnel have already cooperated with visiting

Bank missions in several countries.

26. Attached is an organisation chart showing the main departments of the ILO and a list of the senior staff\* at head-quarters and in the field.

<sup>\*</sup> Available from the International Relations Department.

### ILO GENERAL ORGANISATION PLAN AS FROM 1.1.75



### ILO Senior Staff

Director-General

Francis Blanchard

Deputy Directors-General

Relations Sector General Administration Sector Technical Programmes Sector

John McDonald Surendra Jain

Francis Wolf

Patrick Denby

Bertil Bolin

Assistant Directors-General

Legal Adviser Treasurer and Financial Comptroller

Adviser for International Labour Standards

Nicolas Valticos

Technical Programmes

Xavier Caballero-Tomayo Pavel Astapenko

Nobuko Takahashi

Relations Sector

Salih Burgan

Director-General's Office

Director

Bernard Fortin

Bureau of Economic and Social Analysis

Chief

Hubertus Zoeteweij

Economic Adviser

Ralph Turvey

Employment and Development Department

Chief

Louis Emmerij Special Adviser Gustaf Edgren Income Distribution and Felix Paukert

International Policies

Rural and Urban Employment Policies

Comprehensive National Employment

Policies

Education and Labour Market Policies

Population and Labour Policies

Technology and Employment

Keith Griffin

Antoinette Beguin

Lothar Richter Kailas Doctor Ajit Bhalla

Training Department

Chief

Management Development

Hotel and Tourism

Vocational Training Branch

Raymond Milne

George Kanawaty

Gian-Luigi Baroncini

Helmut Moerke

Vocational Rehabilitation

Rural and Forestry

Norman Cooper Jose Zarraga

Industrial Relations and Labour Administration Department

Chief Johannes Schregle

Labour Law and Labour Relations Efren Cordova
Labour Administration Michel Wallin
Workers Education John Whitehouse

Working Conditions and Environment Department

Chief Jean de Givry

Conditions of Work and Life Georges Spyropolous

Occupational Safety and Health Eric Hellen
International Occupational Safety Guy Juvet
and Health Information Centre (CIS)

Sectoral Activities Department

Chief Anwar Shaheed

Multinational Enterprises Wilhelm Stormann

Industrial Sectors Jean Reynaud

Maritime Workers David Blanchard

Salaried Employees and Professional Gerard Bohere

Workers

Cooperatives Thiecouta Sidibe

Social Security Department

Chief Giovanni Tamburi

Actuarial Adviser Sven Boye
International Social Security
Association (ISSA)

International Labour Standards

Chief Nicolas Valticos

Deputy Chief Ian Lagergren
Application of Standards Klaus Samson

Freedom of Association Geraldo Von Potobsky

Equality of Rights Claude Rossillion

Bureau of Statistics

Chief Henri Lacroix

Bureau of Programme Budgeting and Management

Chief Jack Martin

Bureau of Information Systems

Chief Theo Baldwin

Bureau for the Coordination of Operational Activities

Chief André Aboughanem

Personnel Department

Chief Aamir Ali

Finance and Central Administration Department

Chief Patrick Denby

Editorial and Document Services Department

Chief Valentin Boukreev

Relations and Meetings Department

Chief Claude Hislaire

Bureau of Public Information

Chief Kyril Tidmarsh

Africa Regional Department

ILO Regional Office, Addis Ababa

Deputy Director in Charge Adam Adossama

ILO Area Office, Algiers

Deputy Director Abdelmajid Bouhara

ILO Area Office, Cairo

Director Mohamed El-Maraghi

ILO Area Office, Dakar

Director Adoum-M. Hel-Bongo

ILO Area Office, Dar-es-Salaam

Director Patrick Chukwumah

ILO Area Office, Lagos

Director Gabriel Fogam

ILO Area Office, Lusaka

Director Eldad Basaza Mpyisi

ILO Area Office, Yaounde

Director Augustin Hervo-Akendengue

ILO Country Representative in Leo Mannaert

Zaire, Brundi, Rwanda

ILO Country Representative in Madagascar, Tananarive

Robert Vautherin

Latin America and Caribbean Area

Regional Department

Director

Director

Regional Office, Santiago

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Countries of South-East Asia

Dionysos Mavrogiannis

Middle-East and Europe Regional Department

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ILO Representative for the People's

Republic of Yemen and the Yemen
Arab Republic, Aden

Nazmi Tarrab

Liaison Office with the United Nations, New York

Director Elimane Kane

International Institute for Labour Studies, Geneva

Director Albert Tevoedjre

International Centre for Advanced Technical and Vocational Training, Turin

Director Hermann Ernst

CHI PURS. August 23, 1976 Dear Bert: I have now had a chance to read the document on ILO/ World Bank cooperation, which was enclosed with your letter of August 4, and which Mr. Chatenay acknowledged, in my absence, on August 13. It seems to me to be just the kind of paper I had in mind in suggesting to you, when we met last March, that it might be prepared. We are arranging for its distribution within the Bank. I do not suppose we shall ever be able to determine the extent to which it will have contributed to an increase in the number of instances of cooperation between our organizations, but if that number should suddenly increase, I think it would be fair for you to take some credit. Let us see what happens. Sincerely, 813

Shirley Boskey

Director International Relations Department

Mr. H. Zoeteweij Chief, Bureau of Economic and Social Analysis International Labour Office CH 1211 Geneva 22 Switzerland

SB:tsb

cc: Mr. Darwin Bell, Washington Office

Li-iLo/iBRD Coop-

Messrs. Nouvel, Powell, Renger, Rowat, Sekse

July 15, 1976

Gary Hyde

### ILO - Management Development Program

Attached is a copy of a letter from Mr. Philip Neck of ILO's Management Development Branch. Although the letter refers specifically to IBRD/ILO cooperation in Africa, there may be similar opportunities in other regions as well. In addition to undertaking country studies of the training needs of the SSE sector, ILO has relationships with numerous national training centers designed to implement management development programs. Although administrative and financial relationships between the ILO and IBRD would have to be clarified, a general program of cooperation appears to make sense, especially since ILO appears to have a comparative advantage in identifying training and management constraints to enterprise development. If after reading the attached letter you have any queries or observations — particularly about future project possibilities — please call Robert Hindle (X2671), who will be writing to Mr. Neck.

Attachment

RHindle/cjw

cc: Hindle
Gordon )
Levitsky ) for information



## INTERNATIONAL LABOUR OFFICE BUREAU INTERNATIONAL DU TRAVAIL OFICINA INTERNACIONAL DEL TRABAJO

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Réf. BIT/ILO nº

Votre ref. no MD 25

Mr. Robert E. Hindle,
Development Finance Companies
(Room F420),
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON D.C. 20433.

(USA)

Dear Mr. Hindle,

As promised during our recent conversation while I was in Washington, we are forwarding you under separate cover a copy of our brochure "infrective Managers for Development", plus a copy of the ILO publication "imployment, Growth and Basic Needs".

I would like to take this opportunity to thank you for providing me with the chance to discuss our small enterprise development programme of the Management Development Branch.

Naturally, we would be pleased to be involved with the Development Finance Companies Department of the Bank in your endeavours to promote small enterprise development as we realise that any technical assistance inputs should be in parallel and co-ordinated with financial and other During our discussion I understood that in Fiscal Year 1978 the Bank intends to pursue possibilities of programming assistance in Upper Volta, Togo, Mali and possibly Gnana. I have not yet received my report on Ghana from the consultant employed by us to undertake a study of the small enterprise development scheme in that country, but as soon as it comes to hand I will forward it to you for reference. Nevertheless, in the event that you are preceding with project reconnaissance, identification or preparation missions, and if you feel that we might be of assistance to you, we would be pleased to learn of any such opportunities.

As I recall, you were considering possible projects for FY 1979 in The Gambia and a Phase 2 proposal for the Ivory Coast. We intend that a specific research activity will be carried out in The Gambia this year, and, again, when the report is submitted I will forward a copy to you.

Finally, FY 1980 might see possible projects in Sierra Leone and the Congo People's Republic. As mentioned earlier, we would be pleased to provide any inputs relating to possible technical assistance requirements in undertakings of this nature.

As you will recall, I mentioned that we are planning to host a symposium on small enterprise development schemes in Africa in Abidjan from 29 November to 3 December 1976. We hope to have representatives from financial and training institutions as well as government officials, etc. from more than 20 African countries (French and English speaking), and also selected consultants and advisors from other regions. Percenally, I would be most pleased if you could attend this symposium and, perhaps, provide an overview of attend this symposium and, perhaps, provide an overview of the bank's policies and practices for this sector in Africa. I will, of course, be writing to Mr. Gordon and Mr. Hidalgo on this subject but nevertheless I would be pleased if you could be with us.

Yours sincerely,

Philip A. Neck, Management Development Branch, Training Department.

heck

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CONCERNED WITH SMALL INDUSTRY TECHNOLOGY AND COOPERATIVES
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# FFICE MEMORANDUM

Mr. Michael Hoffman, Director, TO: International Relations Department

DATE: October 1, 1975

FROM: George Kalmanoff, Industrial Projects Department

SUBJECT: Possible Demands for ILO Services in Industry Work

In response to your recent request on the subject in preparation for your forthcoming visit to IIO, I have canvassed the Division Chiefs in our Department and find that the prospective demands are at present quite limited. This confirms the desirability of the slow approach to a possible Bank/IIO Cooperative Program suggested in my memorandum to you of June 19.

Attached is a copy of a memorandum to me from Mr. Thadani, Chief of our Economic and Sectoral Division, from which you can see that there is a possible demand of only some 24 man-weeks over the next year or so. Our two Projects Divisions, which are responsible for large-scale industry projects (e.g. mining, steel, cement, fertilizers, pulp and paper, textiles, etc.), anticipate no requirements for IIO services. Training requirements in such projects are generally handled through firms which are hired as management or technical advisors. Furthermore, there is now a training advisor on the CPS staff (Mr. Chittleburgh). on the CPS staff (Mr. Chittleburgh).

I have recently discussed IIO briefly also with Mr. Mark Leiserson, Chief of the Employment and Rural Development Division of the Development Economics Department, DPS, who was until recently employed by IIO; and with Mr. Keith Griffin, now on leave from Oxford serving as a Division Chief in IIO's Employment Branch, whom I believe you heard at the recent Bank seminar which he conducted. You may wish to speak to Mr. Leiserson to get a feel for the internal IIO situation and to see how he views the prospect of a formal cooperative program. You may also wish to call on Mr. Griffin when you are in Geneva. He served with me very effectively some years back on a study mission to Colombia dealing with the possibilities of diversification out of coffee. Mr. Griffin is enthusiastic about the value to ILO of having its staff serve on Bank missions, and agrees with the view we previously expressed that this should not be done by setting up a separate unit in IIO. He believes that the best approach is through introducing some "overcapacity" in relevant existing IIO units.

In general, of course Bank and ILO interests may converge to a greater extent in the future as Bank work aimed at alleviating urban poverty, particularly through increasing the productivity of their economic activities, takes shape.

cc: (with attachment): Mr. Fuchs

cc: Messrs. Thadani, Cash, Dewey.

INTERNATIONAL FINANCE F-244 DATE: July 31, 1975

# OFFICE MEMORANDUM

TO: Files

FROM: J.A. Simmons

SUBJECT: Telephone conversation with Mr. Baroncini of ILO

Mr. Baroncini called me from New York on July 28, 1975 in connection with two requests he had received for assistance in hotel training and other tourism studies.

### 1. Malawi

The Government of Malawi had requested assistance for hotel training and hotel feasibility studies in a project which is likely to be financed by UNDP. Mr. Baroncini indicated that in his view the IBRD would be the appropriate executing agency for the hotel feasibility component of these studies.

### 2. Eastern Caribbean

Mr. Baroncini said that ILO has also been requested to provide assistance in preparing a program for hotel staff training as part of a broader study of tourism development needs in the Eastern Caribbean. Mr. Baroncini had again indicated that the Bank might be the appropriate executing agency for the other aspects of the study, but he was rather vague about the exact coverage.

Mr. Baroncini called me to give us warning of the fact that he had suggested that the Bank could assist in these two areas.

JASimmons:caf

cc: Messrs. Tolbert, Calika, Roulet, Hayman, Calkins, Riley

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(Telex No.)

Mr. J A Lee Mr. Hilton Mr. Tixhon's off!

FOR JAMES A. LEE

SECTION

LEAVING RICHEMOND MORNING 31 JULY AFTER B E I MEETING
MONDAY IN LUXEMBOURG AND VERY INTERESTING MEETINGS WITH MASTRO
MATTEO AND HELLEN JULY 30 IN 1. L. O. STOP

SEVERAL COOPERATION POSSIBILITIES OR COMMON MEETINGS, COMMA CON-

SUGGEST YOU DISCUSS THEM WITH MASTROMATIED IF YOU GO THROUGH GENEVA BEFORE MY RETURN STOP

EYE RECEIVED OTHER INFORMATION YOU REQUESTED STOP

BANK STAFF MOORE AND HOPMAN VISITED I.L.O. LAST MOSTH TO EXPLORE
BETTER WAYS OF COOPERATION STOP RESULTS THEIR VISIT
UNAVAILABLE AS CORRESPONDING I.L.O STAFF ON VACATION

RICARDS

TIXHON

Mr. Warren C. Baum

June 30, 1975

D. S. Ballantine

Proposed Bank-ILO Cooperative Program

- 1. This responds to your question whether the Education Department has any views, from the standpoint of training, on the memo of Mr. Moore to Mr. Fuchs on "Initiation of a Bank-ILO Cooperative Program" dated June 13, 1975. I have discussed this with Mr. Chittleburgh, Training Adviser, and Mr. Van Wagenen.
- The chief consideration should be whether the Bank's services to its borrowers would be improved by such an arrangement. This end is usually served best by assuring a free choice of persons who will be engaged in project work. The Bank should be free to use its own staff, outside consultants, or others. If a cooperative program with ILO either expressed or implied a duty to choose ILO personnel at any stage of the project cycle, this could be an encumbrance in some cases. If, on the other hand, such an arrangement allowed greater use of ILO personnel but ILO remained as one among several sources of manpowers, this could be a useful extension of the work of the Training Unit, whose potential workload is chronically beyond its manpower capacity. The work of identifying training needs and devising solutions, which is the core of the Training Unit's work, would be augmented.
- 3. As our experience with both the FAO and Unesco Cooperative Programs indicates, the creation of a fulltime identifiable unit has both advantages and disadvantages. In the case of Unesco, which I know best, I would be opposed to any attempt to operate without such a unit. The upcoming joint review of the Unesco Cooperative Program may provide opportunities for minimizing the disadvantages while preserving the benefits.
- 4. I would assume that creating a fulltime unit requires a certain minimum of annual workload. I do not know the experience of those cooperative programs which operate without a regular unit and perhaps it is too early to form any definite judgment.
- 5. In summary, as far as training is concerned, it is our view that:
  - (a) The volume of work foreseen in the early future would probably not justify the creation of a fulltime identifiable unit in ILO.
  - (b) It would be prudent in any case to await the outcome of the forthcoming review of the Unesco Cooperative Program.
  - (c) From the point of view of services to borrowers, we could probably accomplish as much for the next year or so by ad hoc use of available ILO services, where indicated, without a formal cooperative program.

RVanWagenen/DSBallantine/hl

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE CORPORATION

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THANKS YOUR AGREEMENT RE JUNE 30 ACC STOP ZOETEWEIJ ILO WRITES WITH

PROPOSED AGENDA FOR YOUR MEETING AAA ARRANGEMENTS FOR ILO PARTICIPATION

IN BANK ECONOMIC MISSIONS BBB BANK/ILO COLLABORATION IN SECTOR FIELDS

CCC ILO REORGANIZATION DDD ESTABLISHMENT OF A COOPERATIVE PROGRAMME

REGARDS

CHATENAY

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INTEAFRAD WASHINGTON .

FOR CHRISTFFERSEN REUR TELEX OF JUNE 17 IF YOU CANNOT CHANGE SCHEDULE LOUIS EMMERIJ AND KEITH MARSDEN AVAILABLE JULY 15 STOP AGREE UNDERSTANDING OF FOLLOW UP MEETINGS IN SEPTEMBER OR OCTOBER STOP REGARDS ZOETEWEIJ

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PLEASE READ FOR CR : FOR CHRISTOFFERSEN ...

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OFFICE MEMORANDUM - Itoh /240

offman, Director, International DATE: June 19, 1975

Mr. Michael Hoffman, Director, International Relations Department

George Kalmanoff, Deputy Director, Industrial Projects Department

SUBJECT:

Comments on Proposal for Initiation of a Bank/ILO Cooperative PROGRAM

With reference to Mr. Moore's memorandum to Mr. Fuchs of June 13 on the subject, of which you have received a copy, following are comments left with me by Hans Fuchs just before he took off on his recent mission this past weekend:

"I looked at Mr. Moore's draft memorandum to me of April 25 (essentially the same as the June 13 memo) which looks alright with me with one exception: while I am for much closer cooperation with ILO I do not think that we should have another formal cooperative program. I also do not see any reason why we should have the same sharing arrangement (75/25) as we have with UNIDO, FAO and others since I think that the benefit arising out of this cooperation with ILO is at least equally important to them as it should be to us.

I would therefore suggest that we proceed slowly with this idea along the lines of an informal closer cooperation with ILO, with elements essentially as in the draft memo except for the formal program nature."

To supplement Mr. Fuchs' comments, I would point out that ILO is of course not responsible for a particular sector, as is the case with UNIDO, FAO, WHO, and UNESCO. It is rather concerned with certain aspects only of projects in the various sectors financed by the Bank, such as employment, choice of technology in relation to employment, labor conditions and productivity, etc. Thus the purpose of any cooperation with ILO cannot be to help prepare projects for Bank financing in the same way as is either done or aimed at in the arrangements with the other agencies. Nevertheless, it is true that the Bank could benefit from ILO expertise in these aspects, in which the Bank itself has not done very much.

The foregoing comments point up the desirability of not having any separate unit set up in ILO in connection with whatever cooperation is carried out between it and the Bank, but rather to draw on the expertise of regular ILO staff, as indicated in Mr. Moore's memorandum. Indeed, my feeling is that there should be more of such involvement even in the case of the UNIDO program. It seems to me that the isolation of staff in a separate cooperative program unit and recruitment of such staff outside the agency, as has occurred in the UNIDO program, works against the very raison d'etre of the cooperation to begin with. If the staff is to be segregated from the rest of the agency that cooperates with the Bank, it seems to me that the alternative of simply adding the numbers of persons involved to regular Bank staff is much more effective. The extent to which UNIDO expertise has been brought to bear on situations in which there is cooperation with the Bank has been minimal indeed, and I believe that this has been due in no small part to the pattern of segregation of the Unit.

Furthermore, if we are to follow the pattern either suggested by Mr. Moore or recommended by Mr. Fuchs, I do not see that it is necessary to have even one full-time professional in ILO responsible for arranging cooperation. It seems to me that this is much less than a full-time job for one person. Keith Marsden might be a logical person to carry out such a part-time function. You may recall that he spent a year with us on loan from ILO, and that we were very pleased indeed with his performance.

It seems to me too early at this stage to determine that the scale of the program should be of the order of 5-7 manyears annually. We have built up to the present level of about 7 manyears in the case of UNIDO only after some two years of experience.

Finally, whether, as Mr. Moore states, "technical assistance provided by ILO arising out of project requirements would be separately and additionally funded from the project loan" is a matter to be judged on a case-by-case basis.

cc: Messrs. Fuchs (o/r), Moore

GKalmanoff; v1b

F-244 UT-510/ Jane 2000. 1000. CC. DSSA-CC- LATC-June 13, 1975

Mr. S. M. Tolbert

J.A. Simons

ILO Support

You asked about support we are looking for from ILO during FY 76.

### Bali

Mr. Grandone of ILO will be in Indonesia for the next year working with the Government, inter alia, on the Bali hotel school. He is, we believe, being paid out of UNDP funds.

### Korea

We have asked ILO to help us find the experts to assist in the Kyongju hotel school, but they are not supplying any of their own people.

### Philippines

We are thinking of trying to develop rapidly a hotel training project in the Philippines. I want to talk to Bill Humphrey about this on Monday, June 16th, and if he agrees we would like to acbilize as soon as possible at least two ILO experts to help prepare the project on the Tunisia pattern.

### Mexico

We are awaiting a formal request from Mexico to use \$800,000 of our loan for hotel training. Mexico may not be a member of IIO but if it is, relations are not good. Mevertheless, we may want to ask IIO for help from one or two experts in preparing this part of the project, and if we organized the work, I believe it might be acceptable to the Mexicans. I am doubtful if we can muster enough Departmental staff time to do this work ourselves without support, though Lucho at one time felt that he together with Ian Christie and Ignatus might be able to do it.

JASimmons:caf

ew & cc: Messrs. Krippl, Hechtenberg, Hayman, Menezes

WILD!

## INTERNATIONAL LABOUR OFFICE BUREAU INTERNATIONAL DU TRAVAIL OFICINA INTERNACIONAL DEL TRABAJO

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Réf. BIT/ILO nº WEP: 158-4-02

Votre réf. nº

Mr. Michael L. Hoffman,
Director, International Relations
Department,
International Bank for Reconstruction
and Development,
1818 "H" Street, N.W.,
WASHINGTON D.C. 20433,
U. S. A.

1 1 JUIN 1975

Dear Mike,

# IBRD/ILO Co-operation in the Asian Employment Programme

During my trip to Geneva, I had the opportunity to discuss with Antoinette Béguin and Don Hoerr (the new Asian Employment Programme Chief-designate) the ILO's Asian Employment Programme and its current process of building a new structure and set of priorities. Among the new foci, for example, will be the areas of rural employment, appropriate technology, human resources, public administration, and labour markets, and within these substantive areas, stress on the following types of activities: policy analyses, project preparation, reviews of country programmes (such as UNDP), and seminars of both the training and working variety.

In considering a new structure for the programme, one of the things to which they are giving thought is the development of a closer working relationship with the Bank. Last spring a UNDP/ILO mission held discussions in Bangkok, when a Bank staff member indicated that there would in fact be joint advantages from closer co-ordination of Bank and ILO efforts. The team is already interagency in nature, and for the past few years we have had FAO, UNESCO, UNIDO, ESCAP and UNOTC participating in its activities, and the project, in turn, participating in the activities of other agencies. Quickly, some of the reasoning behind our belief that closer Bank/Asian Employment Programme ties would be worth while:

Generally, the advantages would follow from the improved co-ordination of the Asian programme's activities with those of the Bank, to avoid duplication and waste while enhancing complementarities and economies for both, the more specific advantages being:

(1) To link through working relationships, the employment research and policy analyses of the IBRD to the ILO Asian programme;

- (2) Conversely, to convey World Employment Programme research and policy analyses to IBRD staff and programmes in Asia;
- (3) To increase the employment impact of Bank projects; and
  - (4) To provide an enhanced awareness of funding resources and priorities to the employment team, and thereby magnify the team's implementation impact.

There are, of course, several possible means for implementing such co-operation. One of the ideas under our consideration is the possibility of a Bank staff member serving as a Deputy Manager for the team, but there are other means that might also be examined in the discussions I propose below.

Before you react to this proposal, I'm sure you would like to know more about the past and future of the team. To elaborate on this, I would like to suggest two things. First, that during his coming visit to Washington, Don Hoerr drop in to visit the Bank, see you, and/or discuss the question with such other staff as you feel appropriate. Second, if warranted, the matter might be further discussed during the Bank-ILO meeting here in July. One advantage in holding such relatively early discussions with you is that, as the next phase of the project is still in the formative stage, you could be in on the planning of the project as well as the discussions with the UNDP, if you felt that would be useful.

In the hope that the proposal will be of interest to you, I have asked Don (before he left Geneva on June 1) to stop at the Bank for discussions with you or designated colleague. He is currently scheduled to be in Washington on the 25th and 26th of June. If this is possible, we would very much appreciate your confirming the utility and timing of such discussions at your earliest convenience. Please notify Don Hoerr care of our Washington Office as well as Mme. Antoinette Béguin here in Geneva.

Looking forward to seeing you in Geneva, I am,

Sincerely yours,

George Weaver

Special Assistant to the Director-General

June 10, 1975

Mr. B. Bolin
Deputy Director General
International Labor Office
CH 1211, Geneva 22
Switzerland

Dear Mr. Bolin:

We have been giving some thought to the matters which, from the Bank's side, might usefully be discussed by the participants in the joint review meeting to be held July 7 at ILO headquarters. We would like to submit the following for your consideration.

# 1. Arrangements for ILO Participation in Bank Economic Missions

We have in mind an exchange of views on the effectiveness of the present arrangements and consideration of ways in which, while retaining the present informality, the effectiveness might be improved. We shall have some suggestions to put forward to this end.

# Bank/ILO Collaboration in Sector Fields

We have in mind, in particular, our providing you with such indications as are now feasible (admittedly tentative) of the extent and nature of calls on ILO services over the next year or so.

### 3. ILO Reorganization

I have not included the subject of rural development because, while it would be of considerable interest to us to learn the status of ILO activity in this area, I understand that Mr. Leif Christoffersen, Chief of the Rural Development Division of the Bank's Agriculture and Rural Development Department, is planning to visit ILO for discussions fairly soon.

Similarly, I have not listed the subject of research on which there have been a number of Bank/ILO contacts, because Mr. John Duloy, Director of the Bank's Development Research Center, also hopes to visit ILO before long. He has talked about this with Louis Emmerij. Perhaps ILO would be good enough to have an agenda for the July 7 meeting prepared, adding any items which ILO would like to add to those suggested above. As I informed you through Mr. Weaver last February, I shall be accompanied by Mrs. Shirley Boskey of my Department. Mr. Mark Leiserson, Chief of the Employment and Rural Development Division of the Bank's Development Economics Department, will also attend.

Sincerely,

Michael L. Hoffman
Director
International Relations Department

SEB:tsb
Cleared with and cc: Mr. Leiserson
cc: Mr. George Weaver, Spec. Assistant
to Dir-Gen and Director of
ILO Washington Office

just.