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W Probably where you are, yes, where ... yes, but not everyone.

M ... understand if you could hear everybody.

W It's seems quite—

M It's quite loud.

W It's quite loud.

W Is it really? Okay, you can begin.

M Okay.

W

Moderator Excuse me, Bodo Ellmers.

M Okay.

Bodo Yes, hello, everyone.

W Hello.

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M Hello, how are you doing?

Bodo Good, good.

Tilla So this is Tilla McAntony. I've been in touch with you a couple of times and we just waiting for other participants to join us.

Bodo Okay.

Tilla Yes.

W So if you can just hold, sir.

Bodo Yes.

W Okay, thank you.

Moderator Excuse me, I'm dialing Pamela Gomez.

Tilla Hey, Pamela, this is Tilla McAntony. How are you doing?

Pamela Hello, Tilla.

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Tilla Yes, we're just holding on waiting for other participants to join us, if you don't mind just holding on for a moment.

Pamela I'll be glad to.

Tilla Okay, thank you.

Anita Hello, Pamela.

Pamela Hello, who is that?

Anita It's Anita.

Pamela I'm sorry; say it again?

Anita Anita.

Pamela Anita, how are you?

Anita Okay, good. I'm glad you joined in.

Pamela Yes, I'm very interested in this topic.

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Anita Okay, very good.

Tilla Thank you.

Anita So everyone on the fund side is here in the room, so we can all hear you,
just to be clear.

Moderator Excuse me, I'm adding Didier Jacobs.

Tilla Hello, Didier, this is Tilla. How are you doing?

Didier Hello, Tilla, nice to hear you again.

Tilla I'm here with my colleague Anita and the rest of the team here. We're
just waiting for other colleagues here for them to join and then we're
going to start shortly, so if you don't just mind holding on.

Didier Sure.

Tilla Thank you.

Moderator Toby Mendel has joined.

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Tilla Hello, Toby, this is Tilla McAntony. How are you doing?

Toby Very well, how are you?

Tilla We're all right, so the rest of the team is here and we're just about to start. I'm just going to hand it over now to Kalpana, the head of the ... team and we can—

Moderator Excuse me, Sargon Nissan.

Sargon That's correct, hello.

Tilla Hello, Sargon, this is Tilla McAntony. How are you doing?

Sargon Good, thank you. Hello, Tilla.

Tilla Hello, so we're just about to start. The rest of the team here, they're going to introduce themselves and then we'll kick it off.

Sargon That's great.

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Kalpana

Can we start? Yes. So good morning, everybody; morning for us anyway, and for those in the U.S., good afternoon. My name is Kalpana Kochhar. The last name let me spell it for you since it's an odd name, K-o-c-h-h-a-r in case you need to find me in the future. I'm the Deputy Director in the IMF Strategy Policy and Review Department and with me I have the team that's working on the transparency review, Colleen ... you will hear from her in a few minutes; and Gavin Grey, also both from the IMF Strategy Policy and Review Department; and Kada Rada from IMF legal department. We also have some of our colleagues from the external relations department as you just heard.

I'll give you a little bit of an overview of what we're doing and we'll expand on that and then we'll open it up for your questions. As I said, thank you again for joining us. So the aim of this call is mainly for us to listen ... on the IMF transparency policy and because we've launched, as you know, a review of the policy that will be presented to the IMF board in June, and as you all know a consultation page has recently been established.

Moderator

Jessica Evans has joined.

Tilla

Hello, Evans, the conference is going on.

Jessica

Great.

Kalpana

We just started, Jessica. I was saying a consultation page has been established on the website as part of the review and where we detail ... and we hope that our conversation will be—

Moderator

Excuse me, adding Irene Dotterud.

Tilla

Hello, this is Tilla McAntony. The conference call is on.

Irene

Oh, hello, Tilla. Thank you.

Kalpana

So we know that many of you know the IMF well, and indeed many of you participated in the seminar that we organized in 2009 when we did the last review, but we thought anyway it would be helpful to start with some background.

The IMF first introduced policies to increase transparency some 20 years ago and the objective was to ensure that we provide meaningful and timely information, both on our own role in the global economy, as well as the economies of our member countries. The overarching principle of this transparency policy is to disclose documents and information unless strong and specific reasons argue against such disclosure. The principle

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reflects the voluntary nature of the publications of document that pertain to member countries; about 90% of the IMF board documents are now published.

The volume of the IMF archives, that's 90% just to repeat. The volume of the IMF archives is accessible to the—the volume of the archives, that is accessible to the public has increased and we've expanded efforts to explain our operations and views to the outside world.

In light of the global financial crisis, we've also undertaken a number of initiatives to update our surveillance products to put a much greater focus on financial sector issues, on interconnections, on risks more generally, which have also pretty significant implications for transparency policy, particularly when one takes into account how quickly markets react to new information.

So the review that we're currently undertaking aims to take stock of the progress that we've made in transparency since the last review; and because of the importance of listening to a wide range of stakeholders, especially for issues such as transparency, which of course was instituted with the very purpose of sharing more effectively IMF documents, we've sought the views from a number of different quarters, media representatives, country authorities in all 188 countries, the executive

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directors, who represent these countries here in headquarters, the IMF mission chiefs and now your opinions, of course.

So before I conclude these quick introductory remarks, I wanted to make a few organizational points on how we intend to use the ideas that you share with us today, specifically how we propose also to organize the call today. So first after the call we prepared some of the comments that we intend to attribute to you collectively for inclusion in the paper that will be presented to the board in May, as I said before. We'll send the summary to you by email for your review before they're included in the published paper.

Now as for the call itself, I think it would be helpful to organize our discussion around the five main themes that we're also using for the review first. Principles, we want to invite you to compare the IMF to other institutions in terms of its mandate and approach to transparency and to discuss best practices in this area.

I want to emphasize here that given our mandate of fostering global growth and economic stability, our approach has always been to try to find the right balance between our role as a trusted adviser to our member countries, but also as a watchdog of the global economy, as well as

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individual economies. As some of you might appreciate, this is a difficult balancing act at times, but this is what we need to do, given our mandate.

The second theme is of even handedness. Many of the fund's transparency policies applied even handedly to different countries. I'd like your comments on that. Third, the candor and the timeliness of IMF documents, so we've covered principles, even handedness, candor and timeliness.

The fourth theme is IMF's communication covering issues such as the availability and clarity of information that's disseminated to the public. Then the fifth issue concerns the availability and access to information in the IMF archives. Then at the end we'll set aside some time to cover any other issues that haven't fallen under these themes or that you all have views that you wish to express to us. I'm hoping that this is agreeable to everybody.

Any questions on the game plan from our participants?

Toby

Yes, I have one, actually. Toby McIntosh here with FreedomInfo.org.

What is the process again? I may have missed the top of the call, but you said a paper would be presented to the board.

Kalpana

Yes.

Toby

And will that be a paper including proposals for changes if necessary?

Kalpana

Yes, so the 2011 transparency review that's being undertaken now will go to the board in May and, yes, it is reviewing the experience with transparency since the last review; and we'll make some recommendations on how we might move forward, which will then be discussed and approved or not approved by our board at which point they'll become policy.

Toby

Okay, two follow-ups if you don't mind. Is this Carla?

Kalpana

No, this is Kalpana Kochhar from the ...—

Toby

I'm sorry. So there will be no draft document of changes for review before the board meeting?

Kalpana

No, in the end we'd have to share with our board first before we share it with anybody else.

Toby

But you could share it as a draft document before the decision is made by the board.

Carla Hello, it's Carla ... here, the head of—

Toby Hello, Carla.

Carla Hello, a couple of things, first of all as our mandate and the way that the final ..., we do not share the document that will go to the board prior board edition; this is something how we operate in general. That being said, there are several locations in which we'll want to receive the comments and opinions from ... organizations and other ...; and for that purpose we present some families, we represent some versions that are of public domain and for which we'll receive comments.

Toby Those are the summaries of comments that you receive, right?

Carla No, no, no. No, no, no; that's a separate thing. The first thing is that for this particular review, we do have the policy already available on our website. That is the policy that will be subject of our conversation for which this call is part of. The conversation will run until the end of this month and everybody is welcome to provide comment. That is one part.

The second part that Kalpana just mentioned is that as part of the review we take into consideration the comments that you make, the suggestions

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that you make and we present both as part—or that one page as part of the new transparency policy or paper that will be then provided to the board for discussion; so there are several pieces in the same process here. I don't know if I confuse you more or clarified a little bit the process.

Toby No, that was useful. My comment would be that I think it's recognized as best practice that a draft document is an important part of real transparency.

M Let me if I might ... from the legal department. It's helpful to put into perspective that we'll not in the fund share draft document even with the members themselves. When these documents go to the board, they are not shared prior to that with members to comment on draft, so that's just the general way the fund operates.

JoMarie This is JoMarie. Maybe that's the way the fund should change operating, because the policy document should be vetted not only by the board directly, but also for the executive directors to have an opportunity to vet them with their own constituencies and for people in those constituencies who are impacted by those policies need to have the opportunity for comment before policies are sent to the board for final acceptance or not. I really think that consultation after the fact is like calling the fire department after the fire burnt the house down. It's a little bass backwards.

Kalpana Excuse me, can I just respond? This Kalpana again. We are consulting you before the paper is being reviewed. We actually are—

JoMarie Yes, I know, I know with this one, but this is not the norm and we're delighted you're doing it on this one.

Kalpana Thank you. Okay, so let's now move on—

Toby Toby Mendel here. I just want to endorse that. I mean I think it's great to have these kinds of discussions, but I'm highly engaged in these kinds of policy reviews and commenting on both governmental and IGO and IFI draft policies on these issues. There's a world of difference between sort of putting ideas out in a general way as we do now and commenting on a specific set of proposals. I really would have to endorse strongly what the previous speaker said that without being able to respond to a concrete set of proposals at a point in the process where the proposals may be adapted based on those comments, it's not a proper consultation. Us looking at ideas in advance and responding to the existing policies, those are good things, but a proper consultation really requires us to be able to see the proposals that are being made and specifically the impact on those.

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Pamela

Kalpana, this is Pamela Gomez from Global Unions and I wanted to make a couple of other points today, but I think this is probably one of the strongest points is to add my voice to the people who are asking for more transparency around board decisions. I think just stepping back a minute and thinking about the institution and thinking about governance of the entire institution that this is an important aspect of redoing the governance of the institution that hasn't been addressed yet. So when we're talking about voting shares and whole discussion, this is a big part of the governance and the way that the institution is perceived. With that, I'll let you respond.

Kalpana

Okay, thank you so much. Look, I think many of you have raised very important points on governance, on voice. We take, I think many of us sitting around this table would agree that it's not limited necessarily to quotas and so on. However, you will probably I'm sure agree with me that this is beyond the scope of what we're doing right now. This is a much bigger issue that applies to everything that happens in the Fund. We will be very happy to convey the views that you've just expressed in some shape or form to our senior management on this point, but I think if you don't mind I would like to use the rest of the time getting your feedback on the review that we're doing. We were very keen to hear from you on the details.

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But before I do that, let me hand over to Colleen, who's leading the team that's doing the review for a little bit more of the details on what we're doing right on the five issues that I put on the table. So with that, Colleen.

Colleen

Okay, thank you, Kalpana. I'm Colleen ... from the strategy, policy and review department. We would like to have some of the discussions and open the floor to you on various points and starting with the principles, but focusing mainly on the transparency policy that we are trying to review. We would really like to hear your views, so that when we make some proposals and think of recommendations these views are really taken into account, and that is very, very important and that's why we would like at this point before we do our work—I mean, we started doing some work and some analysis, but we also want to know what your views would be.

So by starting on the principles, we would like, as Kalpana was mentioning, we would like to start by focusing on your overall assessment of the IMF policy on transparency, which you know the 2009 transparency policy, which we have the latest one, taking into account our specific mandates of fostering global growth and economic stability, and how do you view that in comparison with other IFIs or more broadly with the principles that should shape how the IFIs approach the issue of transparency.

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As you also know, the IMF's article of agreements rule out mandatory publications of most information to ensure that we maintain our role as trusted advisors to our member countries, and this is where also Kalpana was mentioning that there is a difficult balance to find between our role of being trusted advisors to country authorities and to the countries themselves and looking at the global issues and monitoring the global development economic stability issues.

So we have focused on the voluntary publication of information subject to the removal of information that is highly market sensitive or that could complicate country authority's effort to carry out their policies. This is what we call the premature disclosures of policy intentions.

So I would like to open the floor by inviting your thoughts on two questions. First, bearing in mind our mandate, how does the IMF transparency policy compare with the other financial institutions; and second more generally, what do you consider to be best practices in the area of transparency policies? What do you see as the main strength and weaknesses of our transparency policy? Thank you.

Tilla

Yes, please, this is Tilla McAntony from the ... strategy, could you guys introduce yourselves before you pose a question?

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Sargon Hello, it's Sargon Nissan here from the Bretton Woods Project. May I respond?

Tilla Yes, please.

Sargon Yes, in reviewing I recently refreshed my memory with the 2009 review, also the changes that occurred within that review and focusing narrowing on the IMF in comparison to similar organizations. We obviously look at both the World Bank and the IMF. I think that the IMF continues to compare pretty badly to the World Bank in terms of a lot of the procedures. Now I don't want to go over some of the remarks that my colleagues have already made because I think some of them are very pertinent.

Suffice to say that the clarity around the board, indeed even its calendar, is rather limited and unreliable. It's not comprehensive. The principle of consultation is something that it doesn't seem that the IMF has still understood, and I think that the conversation that we just had rather reveals that.

The principle of consultation is not the same as the principle of transparency. What I mean by that is that ... comes from transparency is not consultation by definition. The principles that some of my colleagues

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outlined therefore are very important to recall because the ability to consult and to demonstrate that you're actually influencing the decision is the parameter by which I think that should be measured. And so I would add a reflection on the challenge of the IMF's peculiar mandate, which perhaps colors the comparison to any other IFI is the question as you put it I believe the balance between acting as a trusted advisor to countries and country authorities.

Now since the role of civil society is to point out that there is a difference between a country and its country authority. And in many cases, and I think this is a very live issue for example in some of the ongoing negotiations in North Africa as we speak, the provision of the information that allows legitimate stakeholders, parliamentary oversight in many cases as well beyond the Middle East to query, question, challenge both the data being provided as the basis of negotiation and agreement is simply lacking.

And the IMF doesn't seem to necessarily clarify the difference between the need it has to have discretion and also market sensitivity towards country authorities, as well as its legitimate and necessary obligations towards a country as a whole, which means ensuring that sufficient stakeholder oversight is enabled when the IMF basic procedures are implemented in terms of disclosure.

So I think that in both senses, there is a problem; one in terms of comparison to other IFIs, and two, in terms of really understanding and realizing its remit and mandate in terms of balancing different requirements of its role.

JoMarie

I'd like to pick up on that, this is JoMarie again. I believe that the issue for the IMF is one of historical development in the, basically the role of government and the understanding of government and governmental representation. In 1944 the head of the government and the finance ministry or the Central Bank was quite sufficient. As the concept of democracy, a participatory democracy has evolved considerably over the last six and a half decades, and so the IMF is catching up and the transparency has improved enormously, but it's not there yet and some other institutions may be hobbling along as well.

Further, the IMF, through the conditions that are associated, whether because the government says it's going to do it, or whether it's a IMF requirement, regardless of the origins there are strong implications that are legislative in nature, changing laws and how the country functions, which is actually a parliamentary function. Therefore the parliament has the right and responsibility to be informed and to participate and the executive is overstepping its bounds when it pre-commits the government. I think

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for the effectiveness of the IMF policies and the reputation of the IMF

itself for its quality advice, it needs to be much more inclusive and

dialogic with parliament at a minimum, as well as greater society as the

previous speaker spoke. Thank you.

Joe

This is Joe ... the One Campaign. I would just like to add on to the first commentator's remarks. One point that I think is really crucial is this idea of keeping in mind not just to the host government's wishes, but also that the IMF serves on behalf of countries. And so I think that one point that definitely be taken under consideration when the IMF decides not to make information available on a timely basis from a strong and specific reasons arguing against such disclosure, I think that it would be important from a civil society standpoint, but ... of the country to know what those specific reasons were. I think the IMF has an obligation to—if it's not going to disclose information, it should at least include the rationale for not doing so.

Toby

It's Toby Mendel. I have been involved in a lot of policy reviews at IFIs, World Bank, African Development Bank, Inter-American Development Bank, Asian Development Bank. I think that over the last let's say five years there has been a transformation of those policies from basically publication risks into policies for the proper presumption of disclosure analogous to access transformation for the information laws at the national

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level. So we saw that change with the World Bank in the policy developed through 2009, which came into force in 2010, and that transformation involves establishing a true presumption of openness, so everything that we hold is subject to public disclosure, and then establishing ... those changes which cannot be disclosed and which are based on interests, so, for example, commercial sensitivity or privacy or stability of the economy. Those are the kind of interests rather than class categories of types of documents that won't be disclosed.

So the World Bank made that transformation in 2010, and those other institutions have all made that transformation. Basically, the IMF has not done that yet; its policy that despite with language along those lines doesn't actually establish a true presumption of openness. Now there may be constitutional issues, which limit the ability of the IMF to do that in some cases. But I think that if you can do it, if you want to bring yourself into line with the other IFIs at this point, you're going to need to really consider that and to work around as carefully as possible your constitutional limitations, so as to establish that presumption; and that I think would address quite a bit of what the previous speakers said.

I should mention that with another ... the external youth panel of the Inter-American Development Bank, the World Bank, the Asian Development Bank also have these bodies. These are independent bodies, which review

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complaints about applications and policies. So basically if somebody requests information and aren't given that information, they can appeal to these external review bodies and those review bodies will, I guess, act as sort of review courts, if you will, so again analogous towards a court in a national setting. That's another feature that, of course, the IMF policy doesn't have, which I think would be very important to consider.

Kalpana Well, just to clarify for everyone, you were referring to inspection fund and mechanism and the mechanism of consultation and investigation independent mechanism of ... of the IDV, is that correct?

Toby Not quite, it's analogous to the inspection panel, but it's a specific and dedicated body that just reviews application of information policy, so it's an appeal panel that the World Bank, if you make a request under the access to information law and not given the information, you can go to this body. Under the inspection panel, you don't have to behind specific behind by the non-application to policies much like in touch if you do a much more nimble ... process basically.

Kalpana Okay.

W That's interesting.

Toby

Yes.

Bodo

Bodo Ellmers here. I'm pretty new to IMF, so I didn't follow the whole evolution of the transparency review so far, but I've been a member of the OACD hosted working partners ... segments over the past few years, which has recently been transformed into the local partnership for effective development corporation, so I'm pretty well placed to compare IMF transparency with transparency elsewhere; and I found there were striking differences. For instance—

Kalpana

Very sorry, just before you continue, could you let us know what your name is, please.

Bodo

Bodo.

Kalpana

Bodo, okay.

Bodo

Yes, the steering group meeting ..., which actually hosted and takes place on a relatively high level. They are chapter ministers. They are broadcasted live in the Internet, life streaming basically and I compare to ... board meetings on the IMF. I recently had the pleasure to try to analyze them for the first time. I don't even find attributions to the statements of different executives there, so there's a striking difference. The one ...

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when it comes to ... or this close partnership process, you can monitor live online on Executives are at the board meetings, executive board meetings you basically have to try to decipher what was happened there. That's one thing I wanted to raise.

And then in general we find that there's in the meantime quite good outcome information. Not sufficient, but there has been a lot of progress on outcome information, but there's still a lack of process information, I mean, how we came to such decisions ... one thing ... principle. And the third thing is what information and how this information is presented.

For us it's very important that we have transparency not only for experts, but also for affected populations, and of course this requires a more proactive approach to disseminating information. Secondly, also ... we need to think about how we present information in a unified way, so the affected populations can really access this information not only started from parliamentarians to ordinary citizens ... countries or in countries that access ... corporation. Thanks.

JoMarie

If I might, this is JoMarie yet again, if I might pick on what ... just said, I would say that true implications providing access, one is in translations to various languages. Ordinarily it would be the UN languages, but beyond

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that if the country does not consistent with any of the five UN languages, then the documents should and must be translated to the local language.

A second point is that the language of the IMF in English is all but impenetrable. I mean when the IMF itself has to provide a translator so that people understand how to read the ..., that's a strong signal that this stuff is deliberately dense to obscure what's going on. What's to hide, what is to hide? If this is an international organization and the governments are accountable to their people, why are they hiding? ... who used to be the executive director for the IMF for eight years, whom I fought for eight years, comes out and she says you know there was nothing we needed to hide. You could have put it on television and nobody would watch because it was deadly boring. It's almost a direct quote. You can ask her.

And so I don't know where the big secret is. Maybe you want to make it more intriguing and exciting than it really is. Other people

Kalpana

Okay. Thank you for that.

M

I think we fall into somewhere like over there.

Kalpana

Maybe we can move on a little bit. I think you have made valid points here and you have also some concrete recommendations, for instance, on how to think about the presumption of publication and based on this not just the documents, but what are the interests and when there is no publication to explain what the reasons are. I think these are very interesting recommendations.

We will think about all these, but maybe we can continue, so that we form a broader view on what the various issues are and move on a little bit to the candor and timeliness. Some of you have mentioned also the fact that whether we're providing timely information and for us both candid and timely policy advice to our countries is a very, very important objective. Here I think we would like to again hear your views first whether you think that we have enough candor, the IMF reports have enough candor, or our advice is delivered candidly or do you have concerns that some of our messages may be watered down.

And also about your views on the timeliness of the information dissemination, I mean we were looking at the publication lags and these have gone very, very much down, but we would like to hear whether you see that there is enough timeliness. Are you satisfied with the timeliness of information dissemination?

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And also I mean on board this aspect, whether you have noticed any changes during the crisis, I mean, or you see the same way, things have not changed or you see the crisis had any impact on the timeliness and candor of our documents. And I know, of course, your suggestions into which I mean which way to go and what concrete steps we could take into to improve further in these areas. Thank you.

M

This is So I think that the IMF could do a better job at communicating publicly what you truly believe. I say that because a lot of the documents are really a product of a negotiation between the IMF national government and particularly thinking about the loan agreements. If ... organization wants to take issue with some agreements, so we can go to governments and they will tell us the IMF force us to do this, and then we go to the IMF and the analysts will say oh no, the national government wants that.

And so of course we end up blaming both the government and the IMF, but I think that there might be some easy ways to really communicate better what's the IMF's negotiating position and what's really the country, or what they want. For example, just the wording, reading the article or reports, you can read some sentences that clearly the IMF is recommending such and such. And other sentences you can clearly say oh, okay, the country wanted that. But there are a lot of sentences where you are really wondering whether it's an IMF recommendation or not.

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Just a matter of editing could do the trick to be more, to communicate more clearly about this is what the analysts believes, that's what the government believes.

Also just looking at all the policy papers on the website, even though there is a category that is called policy paper, in fact when you search in there, there are all kinds of papers. There are some technical notes that are put in there as well, and some policy papers it's not really clear what the status is. It might be some kind of process to better communicate what paper has really been approved as IMF policy and what has not.

There's some papers it's clear the view of individual staff and others not, so for instance, I recently wanted to figure out what the policy of the analyst is on tax policy and what advice you generally give on tax policy to developing countries. So that there were some papers that were clearly the opinion of individual staff and other papers it's really not clear whether they were really ... guidelines or not. And that also could be low hanging fruit that you could ... on what are the official views on the subject

Pamela

Kalpna, this Pamela Gomez from Global Unions. I wanted to say that we have—looking at it since the crisis, we have observed instances where candor has increased and we think that that's important for traction on

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certain types of policies, for instance on inequality and other types of policies. That was very positive.

I'd like to stress that it's important to urge further candor in documents because this issue of being able to untangle and hold accountable who is responsible for what; if it's the Fund or the government, is really important. I would cite you the example of a discussion I had with some ... in Serbia who explained that when they talked to the Fund, they understood that some advice the government was misrepresenting their views and saying they objected to some measures when it was in fact the government that didn't want to do it. And so it was very interesting for them to be able to pinpoint and understand where the advice was and to be able to fully participate in discussions. We think that's really important and appreciate more candor in documents.

W

JoMarie, I'd like to point out a concern I have with the recent IEO report on the IMF as trusted advisor. That somehow trusted advisor translates into secrecy. It's the yes you can have off the record conversations and informal conversations and so on, but trust advisor doesn't mean that the government can say and do anything it wants and then the IMF will just keep it secret. This is not acceptable any longer in contemporary society. For one, things can and should leak.

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I think the fact that people can't understand the IMF documents, you don't know who's talking, that's a sign that your candor is pretty insubstantial, okay, it's not there. In terms of timeliness, consultations after the fact on policy papers, the absence of domestic consultations, or the de minimus consultations domestically, gearing the article for and loan agreement processes is another factor in not being timely. Timely means that people who have the access to information can actually give feedback and participate and influence outcomes. It's not good enough just to read it like a newspaper. That's not acceptable any longer, especially when people's lives are directly impacted. They have a right and a need to know.

Sargon

Sargon Nissan from the Bretton Woods Project. I would add some points to the earlier remarks. In particular, the abilities for the transparency policy to be genuinely even handed really rest on a number of behaviors that need to be implemented. There's a very useful thing by JoMarie, the previous speaker, the panel chaired I believe by JoMarie in 2007, which are still very relevant and which the Fund has still not taken up. For example, that all staff reports should include a section describing the consultations with interested external stakeholders; and that is a part of the even handedness of the IMF.

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Now Carla will recognize this following complaint. It's that it's not really up to the IMF to determine who is and qualifies that civil society. It's not up to me either, for that matter, but it should be systematic and comprehensive. I think those two words should be watch words of consulting civil society, including opponents of the potentially the positions, you know, legitimate opponents or people who have different interests and not simply chambers of commerce, finance sector heads, but rather trade unions, groups who expressly oppose and who are given access to the decision making process.

Now there is some improvement that we witness in these regards, but I'm interested to say to hear you ask that we need to give you a conclusion as to the Fund's performance, but in many respects given that Lehman Brothers didn't collapse within five years, there's a number of documents we can't access, particularly the most candid ones that go between staff as internal memos, draft staff reports and the grey documents that travel between executive directors.

And all of these things are necessary to be able to understand where the locus of accountability is for any particular decision. As such, a further recommendation that we would make is that publication of draft documents is necessary not simply for the ability to input, which is I think

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a prerequisite of genuine consultation, but rather that it also is publication necessitated, so that you can see the changes that are made.

Now it's important and we understand that there's a distinction between the staff's views and the management's views and in those executive directives and the governance structure of IMF, and that's fine. And if we look at what happened with the last proposals that were made by Fund staff in the previous transparency review, it was the board who rejected many of them. And as such, that allows proper democratic accountability and transparency to be furthered because the locus of responsibility for those decisions are evident, but that's sort of possibility is all too lacking all too often, I'm afraid.

M Any other questions, please?

M Can I quickly add one point to the ... again. I'm ... process there was not only the chance to give feedback on the draft of the publications, but when research was commissioned or conducted, in fact the terms of reference were made public and consulted with stakeholders. We all know that researchers ... 90% of the research outcome is determined by the ... policy-based evidence making, so in fact, yes, this is what I addressed before in ... process. Thanks.

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Kalpana

I think just I want to mention, I mean when you were mentioning about other organizations, how they are dealing like in terms of ... that are published, I'm just wondering and I would like to hear your views about a lot of what the IMF says and the information that the IMF provides is quite critical for countries. At the brass levels when there are some discussions that are still ongoing, how do you see when this kind of information is published and then there are huge market reactions, which could be sometimes disruptive, who will bear the responsibility for these things and how can we find the right balance in terms of how much we put out in the public and how much we get at the end where we have taken into account all the possible repercussions on the population.

W

I think that the market is made far too powerful. I think the rights of people are more important than the rights of markets. And I think that governments frequently hide behind this issue oh, it's market sensitive. I think that one of the earlier speakers said ... withholding information should be disclosed and if it's specifically market sensitive, it's a very narrow definition of it and it is clearly—in other words, an informed observer would say yes, this is market sensitive. We wouldn't have an informed observer saying what? I think that's got to be your litmus test.

Joe

This is Joe from the One Campaign and also to that point, I mean if there's something going on inside the country that could influence the markets, do

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not investors have certain rights to know that information before when they're weighing what's included in their portfolios?

Toby Can I just follow up on that, Toby McIntosh, FreedomInfo again. The last report on the policy indicates the fact that the number of deletions for market sensitive information has spiked up a bit. I'm hoping that the staff is looking into the reasons for that and we concur with other people's comments on figuring out how to come up with a better system of making sure that the policy is adhered to or reviewed by others.

M

M Sorry.

M Go ahead.

Kalpana So we'd like—

M ... for the ... democracy. I think that with these kinds of exceptions that are those are ... when we talk about market sensitivity, it's a harm-based exception. I think what's important is that the standards in the policy are set out clearly and objectively and that there is an objective process for application; and that's why these external review bodies are so important,

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because there can for any number of reasons, be that the IMF or countries biased interpretations that constitute market sensitivity when the decision making is totally internal; and so going to an external body which can give an external view and an objective view on that I think is a very important part of the process. And that's one of the main reasons that these other IFIs have moved to that type of system.

Kalpana

Thank you, I think that's a very important point that you make and one well worth considering for us in a very serious way. If you don't mind there are three more issues that we wanted to—

Sargon

Sorry, can I add something very quickly to that? This is Sargon here from Bretton Woods Project. Yes, okay, two points, one is I have actually been an investor and a trader, a market actor in emerging markets when the IMF was in negotiations, and I cannot emphasize enough how extraordinary it is to me to hear that the IMF would basically take it on a member country's account to basically be complicit in secrecy and decisions that impact both investors and domestic stakeholders.

Secondly, in a review commissioned by the IMF written by an ex executive director, he specifically says the Fund should publish more of its internal works on risks and vulnerabilities in its multi-lateral surveillance reports, which goes directly to this point.

And finally, ..., quoted Mario Draghi in a speech yesterday, I believe in London, where she talked about the power of words and the power of communication of economic institutions, and that is something that does not—and what she was saying very explicitly is that it's not based on secrecy. It's really on responsibility and I think that that is something that needs to be taken into account.

Kalpana Thank you. Colleen, do you want to move on to the next?

Colleen Yes, I think I'll hand it to Gavin Grey, so we can move on to the even handedness, I think—

Kalpana Yes, just ask the question, so that—

Colleen Yes.

Kalpana Yes.

Gavin So hello, my name is Gavin Grey. What we'll do, there are straight to the themes we wanted to cover in this call and actually as this conversation is progressed so far in some ways we've already covered it little bit. But just to give you an overview, so the first theme is even handedness, I think the

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issue here is those of you who have read the 2009 review are aware that there was some concerns there about that the number of particularly corrections and deletions for reports in advanced markets.

Just by way of background, we have within the Fund an independent team, which is trying to apply the rules. We think we've done a lot of work to try to, at least from an operational perspective to address that would be that we will be, we're very much interested in your views as to whether you see any biases or inconsistencies—

(Audio cuts off)

(Call resumes in progress)

Kalpana That's fine.

W I'm not sure if my phone is causing it.

Kalpana Okay, never mind. Anybody else?

Toby This is Toby Mendel again. Can I make one general point and then I actually have to go in about five minutes. It's not to respond to the point you've raised, but more generally. Almost all of the questions that you're probing are relevant to the proactive disclosure of information, so you're

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asking are we candid enough in the information that we push out. I think that going back to a point I made in the beginning, I think that what you really have to look at very carefully in this policy review is whether you're going to do what the other IFIs have done and move to a proper presumption of openness.

And if you do that, then you're going to have to respond to requests for any information as ..., so we get disclose of this information ... interests we're protecting; not the sensitivity or whatever. And then I think you're going to find that that's going to answer a lot of these questions. For example, with even handedness, it's going to be if I ask for information about any country, I'm going to get it on the same basis based on the same kind of objective to negative risk standards. And so I think that that will standardize and resolve a lot of the quirks that you're discussing now with your information to the examination issues.

And so I think that is something which as I said pretty much all of the IFIs are now moving to and I think it needs to be a very important part of the discussions around this policy review.

I do need to go, so unless somebody has a response to that, then I will sign out and look forward to hearing more things about how the meeting comes.

Kalpana

What we do currently, for instance, if a country does not want to publish opinion after the discussion at the board, after 40 days we wait until the operators say whether they want or they don't want to publish. And if we don't get a response, we put information out there that there has been a discussion and in a way we don't explain what the discussion is about, but that gives the information that the country so far did not want to publish the information, and that is one way for us to deal with this.

We can think whether this could be extended to other cases, where we have staff report countries do not want to publish staff reports, whether we could put some kind of information on the website, which says that there has been a discussion in there. The staff report is not being published basically. We can consider that type of approach.

M

And another thing, which I'd like to do in this review, is we'll probably have more extensive tables showing performance of publication identifying countries which have not published all or some of their documents.

W

That would be extremely useful.

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W How about if you just say that the country X has opted not to publish this?

You know, the United States of America does not want article four published. The government of Brazil has asked that the IMF not publish this document.

Kalpana We also have on our AOS site a list of countries who have—I mean we have this communication regime where countries decide that they wouldn't want to publish everything; and some countries say no we want to ask every time we have a report and the list of those countries who did not accept immediately to have everything published is put on that website where we know which countries wants to be consulted on the publication of every document they have.

W Are you aware of that website, the web page?

Sargon Yes, I've actually looked at it and yes, I would commend, this is Sargon of Bretton Woods Project; but I would add that the 2009 review that led to this improvement also included an immense loophole that says, and I quote, "it's possible for a member to notify the Fund that country documents and related policy intention documents should be published only with explicit consent," to basically to say that the transparency policy is something that you can take or leave. I think that that's not a transparency policy, so I think that the IMF has a responsibility, yes to its

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member countries, but actually a responsibility to transparency as a fundamental principle.

I think that this is a key point of departure. Yes, I think we can laud the fact that the countries which have not provided their consent are listed, but it's obviously there anywhere because the publications aren't there, so the principle of transparency is not satisfied by simply listing those that are refusing to do that.

M Can I make a point?

M I think we can do a bit more than that. I think, first of all, you can really hone in and identify to what extent it was your constitutional documents that are blocking progress in terms of your openness of the policy, and perhaps even consider—at least be clear and precise about that and perhaps identify that as a problem that needs to be addressed. So the idea of constitutional review, I think you can look at half of your ... countries have FOI laws. I think you could do something around that, for example, and not allowing countries or not accepting the idea that countries should refuse to say something under your policy, which they would not be allowed to refuse to disclose under their FOI laws.

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I think there's a lot of rather than saying okay we can't get around this problem, I think there's a lot more imagination and creative thinking that needs to go into that, because allowing a country veto is something that other IFIs are increasingly paring down. I think it's something that needs to be ... in these policies.

Kalpana Thank you.

M I'm going to stop now.

Kalpana Okay, thank you very much. Thank you.

M Could I just make another point relating to the deletions in the report?
And I may be remiss in remembering, but I don't believe there's any identification in the reports of what has been deleted or where things have been deleted, which is a gap, I think.

Kalpana We don't do those actions.

M That's correct, that's correct and that's intrinsic to the policy if you are deleting materials on the grounds that it's highly market sensitive, I think it would be problematic if you were to indicate the area. I would say, though, in the past staff has suggested that we might indicate which

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reports have been corrected or deleted, but that was not accepted when we last proposed it.

Kalpana Deletions of materials are like one or two words not even—I mean very few, very sensitive materials that get deleted and not a paragraph or a few sentences. It's not that kind of deletion, but I mean, of course, the outside public would not know those.

W There's no way of knowing that, no way.

W Yes.

Joe This is Joe from One again. I think on this point, and I think it's a real crucial point, I mean you're talking about a policy on transparency procedures, but you're letting governments drive this process. And that may not be a problem in some countries, but in a lot of countries where the IMF operates, where the regimes have a vested interest in not having some of this information made publicly available, they may hide behind the cover that the IMF allows them to hide behind by claiming something is market sensitive when there's no way to independently verify that as some of the commentators have already pointed out.

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So I think this is problematic from a transparency perspective and we as civil society organizations are highly frustrated by this; and the fact that the IMF is resistant to even identifying when things are deleted or things are removed or governments are thwarting efforts at the IMF to publish documents, we should at least ... of those countries that deserve to at least know in very explicit and clear terms when that is happening and where and in which documents it's taking place. Otherwise your transparency policy is effectively gutting itself.

W You could do like the UFCIA; just hand out a redacted edition with the black lines, then you know.

W That's a suggestion.

M That would be an improvement.

M I don't think that's really a joke. I think that's exactly the kind of thing we're talking about to make it clear where the deletions are.

M Absolutely.

W Yes, here, this is censored.

M Yes.

M Can I just add to that? That the current transparency policy as far as I understand it is not actually comprehensive under the entirety of the sort of documentation that the IMF is currently producing. I cited some of them before and I think as a core principle that what is established as the principles of the transparency policy has to be comprehensive and that therefore exemptions have to be clearly defined and that definition be public and transparent.

And therefore they're narrow, they're specific and therefore both the presence of deletions and the basis of the premise on which a deletion may in fact be permitted are both clear, so that those two things go hand in hand, because at the moment what is market sensitivity? Is there any definition that we can access that the governments if you were to identify had caused a deletion would have to be measured by?

At the moment there isn't, and frankly market sensitivity is a catch-all that allows you to, you know, especially when there is no recognition of deletion, allows no accountability whatsoever. So I think that the IMF has to be very careful not to be actually unwittingly or neglectfully complicit in inappropriate secrecy, both by member governments and within its negotiations, so this is a real risk and it's a reputational risk for the IMF

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and it's one that needs to be, I think, acknowledged in the transparency proposal that goes forward because the ability of the IMF to act as a trusted advisor is fundamentally impeded.

At the moment negotiations with Egypt have twice stalled precisely because the domestic legitimacy of the government, the country authority, which is legitimate to talk to the IMF, is undermined by the fact that the basis of those negotiations are entirely secret. I think this is a key problem for the IMF to be able to achieve its mandate.

M

Just to add—I mean you're raising very good points, but just two quick reactions as regards to deletions, the policy which is published is actually quite specific, so the material can only be deleted if it's highly market sensitive and it has to be specific and in the near-term. The team of people we have here who look at these things are independent from the team's concerned rejects requests, so it's by no means the case that if a government says it's highly market sensitive that we say yes there's a process of scrutiny.

Of course, there's a degree of judgment involved, but we think a better one. And then in terms of the scope of the policy, I think your first point, that's very much something we're thinking about. I think that the scope of the policy is more documents, which are going to our board, but there's

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been actually quite a lot of innovation in the Fund recently, so we've created new documents; and sometimes we ourselves find this a little bit—it's not always straightforward to us where the documents are captured. So we're thinking about ways which maybe will clarify that where we all apply—we may clarify exactly what is the scope and when we apply these principles; but I think your points are very well taken.

W

I would like to respond to that immediate point. I think your lawyers have had too big of a role in writing up your transparency policy. It should not be—if you have a new document, of course it will be presumed public because it's not excluded. I mean that's the whole idea of the negative list. You don't have to then worry about having every single type of document listed. I think that's what you're wrestling with, it can be clear and simple, presumed disclosure, but there's a group that is reviewing the country's efforts to delete things, what are the criteria they're using? That would be extremely constructive to say what you're already doing. I think you would be ... from that clarity that there is already an internal review panel and they're rejecting some requests by governments.

I know it's difficult because yours is clearly an institution ... governments and its constitution, but what we're saying is that reality has outstripped that constitution, so let's not refer to it all the time explicitly.

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Joe

This is Joe from One. I think that an additional point based on what you just said I think that in instances where governments request or reject it I think even that would be interesting to have that be transparent, so that governments are held accountable for simply making requests, which then lets citizens decide whether or not their governments are acting in good faith.

But just a broader comment about just the reputational risks... the IMF. I think it's a very serious concern; and this isn't necessarily my view, but the view of the people that I've spoken with on the ground, who see the IMF as basically, or the outcomes of the IMF processes as largely being devised by technocrats and government officials and their interests are not being included in that process. And so there's a risk for the IMF to be seen inside at least certain countries as being colluding with governments to repress information or to produce reports that make government look in a favorable light.

I think the processes themselves need to be transparent and how the IMF actually arrives at the decisions that are visible and the reports that it makes available. I think they should make all the reports available, but I understand the difficulty in doing that with given the agreements with host governments, but the processes around the decisions about whether or not

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something gets published or not published or is deleted needs to be transparent or the IMF is doing itself a disservice in terms of reputation.

Sargon

Can I just cite a couple of examples? This is Sargon again, I'm sorry. The historical record and the work that's been done, and some invaluable by the independent evaluation offices, did demonstrate on a number of occasions the frustration within the staff and within the IMF vis-à-vis some of its core functions that you guys have actually cited as part of your transparency review, both essentially in terms of surveillance and in terms of crises that occurred in Asia and in the last decade as well, that the repression of staff views and warnings that would have been highly market sensitive, but frankly would have saved the market a huge amount of money, too, let alone the extraordinary economic devastation that occurs when crises happen were suppressed; and the fact of their suppression was not evident.

Draft documents turning into final documents with changes that have subsequently been demonstrated to have been invalidated by events, so the core of the role that the IMF plays, yes, it may be conflicted and under competing tensions certainly, but at the moment it seems that the deference to secrecy is actually undermining some of the core roles, which frankly given the crisis dynamic and the need for the new integrated surveillance decision and the role of the TSR, the tri-annual surveillance

reviews, shows up the limitations of this presumption, which is ostensibly presumption of disclosure, but works in many ways as complicity with nondisclosure.

So I think that the transparency, it's incumbent upon the transparency review's final draft to actually address some of these concerns that have been cited repeatedly, both in academic studies and in terms of the independent evaluation office work over the last decade.

W

...there's two things I wanted to bring up, there's been no reference up to this point, to my knowledge, of technical assistance and the work that the IMF does in that area, what the institution is doing, how well it's doing, how is the money being spent. Are you getting value from money? From the outside you can't tell anything that's going on and it's all a big secret box, what's going on in there, I want to know just because it is secret. It may be perfectly wonderful, but it's secret, therefore I want to know about it.

On the positive side, I think you asked earlier about constructive development post financial crisis. I think the multi-lateral surveillance that has started looking at the externalities, the trans-border externalities, domestic financial decisions, I mean that's excellent. I mean that's really the way to go and it is much more transparent.

The fact that you can't talk about, that the board isn't allowed to talk about the great imbalance between China and the United States is kind of ludicrous. I understand global politics, but the fact that it can't be included should be a big footnote saying, oh, we aren't supposed to talk about this, but we think that the consequences of not talking about this are A, B, and C. I mean come on, guys, save us the guesswork. They have to grow up. These are issues and ... the IMF cannot be held captive by these kinds of bilateral critical considerations, although it happens all the time.

Kalpana

We're reaching the end of our, I guess we have about ten minutes or so till the end of the call. I'm not sure on the technical assistance reports issue, you know, I don't believe there's been a review or recently anyway of the effectiveness of all the technical assistance. I do believe there's one that is underway and so you'll probably, again, forgive me, but I'm not trying to hide anything. Actually, I don't know the timetable for it, but I do know something is underway on looking at the IMF efforts across various fields, so fiscal statistics, all the different areas in which we provide technical assistance.

M

Say that Ken.

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Ken Said it better from legal; there is a review underway on the effectiveness of technical assistance and capacity building. It's this year, I'm not sure exactly when, but it's sometime midyear. Also the last review was 2009. There was such a review in 2009.

Kalpana Thank you.

Carla Okay, yes, basically if there are no additional comments or questions at this stage, I wanted to mention a couple of things. As Kalpana had mentioned at the very beginning, this is part of the overall consultation process. We will present a summary of the highlights, comments, what we have heard in this conversation and we will circulate it to all of you for further comments or suggestions.

That being said, the consultation process is ongoing. It will end at the end of this month and I will really appreciate and I will encourage all of you to submit your written comments because that is also important to have a testimony or have evidence of the type of positions, views, agreements and disagreements that you might have. You are all familiar with the website and after the overall consultation process, as we have done with other cases, we will post your comments online as well. That's basically what I just wanted to mention, and if you have any particular comments or

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questions, either Tilla or myself will be more than happy to either channel it through our colleagues, or try to ... your questions by email as well.

Any particular comments or questions before we close?

W I'd like to thank Carla and the external affairs department for pushing to do this early in the process and for extending the process. I think this could easily be a model for our future consultations.

W Thank you. Thank you very much. We again, as Carla said, we'll do a ... summary of all the different views and circulate that to you. That's our next step, and of course continuing to think about your suggestions as well. That's also a next step.

M May I make a housekeeping request? Subject to anybody's objection, would it be possible for you to circulate the emails and names of people who were on this call?

W Of course; yes, yes, yes, yes.

M Okay, thanks.

W Carla or Tilla will do that.

Carla Unless we could explore—I'm just ... this now, if perhaps we have a second call, first call or something like that if needed in the future, but the most important thing here as we did in other consultations is to maintain the dialog and not seeing this just as returning a stone, but engage and if you have any comments or additional questions, please feel free to contact us at any moment.

M Thank you for your openness and for taking the time to hold this important discussion, it's much appreciated.

M Here, here. Thank you very much, Carla and everybody else, for your work.

W Yes, thank you very much, we appreciate it. Thank you for giving us your time. We're going to hang up now. Good-bye.

W Bye, bye.

W Bye.

M Bye.

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