INTERNATIONAL MONETARY FUND

# Review of the Fund's Transparency Policy

Prepared by the Strategy, Policy, and Review Department

In consultation with other departments

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## List of Acronyms

| | |
|---|---|
| AFSSR | Assessment of Financial Sector Supervision and Regulation |
| AFR | African Department |
| APD | Asia and Pacific Department |
| BIS | Bank for International Settlements |
| CSO | Civil Society Organization |
| EUR | European Department |
| EXR | External Relations Department |
| FCL | Flexible Credit Line |
| FOIA | Freedom of Information Acts |
| FSSA | Financial Sector Stability Assessment |
| HIPC | Highly Indebted Poor Countries |
| IEO | Independent Evaluation Office |
| IMFC | International Monetary Financial Committee |
| LEG | Legal Department |
| LOI | Letter of Intent |
| MEFP | Memorandum of Economic and Financial Policies |
| OECD | Organization for Economic Cooperation and Development |
| PIN | Public Information Notice |
| PRGF | Poverty Reduction and Growth Facility |
| PRSP | Poverty Reduction Strategy Paper |
| PSI | Policy Support Instrument |
| REO | Regional Economic Outlook |
| ROSC | Report on Observance of Standards and Codes |
| SEC | Secretary's Department |
| SPR | Strategy, Policy and Review Department |
| SMP | Staff-Monitored Program |
| TA | Technical assistance |
| TGS | Technology and General Services Department |
| TMU | Technical Memorandum of Understanding |
| UFR | Use of Fund Resources |
| WHD | Western Hemisphere Department |

This report was prepared by a staff team from SPR's Surveillance Policy Division, led by Ketil Hviding and comprising Lynn Aylward, Charleen Gust, Jung Yeon Kim, Kingsley Obiora, Wasima Rahman-Garrett, and Pedro Rodriguez under the supervision of Ulric Erickson von Allmen and Tessa van der Willigen. Jinsook Lee provided extensive research assistance and Gilda Ordonez-Baric and Ricardo Reinoso provided invaluable administrative assistance. LEG (Katharine Christopherson Puh and Kyung Kwak) and EXR (Vasuki Shastry and Silvia Zucchini) prepared Appendices I and VII, respectively. EXR was also very helpful in organizing the various outreach events and the web-based survey. TGS (Michelle Dolbec, Carol Diener-Plummer and Pamela Tripp-Melby), SEC (Katherine E. Fletcher and Ken Meyers), and LEG (Ceda Ogada and Olivier Fleurence) provided invaluable help on publication, classification, and archiving issues. The team thanks all survey participants and interviewees whose input was crucial to inform this report.

## EXECUTIVE SUMMARY

**The Fund has come a long way since the inception of its policy toward increased openness some ten years ago.** Most Board documents are now published; the volume of information in the Fund's archives has increased significantly; and the Fund has strengthened outreach efforts to explain its operations and views to the outside world.

**Transparency and openness has become increasingly seen as a normal and essential part of the Fund's business.** There are significant benefits from increased transparency: it strengthens the Fund's ability to influence public debate, subjects the Fund to outside scrutiny, and enhances the Fund's legitimacy by making it more accountable. These benefits will only loom larger as the Fund takes on a larger role in calling out risks to the global economy, to help prevent future economic and financial crises. Indeed, in today's world openness from public institutions like the Fund is generally expected.

**At the same time, the experience with implementing the Transparency Policy is mixed.** While a large majority of country reports are published, lags are too long and many reports are subject to extensive modifications. Although most deletions and corrections are clearly in line with the policy, a minority of deletions and corrections are not and involve toning down the message of reports, exposing the Fund to reputational risk. All in all, however, the rules on modifications have been helpful in maintaining the candor of the original staff reports.

**There are signs that these tensions have increased in the time of crisis.** Reflecting increased vulnerabilities and sensitivities, the share of published reports with modifications has increased and modification requests have become more substantive.

**There are also weaknesses and inconsistencies in several related policy areas.** Concerns have been raised about the timeliness and availability of archives material, the traditional methods by which the archives can be accessed by the public (it pre-dates the internet), and rules on classification and declassification that hinder external access to reports.

**Against this background, staff proposes a broad-based strategy affecting several policy areas.** The strategy would include steps to increase the amount and timeliness of publications, protect the integrity of the Fund's documents and enhance the accountability and legitimacy of the Fund. This strategy would be embedded in an overarching principle of making information available on a timely basis, unless strong and specific reasons argue against such disclosure.

| ***Key Reform Proposals**** | |
|---|---|
| **Objective** | **Proposal** |
| *Overarching principle* | Strive to disclose documents and information unless strong and specific reasons argue against such disclosure. |
| ***Increasing the amount and timeliness of information*** | |
| *Shifting the default from non-publication to publication.* | Replace the need for explicit consent for publication with a system whereby the member's consent would be obtained on a non-objection basis. Require explanation for non-publication. |
| *Unify and strengthen the publication presumption for Use of Fund Resources (UFR) documents* | Extend the clause that "the Managing Director will generally not recommend" approval of an arrangement or completion of a review unless the member consents to publication—which now applies to staff reports in exceptional access cases—to all UFR, Policy Support Instrument (PSI) documents, and related policy intention documents. |
| *Strengthen publication regime for FSSAs, ROSCs, AFSSRs, and staff reports for SMPs.* | Align the publication regime of Financial Sector Stability Assessments (FSSAs), ROSCs, staff reports for SMPs, and AFSSRs with that for Article IV reports so that publication becomes "voluntary but presumed." |
| *Strengthen the publication regime for non-country Board documents* | Extend presumed publication to all policy documents prepared for the Board, including those circulated for information but excluding those dealing with internal or administrative matters. An explanation would have to be provided when publication is not proposed. |
| *Tighter deadlines for modification requests* | Establish a presumption that modification requests should be received at the latest two days before the Board meeting. |
| ***Protecting the integrity of Fund documents*** | |
| *Clearer limits on deletions* | Affirm that deletions that risk undermining the overall assessment and credibility of the report are not permissible. |
| *Clearer disclaimers* | Apply disclaimers only to reports that have been subject to deletions. |
| *Clarify the criteria for corrections* | Allow the removal of evident ambiguity, provided that the changes are parsimonious and the meaning of the text is not altered. |
| ***Enhancing the accountability of the Fund*** | |
| *Classification* | Publish the criteria for classification. Introduce procedures for more automatic declassification. |
| *Improve access to Board documents* | Reduce the lag for public access to Board minutes and Board papers from 10 to five years and five to three years, respectively. Allow for web posting of digital or digitized material when they become publicly available under the Archives Policy. |

*Some staff proposals were not endorsed by the Executive Board; detailed information is provided in the text.

## I. INTRODUCTION[**]

1. **More than a decade has passed since the Fund launched a series of initiatives to increase transparency.** The Mexican and Asian crises of the 1990s highlighted the importance of transparency. In response, the Executive Board took a number of decisions aimed at increasing the transparency of the Fund's own activities, as well as promoting transparency among Fund members. The transparency of the Fund itself is the focus of this review.

2. **The benefits of transparency in both surveillance and programs are now well recognized.** Transparency benefits the *effectiveness* of the Fund by providing a channel for its views to influence public debate and build traction for its advice. It benefits the *quality* of surveillance and programs, including by subjecting the Fund to outside scrutiny. And more generally, it enhances the Fund's *legitimacy* by making it more accountable. Relatedly, openness from international public institutions has become expected and seen as essential for their effectiveness and legitimacy.

3. **The opening of the Fund over the last decade has been pursued along three intertwined policy routes**:

- *Publication of Board documents*. After an initial pilot phase in 1999, the Fund gradually progressed from a regime of voluntary publication of Article IV and UFR staff reports, in 2001, to the "voluntary but presumed" regime that pertains today. For policy documents, publication is presumed. The policy allows for deletions of sensitive material from published documents so as to protect the member and the Fund's role as confidential and trusted advisor, and to preserve candor in the report discussed at the Board (see Appendix I for an overview of the legal principles for the Fund's publication policy).[1]
- *Communications and outreach.* The Fund's communication strategy provides a framework for the Fund's interactions with the rest of the world, particularly the media and civil society. Amongst other things, it includes biweekly press briefings, speeches, articles, and research papers, relations with the media, and engagement with "external stakeholders." The strategy was last reviewed in 2007.[2]
- *Opening of the archives.* The archives were opened for outside access in 1996 with a stipulated time lag of 30 years. The time lag was shortened in two steps in 1999 and 2002 and is now five years for most Board series, 10 years for Board minutes and

[**] The papers cited in this report are publicly available on www.imf.org.
[1] See *Transparency and Fund Policies – Publication Policies,* Decision No. 13564-(05/85), adopted October 5, 2005, as amended.
[2] *The IMF's Communication Strategy*, May 2007.

related series, and 20 years for most other archived material (see Appendix II for a complete list). The Archives Policy was reviewed in 2003.

4. **Though still controversial at times, transparency at the Fund has become increasingly accepted as a normal and essential part of business.** Great strides have been made in making the Fund a more open institution, and the Fund compares well with other international organizations (Appendix III).[3] Openness has contributed to building understanding and support for the Fund.

5. **Against this background, this review takes a broad view of transparency and proposes reforms that would build on progress that has been made.** Currently, transparency is affected by a number of policies including those on: publication of Board documents, communication, archives, side letters, publication of languages other than English, dissemination of technical assistance information, and classification. While these policies have largely been successful in dealing with the issues they were created to address, this paper proposes a guiding principle capturing the Fund's approach to transparency—encompassing all these policy areas—as well as concrete policy reforms.

6. **Two supplements provide additional information on the work staff has undertaken in the context of this review.** A background paper (Supplement 1) summarizes the results of outreach to civil society organizations and an assessment of implementation issues supported by (web-based) surveys of mission chiefs and others such as financial sector participants, staff reviews of reports, and an econometric assessment of the causes of the publication lag. An informational supplement (Supplement 2) contains a set of tables with key trends in publication rates and lags, and detailed survey results.

## II. A Decade of Transparency: Experience and Achievements

7. **The Fund has come a long way since the inception of its policy toward increased openness** (Box 1). Most Board documents[4] are now published. The volume of information in the Fund's archives has increased significantly and this information is now available more quickly. Moreover, the Fund has intensified efforts to explain its operations and views to the outside world.

8. **But the pace of change has slowed recently.** At the 2005 Transparency Policy Review, Executive Directors welcomed the rise in publication rates for country documents but noted the long lags. They were also concerned about unevenness across members in the use of

[3] Comparisons with other institutions are often complicated by differences in terminology. For example, the World Bank's "disclosure policy" covers areas which at the Fund are covered by the Transparency and Archives Policies.

[4] "Board documents" covers documents prepared for the Executive Board for consideration (either in seminars or formal Board meetings) or for information.

substantive modifications to staff reports, and about the lags and resource requirements—both for staff and authorities—associated with extensive modifications. The reforms adopted at the time have helped to shorten lags and improve implementation of corrections and deletions (Appendix VI), but, as will be discussed below, significant concerns remain in both areas.

9. **Recently, the global financial crisis has posed additional challenges for the implementation of the Transparency Policy.** Staff reports are expected to provide clear and candid risk assessments. Candid assessment of risks and vulnerabilities are important both in internal and published documents. At the same time, as markets have become more volatile and countries more vulnerable to adverse news, requests for modifications have increased.

**Box 1. Milestones in the Fund's Transparency and Related Policies**

Jul. 1994: First routine publication of Board documents. Presumed publication of background documents was introduced.

Jan. 1996: Opening of the Fund's archives. The Board approved public access to documents maintained in the Fund's archives over 30 years old (excluding documents classified as "Secret" or "Strictly Confidential").

Apr. 1997: Public Information Notices (PINs) for Article IV consultations to be issued on a voluntary basis.

Mar. 1999: Shortening of the "wait time" for public access to the archives (access to Board documents after five years and 20 years for other documentary materials).

Jun. 1999: Pilot project for the voluntary publication of Article IV staff reports.

Jan. 2001: Voluntary publication of Article IV and UFR staff reports; presumed publication of country policy intention documents.

Nov. 2002: Reduction of the "wait time" for public access to minutes of Board Meetings to 10 years. Voluntary publication of FSSA.

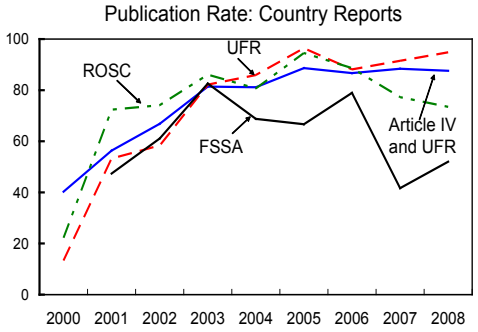
Feb. 2004: "Voluntary but presumed" publication of Article IV documents, UFR staff reports, and policy intention papers. Presumed publication of policy papers.

Sep. 2007: Launching of websites in languages other than English. Fund websites became operational in Arabic, Chinese, Japanese, and Russian.

## A. Country Documents

### Publication rates

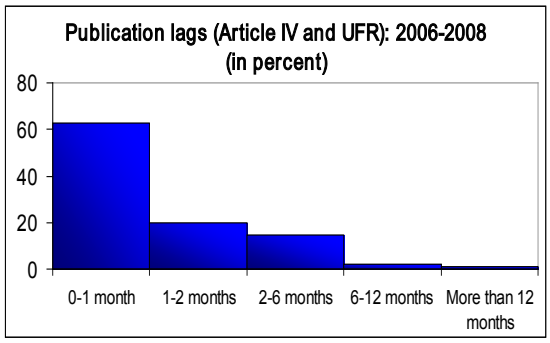
10. **Most country staff reports are now published**. The share of Article IV and UFR staff reports that are published is now 88 percent (text figure). The publication rate is particularly high for UFR documents, and all recent UFR staff reports for exceptional access cases have been published, in line with the stronger publication regime for these documents.[5] In contrast, the publication rates of FSSAs and ROSCs, which have a less strong regime, are relatively low, at 62 and 75 percent, respectively.




11. **A small minority of members, however, do not to agree to the publication of the staff reports on their countries (Figure 1).** Ten members have never allowed the publication of a staff report, including a few large emerging market economies.[6] For some of these members it is a matter of principle: they consider that staff reports are for discussion at the Fund's Executive Board, and that publication undermines candor in the reports, the frankness of discussions between staff and the authorities, and thus the Fund's role as confidential advisor. A handful of countries allow publication in some years but not in others, or publication of certain documents but not others. Outreach undertaken for this review, and discussed later, found that when a country report is not published it negatively affects the perception of the Fund as an open and transparent institution.

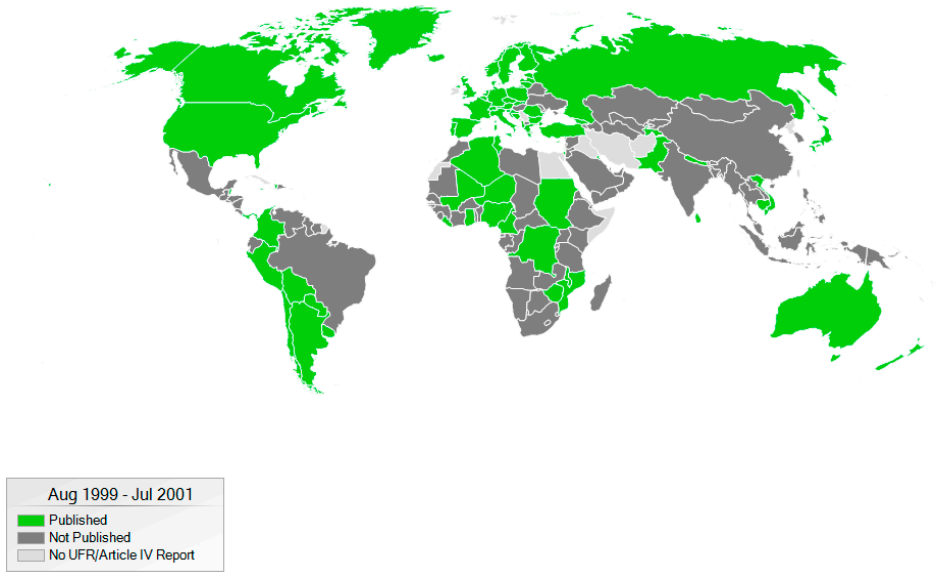
### Publication lags

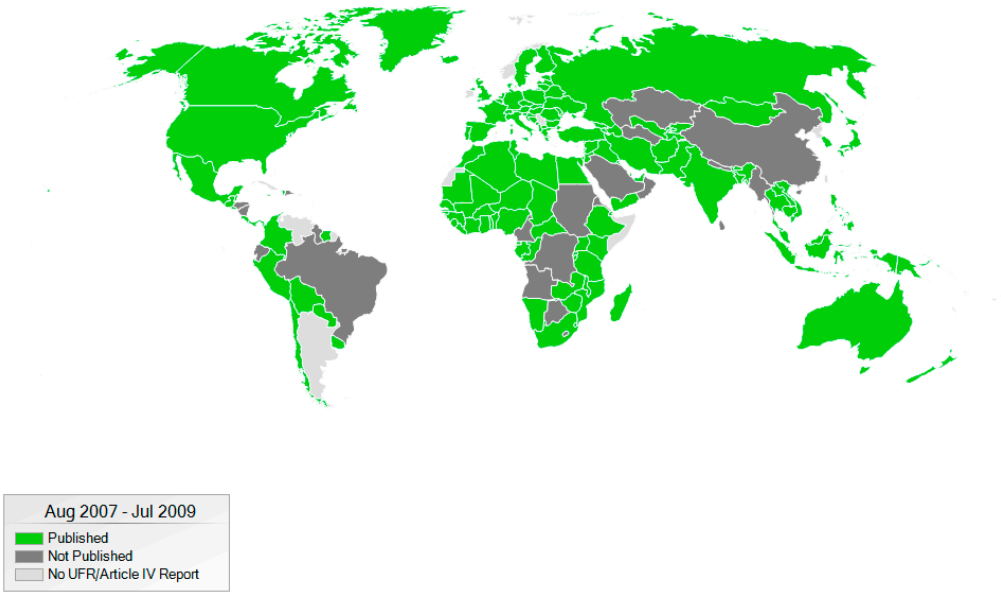
12. **Publication lags remain long** (text figure). Despite efforts to reduce lags (see Section II in the Background Paper), the average lag between Executive Board discussion and publication for Article IV and UFR staff reports was 42 days in 2006–08. While slightly lower than the 49-day average in the three years preceding the 2005 Review, it still significantly exceeds the 30-day




[5] Prior to the 1999 pilot project, only certain accompanying papers, such as selected issues and background papers, could be published; the publication of Article IV reports and UFR reports themselves was prohibited.
[6] As of September 14, 2009, Bahrain, Brazil, Brunei, Dominican Republic, Guyana, Myanmar, Oman, Saudi Arabia, Turkmenistan, and Venezuela have never published a country staff report.

Figure 1. Publication of Article IV and UFR Staff Reports Around the Globe [1]



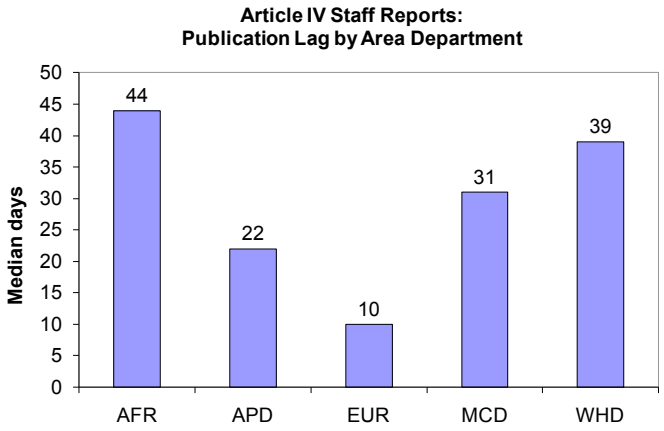




1/ Publication status is based on the most recent staff reports discussed during the periods indicated above and published as of September, 2001 and 2009, respectively (i.e., where two reports were issued during the period, only the most recent is considered).

Source: IMF Staff

maximum expectation stipulated in the Transparency Decision. Publication lags vary considerably: one fifth of reports were published with a lag exceeding two months and 12 reports were published with lags exceeding 200 days. Long lags make staff reports go stale and reduce their value to the rest of the world: indeed, with rapid changes in the world economy, reports published with long lags can be outright confusing to the public. In UFR cases, long lags can lead to "overlapping publications"—where a report is published close to the completion of the subsequent review (there have been seven such cases since 2005).

13. **The causes of the lags vary across countries and over time, but delays in getting the authorities' "sign off" seems to play an important part** (Section II in the Background paper). About half of the mission chiefs surveyed claim that the process of getting the authorities' active consent to publication contributed to the lag to "some" or "a great extent." The large differences across regions are largely unexplained but may relate to differences in capacity, administrative procedures, resource situations in area departments, and translation needs (text figure).




**Deletions**

14. **Deletions are intended to protect the member, support the Fund's role as confidential advisor, and help preserve candor.** By permitting the deletion of highly market sensitive material and premature disclosure of policy intentions, the deletions policy helps ensure that, with publication, candor in the discussions between the authorities and the staff, and between the staff and the Board is preserved (see Box 2).

15. **In the three-year period since the last review, only 10 percent of published staff reports had deletions, but in some cases, the criteria for permissible deletions were stretched.** Deletions often involve difficult judgments, for example, about whether information is market sensitive. Reflecting the cooperative nature of the Fund, staff tends to err on the side of caution and give the authorities the benefit of the doubt when assessing their requests for deletions, sometimes resulting in stretched interpretations of the policy. This tendency, combined with concerns about evenhandedness, may also result in a gradual "watering down" of the criteria, as requests are generally compared to deletions that were previously approved. Based on an ex post staff review of all deletions in 2008, staff found that the majority of deletions were clearly within the policy. But 26 percent of the cases were not.

## Box 2. The Transparency Policy: Key Features [1]

**Coverage**: Mainly reports prepared for the Board (for consideration or information) and documents conveying the Board's views to the public on country and policy matters.

**Principles:** To preserve the integrity of staff's analysis, draft reports may not be shared with country authorities before they are sent to the Executive Board, with few exceptions (e.g., Selected Issues Papers and Reports on Observance of Standards and Codes (ROSCs)), and the text should not be negotiated. Assessments in reports should be candid and comprehensive. Limited modifications to the report are allowed to ensure factual accuracy and to avoid publication by the Fund of information that would cause harm to members (i.e., highly market- sensitive information or premature disclosure of policy intentions).

**Publication regimes:**

*Article IV and UFR country reports, PINs and Chairman's Statements:* publication is *"*voluntary but presumed." Publication requires the member's explicit consent and, for Article IV and UFR country reports, publication is expected to take place within 30 calendar days following the Board meeting.

*Exceptional access UFR and Flexible Credit Lines (FCL)*: Management will generally not recommend the approval of the request/reviews of the arrangement, unless the member consents to publication of the associated reports.

*Country policy intention documents*: publication of Letters of Intent (LOIs), Memorandum of Economic and Financial Policies (MEFPs), and Technical Memorandum of Understanding (TMUs) with policy content is "voluntary but presumed," except for those related to staff-monitored programs (SMPs).

*Poverty Reduction Strategy Paper (PRSP) documents*: Management will not recommend approval of use of Fund resources under the Poverty Reduction and Growth Facility (PRGF), under the Highly Indebted Poor Countries (HIPC), and with respect to PSI request/reviews unless the member publishes the PRSP-related document.

*FSSAs, ROSCs, and stand-alone SMPs:* publication is (just) "voluntary" but encouraged.

*Policy papers discussed by the Board:* publication is "presumed" but subject to Board consent. This presumption does not apply to material for meetings on administrative matters.

*Papers that are not covered by the Transparency Decision* are published on a case-by-case basis (see Appendices I and IV).

**Modifications to country papers:**

*Corrections* can be made only to ensure factual accuracy, and are limited to: (i) data and typographical errors; (ii) factual mistakes; and (iii) mischaracterization of the authorities' views. Corrections that have been brought to the attention of the Board after the conclusion of the Board consideration of the document should only be made if failure to make them would undermine the value of publication. Corrections result in modification of the internal and published staff report.

*Deletions* remove information from the published document. They are permissible only for information not already in the public domain that constitutes either highly market-sensitive material or the premature disclosure of policy intentions. Politically sensitive material shall not be deleted unless it meets either of the above two criteria. Deletions may only be requested by the authorities of the country that is the subject of the report, and should be requested within 21 days of Board discussion or 35 days of document issuance to the Board, whichever is later.

**Modifications to policy papers:**

Correction of factual errors and deletions of highly market-sensitive material and country-specific references can be made prior to publication. The text should clearly indicate any staff proposals that the Board did not approve. Staff may take into account Executive Directors' views on country references, in the World Economic Outlook and Global Financial Stability Report, but otherwise the policy on modifications to policy papers does not apply to these documents.

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[1] See Decision No. 13564-(05/85), adopted October 5, 2005, as amended.

Most of these "gray zone" cases reflect a stretching of what can be considered as market sensitive (see Section II in the Background Paper). Examples include the removal of text relating to exchange rate assessments and adverse "tail scenarios" even when these were clearly described as low probability events, reflecting, to some extent, a tendency to regard certain type of information as automatically "deletable." In some cases, significant amounts of text were removed, which is contrary to the spirit of the Transparency Decision.

16. **Preliminary data suggest that requests for deletions have increased during the crisis.** The share of published reports with deletions increased to 16 percent in the period September 2008–June 2009, albeit in a context where all program staff reports for arrangements with exceptional access were published. Tellingly, for the first time since the inception of the publication policy, quantitative program targets on net international reserves were deleted, on grounds that they contained information on the authorities' room for foreign exchange intervention and could therefore invite market speculation.

17. **Substantive deletions, even if they meet the criteria under the policy, can create reputational risk for the Fund.** For example, frequent deletions of quantitative estimates of exchange rate misalignments can affect the public perception of the rigor and quality of Fund's exchange rate surveillance. The removal of adverse scenarios has raised questions about the realism of the Fund's risk assessments. And the deletion of performance criteria on net international reserves has led to questions about the "strength" of some programs. While the Transparency Decision stipulates that, if the deletions are such that publication would undermine "the overall assessment and credibility of the Fund, the Managing Director may recommend to the Board that the document should not be published," this is a rather drastic option that has never been used.

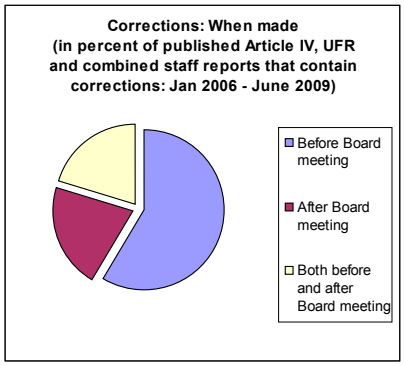
**Corrections**

18. **The rules for corrections are intended to ensure that staff reports are factually correct—whether the report is published or not—without opening the door to negotiation of language**. Fund staff reports are not negotiated documents and they are not shared with the authorities before they are issued to the Executive Board. Accordingly, as clarified in the 2005 review, corrections should be limited to: (i) data and typographical errors; (ii) factual mistakes; and (iii) mischaracterization of the authorities' views (see Box 2). Corrections should not be used to facilitate publication, improve the presentation, or extend the staff's or the authorities' arguments; instead, the country authorities have a "right of reply." Corrections should also be parsimonious and, for requests submitted after the Board meeting, an explanation of the corrections with significant implications for a report is required.

19. **In one-fifth of the cases, however, corrections do not unambiguously conform to the policy.** A review of a 50-country sample of Article IV staff reports found that in about 20 percent of cases, corrections did not clearly fit into the three categories permitted by the policy. In some cases the corrections constituted a clarification and seemed to improve the

staff report by reducing the chance of misunderstandings. In others, by contrast, the corrections reflected a softening of the staff assessment or the removal of material that could be considered politically sensitive or potentially embarrassing for the authorities.

20. **Furthermore, many of the corrections are made after the Board meeting:** some 40 percent of reports with corrections have some or all of their corrections submitted after the Board meeting (text figure). Although subject to the same criteria, late corrections are more problematic—in particular when substantive—than corrections made before the Board meeting, as the Board discussion will have been based on the uncorrected staff report.




**Evenhandedness and costs**

Staff Reports with Modifications 1/

| | Advanced | Emerging | Low-income | Total |
|---|---|---|---|---|
| Correction | 93 | 71 | 44 | 56 |
| Deletion | 13 | 19 | 5 | 9 |

1/ In percent of published reports: Jan 2006 - June 2009.

21. **The use of modifications displays notable differences across member groupings, raising concerns about evenhandedness.** In the period under review, advanced economies made the most use of corrections, with over 90 percent of these members having corrections. Emerging market members made the greatest use of deletions (text table). The causes of these patterns are unclear, and various factors might be at play, including, inter alia, different administrative capacity and a higher degree of market sensitivity in emerging markets than for most low-income countries (LICs), and, for corrections, the close program engagement of many LICs. But the patterns could also reflect different degrees of ability or inclination to influence staff and management. Indeed, advanced and emerging market countries—in particular "influential" countries, as proxied by quota shares and/or having a dedicated Executive Director at the Board—accounted for a disproportionately large share of corrections that were in the "gray zone." A similar bias can be seen for deletions, but the number of gray zone deletions is too small to draw any firm conclusions (Background Paper, Section II).

22. **The process of implementing the Transparency Policy remains cumbersome and relatively costly.** Even after the clarifications provided in the 2005 Review, the survey of mission chiefs and informal discussions with Executive Directors indicate that both staff and the authorities often find the modifications process difficult and time-consuming. Discussion of modifications can also be a source of tension. Indeed, in some cases, discussion on modifications can weigh on the relation with the authorities for weeks. While it is hard to estimate the resource costs with precision, staff estimates that the operation of the Transparency Policy annually amounts to at least 4–6 staff years, involving in some cases significant amounts of senior management time, and that the cost has risen over the last year. This excludes the time it takes authorities and Executive Directors to formulate the requests and assess whether the report should be published or not.

**Candor**

23. **On the positive side, thanks in part to the deletions policy, the candor of staff reports that go to the Board does not seem to have suffered significantly from increased publication.** Despite the possibility of deleting sensitive material, there is a concern—expressed, for instance, by several Executive Directors in the 2005 review and again in the informal discussions with staff for this review—that publication expectations can lead to less frank discussions between authorities and staff and less candid staff reports, undermining the Fund's role as confidential and trusted advisor. Arguably, though, the prospect of public scrutiny may also serve to bolster the independence of staff, with an eye on its professional reputation, and raise the incentives for country authorities to engage with staff at a high level. In any event, a comparison of staff reports undertaken for this review did not find evidence of a loss in candor in staff reports. Comparing various sets of documents with and without the prospect of publication, staff found no evidence of a loss of candor (see Background Paper, Section II). However, in a survey of mission chiefs, roughly one out of eight reported feeling that the expectation of publication constrained the drafting of a candid staff report.

## B. Non-Country Documents

24. **Reflecting the presumed publication regime, the vast majority of Fund *policy papers* discussed by the Board is now published as a matter of routine**. Out of all policy papers formally discussed by the Executive Board in 2008, 93 percent were published. In line with the flexibility allowed under the policy, publication of papers with proposed policy reforms is often delayed until the whole package of reforms has been agreed.

25. **The publication practice for other documents is more uneven:**

- *Papers issued to the Board for information* are covered by the Transparency Decision and their publication is allowed but not presumed. Publication practices vary. For example, *staff operational guidance notes* are often published, but not in a systematic way: since the 2005 review, about half of issued guidance notes have been published, and no clear criteria for publication have been followed. In the case of *assessment letters*, these may be published by the recipient organization if the authorities agree; if the authorities do not agree to publication, staff should notify the recipient institution.
- *Papers issued to the Board for discussion in formal or informal seminars* are not explicitly covered by the Transparency Decision, but all formal seminar papers and about 40 percent of papers issued for informal seminars were published in 2008. As with other Board documents, their publication requires Board approval.

- *Non-Board documents* are not covered by the Decision, but may be published following the Managing Director's approval, with a few exceptions relating mainly to confidential information and the Fund's views about a member (see Box 2 and Appendix I). A number of non-Board documents are created specifically as outreach

and discussion documents: working papers, staff position notes, and Regional Economic Outlooks (REOs).[7]

### C. Archives

26. **The public's access to the Fund's archives has increased significantly**. As more documents have become available under the Archives Policy, and available more quickly, there has been a steady increase in the number of external researchers requesting information from the archives: for example, the number of external researchers physically visiting the archives in Washington, D.C. rose from 32 in 2005 to 64 in 2008 (spending a total of 119 and 233 days on-site, respectively), while the number of requests the archive staff could fulfill by e-mail or phone was steady at 135.

27. **However, there are concerns about how and how quickly archived material can be accessed.** Many observers, including the IEO in its review of Fund governance, as well as key civil society organizations during outreach for this review, see scope to shorten the archives periods and to make access to the archives more user-friendly (today, physical presence is required to search the archives). Furthermore, documents classified as strictly confidential only become available via the archives if declassified by the authoring department or relevant authority. The process of declassification is time-consuming, and many documents remain classified far past their date of sensitivity.[8] Classification also impacts staff's internal access to classified documents.

28. **Outreach undertaken for this review found some concern that important information never becomes available to the public.**[9] One example is side letters, which contain confidential policy understandings complementary to or elaborating upon those in the authorities' LOI. While side letters are currently subject to the declassification policy for "Strictly Confidential" documents under the Archives Policy, in practice none has ever been declassified.[10] There was also a perception that there is a lack of clarity on the criteria used for classification of documents, which was considered to undermine the credibility of the Fund's approach to transparency.

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[7] TA reports are subject to their own publication regime and are increasingly being published.

[8] The IEO report on governance also discussed this issue and recommended that the current criteria to classify documents as "Strictly Confidential" and "Secret" be reviewed and made public, along with criteria for declassification.

[9] *Use of Fund Resources—Side Letters*, Decision No. 12067-(99/90108), September 22, 1999.

[10] Since the last review of the side letters policy in 2002, there have been 20 side letters for 15 countries.

## III. A Strategy for Reform

29. **While there has been considerable progress on transparency over the last decade, there is still scope for improvements in several areas.** This section proposes an overarching principle for the Fund's approach to transparency and a set of specific reform options.

### A. A Commitment to Transparency

30. **To date, the Fund's approach to transparency has been largely pragmatic and reactive, rather than based on an overarching framework**. While this pragmatism has led to significant progress in the volume of documents available, it has also led to differences in the treatment of relatively similar documents and patches of unclear or inconsistent policies.

31. **The adoption of a statement outlining the Fund's approach to transparency encompassing all information and documents could help guide the various policies.** This would serve to reaffirm the Fund's commitment to transparency on a broad scale, and would be used to guide practice in areas not covered by any explicit policy or where existing policies are unclear. It is proposed that the Fund's approach to transparency could be presented in the form of an overarching principle:

*The Fund will strive to disclose documents and information on a timely basis unless strong and specific reasons argue against such disclosure.*

32. **This principle would not in itself lead to any change in policy, but would change the focus of discussions on transparency from "why" information should be disclosed to "why not."** Although there may be practical, legal, and political reasons for non-disclosure—e.g., for not publishing specific country staff reports—the above principle implies that serious efforts will be made to broaden the scope and improve the timeliness of information that is disclosed. Transparency should thus not be considered an afterthought to Board discussions, but rather as an integral component of the Fund's activities. The proposed guiding principle would also be in line with a global trend toward more open government and resemble "freedom of information" legislation introduced in many member countries, the basic tenet of which is that—with only clearly defined exceptions—the public has a right to timely information (Appendix V).

### B. Specific Reform Options

33. **Against this background, staff is proposing reforms along three dimensions:** (i) to increase the amount and timeliness of information; (ii) to protect the integrity of reports; and (iii) to enhance the accountability of the Fund. These reforms focus on strengthening and also, in some cases, harmonizing the publication regime for Board documents, strengthening the rules on deletions and corrections, increasing accessibility to the archives, and improving

classification policies. Proposals that require amending the Transparency Decision are marked with (TP)[11] and those that require amending the decisions on the Archives Policy (AP).[12]

*Reforms to increase the amount and timeliness of information*

34. **One obvious question is whether the Fund should consider moving from "voluntary but presumed" to mandatory publication for country staff reports.** Despite the high publication rate, the fact that some staff reports are not published constitutes a reputational risk for the Fund. This is particularly the case for UFR reports where non-publication can allow impressions of "secret dealings" to take hold, as staff outreach found. Mandatory publication would also help sharpen the understanding that the staff report is the "staff's report," as its name suggests.

35. **But mandatory publication would be a major departure from the current framework.** Moving to mandatory publication could be considered inconsistent with the Fund's cooperative nature. Moreover, there is significant legal constraint in that mandatory publication would require amending the Articles of Agreement in order to publish documents such as summings up or PINs that contain the views of the Executive Board on the member concerned. [13] And mandatory publication would remove the possibility of not publishing even if it is judged that deletion of sensitive information would undermine the Fund's assessment and credibility, leaving an unhappy choice between risking triggering a crisis and presenting corrupted information to the public. In any event, much progress has been achieved under the presumed but voluntary regime: as noted above, nearly all UFR staff reports and an overwhelming majority of Article IV reports are published.

36. **Instead, staff proposes some important but less radical steps toward greater automaticity of publication, yet retaining its voluntary nature.** Arguably, at this stage, efforts to increase further the already high publication rate are unlikely to yield large benefits. Rather, efforts should focus on reducing publication lags, simplifying the cumbersome

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[11] Decision No. 13564-(05/85), adopted October 5, 2005, as amended.

[12] See *Opening of Fund Archives,* Decision No. 11192-(96/2), adopted January 17, 1996, as amended and *Policy on Access to Fund's Archives-Review,* Decision No. 12981-(03/34), adopted April 9, 2003.

[13] For mandatory publication of country staff reports to be consistent with Article XII of the Articles of Agreement, the current format of country staff reports would need to be modified to remove references to the Fund's (i.e., Executive Board's) views on a member and removal of information provided by the authorities under the understanding that it is confidential. The mandatory publication of summings up and PINs would require amending Article XII, Section 8 of the Articles of Agreement, which has been interpreted to require that the Fund not publish its views (i.e., the Executive Board's views) with regard to the member without the member's consent. See Appendix I.

procedures for obtaining consent, and protecting the integrity of staff reports (discussed later). Thus, staff proposes the following revisions to the policy: [14]

- *Replace the need for explicit consent for publication with a system whereby the member's consent would be obtained on a non-objection basis* (TP)—that is, the Fund would proceed to publish unless the member (directly or via its Executive Director) has objected to the publication (to the Secretary's Department) prior to the conclusion of the Board meeting.[†15] The publication of staff reports on Article IV and UFR, and related policy intention documents would continue to remain voluntary, but the method of obtaining the member's consent for these publications would change.[16] Such a shift in the default setting would align the policy with the practice of the large majority of members who publish and who would therefore benefit from the streamlined procedures. The change in default would also help reduce publication lags. To support this change, the Secretary's cover memorandum would state that the paper will be published unless the member objects prior to the conclusion of the Board meeting. In addition, area departments would remind the relevant Executive Director at the time the paper is issued to the Board. To help members adapt to the new procedures, a transitional period could be used to ensure that all members are aware of the changed procedures, akin to the procedures that were employed in the context of the dissemination of TA. Procedures are discussed in more detail in Box 3.

- *Establish the expectation that members who do not wish to publish country staff reports provide an explanation to the Board* (TP).[*] This could be provided either in the Executive Director's BUFF or orally at the Board meeting.

- *Replace the current deadline for modification requests with a presumption that such requests should be submitted two days before the Board meeting* (TP). If the modification requests are not unambiguously acceptable under the Transparency Policy, the authorities would be encouraged to submit the request earlier to allow staff to send the modification to the Board before the Board meeting.[17] This should help

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[14] Consideration was also given to loosening the criteria for deletions and corrections, as a way to make the implementation of the policy less cumbersome, but this was considered counterproductive—see paragraph 39.

[†] This staff proposal was endorsed by the Executive Board, subject to procedural clarifications. See *Review of the Fund's Transparency Policy—Supplementary Information and Proposed Decisions*

[15] The procedures would closely follow those in place for the dissemination of TA reports to Executive Directors (see *Dissemination of Technical Assistance Information*, April 2008).

[16] In the view of the Global Transparency Initiative, the current requirement of an explicit written permission from the country authorities before a document can be published is actually a "presumption of non-disclosure." See its report *Transparency at the IMF—A guide for civil society on getting access to information from the IMF*, October 2007.

[*] This staff proposal was not endorsed by the Executive Board. See *Review of the Fund's Transparency Policy—Supplementary Information and Proposed Decisions*.

(continued)

ensure that Board discussions are based on correct versions of staff reports and speed up publication after the conclusion of the consultation.

**Box 3. New Procedures: Transitional Arrangements and Reminders**

If adopted, transitional arrangements and a system of reminders would need to accompany the new procedures for consent and the timing presumption for submission of modification requests.

***General Notice of Changes In Procedures.*** During such a transitional period of three months from the date of approval of the amendments to the Transparency Decision, the explicit consent requirement would continue to apply. Directors and members would be informed about the new non-objection rule and modifications deadline, through, inter alia, a communication from the Secretary's Department (SEC) regarding the amended Decision, a request from SEC that Directors through their established channels inform members of the new procedures, inclusion of the change in the PIN for this Board paper, and posting of the changes in a prominent place on the external website.[1]

***Notice of Implementation of New Procedures in Individual Cases.*** After the transitional period, members would continue to be reminded about the change through SEC's cover memorandum on country papers that would state that the paper will be published unless the member objects prior to the conclusion of the Board meeting, and that any modification requests should be issued to the Board two days before the meeting. In addition, at the time of issuance to the Board of a country paper, area departments would remind the relevant Executive Director of the new procedures.

[1] The procedures would closely follow those that were employed in the context of the reforms on dissemination of TA information (see *Dissemination of Technical Assistance Information*, April 2008).

37. **Another set of reforms would unify and strengthen the publication regime for various types of documents.** The following changes would help harmonize the treatment of similar documents and streamline the Transparency Policy and associated procedures:

- *Extend the stronger publication regime currently applying to exceptional access cases and the FCL to all UFR and PSI staff reports, and to related policy intention documents* (TP).[18*] Currently, while for most UFR documents publication is "voluntary but presumed" (i.e., the consent of the member concerned is required), the policy is stricter for staff reports for exceptional access and FCL cases: in these cases, "the Managing Director will generally not recommend approval […] unless the

[17] In exceptional circumstances when the normal circulation period is not followed, the presumption would be that the modifications would be submitted as soon as possible.

[18] The provision would remain that the MD "will not recommend" approval of arrangements or reviews under the new LIC facilities, approval of a HIPC decision point or completion point decision, or approval of a PSI request or review, unless the authorities consent to the publication of the PRSP/I-PRSP, PRSP preparation status reports or PRSP annual report.

[*] A modified proposal was endorsed by the Executive Board. See *Review of the Fund's Transparency Policy—Supplementary Information and Proposed Decisions*.

member consents to publication of the associated staff report." Staff sees no good rationale for such a different treatment among UFR cases, and extending the regime as proposed should permit an increase in publication from the current rate of about 95 percent to nearly 100 percent. The benefits from transparency in UFR cases—e.g., signaling, public scrutiny of program design and conditionality—apply to all programs, not just those involving exceptional access or FCL.[19] Extending the regime to policy intention documents reflects the fact that these documents are an integral part of the program documentation. [20]

- *Align the publication regime for FSSAs, ROSCs, and AFSSRs with that for Article IV reports, including—if supported by the Board—the new procedures for obtaining consent described above* (TP). Despite being submitted to the Board together with the Article IV reports, the publication regime for FSSAs, ROSCs and AFSSR is currently different from that for Article IV staff reports: the publication of Article IV staff reports is currently "voluntary but presumed" (i.e., the consent of the member concerned is required albeit the publication of the report is presumed) while publication of FSSAs, ROSCs, and AFSSRs is simply "voluntary" (i.e., their publication is not presumed). The alignment of the publication regime for these reports would be in concord with—and make more visible to the public—efforts to enhance financial sector surveillance and improve the integration of the FSAP with Article IV consultations.[21] While FSSAs, ROSCs, and AFSSRs do often contain highly market-sensitive information, the deletions policy would allow removal of such information prior to publication.

- *Align the publication regime for staff reports on SMPs with that for Article IV reports.* The publication of staff reports on SMPs is only "voluntary." SMPs are used to help members establish a policy implementation track record for a Fund financial arrangement or Fund emergency post-conflict assistance, or to re-establish a track-record when an arrangement has gone off track. There are no "strong and specific reason" against strengthening the publication regime for SMPs.

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[19] As the Fund is revamping its lending facilities and conditionality, publication of staff reports has been important to help convince outsiders that the Fund is responding to criticism and adapting to changing circumstances.

[20] Staff does not propose to change the publication regime for country documents that are circulated to the Board for information only and which remains voluntary. One notable category of this are staff statements on exceptional- or high-access UFR, for which publication is not presumed as they are part of the Board's deliberative process. However, these are accessible after 5 years under the Archives decision, if not classified "Strictly Confidential."

[21] See *Financial Sector and Bilateral Surveillance—Toward Further Integration*, August 2009 and *Financial Sector Assessment Program after Ten Years*, August 2009.

- *Extend presumed publication to all policy documents prepared for the Board* (TP).[22] This would include documents prepared for consideration in formal and informal seminars, on a lapse-of-time basis, or for information For Board seminar papers, which are not currently covered by the Transparency Decision, it is proposed to pre-authorize the publication of these papers under the Decision. A presumption of publication by a certain date would be established, unless a Director objects. Following such an objection, the Board would need to make a decision on publication. Furthermore, in line with the proposed guiding principle, and to ensure greater consistency of practice, if a policy document is proposed not to be published, staff would be required to explain why that is the case (on the cover of the report). Papers dealing with internal or administrative matters of the Fund would generally continue to be excluded from this presumption, with the possible exception discussed in the next bullet point. Although immediate publication would be encouraged, in line with current policies, some documents may be published with a delay, if for example, the document is considered highly market sensitive (e.g., documents on financial arrangements), or a conclusion on the issues would be hard to reach if the publication of the document were not delayed.

- *Introduce presumed publication for papers related to the Fund's income, financing, and budget given the importance of financial transparency* (TP). This is in line with the general trend toward greater financial disclosure and responds to a longstanding request from a number of external observers.

*Reforms to protect the integrity of Fund documents*

38. **For the Fund to be seen as an authoritative and legitimate leader on economic policy issues, its analysis and advice must be seen as convincing, candid, and independent.** This is well recognized. The International Monetary Financial Committee (IMFC) has called on the Fund to improve the surveillance process through, inter alia, greater focus on the effectiveness of the policy dialogue and clear communications, with an emphasis on candor, evenhandedness, and independence. The September 2009 Communiqué of the G-20 finance ministers and central bank governors in London also stressed the importance of "candid, even-handed, and independent IMF surveillance."

39. **Accordingly, substantive modifications to staff reports can be problematic.** As discussed earlier, substantive modifications can undermine the integrity of the staff report and the perception of independence. This is true even if the modifications satisfy the required criteria, and even more so if they are not clearly within the limits of the policy.

[22] This would be independent of whether the document were circulated to the Board electronically, web posted for the attention of the Board, or distributed in paper form.

40. **Staff considers the criteria for deletions and corrections to be about right, and proposes only a slight expansion of the criteria for corrections.** While application of the existing criteria is demanding, relaxation could lead to an increase in requests for modifications: about 80 percent of mission chiefs surveyed said that a loosening of the criteria would hinder their work to "some or great extent" by making it more difficult to resist "unreasonable requests for changes to reports" (see Chapter II of the Informational supplement). In principle, the criteria for deletions appropriately delimit the kind of information that could cause harm to the member if released. Those for corrections, in turn, broadly identify the kind of revisions that can and should be made to staff reports without negotiating their language—with one exception, for which staff proposes to:

- *Clarify that corrections to remove evident ambiguity are acceptable, provided that the changes are parsimonious and the meaning of the text is not altered* (TP). This adjustment of the policy would align it with the current practice of accepting small reformulations of text that merely help external audiences to understand the meaning of the text. It should also help staff draw a brighter line around unacceptable requests for corrections, by allowing them to accept requests that seem perfectly reasonable yet are currently not permitted by the policy.

41. **Given that the deletions policy is needed to protect members from harm, staff plans to change the current practice regarding disclaimers to limit the reputational risk from deletions to the Fund—**specifically:

- *Apply a disclaimer only to reports published with deletions as opposed to the current policy of applying a generic disclaimer to all published reports.*[*] This would serve to reduce the Fund's reputational risks and avoid suspicion and misunderstanding of the content of the large majority of reports that is published without deletions.

42. **However, the key challenge as regards modifications is to ensure consistent implementation of the policy.** More consistent adherence to the criteria for deletions and corrections is clearly needed, and will foster evenhandedness, by making it more difficult for countries to be accorded advantageous treatment outside the policy. Moreover, given the tendency for each exception to set a new (lower) standard, deliberate effort to avoid a "slippery slope" in the implementation of the policy is called for. More consistent adherence to the policy is not only a matter for staff and management. For the policy to work, members must also cooperate and show restraint in requesting modifications.

43. **Two measures could help ensure consistent implementation of the policy:**

- *Include additional indicators on deletions and corrections in the Key Trends tables*

[*]This staff proposal was not endorsed by the Executive Board. See *Review of the Fund's Transparency Policy—Supplementary Information and Proposed Decisions*.

*that are circulated to the Board.* This would include information on evenhandedness, and would function as a discipline on staff.

- *Ensure that staff reminds the authorities early on about the rules applying to modifications.* Shortening the process to publication would in any case require early engagement with the authorities on possible deletions and corrections.

44. **While most of the effort to improve implementation can be achieved without any formal change in the policy, staff considers that one aspect of the deletions policy is worth clarifying**:

- *Introduce a requirement that the Managing Director shall not recommend the publication of a report that contains deletions that undermine the overall assessment and credibility of the Fund* (TP). This would strengthen the current provision that the Managing Director "*may* recommend to the Board that the document not be published" (emphasis added) if he or she is of the view that the deletions would result in a document that, if published, would undermine the overall assessment and credibility of the Fund. While this change would be largely symbolic (the existing provision has not yet been used), it could help signal the seriousness of the issue both to the authorities and staff.

45. **With respect to modifications, staff proposes a revision in the policy to allow, within strict limits, "third party" deletions.** The increased focus on spillovers in staff reports has raised the question of whether requests for deletions from members other than those that are subject of the report should be allowed, beyond the need to ensure that confidential information submitted by any member country is not published. It is possible that a staff report on one member could include material that another member (third party) considers market sensitive or a premature disclosure of its policy intentions. To allow for such deletions, yet avoid the multiplication of requests and recognize that members have a legitimate interest in the integrity of their own staff reports, staff proposes to:

- *Amend the policy to allow "third party" deletion requests by other members as long as the member concerned supports the request* (TP).

*Reforms to enhance the accountability of the Fund*

46. **Transparency is essential for accountability, and experience and outreach suggest room for improvement.** While the Fund is formally accountable only to its members, openness and engagement with the world at large is important for the Fund to be seen as a legitimate and trusted institution.

47. **The following reforms are proposed:**

- *Reduce the time period for access to Board papers to three years and Executive Board minutes to five years* (AP) (see Appendix II for a list of documents). In the outreach undertaken for this review, many suggested that the release periods (5, 10, and 20 years) under the Archives Policy are too long. There is no particular period that is "right." The Independent Evaluation Office (IEO) recommended shortening the standard period for Board papers (currently five years) to two years. Staff can see merit in this, but proposes to move the documents currently under the five-year access rule to a three-year access rule, to align the period with the normal time limit on most Fund arrangements. Similarly, the period for access to Board minutes and other documents that are currently on the 10-year schedule could be reduced by one time band, from 10 to five years. The schedule applying to Minutes of the Executive Board Committees, (currently 20 years) would be aligned with that of Executive Board minutes, as there is no compelling reason for different treatment.

- *Clarify the implementation of the Archives Policy.* Some Executive Board series that relate to informal Board documentation (e.g., Front Office Distribution, FO/DIS, and Departmental Memoranda, DM[23]) have not been disclosed to the public on a regular basis. Staff will develop procedures to ensure that these documents are disclosed in line with the appropriate time schedules, as long as they do not fall under the exclusions mentioned in the Archives Policy.

- *Publish the classification criteria.* Publication of the classification criteria should increase the public's understanding of the Fund's policies on sensitive information. These classification criteria are mainly intended to determine who can access documents within the Fund, but—to the extent documents are classified strictly confidential—they also have an impact on document availability under the Archives Policy. Accordingly, in line with recommendations of the IEO and feedback received during outreach, management plans to make public the classification criteria described in General Administrative Order No. 35 on Information Security. Taking into consideration best practices in this area, staff will ensure that these criteria are updated and revised when necessary.

- *Establish improved procedures for declassification* (AP*).* Strictly confidential material has to be declassified to become publicly available under the Archives Policy (unlike materials classified "For Official Use Only" or "Confidential," which are automatically declassified to public status as they reach their time rule).[24] The process

[23] The last Departmental Memoranda was issued in 1992. The content of these memoranda are similar to Staff Memoranda.

[24] Under the policy, access is not available to four categories of documents: (i) documents and records maintained by LEG that are protected by attorney-client privilege; (ii) documentary materials furnished by members and third parties that are marked confidential, unless the provider of the documents consents;

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of requesting declassification of strictly confidential material is cumbersome and costly. But without a request, material may remain classified longer than necessary. For example, for this reason, most staff reports covering the Asia crisis are still not available through the archives, nor is the 1995 report evaluating Fund surveillance in Mexico in the run up to the 1993/1994 crisis. Going forward, staff proposes a new rule for the declassification of documents covered by the Transparency Decision that are marked "Strictly Confidential." Under the proposed rule, "Strictly Confidential" documents would be declassified automatically when the time period specified under the Archives Policy elapses. However, since some documents continue to remain sensitive even after the time periods specified in the Archives Policy, in making the initial classification, heads of authoring departments would be authorized to specify that the documents would not be subject to automatic declassification. For these documents the current classification policy would continue to apply. With respect to other documents than those covered by the Transparency Decision (e.g., internal staff briefs and memos, external correspondence with staff, and side letters), staff will—within the current legal framework—work on establishing simplified procedures for declassification.

- *Allow for web posting of digital or digitized material when it becomes publicly available under the Archives Policy* (AP). The need to travel to Washington to gain full access to the archives is an anachronistic legacy of the "pre-internet" era and raises issues about evenhandedness across the membership.[25] Under the current Archives Policy decision, documents that meet the specified time rules are available to the "outside person, on request." A "request" for this purpose has so far meant a written (including email) or oral request (physical presence or phone call). The Archives Policy decision would be amended to make clear that a click on the section in the external website designated for access to archival material would also serve as a "request" for the purposes of the Archives Policy. As budgetary resources permit, Technology and General Services Department (TGS) is working on increasing the amount of information and documents that are available in digital format.[26]

- *Develop a "Guide to IMF Information" for the public on the external website.* This guide would provide an inventory of the various types of Fund documents and indicate whether and where they are available. This would supplement External Relations

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(iii) personnel, medical and other records pertaining to individuals, and (iv) documents pertaining to the Grievance Committee.

[25] *Aspects of IMF Corporate Governance—Including the Role of the Executive Board*, May 2008.

[26] In cooperation with other departments, TGS is seeking to draw on best practices on how to establish a cost-effective digitization of frequently consulted material, including by the use of new search and text recognition technologies.

Department's (EXR) continuous efforts to improve the accessibility of Fund documents on the external website.

- *Seek to build on best practice for more effective public consultations on key policy issues.* Early consultation with the public on key Fund policy reforms can lead to better reforms and can help strengthen public support for these reforms. Fund staff remains committed to enhance its dialogue on major policy initiatives, to the extent feasible given current resources constraints. Some best practices for such consultations are discussed in Appendix VII.

*Other streamlining proposals*

48. **In addition to the above reforms, staff suggests the following changes to streamline procedures:**

- *Abolish the requirement to mention waivers of performance criteria that the Board has approved in the Chairman's Statement with respect to use of Fund resources or the PSI, when the relevant staff reports are published.*[*] The reason for this requirement was to make sure the public and markets got an accurate picture of program performance. But it also means that press releases (which include the Chairman's Statement) can be seen to pay undue attention to waivers, in particular when the waivers are for minor deviations. In a world where most UFR staff reports are published (and more so with the higher publication presumption for UFR reports proposed in this paper), the public and the markets would get the information on waivers from the staff report.

- *Add Ex Post Evaluation documents to the list of "Country Documents" covered by the Transparency Decision* (TP). This change to the Transparency Decision would eliminate the need for individual Board decisions for every published Ex Post Evaluation document. If the Ex Post Evaluation documents cover cross-country analysis involving several member countries, the consent of all of these members would be required. The method of obtaining consent and rules for making modifications would be the same as for other country documents, as proposed in this paper.

[*]This staff proposal was not endorsed by the Executive Board. See *Review of the Fund's Transparency Policy—Supplementary Information and Proposed Decisions*.

## IV. Issues for Discussion

In discussing the staff paper, Executive Directors may want to indicate their views on:

- The experience with implementation of the Transparency Policy.
- The proposed overarching principle for the Fund approach to transparency.
- The specific proposals outlined in the italicized text in Section III.B.

## APPENDIX I. LEGAL FRAMEWORK FOR THE FUND'S PUBLICATION POLICY[27]

*As further explained below, the publication of "Fund documents" is subject to the approval of the Executive Board, in case of "Board documents" (e.g., policy and country papers) or Fund management, in case of "non-Board documents" (e.g., technical assistance (TA) reports). In addition, if the Fund document contains confidential information provided by a member, based on general principles of law, such information may not be disclosed by the Fund unless the member consents to such disclosure. In this context, the member's consent to publication may be explicit or implicit. The Transparency Decision governs the publication of specified "Board documents," and through that decision, the Executive Board has already provided a blanket authorization for the publication of a majority of Board documents under the terms and conditions set forth in the decision. Thus, for the publication of Board documents not covered by the Transparency Decision, an "ad hoc authorization" by the Executive Board is required.*

**Publication of Fund documents.** All documents prepared by the Fund staff in the exercise of official duties are the intellectual property of the Fund. Therefore, the publication of such documents requires the Fund's (i.e., Executive Board's) approval. In principle, under Rule N-5, the Board has authorized the Managing Director to approve the publication of papers prepared by the staff. However, this authority has not been interpreted to cover staff reports to the Executive Board because these reports are prepared for the Executive Board's use and therefore constitute an integral part of the Executive Board's work ("Board documents"). While the dissemination of non-Board documents is generally governed by special rules (e.g., Guidelines on Dissemination of TA Information), the publication of a majority of Board documents" is governed by the Transparency Decision.[28] Board documents can be essentially classified into country papers and policy papers. The following is a brief description of the current rules for publication applicable to Board documents:

(1) *Country papers circulated to the Executive Board for consideration and/or for information only.* Under paragraph 3 of the Transparency Decision, publication of these documents is voluntary but presumed, except for documents relating to FSAPs and SMPs whose publication is voluntary.

(2) *Policy papers circulated to the Executive Board for consideration.* Under paragraph 15 of the Transparency Decision, publication of these documents is presumed,

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[27] Prepared by Legal Department. In addition to its publication policy, the Fund has other policies to share information, such as the Archives Policy (See Decision No. 11192-(96/2), adopted January 17,1996, as amended) and the Transmittal Policy ((Decision No. A-9786-(93/20), adopted February 11, 1993, as amended).

[28] See Decision No. 13564-(05/85), adopted October 5, 2005, as amended.

except for documents relating to administrative matters of the Fund whose publication may be decided by the Executive Board on a case-by-case basis.

(3) *Policy papers circulated to the Executive Board for information only.* Publication of these documents is governed under paragraph 18 of the Transparency Decision. These documents may be published immediately after circulation to the Executive Board.

(4) *Policy papers for discussion at a Board seminar.*[29] The publication of papers discussed at formal seminars or informal seminars is not governed by the Transparency Decision. To the extent that a paper has been specifically prepared by staff for Executive Directors to be discussed at a formal or informal seminar, the decision to publish such a paper rests with the Executive Board, and Board approval is needed to publish the paper on an ad hoc basis.

**Limitations on publication of Fund documents.** The power of the Fund to publish Fund documents is limited by the following considerations:

(1) *Duty to safeguard confidential information.*[30] As a general legal principle, Fund management and staff may not disclose information even to the Executive Board that a member or other party has provided to them in confidence, unless that party consents to such disclosure. A determination that particular information has been provided in confidence is based upon an examination of all the surrounding circumstances, including the nature of the information provided; at issue is the question whether there was an understanding between staff and the other party that such information would not be disclosed without that other party's consent. This understanding can be express or implied.

At the same time, there are limits on the ability of Fund management and staff to agree not to disclose particular information to the Executive Board. The Executive Board has put in place certain policies (for example, the side letter policy) that effectively require Fund management and staff to disclose to the Executive Board certain types of information provided on a confidential basis. In circumstances where the Executive Board has established a policy requiring that certain information received from members be disclosed to the Executive Board, it is incumbent upon Fund management and staff to inform the member of this policy before the information is provided by the member. In this context, if the member provides the information, it is judged to be on notice that such information will not be held in confidence by management and staff vis-à-vis the Executive Board. [31]

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[29] It is unlikely that a country paper would be discussed by Executive Directors in seminar format.

[30] See Decision No. 11192-(96/2) adopted January 17, 1996, as amended, on the Archives Policy, and *Dissemination of Technical Assistance Information*, April 2008.

[31] It should be noted, however, that, even in circumstances where information is required to be provided to the Executive Board, confidentiality issues still remain. Specifically, the Executive Board may not publish

(continued)

(2) *Article XII, Section 8 of the Articles of Agreement.* This provision has been interpreted to require the Fund not to publish its views (meaning the Executive Board's views) with regard to a member without the member's consent, except under certain specific circumstances. Specifically, the Fund's publication of a document on a member containing Fund views pertaining to a member's "conditions and developments which directly tend to produce a serious disequilibrium" would not require the consent of the member concerned, if the Fund were able to muster a 70 percent majority of the total voting power. However, there has never been a case in which the Fund has sought to exercise the 70 percent majority provision.[32]

***"Voluntary" and "presumed" publication.*** Under the present publication policy, "voluntary" means that publication requires the member's explicit consent. "Presumed" means that there is an expectation that a document will be published. Publication will not take place if the authorities either indicate that they do not wish to have a document published or they fail to indicate their wishes with regard to publication.[33] Even after the consent for publication has been given, it has been the practice of the Fund to allow members to withdraw such consent at any time prior to publication of a document.

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information that it has received from a member on the understanding that it remain confidential vis-à-vis the public, unless the member consents. See *Dissemination of Technical Assistance Information*, April 2008.

[32] When documents prepared by the staff reflect only the views of the staff, which by definition are not Fund views, they are not subject to the restrictions on the communication of Fund views under Article XII, Section 8. They may be published by the Fund under Article XII, Section 7(b). However, a document containing only staff views would require the consent of the member if it contained information provided to the staff by the member on the condition that the information remain confidential. Even if the document does not contain any confidential information, as a matter of practice, the Fund has still requested the consent of the member to publish staff views.

[33] See *The Fund's Transparency Policy—Issues and Next Steps* September 2003, para. 7.

## APPENDIX II. CURRENT PUBLIC AVAILABILITY OF EXECUTIVE BOARD AND OTHER DOCUMENT SERIES UNDER THE ARCHIVES ACCESS POLICY[34]

**Executive Board Series under Five-Year Access Rule**

- Executive Board Meetings Agendas (EB/A)
- Calendar of Executive Board Meetings (EBC)
- Executive Board Administrative Matters (EBAM)
- BUFF Documents—Summing Up or Concluding Remarks from the Chairman
- Executive Board Committees—Agendas, Documents, Statements and/or Undocumented Papers
    - Committee on Agenda and Board Procedures
    - Committee on Executive Board Administrative Matters
    - Committee on Administrative Policies
    - Committee on the Budget
    - Committee on Liaison with the Contracting Parties to the GATT
    - Committee on Membership & Committee of the Whole on Membership
    - Committee of the Whole on Review of Quotas
    - Committee on Ad Hoc Increase in Quota (China)
    - Committee on the Rules for Regular Election of Executive Directors
    - Committee of the Whole on Annual Report
    - Committee of the Whole for Development Committee
    - Committee of the Whole on Methodology for Quota Calculation of the Republics of the Former Soviet Union
    - Committee of the Whole on Review of Staff Compensation
    - Committee of the Whole on Proposed Changes in the Staff Retirement Plan
    - Committee of the Whole on Membership
    - Committee on Liaison with the World Trade Organization
    - Evaluation Committee
    - Pension Committee (RP/CP)
- Executive Board Administrative Papers (EBAP)
- Executive Board Documents (EBD)
- Executive Board Seminars Agendas (SEM/A)
- Executive Board Specials (EBS)

[34]In addition to documents classified as "Strictly Confidential" or "Secret" (and regardless of document series) access is not available to four categories of documents: (i) documents and records maintained by LEG that are protected by attorney-client privilege; (ii) documentary materials furnished by members and third parties that are marked confidential, unless the provider of the documents consents; (iii) personnel, medical and other records pertaining to individuals, and (iv) documents pertaining to the Grievance Committee.

- Foreign Exchange and Financial Markets (FEFM)
- Secretary's Circulars (SEC/CIRC)
- Secretary's Journal of Informal Sessions Agendas (IS/A)
- Staff Memoranda (SM)
- Surveillance Documents (SUR)

**Executive Board Series under Ten-Year Access Rule**

- Decisions and Administrative Decisions
- Executive Board Minutes (EBM)
- Restricted Executive Board Minutes (EBM/R) [those declassified to Confidential]
- BUFF Documents—statements by the Managing Director or staff representatives to Executive Board
- BUFF/ED Documents—statements by Executive Directors to Executive Board
- Executive Board Seminars Minutes (SEM/Mtg)
- GRAY Documents—preliminary version of Executive Directors' statements to Executive Board
- Secretary's Journal of Informal Sessions Minutes (IS/Mtg)
- Précis of Executive Board Meetings—replaced by Weekly Précis
- Weekly Précis—replaced by Weekly Decision Report
- Weekly Decision Report

**Executive Board Series under Twenty-Year Access Rule**

- Evaluation Committee Minutes
- Executive Board Committees—Minutes:
  - Committee on Agenda and Board Procedures
  - Committee on Executive Board Administrative Matters
  - Committee on Administrative Policies
  - Committee on the Budget
  - Committee on Liaison with the Contracting Parties to the GATT
  - Committee on Membership
  - Committee of the Whole on Review of Quotas
  - Committee on Ad Hoc Increase in Quota (China)
  - Committee on the Rules for Regular Election of the Executive Directors
  - Committee of the Whole on Annual Report
  - Committee of the Whole for Development Committee
  - Committee of the Whole on Methodology for Quota Calculation of the Republics of the Former Soviet Union
  - Committee of the Whole on Review of Staff Compensation

- Committee of the Whole on Proposed Changes in the Staff Retirement Plan
- Committee of the Whole on Membership
- Committee on Liaison with the World Trade Organization
- Evaluation Group
- Pension Committee (RP/CP/Mtg)

**Documents Series in the Public Domain**

- Managing Director's Speeches (MD/SP)
- News Briefs (NB)
- Press Releases (PR)
- Press Reports (PRep)
- Policy Discussion Papers (PDP)
- Public Information Notices (PIN)
- Working Papers (WP)
- Papers on Policy Analysis and Assessment (PPAA)—replaced by Policy Discussion Papers
- Press Releases—Independent Evaluation Office (PR/IEO)

**Documents Series Not Available for Public Access**

- Restricted Executive Board Minutes (EBM/R) *[those classified as Strictly Confidential]*
- G-10—Group of Ten *[not IMF records]*
- G-24—Group of Twenty-Four *[not IMF records]*
- Interim Committee (ICMS) *[not Executive Board records]*
- Development Committee (DC) *[not Executive Board records]*
- International Monetary and Financial Committee (IMFC) *[not Executive Board records]*
- International Monetary and Financial Committee/Deputy (IMFC/DEP) *[not Executive Board records]*
- International Monetary and Financial Committee/Joint Development Committee (IMFC/DC) *[not Executive Board records]*
- Joint Ad Hoc Committee on the Arrangement of the Annual Meetings of the Boards of Governors of the Bank and Fund (JCAAM) *[Joint Bank-Fund records]*

## APPENDIX III. PERCEPTIONS OF THE FUND'S TRANSPARENCY

**The Fund compares well with other international organizations in terms of transparency and outside audiences have a generally favorable view of its openness.**[35] The *2006 Global Accountability Report* by One World Trust ranked the Fund as the third most transparent of the ten intergovernmental organizations it assessed.[36] Outreach for this review found that many stakeholders from civil society organizations (CSOs), think tanks and academics, and financial market sectors participants value the information the Fund makes available on members and its own operations and are very satisfied with how the Fund makes this information available. Most respondents (65 percent) considered the information content of IMF reports to be better than other sources of information (see figure and Background Paper and Informational Supplement for further details).

**Still, Fund observers see room for significant improvement.** Outside proposals go beyond just access to Board documents, to the issue of access to information more generally and ability to get their views heard. In particular, the Global Transparency Initiative, a network of CSOs, considers access to draft policy documents to be of key importance in order to influence the policy debate inside the Fund. In the context of staff's outreach for this review, most CSOs were of the view that the Fund's Transparency Policy should:

- include the principle that as much information as possible should be disclosed, along with a clearly defined list of exclusions;
- require all country documents to be published unless the Fund or country provides the reasons for non-publication (which should be published);
- make clearer who has (not) published various reports;
- include a clear process for requesting information, a response to all requests, and an appeals process; and
- ensure that Fund documents use clear and precise language, avoiding terms that can mean different things to different people.

[35] For outside audiences' views on the Fund's openness, see also *Review of the Fund's External Communications Strategy* and the *Triennial Review of Surveillance*.

[36] Although a similar study was carried out in 2008 by the same organization, the IMF was not part of the sample for this exercise.

**Comparison of Information Disclosure Policies in International Financial Institutions**

| Criteria for Comparison | IMF | BIS | OECD | World Bank |
|---|---|---|---|---|
| **Features and Coverage** | | | | |
| Name and main features of information disclosure policy | Transparency Policy. The publication of most Executive Board documents is "voluntary but presumed." This means that publication requires the member's explicit consent and is expected to take place within 30 calendar days following the Board meeting at which the document is discussed. | Although the BIS does not have a formal information disclosure policy, its Information Security Classification Policy provides guidance for the approval and disclosure of all the documents produced in the BIS. | Information Disclosure Policy. Disclosure is presumed. Documents are classified as either Official or Confidential. Documents are not published when disclosure would "seriously prejudice the interest of the Organization or any of its members" but this situation is used sparingly. | Policy on Disclosure of Information. The policy has a "presumption in favor of disclosure" yet at the same time it identifies a wide range of information that may be disclosed.<br>The World Bank is currently engaged in a comprehensive review of its disclosure policy and its Board is expected to consider the proposals in November 2009. The proposed disclosure policy seeks to disclose any information that is not on a list of exceptions. |
| Are documents published before being discussed by Board? | PRSP-related documents and ROSCs can be published upon Board circulation. | BIS publications are not typically discussed by its Board. Approval and disclosure of working papers, BIS papers (collections of conference proceedings), the BIS Quarterly Review, and the Annual Report are done by the respective editorial committees/editors. For the reports of the BIS based committees approval from the committee is required. | No, working documents under discussion are usually not made public before a consensus has been reached, unless the OECD invites public comment. | Before bringing forward policy proposals or operations, consultations are often held between the World Bank and the affected parties, civil society groups, and other stakeholders, but stakeholders see the final versions of papers only after Executive Directors have discussed them and reached their decision. In 2005 a pilot project allowed disclosure of certain operational policy reviews at the same as they are distributed to the Board. |
| **Modifications** | | | | |
| Are corrections or deletions allowed to official documents before publication? | Yes, modifications are subject to internal guidelines and made at the request of the country authorities. | Yes, corrections and deletions can be made at the request of the author/editor before publication. | Yes, modifications to documents can be requested by national delegates throughout the discussion phases. | Before finalizing operational documents that are routinely discussed with the countries, the Bank asks the country to identify any confidential or sensitive information in the report, and the Bank addresses these concerns as it deems appropriate. In exceptional cases, the Bank may restrict the release of documents that have extensive issues of confidentiality, sensitivity, or adverse relations with the Bank. |
| At what stage of the publications cycle are such modifications allowed? | Corrections are expected to be made before the Board meeting. Limited modifications can be made after the document is distributed to the Board. Deletions from a document after Board consideration and before publication may be requested by the member country. | Modifications are typically allowed until the sign-off stage for all publications, although late changes are kept to a minimum. For publications such as the Annual Report and the Quarterly Review, late changes are usually only made if warranted by significant changes in data or to correct errors and require the approval of the Economic Adviser or editor of the publication concerned. | Modifications are made until the documents are declassified and made public. The final document, once declassified, is made public without any further changes. Documents that are subsequently formally published often undergo changes, at least of an editorial nature. | Modifications normally occur before documents are finalized and distributed to the Board. Modifications are based on information that the country or borrower concerned identifies as confidential, sensitive, or adversely affecting relations with the Bank if disclosed. |
| **Archives Policy** | | | | |
| What are the rules for Archives access for the main classes of documents, including institutional records? | Executive Board documents are available to the public after 5 years, minutes are available after 10 years, and other institutional archives are available after 20 years, except for classified items. | Most records relating to the business and operational activities of the BIS which are over 30 years old are available for consultation, with the exception of a limited number of records. | After 10 years, public access is allowed to historical documents with a few exceptions. | Although the policy provides for the disclosure of certain information after 5 years and others after 20 years, in all cases the request for disclosure must be reviewed and approved by the director and the chief counsel to ensure that the records do not contain information that falls under the constraints of the policy. If the information is less than 20 years old and relates to a country, the director must also obtain the consent of the country. "Special access" and "accelerated release" provisions permit the disclosure of historical information, after similar clearances. |
| What are the procedures for making archive records available to the public? | External users can access IMF Archives onsite by arranging for their visit at least 10 working days in advance. Archive requests are also met via phone and email. | External users can generally access BIS archives onsite. The BIS requires requests to be made in writing or e-mail, and replies to external research inquiries within 30 days of receiving them. BIS can also send a limited number of hard copies to researchers, and scanned documents as e-mail attachments. | Some documents that are unclassified since 1990 are available electronically at OECD's website. Archivists at the Paris headquarters help the public locate historical archives and prepare these for their consultation at the OECD headquarters. | Requests for access to historical information are granted once issues of confidentiality, sensitivity, and Bank-country relations have been addressed. Information cleared for disclosure may be made available online, electronically, or accessed in the Archives Reading Room. |
| **Minutes** | | | | |
| Are Minutes of Board Meetings published, and if so, when? | Board minutes are available to the public after 10 years. Public Information Notices, which contain the Board's assessment of the meeting, are generally promptly published. | Board minutes are made available to researchers after 30 years. With the agreement of the respective committee, minutes of the committee meetings (e.g. Basel Committee on Banking Supervision) can also be made available to researchers after 30 years. | OECD does not release minutes of its Ministerial Council meetings, which may issue a communiqué. | Minutes, defined as information on when the Board met, the topic it considered, and what policies or loan it approved, are available to the public within a few weeks of the meeting, after Board approval. Minutes of Executive Sessions of the Board, Board transcripts and summaries of Board discussions or committee minutes are not disclosed. |

## APPENDIX IV. BOARD DOCUMENTS NOT COVERED BY THE TRANSPARENCY DECISION[37]

Board documents are defined as documents that are prepared for the Board, whether for information or consideration. Documents prepared primarily for other parties but which feed into the decision making process at the Board are also considered to be Board documents (FSSAs, PRSPs). Board documents not covered by the Transparency Decision can be published on a case-by-case basis on approval by the Executive Board (see Appendix I).

Board documents that are not covered by the Transparency Decision include:

(i) Policy papers prepared for Board (formal and informal) seminars.

(ii) Policy papers prepared for Board consideration on a lapse-of-time basis.

(iii) Documents on breach of obligations and misreporting.

(iv) Executive Board Minutes (EBM)

(v) Executive Directors statements (BUFF, BUFF/ED, GRAY).

(vi) Decision and Administrative Decisions (DEC).

(vii) Documents prepared on administrative matters of the Fund or personal issues, e.g., the Fund's operational budget, personnel policies, staff retirement plan, and asset management (EBAM, EBAP, AC, UNDOC, Secretary's Circular, and some FO/DIS).

[37] As of October 23, 2009.

## APPENDIX V. FREEDOM OF INFORMATION ACTS AROUND THE WORLD

Freedom of information acts (FOIAs) have been adopted by 78 countries, in every region of the world (Table 1). FOIAs have become increasingly widespread, reflecting the growing importance of transparency, openness, and the involvement of civil society organizations. Proponents say that FOIAs help safeguard against mismanagement, increase accountability, and foster citizens' trust in governments.

### *Regional Trends*

Most countries in Europe have FOIAs, with a wave of FOIAs adopted in Central and Eastern Europe following the fall of the Berlin wall. The same is true of Central Asia. In North America, Central America, and South America there are many countries that have pending efforts or have adopted FOIAs. In the Asia and Pacific region, there has been a slower adoption of FOIAs, while in Africa, efforts are underway to adopt such laws, particularly by members of the Commonwealth. There are fewer FOIAs in the Middle East.

### *Characteristics of FOIAs*

The following are common features of FOIAs.[38]

- *Definition of material that is accessible*. While older laws refer to official records and newer laws to a right to information, in practice most laws define the right to include all information that is recorded.
- *Definition of who can request information.* A majority of countries allow a person to request information regardless of citizenship or residency.
- *Exemptions.* Most FOIAs have categories of information that can be withheld from release, generally requiring demonstration that information release will cause harm. Most laws require information to be released after a period of time has passed, once the potential harm from releasing the information has decreased. The public interest test is increasingly present in national laws; this requires information to be released if the public benefits from knowing the information outweighs the harm that may be caused from disclosure.
- *Independent Appeals Mechanism and Enforcement*. Mechanisms for an appeals process usually start with an internal appeal, followed by an external appeal, such as an

[38] See David Banisar, Privacy International, *Freedom of Information Around the World A Global Survey of Access to Government Information Laws*, 2006; Transparency International, *Implementation Guidelines: Developing and Implementing Access to Information Laws*; and Article 19, *The Public's Right to Know Principles on Freedom of Information Legislation*, June 1999.

independent commission. The final level of oversight in most countries is an appeal to the national courts.

- *Sanctions.* Almost all FOIAs contain provisions for sanctions on the public authority if information is unlawfully withheld.
- *Affirmative publication.* The automatic release of certain categories of documents, increasingly through websites of government agencies, is a common feature in most FOIAs. This also reduces the administrative burden of processing individual requests.
- *Protection of whistleblowers.* Over 30 countries have targeted provisions to protect whistleblowers from sanctions, with several countries, including Ghana and South Africa, enacting comprehensive whistle blowing laws.

While the adoption of FOIAs is an important step in promoting transparent governments, the effectiveness of the laws depends on the implementation. Whether adequate resources are available to support the law, efforts to inform the public about the law, and the existence of an appropriate records management system, among other things, are all relevant.

**Table 1. FOIA Countries by Region and Year of Adoption or Year FOIA Came in Power[1]**

| Africa | | Europe | | Middle East and Central Asia | |
|---|---|---|---|---|---|
| Angola | 2002 | Albania | 1999 | Armenia | 2003 |
| South Africa | 2000 | Aruba | 1999 | Azerbaijan | 2005 |
| Uganda | 2005 | Austria | 1987 | Georgia | 1999 |
| Zimbabwe | 2002 | Belgium | 1994 | Jordan | 2007 |
| | | Bosnia & Herzegovina | 2000 | Kazakhstan | 1993 |
| **Asia and Pacific** | | Bulgaria | 2000 | Kyrgyz Republic | 2007 |
| Australia | 1982 | Croatia | 2003 | Pakistan | 2002 |
| China | 2007 | Czech Republic | 1999 | Tajikistan | 2002 |
| India | 2002 | Denmark | 1970 | Uzbekistan | 1997 |
| Japan | 1999 | Estonia | 2000 | | |
| Korea | 1996 | Finland | 1951 | **Western Hemisphere** | |
| Nepal | 2007 | France | 1978 | Antigua & Barbuda | 2004 |
| New Zealand | 1982 | Germany | 2005 | Belize | 1994 |
| Philippines | 1987 | Greece | 1986 | Canada | 1982 |
| Thailand | 1997 | Hungary | 1992 | Chile | 2008 |
| | | Iceland | 1969 | Colombia | 1888 |
| | | Israel | 1998 | Dominican Republic | 2004 |
| | | Ireland | 1997 | Ecuador | 2004 |
| | | Italy | 1990 | Honduras | 2006 |
| | | Kosovo | 2003 | Jamaica | 2002 |
| | | Latvia | 1998 | Mexico | 2002 |
| | | Lithuania | 1996 | Nicaragua | 2007 |
| | | Macedonia | 2006 | Panama | 2002 |
| | | Moldova | 2000 | Peru | 2002 |
| | | Montenegro | 2005 | Trinidad and Tobago | 1999 |
| | | Netherlands | 1978 | United States | 1966 |
| | | Netherlands Antilles | 1999 | Saint Vincent & Grenadines | 2003 |
| | | Norway | 1970 | | |
| | | Poland | 2001 | | |
| | | Portugal | 1993 | | |
| | | Romania | 2001 | | |
| | | Serbia | 2004 | | |
| | | Slovak Republic | 2000 | | |
| | | Slovenia | 2003 | | |
| | | Spain | 1992 | | |
| | | Sweden | 1766 | | |
| | | Switzerland | 2004 | | |
| | | Turkey | 2003 | | |
| | | Ukraine | 1992 | | |
| | | United Kingdom | 2000 | | |

Source: R. Vleugels, *Overview of all 86 FOIA Countries* , September 22, 2008.

[1] Countries have been organized according to the country groupings of IMF area departments.

## APPENDIX VI. CHANGES INTRODUCED IN THE 2005 REVIEW OF THE TRANSPARENCY POLICY

The last review of the Fund's Transparency Policy was in 2005.[39] At the time, there was general agreement that improvements had been made in increasing the volume of published information, and the reforms focused on how to improve the operations of the deletions and corrections rules and reduce the lags in publishing reports. The following reforms were introduced:

**On deletions:**

- Clarification of what is meant by "highly market-sensitive" material.
- New criterion for deletions: "premature disclosure of operational details of policy intentions."
- Introduction of expectation that requests for deletions be submitted in writing no later than 21 days after the Board meeting or 35 days after issuance of relevant report to the Board, whichever is later (incentive for faster publication).

**On corrections:**

- Restriction of the scope for corrections to: (i) data and typographical errors; (ii) factual mistakes; and (iii) mischaracterization of the authorities' views.
- Removal of the prohibition on corrections to staff views, analyses, and appraisals, as long as they constitute the correction of a factual mistake.
- Introduction of stricter standards for corrections made after the Board meeting (incentive for faster publication).
- Introduction of a requirement that an explanation of the rationale for corrections with significant implications for the report should be provided.

**Other:**

- Reminders to be sent to Executive Directors after the Board meeting (to promote faster publication).
- Inclusion of information on the timeliness of publication in the aggregate publication statistics disseminated outside the Fund ("Key Trends in Implementation of the Fund's Transparency Policy").

[39] *Review of the Fund's Transparency Policy*, May 2005 and *The Fund's Transparency Policy—Proposed Amendments,* July 2005.

## APPENDIX VII. PUBLIC CONSULTATIONS WITH EXTERNAL STAKEHOLDERS: SUMMARY OF GOOD PRACTICES[40]

As part of the institution's commitment to greater transparency and accountability, the IMF routinely reaches out to external stakeholders to explain its policies and programs. It engages with external stakeholders—parliamentarians, non-governmental organizations, trade unions, faith-based groups, and the academic and think tank community—frequently through bilateral meetings, seminars, and conference calls. In particular, since 2007, the IMF has engaged in targeted public consultations with external stakeholders on major policy initiatives.

The main objective of these consultations is to seek external stakeholder input in the formulation of Fund policies. The consultations have included a combination of: a) surveys (used e.g. in the Triennial Surveillance Review); b) web-based calls for comments (e.g., posting the outline of the policy review on imf.org and soliciting public comments, as done for the Transparency Review and the 2008 review of the Fund's Financing Role in Member Countries); c) meetings with civil society (e.g., reviews of the PSI and low-income countries facilities); and d) more extensive forms of collaboration with civil society (e.g., seeking input for Fund governance reforms under "the Fourth Pillar process"). For the Transparency Review, staff conducted a survey, solicited comments via the web, and also held meetings with civil society.

An overview of public consultation practices in large international and national organizations[41] suggests the following summary of good practices;

- *Objective of Consultations.* Organizations conduct public consultations with the specific objective of soliciting ideas and comments from external stakeholders. The Financial Services Authority of the United Kingdom is required by law to conduct public consultations on rules which it proposes to make. This provision aims to ensure that rule-making powers are used in a way that is focused and transparent. The Asian Development Bank in its March 2005 public communications policy document notes that the Bank "shall provide information in a timely, clear, and relevant manner so it can communicate with, listen to, and consider feedback from its stakeholders."

- *Mode of Consultations.* The public consultations are usually accompanied by a consultation paper published on the website, with interested parties invited to submit written comments. This can be complemented by other consultation modes (e.g., bilateral meetings, surveys, forming committees with affected stakeholders). The

[40] Prepared by EXR.

[41] The organizations include the World Bank, Asian Development Bank, Monetary Authority of Singapore, and UK's Financial Services Authority.

process of soliciting ideas and comments from external stakeholders, the World Bank notes on its website, is to ensure that "they result in improved policies and programs."

- *Follow up to consultations.* There is a presumption that feedback and input received from external stakeholders be given serious consideration. The Monetary Authority of Singapore public consultation guidelines note that the central bank is expected to publish a brief summary of submissions and responses at the time when the new policies are finalized and announced.