



Policy and Evaluation Committee

For information

GN-1831-17
20 May 2005
Original: English

To: The Board of Executive Directors
From: The Secretary
Subject: Disclosure of Information Policy. Annual report on implementation

Inquiries to: Mr. John Ferriter (extension 1394)

Remarks: Attached hereto is the first annual report on implementation of the new information disclosure policy prepared by the Office of External Relations Advisor, as provided in paragraph 15 of the “presentation” section of document GN-1381-13.

References: GN-1831-13(11/03), GN-1831-15(12/03)

Information Disclosure Policy Report on Implementation May 2005

As provided in paragraph 15 of the “presentation” section of the then-proposed new Information Disclosure Policy of the Bank (document GN-1831-13)¹, the Office of External Relations (EXR) has prepared this first annual report on implementation of the new Policy. The text that follows reports primarily on the status of implementation and compliance. Management is not making recommendations on proposed changes in the Policy at this time. In the section below on “recommendations,” instead, EXR has included indications of areas where refinements in the procedures for *implementing* the Policy are warranted. It should be noted, however, that one change in the Policy, related to the Sanctions and Debarment Policy of the Bank, is pending before the Board.

A. Status of Implementation

EXR reports with satisfaction that all provisions of the Policy have been complied with. This is due primarily to EXR having enjoyed good collaboration with the departments and units of the Bank involved in the gathering and posting of information required to be made publicly available under the new Policy.

The Information Disclosure Policy approved by the Board in November 2003 provided for the disclosure of a number of categories of information that had not theretofore been explicitly required to be disclosed to the public. The Policy named a series of specific information “products”—generally documents, but also including information from databases and from other sources, prepared in other formats—that were to be disclosed for the first time. The section below lists these major new information products, provides a link to either a homepage or specific example of the product on the Bank’s website and, where appropriate, provides a brief note on the status of implementation/availability.

1) Institutional and legal information

Information related to the **deliberations of the Board of Executive Directors**. This category, containing a number of specific products, was disclosed beginning soon after the planned date of April 1, 2004 (this date and the July 1, 2004 date for first availability of information concerning the debt balances owed to the IDB by borrowing member countries, discussed below, were the only two categories of information exempted from the otherwise-applicable effective date for the Policy of January 1, 2004).

- **Annual and quarterly work programs** of the Board of Executive Directors are disclosed at http://www.iadb.org/aboutus/iv/BOE_work.cfm?language=English.

¹ The final version of the Disclosure of Information Policy, without the “presentation” section, is document GN-1831-15.

- **Agendas** of future Board meetings are disclosed at http://www.iadb.org/aboutus/iv/BOE_SearchAgendas.cfm?fromMonth=1&fromDay=23&fromYear=2005&toMonth=1&toDay=23&toYear=2007&Language=English&page=upc.
- Agendas of past Board meetings and corresponding **Minutes** are disclosed at http://www.iadb.org/aboutus/iv/BOE_SearchAgendas.cfm?fromMonth=01&fromDay=01&fromYear=2003&toMonth=1&toDay=23&toYear=2005&Language=English&page=-1.
- **Reports of the chairs** of Board committees related to certain specific documents, e.g., operational policies, country strategies and country program evaluations, are disclosed at http://www.iadb.org/aboutus/iv/BOE_chair.cfm?language=English, alongside the (approved) documents to which they refer.
- **Procurement committee decision** summaries are disclosed at <http://condc05.iadb.org/idbppi/asp/ppProcurement.aspx?pLanguage=ENGLISH>.
- The **decisions issued by the Administrative Tribunal** are available to the public are disclosed via the Bank's website at <http://www.iadb.org/aboutus/III/tribunal.cfm?Language=English>.
- Information concerning the **activities of the secretariat to the Oversight Committee on Fraud and Corruption** is disclosed as part of the semi-annual (now annual) public report of the Office of Institutional Integrity at <http://www.iadb.org/ocfc/reports.htm>.
- Information concerning **cases pending before the Independent Investigation Mechanism** is disclosed at http://www.iadb.org/aboutus/iii/independent_invest/independent_invest.cfm?language=english.
- **Loan contracts** are available to the public from the Legal Department (LEG) upon request. LEG has been developing a series of webpages on the Bank's external website to facilitate access to these documents.

2) Financial information

- Information related to the **status of disbursement** of all public-sector loans in the active portfolio is disclosed at <http://www.iadb.org/fin/statement.cfm?language=English> in a database produced by the Finance Department and updated on a monthly basis.
- Information on the **debt balances** owed to the IDB by borrowing member countries is disclosed at <http://www.iadb.org/fin/projections.cfm?language=English>, and has been

formatted by FIN in such a way as to permit the public to view information either by country or by individual loan.

3) Operational Information

In addition to the many kinds of operations-related documents that were made available under the old Information Disclosure Policy, the new Policy provides expressly that tranche release documents, procurement plans, project completion reports, loan contracts and “factual, technical information” related to IDB public sector operations be disclosed, among other documents.

EXR’s web modernization team is nearing completion of the creation of a new and comprehensive “Projects” module for the Bank’s public website (launch is expected by June 1). When completed, all information that may be made available regarding a given project will for the first time be viewable in one, consolidated screen. An academic researcher, for instance, will be able to see documents related to the environmental and social analysis of an operation when it was still under preparation, as well as the Loan Proposal document, procurement-related information, and other data and documents.

Pending completion of the Projects module, users of the Bank’s webpage access information related to a specific operation by consulting the “Approved Projects” or “Proposed Projects” pages via the Public Information Center page (<http://www.iadb.org/exr/pic/index.cfm>) on the Bank’s website, and then scrolling down to the entry for a specific operation, and clicking the link for an individual document, which are usually posted in PDF file format. Alternatively, they may access capsule descriptions of individual projects via the Projects Procurement Information “portal” (<http://condc05.iadb.org/idbppi/asp/ppProcurement.aspx?pLanguage=ENGLISH>) under the Projects Pipeline and Projects in Execution links.

- **Tranche Release documents** are disclosed through the individual “Approved Projects by Country” webpages, e.g., for Nicaragua, <http://www.iadb.org/EXR/doc98/apr/lcnica.htm>, where the March 2004 tranche release document for the Modernization of the State and Fiscal Reform loan (1497/SF-NI) is linked at <http://www.iadb.org/EXR/doc98/apr/tni1497.pdf>
- **Project Completion Reports (PCR)** for public sector operations are disclosed no later than 60 calendar days following their approval by the Manager of the relevant regional operations department. Similar to tranche release documents, these are currently linked on the Approved Projects by Country webpages, e.g., for Mexico, <http://www.iadb.org/exr/doc98/apr/lcmexi.htm>, where the PCR for the Support to the *Comisión Bancaria y de Valores* loan (1069/OC-ME) is linked at <http://www.iadb.org/exr/doc98/apr/zme1069.pdf>
- **Procurement Plans** are disclosed through the portal maintained by DEV/PRM containing various kinds of procurement-related information. Plans for all public

sector operations in implementation are updated semi-annually and disclosed at <http://itsdc16.iadb.org/idbppi/asp/procurement.aspx>.

- Information on public **consultations** on drafts of **sector operational strategies and sector operational policies** are disclosed at http://www.iadb.org/aboutus/iii/public_consultation.cfm. A list of those strategies and policies tentatively scheduled to be prepared and publicly consulted in 2005 is available at <http://enet.iadb.org/idbdocswebservices/idbdocsInternet/IADBPUBLICDOC.aspx?docnum=468824>

In addition, a protocol containing guidelines to standardize the process by which these consultations are undertaken has been approved by management, and is available at <http://enet.iadb.org/idbdocswebservices/idbdocsInternet/IADBPUBLICDOC.aspx?docnum=526648> (Spanish version).

B. Issues in Implementation

After this first year of experience with the new Policy, as described in the foregoing section of this report, a great deal more information about Bank activities is being disclosed to the public now than prior to its adoption. In addition, the volume of traffic (“hits” and “page views”) on the pages on the Bank’s website that contain such information is now more than 30 percent higher than it was on the effective date of the new policy. Initial reviews of web traffic statistics indicate that the increase in the number of people from borrowing member countries downloading operations-related documents is greater than the corresponding increase in the number of users from nonborrowing member countries. While this may be because Internet usage rates in general are growing faster in IDB borrowing member countries than in nonborrowing member countries (where Internet usage began to plateau some time ago), this also suggests that Latin American and Caribbean users of the Bank’s website are accessing more IDB information more frequently than before the new Policy went into effect.

Although EXR would like to affirm that the first of the two premises on which the new Policy was predicated, namely that the “effectiveness of projects...will be strengthened by public access to information and consultation with affected populations,” has been upheld, web traffic statistics alone are inconclusive. Accordingly, in the second half of 2005, EXR will conduct a web-based survey designed to elicit information from users of various kinds of publicly disclosed documents regarding their utility, with a particular emphasis on operations-related documents and users in borrowing member countries. Moreover, based on EXR’s contacts with a variety of the more influential of the Bank’s external constituencies—including the media, academia, civil society organizations (including the private sector) and legislatures from nonborrowing member countries--the second of the Policy’s premises, that “availability of information...will increase understanding and support of the Bank’s mission and increase...accountability,” also appears to have been confirmed. Third, by underscoring the Bank’s commitment to transparency in its own operations, the IDB is in a better position to promote

transparency and improved governance in its dialogue with member country governments.

In a number of noteworthy aspects, implementation of the Policy has given rise to issues, both technical and procedural, not fully anticipated when the Implementation Plan was developed in January 2004.

The **principal challenge to implementation has been** to design a technological “delivery” system that would not be onerous to management, and in particular, that would not significantly increase the workload of the staff in the many departments involved in implementing the Policy. EXR and the Information Technology and General Services Department (ITS) decided to rely on IDBDOCS document management system for the gathering of all of the information contained in document form that is required to be disclosed under the new Policy. The IDBDOCS interface had to be modified and state-of-art technology for security developed to ensure that the system for posting documents on the Internet would be both reliable and efficient.

Development, testing and deployment of this innovative solution occurred in December 2004. This has been followed by the issuance of a final version of the *Instructions* for Policy implementation that are being issued simultaneously with this Report, in May 2005, and by training conducted jointly by EXR and ITS, also scheduled to begin in May.

An essential element in implementation of the Policy is the **decentralization of responsibility** for posting documents on the Bank’s website. Throughout the nine years (1995-2003) of implementation of the previous version of the Policy—and during the first year of implementation of the new version as well—EXR was the sole conduit for dissemination of documents through the IDB website. As emphasized in the *Instructions* for implementation, the transition to the use of IDBDOCS means that while EXR is ultimately responsible for all aspects of implementation and compliance, it will be incumbent upon the departments that are the originators or authors of documents, to post them in a timely manner. The date proposed by EXR for this important change in responsibilities is June 17, 2005. EXR will continue to monitor the situation and take adequate measures to ensure the timely posting of information available to the public under the Policy.

Procedures have been implemented for consultation with borrowing country authorities concerning the disclosure of country strategies. In addition, the regional operations departments and EXR are finalizing a protocol for consultation with the borrowing country authorities concerning the release of the PCR. In an effort to ensure that country authorities are properly consulted and afforded the opportunity to identify any information in a document that they consider confidential or sensitive, EXR has recommended in the implementation *Instructions* for the Policy that these consultations in all cases be made in writing, through either the government’s designated channel of communication (e.g., the Finance Ministry) or the line ministry for the document in question. Because of the time required for the approval of PCRs and efforts to refine the

procedures for the written consultations on these documents in particular, not all PCRs approved since the Policy's effective date of January 1, 2004 have yet been disclosed.

While many of the "new" products required to be disclosed under the revised Policy had in practice been disclosed prior to January 1, 2004, the lack of an explicit requirement that they be disclosed meant that they were published only on an ad hoc basis, or in response to a request from the public. The new Policy ensures *predictability* to both the public and Bank staff (who are now more conscious that their work product will be disclosed to the public), and that disclosure will occur in a timely manner.

Under the rubrics of predictability and standardization, the Implementation *Instructions* set forth a series of *deadlines* by which all types of documents are to be disclosed—generally no later than 10 (project-related information) or 15 (non-project information) working days following the approval or consideration of the corresponding document by a member of senior management, a committee of management or the Board of Executive Directors.

With training for all staff underway, implementation of the Policy should prove markedly easier in 2005 than it was in 2004, when the contents of the Policy were relatively little known and there was no technological solution available for posting of documents on the Bank's website other than sending e-mails with document attachments to the staff of the PIC. However, a number of issues and minor problems remain, involving resources, lack of a system for monitoring compliance, insufficient incentives for compliance, and harmonization with other multilateral institutions.

C. Recommendations

Resources

Later in 2005, the Public Information Center at headquarters, currently located inside the Bank's atrium, is scheduled to merge with the IDB Bookstore and to begin operating in a space on the ground floor of the 1350 New York Avenue building. Although the assessment of staffing needs for the newly merged office is still in preparation, it may be the case that the move to a locale with direct public access (as opposed to one requiring clearance through security) will generate greater demand for information by the public in general, and that it will elicit the need for preparation of new kinds of information, in new formats. EXR will evaluate the experience of the Information Center/Bookstore in matters related to Information Disclosure Policy following the first six months of operations so as to be able to incorporate any relevant provisions in future budget exercises.

As a consequence of Bank staff having a greater appreciation for the value that timely disclosure can add to a given Bank-sponsored activity, more and more units of the Bank are taking the initiative of creating web homepages devoted exclusively to specific projects and programs. Increasingly, staff are proactively posting/disclosing information that they are not explicitly obliged by the Policy to disclose, and/or are asking EXR's

help in the design and posting of this information. While EXR is enthusiastic about these sorts of initiatives and seeks to collaborate whenever approached, faced with unpredictable demand, EXR has not been able to budget sufficient resources to be able to do this indefinitely without some sort of understanding about cost-sharing.

In addition, the lack of funds to cover the cost of translation of country-specific operational documents into Portuguese (Brazil) and French (Haiti) remains a problem. EXR has borne the cost of translation of the Country Strategy for Brazil and miscellaneous other documents, and Regional Operations Department 2 paid for preparation of a French version of the recent “Transition Strategy 2005-2006” document regarding Haiti, but no Bank unit has budget specifically allocated for this. EXR believes that all operations-related documents for these countries should be available in the relevant language (not necessarily in time for distribution to the relevant official or committee of management or the Board, but if not, as soon as possible thereafter). At a minimum, when public consultations are held in Brazil or Haiti on projects or other Bank-sponsored activities directly related to the country, the relevant documents should be available in Portuguese or French, respectively, as much in advance of the meeting as possible. **EXR recommends that additional budget resources be provided for these translations.**

Compliance

For as long as it has been responsible for implementation of the Information Disclosure Policy, EXR has resorted to minutes of meetings of the standing committees of senior management and management review committees (CRGs) to verify that documents have been approved or otherwise “cleared” for publication/disclosure under the terms of the Policy. This practice is cumbersome. Further, with the decentralization of responsibility for web publication described above, it will become more important than ever for EXR to develop a quality-assurance role. In place of the piecemeal approach of reviewing minutes, **EXR proposes to work with ITS to develop a web-based application that would display, on a weekly basis, a list of documents (such as Project Outlines, Project Concept Documents, and PCRs) cleared for publication by virtue of their approval within management.** In addition to helping EXR keep track of the broad array of documents that should be disclosed, subject to deadlines, the development of such a webpage (on the Bank’s intranet) would also provide a strong incentive for staff to ensure expeditious posting to the web via IDBDOCS.

Harmonization with other MDBs—World Bank proposal for Development Information Centers

Over the course of 2003-04, the World Bank approached the IDB and the other regional and subregional development banks (ADB, AfDB, CABI and CAF) to propose the establishment of joint “development information centers” in specific locations, meaning in the case of the IDB that we would either transfer or duplicate the PIC “function” in the corresponding Country Office. Specific proposals were made to “co-locate” in Honduras, Nicaragua and Uruguay. The IDB has contributed financing to the operation

of a joint information center housed on the premises of the Central Bank of Nicaragua and has indicated a willingness to pay a share of the expenses of operation of a center housed at the Central American Bank for Economic Integration in Tegucigalpa. Under such arrangements, the joint center contains computers with easily navigated links to pages on the IDB's website. The center's staff have been trained in how to provide easy access to IDB information and refer any specific questions to the IDB Country Office staff. In cases where information (such as full-text Environmental Assessments) are not available electronically, the IDB will provide hard copies to the joint center for access in that location. Already in 2005, the World Bank has expressed interest in co-location in Quito (at the local office of the CAF) and in Caracas (where the World Bank and CAF have agreed on a joint center of their own, at the latter's headquarters).

In the case of Paris, the World Bank has proposed to the IDB, AfDB, ADB and others the establishment of an MDB documentation center on the premises of Documentation Française. IDB's Office in Europe and EXR have been in negotiation with the World Bank on the proposal, which involves little in the way of direct costs and which would help both the IDB and World Bank overcome the obstacles to public access presented by the heavy security at the locale we share on Avenue d'Iéna. The opening of the facility at Documentation Française is tentatively scheduled to occur during the first half of 2005.

EXR believes that co-location offers potential benefits to the public and to the Bank's external image. Subject to the availability of resources, the IDB should proceed to examine each opportunity on a case-by-case basis, and always in the context of the needs and realities of the country and Country Office in question.

Coordination

Heretofore, questions requiring interpretation of the Information Disclosure Policy have been referred to the Public Information and Publications Section of EXR (EXR/PIP), which in turn consults with the Legal Department as appropriate. EXR should continue to be the point of contact for all management inquiries regarding implementation of the policy, and will continue to consult issues of interpretation with the Legal Department.

Consultations on handling inquiries for types of information for which there is no pre-established procedure for disclosure are consulted by EXR with the front offices of the department(s) that are the originators or authors of the information. While such arrangements have worked reasonably well, EXR believes that it would be helpful if each department would designate a point of contact for all such matters. This same person could also assist EXR in following up in cases where documents may not have been posted within the allotted timeframe. EXR has recently circulated a short memo to Managers and unit heads requesting this designation.

On requests for information received from national parliaments, or executive, legislative or independent government agencies related to "investigations," inquiries should be channeled through EXR in order to avoid confusion and delay in the response time. Standardizing procedures would serve to help the Bank develop consistency in responding to such inquiries and would reduce the risk of overlapping and perhaps even

contradictory responses. EXR will coordinate responses to such inquiries with the Legal Department and, when applicable, with the Office of Institutional Integrity.

Quality of Information

A January 2005 study comparing information disclosure policies and practices among eight MDBs prepared by the NGO Bank Information Center (BIC) indicated that the IDB's policy provided for disclosure of as broad a range of products as any MDB. (In February, the World Bank revised its Policy to include a number of new categories of information (including Board minutes), as described at <http://www1.worldbank.org/operations/disclosure>. In addition the International Finance Corporation is conducting a public consultation on a proposed expansion and modification of its Policy, per <http://ifcln1.ifc.org/ifcext/enviro.nsf/Content/Disclosure>.)

Notwithstanding the IDB's favorable rating, there are some areas in which the experience of the first year of implementation of the new policy suggests room for improvement in the quality (and ultimately, the usefulness) of the information provided. One important area is the desirability of additional information during project implementation (where only *statistical* information is disclosed). **EXR will work with DEV, the regional operations departments, PRI and ITS to develop new products in the hope of addressing this need, on a systematic basis, during the first half of 2006.**

In keeping with the Policy's presumption of disclosure (subject to the restrictions set forth therein), EXR and other departments have disclosed a number of products not specifically named in the Policy. One important example is documents related to the performance-based allocation criteria for the Fund for Special Operations and the Intermediate Financing facility, developed by DEV. Other examples, which EXR will disclose in the near future, are information on the workings of the committees of senior management and the Board of Executive Directors—their jurisdiction, membership and by-laws; the operations of the Independent Investigation Mechanism (as provided, additionally, in the proposed new Consultation and Compliance Review Mechanism); agendas and documents prepared in connection with meetings of the Board of Governors; and many of the “strategic planning” documents (e.g., “progress reports” on new initiatives) emanating from the Division of the same name located within the new Department of Development Effectiveness and Strategic Planning. One key addition to disclosure in the coming weeks will be the launch of the new corporate procurement website. EXR notes in closing that the Inter-American Investment Corporation has recently approved a new Information Disclosure Policy. It is anticipated that implementation of the new IIC policy may involve synergies with the Bank in general and the Public Information Center in EXR, in particular.

20 May 2005

Office of External Relations