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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Consultation on the Seventh Replenishment of IFAD's Resources – Fourth Session

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IFAD'S DISCLOSURE POLICY

I. INTRODUCTION

1. At its Second Session in April 2005, the Consultation on the Seventh Replenishment of IFAD's Resources requested the Secretariat to present to the Fourth Session a document on IFAD's disclosure policy. In particular, the question was raised of disclosing draft policy documents prior to their approval as well as the disclosure of loan and grant agreements.

2. Formal disclosure policies among international financial institutions (IFIs) are a relatively recent development. Starting in the early 1990s, IFIs began implementing ad hoc transparency standards, in part to address the international development community's call for appropriate access to information.¹ The global communications revolution, typified by the Internet, has raised the general public's expectations for information, and IFIs have responded. At the same time, IFIs recognize the potential benefits of enhanced transparency standards. Disclosure policies foster good governance and facilitate accountability both within IFIs and with development partners. Moreover, transparency is a key element in meaningful consultation with stakeholders and promotes participatory development.²

II. IFAD'S DISCLOSURE POLICY

3. IFAD management submitted a proposed document disclosure policy to the Executive Board in September 1997.³ Following consideration of the proposal, the Board requested that a study be made of the cost implications of implementing such a policy. It again considered the policy at its December 1997 session⁴ and, in the light of the cost implications, recommended to the Governing Council that the policy be applied on an interim basis for an 18-month period.

¹ An example of this is the Report of the United Nations Conference on Environment and Development (Rio de Janeiro, 3-14 June 1992).

² IFI Transparency Resource, 25 July 2005, <http://www.ifitransparencyresource.org/en/index.aspx>

³ Document EB 97/61/R.11.

⁴ Document EB 97/62/R.38.

4. At its session in February 1998, the Governing Council considered the proposed policy, the Executive Board's review of the cost implications of a disclosure policy, and the Board's recommendation on an interim phase.⁵ It agreed in principle to having a disclosure policy and approved an 18-month interim phase, running from July 1998 to December 1999, during which time governing body documents would be made available on IFAD's web site in the Fund's four official languages. It requested the Executive Board to further review the disclosure policy and procedures at its Sixty-Ninth Session in May 2000 (subsequent to the end of the interim phase) and authorized it to adopt a final policy.

5. In line with the disclosure policy's provision that the Fund's governing bodies maintain the prerogative of deciding on the disclosure of documents for any particular session, the Governing Council approved that all the documents submitted for its review at that session be disclosed and made available on the Fund's public web site. Since February 1998, IFAD's Governing Council, Executive Board and Replenishment Consultations have reviewed, at the conclusion of each of their sessions, requests for the disclosure of documents submitted to the session and approved disclosure, with certain exceptions.

6. At its May 2000 session, the Executive Board reviewed the results obtained during the interim phase⁶ and approved the expansion of the policy's scope to include all evaluation reports and documentation submitted to the Evaluation Committee. It also recommended considering further expansion to include the disclosure of other types of documents in the future – possibly a wider range of the Fund's working documents such as appraisal reports and environmental assessments – particularly with a view to encouraging public participation in the Fund's work. The Governing Council was duly informed (at its session in February 2001) of the Board's decision to expand the disclosure policy.⁷

7. As a result of these decisions, all documentation approved for disclosure by the governing body concerned – with the exception of the Audit Committee – is available to the public on the IFAD web site. The web site of the Office of Evaluation (OE), as part of the IFAD corporate web site available to the general public, contains in addition:

- evaluation reports (for individual projects, technical assistance grants and country programmes) and thematic and corporate-level evaluations;
- evaluation profiles;
- evaluation insights;
- a section on process and methodology, which includes the methodological framework for project evaluation;
- an explanation of what OE is and does;
- OE's current work programme and administrative budget;
- a link to the report *Towards a New Approach to Communicating Learning Generated through Evaluation – Making Learning Work*;
- the monitoring and evaluation guide;
- a link to the new IFAD Evaluation Policy adopted by the Executive Board in 2003;
- annual reports on the results and impact of IFAD operations; and
- more recently, a link to the work undertaken for the Independent External Evaluation of IFAD.

⁵ Document GC 21/L.8.

⁶ Document EB 2000/69/R.13/Rev.1.

⁷ Document GC 24/INF.2.

8. IFAD does not disclose any draft policy documents or draft papers slated for submission to the Executive Board, Replenishment Consultations, the Evaluation Committee or the Governing Council prior to their consideration by the relevant body. Loan and grant agreements are not disclosed. However, in line with practice at other multilateral institutions, IFAD's loan, grant and other agreements with sovereign governments are – as international treaties – registered with the Secretary-General of the United Nations upon signature and effectiveness. Consequently, these agreements are available indirectly to the general public through the United Nations. All documents prepared for IFAD's governing bodies are produced in the four official languages: Arabic, English, French and Spanish. Loan and grant agreements are prepared in English, French or Spanish, depending on the borrower; contrary to practice at other IFIs, they are not submitted to the Executive Board. In 2004 and 2005, the translation expenditure associated with the Governing Council was respectively USD 211 800 (Twenty-Seventh Session) and USD 289 700 (Twenty-Eighth Session). In 2004, the cumulative translation expenditure for the Executive Board's Eighty-First, Eighty-Second and Eighty-Third Sessions was USD 1 138 000; the budget for Executive Board sessions in 2005 is USD 863 000.

III. DISCLOSURE POLICIES OF SELECTED IFIs AND UNITED NATIONS AGENCIES

9. In order to compare current standards of best practice among selected IFIs and United Nations agencies, information was obtained on the following organizations:

- World Bank Group (the International Bank for Reconstruction and Development, the International Development Association, and the International Finance Corporation)
- Asian Development Bank (AsDB)
- African Development Bank (AfDB)
- Inter-American Development Bank (IDB)
- Food and Agriculture Organization of the United Nations (FAO)
- United Nations Development Programme (UNDP)
- World Food Programme (WFP)

10. Research was conducted on the history of each organization's disclosure policy, its overall approach to transparency and how it makes information available to the public. Furthermore, information was gathered on each organization's disclosure procedures for policy and strategy documents and loan and grant agreements, and on its policy for document translation. Finally, where available, budget estimates for disclosure and translation activities were collected.

World Bank Group

11. Informally, the World Bank began disclosing information to the public in the mid-1980s. In 1993, it was the first IFI to approve a formal information disclosure policy. This policy was revised in 2002 and again in February 2005. Each successive revision has provided greater transparency, reflecting that, in the Bank's own estimation, "the importance of information disclosure in the Bank's corporate agenda has evolved over time".⁸ The World Bank's current policy recognizes that transparency and accountability are fundamental to the development process and assumes a "presumption in favour of disclosure" for Bank documents. In addition to its web site, the Bank uses its public information centres to disseminate information.⁹

12. The Bank prepares sector strategy papers (SSPs) that review its experience in a given sector and set out its strategy for future work in the area. Draft SSPs are publicly available upon notification to

⁸ World Bank, *World Bank Disclosure Policy: Additional Issues – Follow-Up Consolidated Report (Revised)* (Washington, D.C.: World Bank, 14 February 2005), p. 16.

⁹ World Bank, *The Disclosure Handbook* (Washington, D.C.: World Bank, December 2002); and World Bank, *World Bank Disclosure Policy: Additional Issues*.

the executive directors of such proposed disclosure. SSPs are released to the public once they have been discussed by the executive directors and finalized. Under the most recent policy revision, the World Bank's country assistance strategies are disclosed after they have been finalized by the executive directors. Only those draft operational policy reviews (documents that set forth policies and procedures relating to the Bank's operations) that are subject to an external consultation process are disclosed: this is done on an ad hoc basis and subject to other considerations. These documents are released at the time of their distribution to the executive directors for informal discussion in the board.

13. The Bank prepares a project appraisal document (PAD) for each investment project proposed for financing. The PAD describes the project and sets forth the Bank's appraisal and assessment of the feasibility of, and justification for, the project. The draft PAD is not disclosed. Once the loan, credit, or guarantee for a project is formally approved, the PAD is publicly available after clearance by internal offices and the country concerned.

14. The World Bank does not have a formal translation policy. However, in 2003 it issued a document translation framework, which provides "a pragmatic approach" to the kinds of documents to translate, an estimate of implementation costs and a timetable for the approach.¹⁰ In 2003, it was estimated that the cost of implementing the new framework's translation management system and operating and maintaining the core function (including technology) would be USD 3.8 million over three years. This cost would be in addition to the estimated expenditure of USD 14 million (for one fiscal year) for all material translated by the World Bank Group. It should be noted that, unlike IFAD and other IFIs, the Bank operates officially only in English and all its board documents are in English only.

15. Related to the cost of its disclosure policy, in 2003 the World Bank proposed improving its public information centres. For this activity, it forecast a first-year expenditure of USD 2.9 million and estimated the subsequent annual budget at USD 3.7 million.¹¹

Asian Development Bank

16. The Asian Development Bank first adopted information and disclosure policies in 1994. As part of its long-term strategic framework (2001-2015), AsDB revised its disclosure policy and incorporated it into a comprehensive policy document, approved in March 2005.¹² Set within the wider external relations activities of AsDB, the disclosure policy commits the organization to "a presumption in favour of disclosure of information", subject to certain legal and practical constraints. AsDB established a new public information and disclosure unit (InfoUnit) within the Office of External Relations to oversee the implementation, monitoring and evaluation of the policy's disclosure requirements.

17. Under its revised policy, AsDB makes available to the public its annual list of the policies and sector and/or thematic strategies that will be developed or reviewed. It discloses at least one draft of a policy or strategy paper for public consultation. All policy and strategy papers approved by its board of directors or its management are publicly available.

18. AsDB does not release draft legal agreements for public-sector projects and programmes. Public-sector loan agreements, Asian Development Fund grant agreements and project agreements are all disclosed within two weeks of their effectiveness.

¹⁰ World Bank, *A Document Translation Framework for the World Bank Group* (Washington, D.C.: World Bank, 2003).

¹¹ World Bank, *Strengthening the World Bank's Public Information Centers* (Washington, D.C.: World Bank, 6 August 2003).

¹² Asian Development Bank, *The Public Communications Policy of the Asian Development Bank – Disclosure and Exchange of Information* (Manila: AsDB, March 2005).

19. AsDB does not have a formal translation policy or framework. English is its working language. Documents are provided in other languages on an ad hoc basis.

20. In its revised disclosure policy, AsDB made a commitment to develop a translation framework by third-quarter 2005. The initial annual budget for AsDB's disclosure policy is USD 1.2 million, including USD 128 000 for translation costs.

African Development Bank

21. The African Development Bank approved its first policy for the public disclosure of information in 1997. In March 2004, AfDB revised its policy in order to "enhance broader stakeholder participation and to provide for the disclosure of Bank Group documents, consistent with its legal provisions and the best practices of the other Multinational Development Banks." Its approach to transparency is to disclose "all documents on its operations and its activities unless there are compelling reasons not to do so". AfDB's public information centre is the focal point for the organization's disclosure activities. It is anticipated that AfDB's web site will also be updated to reflect the revised policy and disclosed information.¹³

22. Under its revised disclosure policy, AfDB draft operational policy papers are released through the Internet and the AfDB web site at least 50 days prior to formal discussion by the executive board. Operational policy papers, including sectoral policy papers and guidelines, are publicly available within two weeks of board approval. AfDB does not publicly disclose draft project appraisal reports (PARs), which describe the project and outline the Bank's appraisal and assessment of the feasibility of and justification for the project. PARs are made available after the project is approved by the board of directors.

23. AfDB does not have a formal translation policy or framework, and its revised disclosure policy does not specifically address this subject. English is the Bank's official language, though some documents are translated into French.

24. Costs related to AfDB's disclosure initiative were not available. Its revised policy does stipulate that, "to the extent possible", costs related to the disclosure policy (e.g. the public information centre) will be recovered through subscriptions and user fees.

Inter-American Development Bank

25. The Inter-American Development Bank implemented its first policy on information disclosure in 1995. After two revisions, the board of executive directors approved a new disclosure policy effective as from 1 January 2004.¹⁴ The new policy expanded the scope of information to be disclosed to the public by explicitly including for the first time financial and institutional information as well as operational information. Under the policy, information concerning the Bank and its activities is made available to the public "in the absence of a compelling reason for confidentiality", bearing in mind that information provided to the public will be made available "in a form and at a time that enhances the transparency and therefore the quality of Bank activities". IDB staff should act on the basis of a "presumption in favour of disclosure...unless specific restrictions preclude [...] release." The External Relations Advisor has primary responsibility for providing information to the public. Information is made available through the Bank's web site and its public information centres.

26. The IDB's revised policy does not require the disclosure of draft policy or strategy documents. However, "profiles or draft versions of the text of proposals for new or modified sector policies,

¹³ The African Development Bank Group, Policy on Disclosure of Information (Abidjan: AfDB, March 2004).

¹⁴ Inter-American Development Bank, Disclosure of Information Policy – Implementation Instructions (Washington, D.C.: IDB, 13 July 2005).

sector strategies and sector guidelines may be made available to the public during the process of preparation by Bank staff of such proposals, for purposes of gathering opinions and input from institutions and individuals outside the Bank". The IDB discloses its final policies and strategies, including general policies, sectoral policies, best practices, sector strategies, sector guidelines and operational policies after board approval.

27. The IDB does not disclose draft loan proposals. With the exception of private-sector loans and a number of other transactions, the IDB discloses loan-related project documents, including loan agreements, after approval by the relevant governing body.

28. The IDB does not have a formal translation policy; however, certain documents are translated into the language of the country concerned. IDB documents are generally disclosed in the language in which they were prepared. Loan proposals are disclosed in English and Spanish (and sometimes in Portuguese or French). IDB translation expenditures for 2000 were approximately USD 2 million.

29. Budget figures for the IDB's disclosure activities were not available. As a general practice, the IDB makes information available to the public without charge. It may charge a fee for the use of document reproduction equipment and for copies of printed material.

30. Table 1 presents a summary comparison of the disclosure policies of the aforementioned IFIs:

Table 1. Comparison of Disclosure Policies among Selected IFIs

	IFAD	World Bank	AsDB	AfDB	IDB
Annual reports	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed
Draft of policy or strategy reports	Not disclosed	Ad hoc	Partial	Disclosed	Ad hoc
Final policy or strategy report	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed
Draft loan and/or grant agreements	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Final loan and/or grant agreements	Disclosed ^a	Disclosed	Disclosed	Disclosed	Disclosed
Formal translation policy	No	No	No	No	No

^a IFAD's loan, grant and other agreements with sovereign governments, such as international treaties, are registered with the Secretary-General of the United Nations upon signature and effectiveness. As a result, these agreements are available indirectly to the general public through the United Nations.

Food and Agriculture Organization of the United Nations

31. The Food and Agriculture Organization of the United Nations does not currently have a formal disclosure policy. Neither draft policy and strategy reports nor legal agreements are disclosed publicly. Final policy and strategy reports, and all council and conference documents, are publicly available after formal approval by the relevant governing body. FAO provides documents in its six official languages. Budget figures were not available for FAO's disclosure activities.

United Nations Development Programme

32. The United Nations Development Programme recognizes public access to information and documentation as a key component of effective participation of the public in development programmes and as a valuable instrument to facilitate the transparency, accountability, legitimacy, and the national and local ownership of UNDP operations.¹⁵ Its disclosure policy is based on a “presumption in favour of public disclosure of information and documentation generated or held by UNDP”, in the absence of a “compelling reason for confidentiality” and/or “crisis situations.”

33. Regarding programming, UNDP’s common country assessments and the United Nations Development Assistance Framework, which sets the framework for the operational activities of the United Nations system in programme countries, are only available when finalized. UNDP provides “a brief outline” during the preparatory stages of its country programme outlines, country programme frameworks and country programme documents, which identifies key goals and opportunities for UNDP support. These documents and their annexes are made available to the public after executive board approval.

34. Concerning country-specific activities, UNDP provides “brief outlines and summary statements” of its programme support documents, project documents and technical documents during the preparatory stage. It makes public the full text of these documents upon formal approval. UNDP discloses the final form of its country programme/project performance report and programme performance report.

35. UNDP does not have a formal translation policy. It makes certain disclosed documentation available to the public in the six working languages of the United Nations, particularly documentation presented to the executive board for formal adoption. In other cases, documents are made available in the language(s) in which they are prepared.

36. Budget figures for UNDP’s disclosure activities were not available.

World Food Programme

37. The World Food Programme does not have a formal disclosure policy. The procedures related to transparency standards are included in its *General Regulations, General Rules, Financial Regulations, Rules of Procedure of the Executive Board*. According to the 2004 edition, draft policy and strategy reports are not disclosed to the public. Reports approved by WFP’s executive board are available to the public via the web site. The languages of the executive board are Arabic, English, French and Spanish. Budget figures were not available for WFP’s disclosure activities.

38. Table 2 presents a summary comparison of the disclosure policies of the aforementioned United Nations agencies:

¹⁵ United Nations Development Programme, UNDP Public Interest and Documentation Disclosure Policy (New York: UNDP, 25 July 2005). <http://www.undp.org/idp>.

Table 2. Comparison of Disclosure Policies among Selected United Nations Agencies

	IFAD	FAO	UNDP	WFP
Annual reports	Disclosed	Disclosed	Disclosed	Disclosed
Draft of policy or strategy reports	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Final policy or strategy report	Disclosed	Disclosed	Disclosed	Disclosed
Draft loan and/or grant agreements	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Final loan and/or grant agreements	Disclosed ^a	Not disclosed	Not disclosed	Not disclosed
Formal translation policy	No	No	No	No

^a IFAD's loan, grant and other agreements with sovereign governments, such as international treaties, are registered with the Secretary-General of the United Nations upon signature and effectiveness. As a result, these agreements are available indirectly to the general public through the United Nations.

IV. CONCLUSIONS

39. All of the IFIs surveyed, including IFAD, have developed disclosure policies over the past ten years on an ad hoc basis in response to the change in the development climate and to further their own emphasis on good governance in providing finance to their development partners. Non-IFIs, with the exception of UNDP, have been much slower in doing so. All the surveyed IFIs and United Nations agencies now disclose governing body documents after consideration by the respective body. Only AfDB discloses draft policy and strategy documents to the general public prior to governing body consideration, as part of a consultation process. AsDB, the IDB and the World Bank disclose such documents on an ad hoc or partial basis – essentially when they believe that such a process will be useful to the organization. Loan and grant agreements with sovereign governments (being mostly international treaties) are disclosed after they have become effective, but private-sector agreements remain confidential and may only be disclosed with the consent of the other party(ies).

40. All organizations make documents available to the public in the languages in which they were prepared and/or presented to their governing bodies. With the exception of the World Bank, which works only in English, no organization consistently or regularly provides additional translations of documents solely for the purpose of disclosure. With the exception of AsDB and the World Bank, no budget allocations for disclosure policies are available.

V. RECOMMENDATIONS

41. It is recommended that the Consultation on the Seventh Replenishment of IFAD's Resources, after considering this document, instruct IFAD management to propose a revised disclosure policy to the Executive Board in 2006 along, inter alia, the following lines:

- (a) such a policy should be cost-neutral;
- (b) policy and strategy documents should be disclosed for consultation with the public only at the request of a governing body; and
- (c) loan and grant agreements with sovereign countries should be posted on IFAD's web site upon signature and effectiveness.

