


IMPLEMENTATION OF  
THE WORLD BANK'S  
DISCLOSURE POLICY:  
AN EXTERNAL REVIEW

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**B*i*C**

This Review was prepared by Jennifer Kalafut and Graham Saul with input from Bruce Jenkins, Abigail Parish, Nikki Reisch, Leslie Greene and Rick Rowden. The Bank Information Center (BIC) is an independent non-profit, non-governmental organization that provides information and strategic support to NGOs and social movements throughout the world on projects, policies and practices of the Multilateral Development Banks (MDBs). BIC advocates for greater transparency, accountability and citizen participation at the MDBs. BIC is supported by private foundations and organizations that work in the fields of environment and development, and is not affiliated with any of the MDBs.

**Bank Information Center**

733 15<sup>th</sup> Street NW, Suite 1126

Washington, D.C. 20005

*phone:* 202-737-7752 • *fax:* 202-737-1155

*email:* [info@bicusa.org](mailto:info@bicusa.org) • *website:* <http://www.bicusa.org>

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# Executive Summary

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In August 2001, the World Bank's Board of Directors approved a new Policy on Disclosure of Information (Disclosure Policy) and Bank Management agreed to provide a progress report in one year's time on the Policy's implementation and other outstanding disclosure issues. In June 2003, the Board is scheduled to meet to discuss Management's progress report. The Bank Information Center (BIC) has prepared this "External Review" of the Disclosure Policy's implementation in order to highlight issues that we hope the Board and Management will take into consideration. While we believe that Management has made a sincere effort to implement the Policy's provisions, serious problems remain unresolved.

The Disclosure Policy is based on a *presumption in favor of disclosure* in absence of a compelling reason not to disclose. Part I of this Review questions the degree to which the Bank approaches Policy implementation in a manner that is consistent with this important principle. Four overarching problems are identified. First, the relationship between the Board and Management is characterized by a presumption *against* disclosure. For instance, when Management presents the Board with a document that is not referred to in the Disclosure Policy, Management assumes that the document will remain confidential unless it specifically requests and receives Board permission to disclose.

Second, documents that are *not* specifically referred to in the Disclosure Policy are generally *not* disclosed. Similarly, types of operations that are *not* specifically mentioned tend to carry a lower standard of disclosure. This practice is at odds with a presumption *in favor* of disclosure.

Third, many of the documents that are now being routinely disclosed, such as Program Documents for adjustment lending, still carry a presumption *against* disclosure. A presumption *in favor* of disclosure could be adopted while still maintaining exceptions in cases where the borrowing country objects.

Lastly, the World Bank has no way of systematically weighing the *public interest* that is implicit in the presumption in favor of disclosure against the *legitimate constraints* that will inevitably require certain information to be kept confidential. The absence of an independent mechanism to reconcile these competing interests undermines the credibility of the Bank's presumption *in favor* of disclosure.

Part II of the Review details specific implementation issues and makes recommendations to resolve these is-

suues and facilitate Bank compliance. The first section of Part II deals with process issues that undermine Policy compliance. For example:

- Citizens that are wrongly denied information have no right of appeal. The Bank should establish a complaint process that can respond to citizens who feel that the Bank is in violation of the Disclosure Policy. (See Issue 1.1.)
- The InfoShop does not consistently seek to resolve non-compliance with the Disclosure Policy. Any Bank staff who, in the process of responding to an information request, realizes that the Bank is out of compliance with the Disclosure Policy, should alert the relevant department and instruct those requesting the information on how to proceed. (See Issue 1.2.)
- There is no way of knowing when material is redacted from a given document. When redaction does occur, the Bank should insert a footnote into the document indicating the type of material removed and the reason for removal. (See Issue 1.3.)

Part II, Section Two looks at issues related to the release of *Strategy Documents*. The Disclosure Policy provides for the release of *draft Sector Strategy Papers*, but drafts for other kinds of strategies, such as the new *Translation Framework*, are not disclosed. The Bank should broaden its interpretation of this provision to include a wider range of strategy papers. (See Issue 2.1.)

*Country Assistance Strategies (CASs)* for countries borrowing exclusively from the International Bank for Reconstruction and Development (IBRD) are now disclosed in practice without exception, yet the Bank's Policy continues to cling to two distinct CAS disclosure standards. IBRD CASs are only disclosed at the request of the borrowing government. CASs for countries that borrow from the International Development Association (IDA) are disclosed unless the borrower objects and the Board agrees. IBRD CASs should be disclosed according to the same standards that are applied to countries borrowing from IDA. (See Issue 2.2.)

Section Three looks at a range of issues related to the disclosure of *Lending Documents*. For instance, the Bank is not meeting its commitment to disclose *Project Information Documents (PIDs)* early in the project cycle and many PIDs are not systematically and clearly updated as the project evolves. The Bank should ensure that PIDs are produced at an early and predictable time in the project preparation process. (See Issue 3.1. and 3.2.) The

Bank is also out of compliance with the Policy's commitment to attach a list of *Factual and Technical Documents (FTDs)* to updated PIDs. (See Issue 3.3.)

The Review also identifies inconsistencies in the treatment of other lending documents. For instance, *Letters of Development Policy (LDPs)* are not independently catalogued on the Bank's website, but rather folded into the *Program Document*. LDPs are distinct from Program Documents and should be catalogued separately. (See Issue 3.4.) *Loan, Guarantee and Development Credit Agreements* are not available through the Bank's website even though the Policy provides for a strong presumption of disclosure. (See Issue 3.5.)

Finally, certain documents are not referred to at all in the Disclosure Policy. For instance, *Project Completion Notes (PCNs)* are not disclosed nor are they mentioned in the Policy. (See Issue 3.6.) The Disclosure Policy also fails to mention *Supplemental Credits and IDA Fifth Dimension Reflows*. These credits are lending operations and should meet the same disclosure standards as the operations to which they are attached. (See Issue 3.7.)

Section Four addresses the disclosure of Board documents. Management shares a wide variety of policy, strategy and discussion papers with the Board, only a fraction of which are specifically referred to in the Disclosure Policy and therefore considered for disclosure. Bank procedures should assume that any *Board paper* which is not specifically referred to in the Disclosure Policy will be disclosed unless Management specifically requests that the document remain confidential and the Board does not object. (Issue 4.1)

Detailed project descriptions and country strategies are currently kept confidential until after the documents are formally approved. This prevents the World Bank from drawing on valuable public input during the final stages of project preparation and undermines the credibility of the Bank's stated commitment to "participatory development." *Final Draft Board papers* should be disclosed af-

ter they have been distributed to the Board but before Board consideration. (See Issue 4.2.)

The Bank has set a positive precedent by disclosing the *Board's monthly calendar*. Unfortunately, the calendars are not released until after the first of the month and are not continually updated to reflect the changing schedule of the Board. Calendars should be updated throughout the month to reflect the Board's evolving schedule and the calendar for the upcoming month should be disclosed at least one week in advance. (See Issue 4.3.)

Section Five focuses on the *Disclosure Handbook* – Bank procedures to staff on how the Disclosure Policy should be followed and implemented. This document has proven extremely useful to civil society. Unfortunately, the Disclosure Handbook has not yet been translated despite requests from civil society organizations in Latin America. (See Issue 5.1.)

Section Six describes how *Pilot Activities in Information Disclosure* are failing in their mission to "test ways for the World Bank and governments to provide additional information on CASs and lending operations under preparation and implementation." The Bank should initiate a new round of Pilots that would truly provide examples of how the Bank, on a country-by-country basis, can successfully disclose information it would otherwise keep confidential. Existing Pilots should also be challenged to go further than the measures currently proposed. (See Issue 6.1.)

In conclusion, the Bank has made progress over the past 18 months, but this Review demonstrates that substantial problems remain and makes specific recommendations on how the Bank can begin to address outstanding issues. Monitoring non-compliance is essential, and the Bank should continue to develop systems to identify and resolve problems. Training of Bank staff is another cross-cutting issue that underpins many of the implementation issues detailed in this Review. The Bank should intensify its efforts to train all Bank staff on the requirements outlined in the Disclosure Policy.

# Introduction

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On August 30, 2001, the World Bank's Board of Directors approved a new Policy on Disclosure of Information (Disclosure Policy).<sup>1</sup> According to the Chairman's Concluding Remarks from the Board meeting, "Directors in their interventions all attached great importance to the effective implementation of the proposals and to the need to keep the policy under review." To this end, World Bank Management agreed to "provide a progress report to the Board in one year's time."<sup>2</sup> Consistent with this commitment, the Board is scheduled to meet in June 2003, to discuss Management's progress report on the implementation of the Disclosure Policy.

The Bank Information Center (BIC), a non-governmental organization that advocates for greater accountability, participation and transparency at the Multilateral Development Banks (MDBs), has actively followed the implementation of the new Policy. While we believe that Bank Management has made a sincere effort to comply with many of the provisions outlined in the Policy, we would like to take this opportunity to highlight several outstanding problems that we hope the Board and Management will take into consideration.

There are a number of areas where progress has clearly been made. There has been a marked increase in the disclosure of documents related to Structural and Sectoral Adjustment Loans, and Environmental Assessments (EAs) for "Category B" projects are now routinely available. Other examples of progress include the Bank's new strategy for improving Public Information Centers,<sup>3</sup> the *Translation Framework*, and planned improvements to the Bank's website.

Nevertheless, this Review documents serious shortcomings in the implementation of the Disclosure Policy

and related transparency commitments. What follows focuses on issues related to implementation and does not provide a general critique of the Bank's Disclosure Policy. For information on the Bank Information Center's overall analysis of the *World Bank Policy on Disclosure of Information*, please see BIC's recently released report entitled *Transparency and Accountability in International Financial Institutions*, as well as a wide range of other material on BIC's website: <http://www.bicusa.org/policy/InfoDisclosure/index.htm>.

The Review is organized into two parts. Part I briefly illustrates the degree to which the Bank is complying with the most fundamental principle of the Disclosure Policy, a presumption *in favor* of disclosure in absence of a compelling reason not to disclose.

Part II, *Implementation of the World Bank's Disclosure Policy*, is divided into six sections. The issues listed under each section present problems in Disclosure Policy compliance since January 2002. Each issue is followed by a recommendation on how implementation can be improved.

The first section deals with issues related to the process of Policy implementation. The second section examines the disclosure of Strategy Papers and Section Three details a range of problems related to the availability of lending documents. Section Four addresses issues related to the transparency of the Board of Directors and the treatment of Board papers. Section Five looks at the Disclosure Handbook and Section Six briefly analyzes the degree to which the Bank's disclosure Pilot programs have succeeded in their mission to "test ways for the World Bank and governments to provide additional information."<sup>4</sup>

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<sup>1</sup> *World Bank Policy on Disclosure of Information*, 2002. <http://www1.worldbank.org/operations/disclosure/documents/DisclosurePolicy.pdf>

<sup>2</sup> *Disclosure Policy Review: Chairman's Concluding Remarks*. Meeting of the Executive Directors, August 30, 2001.

<sup>3</sup> *Strengthening Public Information Centers*. External Affairs and OPCS, January 3, 2002.

<sup>4</sup> On the World Bank website at <http://www1.worldbank.org/operations/disclosure/disco-pilots.html>.

# Part I. The Presumption in Favor of Disclosure

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As we began to consider the various implementation issues related to the World Bank's Disclosure Policy, it became clear that we would first need to address problems with a core premise of the Policy. In theory, the guiding principle behind the World Bank's Disclosure Policy is "a presumption *in favor* of disclosure" in absence of a compelling reason not to disclose. In practice, however, the Disclosure Policy is essentially a list of documents that either must be disclosed or are disclosed only at the discretion of various government and World Bank officials. In fact, the Policy's guiding principle might better be described as a *presumption against disclosure in absence of a specific directive to disclose*. There are at least four ways that the Policy's implementation over the past 18 months has systematically undermined the presumption *in favor* of disclosure.

First, the relationship between the Board of Directors and World Bank Management is structured in a way that reflects a presumption *against* disclosure. Management shares a wide variety of policy, strategy and discussion papers with the Board, only some of which are specifically mentioned in the Disclosure Policy. When Management presents the Board with a document that is not referred to in the Disclosure Policy, Management assumes that the document will remain confidential unless it specifically requests and receives Board permission to disclose. If both the Board and Management remain silent on the question of disclosure, the default assumption is that such a document will *not* be disclosed. This is, in effect, a presumption *against* disclosure. In order for the Bank to remain consistent with the Policy's presumption *in favor* of disclosure, it should be assumed that all papers distributed to the Board will eventually be disclosed unless Management specifically requests and receives permission to keep the document confidential. (For more on this point, See Issue 4.1.)

Second, types of documents that are *not* specifically referred to in the Policy are usually kept confidential, and types of operations that are *not* specifically mentioned tend to carry a lower standard of disclosure. For example, Project Completion Notes, Aide Memoires and Midterm Reviews are not mentioned in the Disclosure Policy and none of these documents are made available to the public. (See Issue 3.6. for more on Project Completion Notes.) Furthermore, Supplemental Credits and IDA Fifth Dimension Reflows are listed as a particular type of lending op-

eration in the project database on the World Bank's website, but they are not mentioned in the Policy. Information on these operations is either non-existent or erratic. In general, these operations are held to a lower disclosure standard than other lending operations, but no compelling reason has been provided for this differentiated treatment. The Policy's overarching presumption *in favor* of disclosure should carry with it the assumption that anything that falls outside the Policy will be disclosed unless a compelling reason not to disclose is provided.

Third, some of the documents that are specifically mentioned in the Disclosure Policy carry a presumption *against* disclosure. According to the Policy, a number of documents are released at the discretion of government or World Bank officials. Sometimes this discretion is framed in a way that provides for a presumption *in favor* of disclosure, other times it is framed in a way that provides for a presumption *against* disclosure. For instance, documents related to the Heavily Indebted Poor Country (HIPC) Initiative are disclosed "unless the country objects to their disclosure."<sup>5</sup> This does not require HIPC documents to be disclosed in all circumstances, but if the country remains silent on the question of disclosure, the default assumption is that the document *will be* disclosed.

Conversely, there is a presumption *against* disclosure for Program Documents for adjustment lending. According to the Policy, these documents are "publicly available after the borrower concerned has given its consent...."<sup>6</sup> If the borrower concerned remains silent on the question of disclosure, the document remains confidential. This is a presumption *against* disclosure. A presumption *in favor* of disclosure could be adopted while still maintaining exceptions in cases where the borrowing country objects.

Fourth, where the Policy provides Bank officials with discretion on whether or not to disclose a given document, the World Bank has no way of systematically weighing the *public interest* that is implicit in the presumption in favor of disclosure against the *legitimate constraints* that will inevitably require certain information to be kept confidential. The Disclosure Policy acknowledges that the release of information serves the public's interest. It states that the Bank wants to "stimulate debate on and broaden understanding of development" and that the "timely dissemination of information"

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<sup>5</sup> World Bank Policy on Disclosure of Information, 2002, paragraph 27.

<sup>6</sup> This refers exclusively to Program Documents for adjustment lending other than Poverty Reduction Support Credits. World Bank Policy on Disclosure of Information, 2002, paragraph 21.

to groups affected by Bank operations “is essential for the effective implementation and sustainability of projects.” It also argues that “the Bank is accountable for its stewardship of public moneys and has an obligation to be responsive to the questions and concerns of its shareholders.” Conversely, the Policy articulates a number of “constraints” that the Bank believes are legitimate grounds to deny information. But the Bank has not developed a way to reconcile the public interest that is served by disclosure on the one hand, with the legitimate reasons for non-disclosure on the other hand.

For instance, the Disclosure Policy states that a World Bank Country Director “*may* release factual, technical documents, in whole or part, after consulting with the borrower concerned.”<sup>7</sup> The Policy requires the Country Director to exercise discretion in the disclosure of the document, based in part on consultations with the borrower concerned and, presumably, in part on the guidance that the Policy provides. But how does the Bank

determine whether or not this discretion is being appropriately and consistently applied? In a domestic context, competing interests are reconciled by the judicial system. Since the Bank enjoys a remarkable degree of legal impunity, and since it does not have an independent body tasked with reconciling the presumption in favor of disclosure with legitimate constraints to non-disclosure, the decision to release a given document is often a simple judgment call made by one or more government and Bank officials. Those who might question the degree to which this judgment is being exercised in a reasonable manner have no clear recourse. In fact, even when the Disclosure Policy is blatantly violated, citizens have no clear recourse under Bank Policy. (See Section 1.1.).

These four issues bring into question the degree to which implementation of the Disclosure Policy is truly guided by a presumption *in favor* of disclosure. It is essential that the Bank conduct its business in a way that reflects this important principle.

## Part II. Specific Implementation Issues

### I. Process Issues Related to Information Disclosure

#### ISSUE 1.1. Complaint Mechanism

Citizens that are wrongly denied information have no right of appeal.

**Recommendation:** The Bank should establish a semi-independent panel that monitors Bank compliance with the Disclosure Policy and responds to citizens who are wrongly denied information.

The Papua New Guinea case described in Box 1 presents a typical example of a situation where an organization was denied information that should be available according to the Disclosure Policy. The organization requesting the information was not informed that the Bank was out of compliance with its own Policy. They were simply told that the project information they requested did not exist. In these kinds of situations, those who *do not* understand the Disclosure Policy will assume that the Bank does not require any information to be disclosed. On the other hand, those who *do* understand the Policy will still be left without any recourse because the Bank does not have a complaint process to respond to incidents of non-compliance.

In absence of a complaint mechanism, Bank compliance with the Policy suffers, the Policy’s presumption of disclosure is suspect and citizens are denied information that they should rightly receive.

### Box 1. PNG Economic Recovery Program Loan

Early in 2003, Forest Peoples Programme requested information from the InfoShop on the Economic Recovery Program Loan for Papua New Guinea (PNG). The InfoShop responded that they had no documents related to the loan and suggested that Forest Peoples Programme make a request to the Bank’s Archives. Archives reviewed the project and verified that there was no information available, including no Project Information Document (PID). The Bank was clearly out of compliance with the Policy, but neither the InfoShop nor Archives acknowledged this non-compliance nor indicated that they would raise this issue with the PNG country desk. Furthermore, since the Bank does not currently have an appeals process for issues of non-compliance, Forest Peoples Programme was left without clear recourse.

<sup>7</sup> World Bank Policy on Disclosure of Information, 2002, paragraph 16.

## ISSUE 1.2. Proactive Resolution of Non-compliance

The InfoShop does not always proactively seek to fulfill information requests when the Bank is not in compliance with the Disclosure Policy.

**Recommendation:** When the InfoShop, or any other Bank staff, discovers that the Bank is out of compliance with the Disclosure Policy, they should alert the relevant country office and instruct citizens on what, if any, recourse is available.

It is essential that the InfoShop and all Bank staff play an increased role in ensuring compliance with the Disclosure Policy. When Bank staff are requested to provide documents that should be available but are not, they should proactively seek to resolve the situation and ensure that citizens are informed on how they may proceed. The InfoShop should include a reference to the Bank's Disclosure Policy, Handbook and appeals process in all of its correspondence with outside actors.

## ISSUE 1.3. Redaction

There is currently no way of knowing when material is redacted from a given document. If a disclosed document differs from the document used by the Board during its deliberations, citizens are mistakenly led to believe that they are receiving complete information.

**Recommendation:** Where redaction does occur, footnotes should be used to indicate the type of material removed and the reason for its removal.

The Bank should give the public an indication of the information that has been redacted and provide justification for its removal. Given the rather limited amount of information that is actually removed from Bank documents, implementing this recommendation would not require a substantial amount of time and effort.

## 2. Strategy Papers

### ISSUE 2.1. Draft Strategy Papers

The Bank is interpreting its Policy on the release of *draft Sector Strategy Papers (SSPs)* in an unnecessarily restrictive fashion. Consequently, other kinds of strategies, such as the Bank's *Translation Framework*, are not being released for public comment during their preparation.

**Recommendation:** All of the Bank's general strategies should be released for comment in draft form.

It is not clear why general strategies such as the Bank's *Translation Framework* or its strategy on *Strengthening Public Information Centers* are not released as a draft for comment. These documents could benefit from external input during their preparation. This is not to say that all documents need to go through a thorough consultation process as it is clear that some sector strategies require substantially more consultation than many of the other documents that the Bank produces. However, the Bank should routinely post documents for public comment as part of the strategy formulation process.

## ISSUE 2.2. Country Assistance Strategies

The Disclosure Policy discriminates between the disclosure of Country Assistance Strategies (CASs) in IBRD and IDA countries despite the fact that implementation of the Policy over the past 18 months demonstrates that such discrimination is unnecessary.

**Recommendation:** IBRD CASs should be held to the same standard of disclosure as IDA CASs.

The Bank develops a CAS for almost every country in which it operates. The CAS provides basic information on the Bank's lending plan for a country, including an outline of the level and composition of lending proposed. Although this information is no less important for civil society in middle-income countries than it is for civil society in low-income countries, the Disclosure Policy adopts a presumption in favor of disclosure for IDA CASs and a presumption against disclosure for IBRD CASs.<sup>8</sup>

As we have seen over the past 18 months, all of the CASs developed for both IBRD and IDA countries have been disclosed. Given the demonstrated willingness of countries to make these documents publicly available, the Bank should extend the presumption in favor of disclosure to IBRD CASs.

## 3. Lending Documents

### ISSUE 3.1. Project Information Documents

The Bank is failing to disclose Project Information Documents (PIDs) early in the project cycle.

**Recommendation:** The Bank should take the following steps to ensure that PIDs are released early in the project cycle: (i) the Project Concept review date should reflect the beginning of project preparation and PIDs should be made available shortly after that date,

<sup>8</sup> *World Bank Policy on Disclosure of Information*, 2002, paragraphs 7-9.

and; (ii) the projected and/or actual Project Concept review date should be included in the Monthly Operational Summary (MOS), on the project page of the Bank's website, and listed in the Project Information Document (PID).

The Disclosure Policy states that the PID is developed at the first formal review of the project and is made publicly available at that time.<sup>10</sup> Furthermore, as stated in Bank *Operational Policy 10.00, Investment Lending: Identification to Board Presentation*, the PID is developed at the earliest stage of the project cycle, that is, during project identification.<sup>11</sup> According to the Bank, the initial PID should be completed and disseminated well before project appraisal. However, we have found that for many operations, PIDs are not developed until immediately before or sometimes after appraisal. This is a clear violation of Bank Policy.

To demonstrate, BIC conducted a cursory survey of PIDs available on the Bank's website. Table 1 lists the 25 PIDs that had been most recently posted on the Bank's website as of May 15, 2003. Of these 25, 13 are initial PIDs, that is, the first PIDs developed for the project in question. Surprisingly, 11 of these initial PIDs are dated either within one month of appraisal or after appraisal. While this is admittedly a very limited sample, it suggests that 85 percent of the time (in 11 out of 13 cases), initial project information contained in the PID is being released almost immediately before project appraisal or after the appraisal mission has been conducted.

Why are PIDs being disclosed so late? Both the Disclosure Policy and the Disclosure Handbook make clear reference to a date after which an initial PID is developed and released to the public. The Disclosure Policy refers to this date as "the first formal review of the proposed operation ... held by Bank management"<sup>12</sup> and the Disclosure Handbook states a PID is sent "to the InfoShop no later than five business days after the region provides clearance for proceeding ... following the Project Concept review."<sup>13</sup> The fact that PIDs are not developed in a timely fashion despite seemingly clear guidelines indicates that there may be internal constraints on the project team's ability to produce a PID early in project development.

TABLE 1. PIDs Listed on World Bank Website on 5/15/2003<sup>9</sup>

COUNTRY	PID DATE	APPRAISAL DATE
1. Pakistan	4/15/2003*	4/17/2002
2. Burundi	1/09/2003	2/13/2003
3. Nepal	4/11/2003	4/22/2003
4. Honduras	4/16/2003	5/15/2003
5. Argentina	4/14/2003	4/21/2003
6. India	4/01/2003	5/01/2003
7. Sierra Leone	4/25/2003	4/17/2003
8. Ecuador	4/24/2003	4/15/2003
9. Lao PDR	4/23/2003*	5/02/2003
10. Africa Region	4/22/2003*	9/16/2002
11. Honduras	4/21/2003*	3/25/2003
12. Pakistan	4/21/2003*	4/24/2003
13. Bangladesh	4/20/2003	4/20-30/03
14. Afghanistan	4/18/2003	4/18/2003
15. Dominican Republic	4/18/2003	4/30/2003
16. Eritrea	4/17/2003*	4/21/2003
17. Indonesia	4/17/2003*	3/18/2003
18. Republic of Yemen	4/17/2003*	1/06/2003
19. Dominican Republic	4/16/2003	4/30/2003
20. Tanzania	4/16/2003*	4/11/2003
21. Ecuador	4/15/2003	9/16/2003
22. Jordan	4/15/2003*	3/1/2004
23. Kenya	4/15/2003*	4/15/2003
24. Mexico	4/15/2003	11/04/2002
25. Romania	4/10/2003*	3/3/2003

\* Date of updated PID. Initial PID date unknown.

<sup>9</sup> For a copy of the Bank's website listing all PIDs on May 15, 2003, and to see a copy of the first sheet of every PID listed in Table 1 showing the name of the operation, PID date and appraisal date, please contact the Bank Information Center.

<sup>10</sup> *World Bank Policy on Disclosure of Information*, 2002, paragraph 15.

<sup>11</sup> According to World Bank Operational Policy 10.00, *Investment Lending: Identification to Board Presentation*, the PID is sent to the InfoShop "per Regional procedures" at the earliest stage of the Project Cycle called project identification. Appraisal is carried out after identification and after project preparation during which the PID is discussed with the borrower and stakeholders.

<sup>12</sup> *World Bank Policy on Disclosure of Information*, 2002, paragraph 15.

<sup>13</sup> *The Disclosure Handbook*. Operational Policies and Country Services, December 2002: paragraph 22.

It is our understanding that the Bank may be in the process of addressing some of these internal issues, particularly concerning the development and utility of the Project Concept Document (PCD). If the PCD is not developed in a timely manner, then the project team can not complete the Project Concept review and a PID will not be produced. Similarly, if substantial time is allowed to elapse between the drafting of the PCD and its formal approval, the PID's release will be delayed. It is essential that the Bank revisits its procedures to deal with barriers preventing early disclosure of project information.

Our recommendation is to list the projected and/or actual project Concept Review date in the MOS, in the PID, and on the project page of the website. This will serve several purposes. First, it will alert Bank staff to a date shortly after which a PID should be disclosed. Second, it will facilitate stakeholders' tracking of a project by providing a frame of reference for when information can be expected. Finally, and most importantly, it maintains the spirit of the Disclosure Policy by ensuring consistent information early in the project cycle and by helping to ensure that interested parties are better able to understand projects.

### ISSUE 3.2. Updated PID Development

In the Disclosure Policy, the Bank commits to disclosing the initial PID and any subsequent updates.<sup>14</sup> However, information on the date and location of the initial PID is often not available.

**Recommendation:** The World Bank should systematize the manner in which PIDs are updated. The date of the initial PID should be noted on every updated document, along with the date of all subsequent updates. As only one version of the PID will appear on the website, indication should be given as to where citizens can view or request the initial PID.

A survey of PIDs available on the documents database of the Bank's website indicates that the Bank has recently begun to make a greater effort to distinguish between initial and updated PIDs. From a cursory review, we see that a good majority of PIDs now contain a standard field indicating whether the document has been updated. But the Bank's system for updating PIDs remains very inconsistent. PIDs that have been updated do not indicate when the initial PID was produced or when revisions were made. Initial PIDs are not retained on the website and no direction is given as to where they are archived. The failure to provide both the initial and revised PIDs not only violates the Bank's Disclosure Policy but also undermines

external actors' ability to monitor project preparation and Bank compliance with the Policy.

### ISSUE 3.3. List of Factual Technical Documents

The Bank is not attaching a list of Factual Technical Documents (FTDs) to updated Project Information Documents (PIDs), as required under the Disclosure Policy.

**Recommendation:** The Bank should comply with the Disclosure Policy and ensure that PIDs include a list of FTDs.

A single project can have any number of FTDs that are used to inform project development. These documents include such vital information as economic analyses, feasibility studies, and other detailed plans (like maps and blueprints) related to the Bank's operation. Although the current Disclosure Policy does not require the disclosure of all FTDs, if citizens were able to view a complete list of these documents they would be in a better position to request relevant information from both the World Bank and the borrowing government. The Bank's failure to implement this important provision is unacceptable and clearly violates both the spirit and the letter of the Policy.

### ISSUE 3.4. Letters of Development Policy

Letters of Development Policy (LDPs) are difficult to locate as they are only listed in an annex of the Program Document.

**Recommendation:** The Bank should list LDPs as autonomous documents on the project page of the Bank's website.

In many adjustment lending operations, the Letter of Development Policy is the document that most interests citizens. The placement of LDPs as an annex in the Program Document makes them difficult to find. Further, LDPs are not subject to the same rules for disclosure as the Program Document. Therefore, a case may arise where a Program Document is approved for disclosure but an LDP is not. Listing the LDP as a separate document on the project page of the Bank's website would increase access to and visibility of disclosed LDPs.

### ISSUE 3.5. Loan, Guarantee, and Development Credit Agreements

Loan, Guarantee, and Development Credit Agreements (Loan Agreements), although disclosed, are not posted

<sup>14</sup> The Disclosure Policy states that: "The PID is prepared ... and is made publicly available. As project preparation evolves, the PID is updated. The updated PIDs are also publicly available." *World Bank Policy on Disclosure of Information*, 2002, paragraph 15.

on the Bank's website along with the other documents related to the loan.

**Recommendation:** Loan Agreements should be disclosed alongside other project documents on the Bank's website.

Loan Agreements are an important part of the package of documents available for a given project. People who are not familiar with the details of the Disclosure Policy are unlikely to know that these documents are available if they are not listed alongside other disclosed documents on the Bank's website.

### ISSUE 3.6. Project Completion Notes

Project Completion Notes (PCNs), the "dropped-project" equivalents of Implementation Completion Reports (ICRs), are not disclosed.

**Recommendation:** The World Bank should disclose Project Completion Notes.

The World Bank's Disclosure Policy addresses the need for disclosure of Implementation Completion Reports, which are reviews and assessments of completed projects. However, an ICR is not developed for a "dropped" project. Instead, a Project Completion Note is written and is sent to the Board explaining why project implementation will not go forward.

PCNs are not mentioned in either the Bank's Disclosure Policy or in its Disclosure Handbook despite the fact that the PCN is essentially the equivalent document to the ICR. The Bank recognizes the importance of disclosing a review for a completed project and should remain consistent to this policy for dropped projects.

### ISSUE 3.7. Supplemental Credits and IDA Fifth Dimension Reflows.

Supplemental Credits and IDA Fifth Dimension Reflows are not covered in the Disclosure Policy. Further, pre-Board approval information is not consistently available nor are any Board documents disclosed for these operations.

**Recommendation:** Supplemental Credits and IDA Fifth Dimension Reflows should meet the same disclosure standards as the lending operations to which they are attached.

It is our understanding that these credits are either additional funds made available when unforeseen events

arise or are annual dividends that IDA countries receive based on their IBRD payments as well as their credit standing. These monies are not insignificant, yet they are not covered under the Bank's Disclosure Policy with other available project information. Under a presumption in favor of disclosure, these operations should be routinely released unless otherwise specified in the Disclosure Policy. However, the Board report for Supplemental Credits and IDA Fifth Dimensions Reflows are currently kept confidential. These credits are lending operations. They should be listed in the MOS, and have a PID and a Board report of some kind.

## 4. Board of Directors

### ISSUE 4.1. Final Board Papers

When Management presents the Board with a document that is not specifically mentioned in the Disclosure Policy, there is a presumption *against* disclosure unless Management specifically informs the Board of its intent to disclose and the Board does not object.

**Recommendation:** It should be presumed that all World Bank documents distributed to the Board will be disclosed unless Management specifically states otherwise and the Board does not object to non-disclosure.

A recent example of this presumption *against* disclosure occurred when Management refused to release a February 2003 "Discussion Paper" entitled *World Bank Disclosure Policy: Status of Work on Selected Issues*.<sup>15</sup> Among the reasons provided for not disclosing the Disclosure Policy update was that Management had not specifically requested or received permission from the Board.

If the World Bank is committed to a presumption *in favor* of disclosure, it needs to address this procedural inconsistency. Rather than assuming that a policy, strategy or discussion paper will remain confidential, Bank procedures should assume that any document that is not specifically referred to in the Disclosure Policy will be disclosed unless Management specifically requests that the document remain confidential and the Board does not object.

### ISSUE 4.2. Final Draft Board Documents

Detailed project descriptions and country strategies are only disclosed after Board approval. This prevents the World Bank from drawing on valuable public input dur-

<sup>15</sup> *World Bank Disclosure Policy: Status of Work on Selected Issues – Discussion Paper*, February 13, 2002.

ing the final stages of project and country strategy preparation and undermines the credibility of the Bank's stated commitment to "participatory development."

**Recommendation:** Final Draft Board papers should be disclosed after they have been distributed to the Board but before Board consideration.

The Disclosure Policy argues that the "timely dissemination of information to local groups affected by the projects and programs supported by the Bank, including nongovernmental organizations, is essential for the effective implementation and sustainability of projects." The Policy notes that "experience has demonstrated that consultation and sharing of information with co-financiers, partners and groups and individuals with relevant knowledge of development issues helps to enhance the quality of Bank-financed operations."<sup>16</sup> Unfortunately, these laudable observations are not systematically reflected in the Bank's Disclosure Policy. In practice, the Policy is often geared towards informing people about decisions that have already been made, rather than providing people the information that they need to participate in decision-making. For instance, both Project Appraisal Documents (PADs) and Program Documents (PDs), which provide the only detailed explanation of a given loan, are disclosed only after Board approval. This is also the case for Country Assistance Strategies (CASS), which outline the Bank's basic strategy for a given country. If the Bank truly believes that external input can improve the quality of decision-making, then it should acknowledge that meaningful participation requires access to information while decisions are still being made.

The Bank could begin to address this problem by disclosing loan documents and other Board papers in final draft form after distribution to the Board but before Board consideration. This practice is already in place for Poverty Reduction Strategy Papers (PRSPs). Similarly, both the Development Committee and the Global Environment Facility Council make documents available before they deliberate on them. The Bank should adopt these measures for its own Board papers.

#### **ISSUE 4.3. Board Calendar**

Monthly Board calendars are not released until after the first of the month and are not updated throughout the course of the month. This defeats the purpose of alerting the public to upcoming Board discussions. Furthermore, calendars from past months are not available.

**Recommendation:** Previous Board calendars should be archived and available on the web. Current calendars should be updated throughout the month to reflect the evolving schedule of Board discussions and the upcoming month's calendar should be disclosed at least one week in advance.

Board calendars are not systematically released prior to the beginning of the month or, as was the case for the March, April, and May 2003 calendars, are not released until after the first of the month. For groups tracking a given project or issue, this limits their ability to know in advance when the Board is planning to discuss a particular topic and/or to track previous Board discussions of the same topic. The creation of a living document on the Bank's external website could provide a reasonable means to transform this stagnant document into a continuously updated calendar that reflects the shifting schedule of the Board. Final calendars should be archived on the Bank's website at the end of each month.

## **5. The Disclosure Handbook**

### **ISSUE 5.1. Translation of the Disclosure Handbook**

The Bank does not intend to translate the Disclosure Handbook.

**Recommendation:** Translate the Disclosure Handbook into Spanish, French, Portuguese, Arabic, Chinese and Russian in order to serve a wider stakeholder base.

### **Box 2. Request for Translation of Handbook**

On February 5, 2002, *Trasparencia*, a Mexican civil society organization that has been active in monitoring World Bank projects for several years, submitted a request to a World Bank official for a Spanish translation of the Disclosure Handbook. On February 27, the Bank Information Center submitted the same request to the InfoShop. Unfortunately, both requests were denied as the Bank stated that, "there are no plans to translate the disclosure handbook since it is an internal document that advises staff on workflow arrangements."<sup>17</sup>

<sup>16</sup> *World Bank Policy on Disclosure of Information*, 2002, paragraph 3.

<sup>17</sup> Correspondence with Bank officials, March 24, 2003.

The Disclosure Handbook assists Bank staff with step-by-step procedures to follow when developing documents that may be disclosed. This helps to ensure that documents are developed and sent to the InfoShop in a timely manner, therefore providing a useful reference document that can also be used for training of Bank staff on the provisions outlined in the Disclosure Policy.

However, the Disclosure Handbook has also proven to be a valuable tool for civil society. Understanding in greater detail who develops documents, which documents are subject to redaction, which documents are subject to country approval prior to disclosure, and the various other channels through which documents pass prior to disclosure provides vital insight into Bank procedures that civil society has previously not fully understood. Such information is even more important to individuals and civil society groups in borrowing countries who are affected by Bank projects and therefore have the greatest need to understand Bank operations. The Handbook should be translated to serve the needs of citizens in non-English speaking countries.

#### **ISSUE 5.2. Inclusion of Monthly Operational Summaries in the Disclosure Handbook**

The Disclosure Handbook does not include instructions to staff on the production and disclosure of the Monthly Operational Summary (MOS).

**Recommendation:** Add a section to the Disclosure Handbook that specifically addresses procedures on when and how Bank staff should add project information to the Monthly Operational Summary.

The Disclosure Handbook does an excellent job describing the details of document development for most of the documents that the Bank discloses. However, the Handbook does not include any language on how and when staff incorporate information on projects into the MOS. The MOS is a vital tool for the dissemination of information at the earliest stage of the project cycle and should not be overlooked by the Disclosure Handbook. Management has assured us that this was a simple oversight and we assume that steps are being taken to address this issue.

## Conclusion

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The Bank is making progress on the implementation of the Disclosure Policy. More documents are being disclosed, but serious problems remain. The implementation issues described above detail the Bank's failure to consistently provide project information early in the project

## 6. Pilot Activities in Information Disclosure

### **ISSUE 6.1. Pilot Activities in Information Disclosure**

Pilot activities are failing in their mission to “test ways for the World Bank and governments to provide additional information on CASs [Country Assistance Strategies] and lending operations under preparation and implementation.”<sup>18</sup>

**Recommendation:** Initiate a new round of Pilots that would concentrate on measuring the effectiveness of disclosing a broader range of documents to the public. The Bank should also revise existing Pilots to include the release of information that would not otherwise be disclosed.

In August 2001, the Bank committed to design a series of Pilot programs to explore ways to enhance information on the ground in borrowing countries. Almost two years later, many Pilot projects are still in the earliest stages of implementation. When the Bank Information Center informally requested information from each country desk initiating a pilot, many countries stated that activities on enhanced information disclosure had not yet begun or that no written information existed on the Pilot program.

According to the few offices that did respond with substantial information (Indonesia, Philippines and Zambia), the activities of the Pilots are merely testing ways for country offices and PICs to more fully comply with the requirements outlined in the Disclosure Policy. While we applaud the efforts of these Pilots to implement the Disclosure Policy, *all* country offices and PICs should be making every effort to properly and effectively comply with the Disclosure Policy. True disclosure Pilots would experiment in providing additional documentation to stakeholders, such as draft CASs, draft PADs, mid-term reviews, and detailed Country Policy and Institutional Assessment (CPIA) Ratings. The Bank should initiate a new round of information disclosure Pilots that would make it their mission to measure the costs and development effectiveness of additional information disclosure. The Bank should also revise existing Pilots to include the release of information that would not otherwise be disclosed.

cycle; to meet requirements to provide a list of factual technical documents; to adequately manage requests for information; to release Board information in a timely fashion; to indicate when material has been redacted; to make certain information more readily accessible on the website;

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<sup>18</sup> On the World Bank website at <http://www1.worldbank.org/operations/disclosure/disco-pilots.html> .

and to develop innovative pilot programs that push the limits of current information disclosure.

None of the compliance issues or recommendations mentioned in this report would require substantial changes to the Disclosure Policy. What they do require is a strict adherence to the provisions already outlined in the Policy and an interpretation of the Policy that reflects a presumption *in favor* of disclosure.

The Bank must also seek to develop more robust monitoring of the Disclosure Policy and intensify training of Bank staff. It is common for staff not to under-

stand their responsibilities in regards to information disclosure and such a deficiency underpins many of the issues outlined in this Review. We understand that the Bank is working towards a more robust training program for the staff of Public Information Centers and hope that this effort will extend to all staff who interact with the public during the execution of their work.

We hope the World Bank considers these issues when addressing implementation of the Disclosure Policy and will begin a more fluent discussion with civil society regarding the transparency of the institution.