



Global  
Transparency  
Initiative

# TRANSPARENCY AT THE **IMF**

A guide for civil society  
on getting access to  
information from the IMF

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The **Global Transparency Initiative (GTI)** is a network of civil society organisations promoting openness in the International Financial Institutions (IFIs), such as the World Bank, the International Monetary Fund, the European Investment Bank and regional development banks. The GTI believes that people have a right to information from public institutions and a right to participate in the development policies and projects that affect their lives.

This guidebook to transparency at the IMF was developed by the **Bretton Woods Project**, an independent, non-profit, non-governmental organization that works as a networker, information-provider, media informant and watchdog to scrutinize and influence the World Bank and International Monetary Fund. The Bretton Woods Project is a member of the Executive Committee of the GTI.

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# I. Introduction

The International Monetary Fund (IMF) plays an instrumental role in defining economic policy for countries that borrow from it. It is a powerful organization in setting standards and norms for the global community, including advocating for fiscal transparency. At the same time it does not fully meet the modern standards of governance and transparency that we would expect from a public organization.

IMF reports and decisions have enormous implications for national budgeting, aid inflows, foreign investment, debt levels and fiscal deficits. Concern about the lack of transparency at the IMF and its sister institution, the World Bank, led to the formation of the Global Transparency Initiative (GTI), which seeks to overcome the secrecy surrounding the operations of the international financial institutions (IFIs). As a tool to achieve this, the GTI drafted a Transparency Charter, a document that outlines nine principles that should govern access to information at the IFIs.<sup>1</sup>

There are serious deficits in the IMF's transparency, even allowing for some secrecy given the sensitive nature of the IMF's work. However we also have to recognize that there is a trend of increasing transparency at the IMF. More documents are published now than at any time before. There is also increasingly a divide between developed and developing countries over transparency, as industrialized economies publish more of their documents than developing countries. In response to demands for increased transparency, industrial country governments have accused developing countries of being obstacles to greater transparency.

Despite the need for improvements in transparency, there are opportunities for accessing useful documents made public by the IMF. But these documents and the information they contain are some of the least understood by civil society globally. This guide is an attempt to help civil society learn how to use the information held by the IMF but also provide an insight into the improvements that could be made in the IMF's transparency policy. It should be a useful reference for a range of people from advocacy organizations, researchers, budget monitors and even parliamentarians and officials.

While at times technical and full of jargon, the information published by the IMF can be important for civil society organizations that want to hold their governments to account for decisions made on economic policies. Especially important is how governments spend their money. This can often be constrained by the decisions of the IMF. Only by using all information and resources available will civil society organizations, such as those trying to improve health systems, be able to confront governments and international institutions and advance reform.

The next section of the guide first reviews the Fund's disclosure policy and measures some of its key elements against the Transparency Charter for the IFIs. The third section discusses what information is available from the IMF and which documents contain it. The fourth section covers mechanisms of getting access to those documents before concluding. A glossary of IMF jargon can be found after that.

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<sup>1</sup> The Transparency Charter is available in the Appendix.

## II. Background

The IMF's purpose is to monitor the global economy and promote monetary cooperation. It has access to a broad range of information and data about its member countries' economies, monetary systems, and budgets. IMF member countries submit very detailed economic data to the organization on a regular basis. Countries borrowing from the Fund agree to IMF conditionality, meaning that the Fund has a role in drafting and approving economic policies of those countries. The information it holds and the influence it wields make transparency at the IMF all the more important.

However, the IMF had no specific policy on transparency and disclosure through the first 50 years of its history, and was traditionally one of the most secretive international institutions. Its Articles of Agreement only mandated the publication of an annual report. As a result it did not publish or make public any documents relating to its work with individual member countries, nor full information about its own internal structure, activities or finances. Advocacy by civil society organizations and some of the IMF's member governments finally started to create change in the late 1990s. The first instance of substantively increased transparency came in April 1997. The IMF decided to issue a Press Information Notice (now called a Public Information Notice or PIN) summarizing the executive board discussion of oversight reports on a member's economy, providing the country agrees.<sup>2</sup> The IMF has been slowly allowing further opening of different types of information.<sup>3</sup> The Fund's first publication policy that covered a wide range of country documents was put into place in January 2001<sup>4</sup>, and has seen some minor changes since then.

Now a range of information is available that can be useful to all manner of civil society organizations, including on domestic economic policy, social spending, and international relations. Documents are released both under the transparency policy, described below, and separately. However, the Fund still falls far short of the Transparency Charter for IFIs (see Appendix).

### A. What is the IMF's transparency policy?

The Transparency Policy Decision of the IMF<sup>5</sup> covers the publication of 24 types of documents by the organization, but contains no recognition of the right of access to information, thus violating the first principle of the Charter on the right of access. The documents covered by the transparency policy fall into three categories: country documents, country policy intentions documents and Fund policy documents.<sup>6</sup>

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<sup>2</sup> See IMF, "Press Information Notices–Release", Decision No. 11493-(97/45), April 24, 1997, [http://www.imf.org/external/pubs/ft/sd/index.asp?decision=11493-\(97/45\)](http://www.imf.org/external/pubs/ft/sd/index.asp?decision=11493-(97/45)).

<sup>3</sup> For examples see the following documents available from the IMF's Selected Decisions web page at <http://www.imf.org/external/pubs/ft/sd/index.asp>: EBM/99/135, EBM/03/87, 13564-(05/85).

<sup>4</sup> The original transparency policy is available in the appendix of the IMF 2001 Annual Report: <http://www.imf.org/external/pubs/ft/ar/2001/eng/index.htm>.

<sup>5</sup> See IMF, "Transparency–publication policies", Decision No. 13564-(05/85), October 5, 2005, [http://www.imf.org/external/pubs/ft/sd/index.asp?decision=13564-\(05/85\)](http://www.imf.org/external/pubs/ft/sd/index.asp?decision=13564-(05/85)).

<sup>6</sup> For a fuller discussion of what types of documents are and are not available see the online resource at <http://www.ifitransparencyresource.org>.

Country documents include reports on economic health and lending decisions related to specific member countries such as Article IV reports, debt relief program reports, and Use of Fund Resource (UFR) reports (See the Glossary at the end of this guide for more detailed explanations of terms). Country policy intentions documents relate to economic plans of member governments, including Poverty Reduction Strategy Papers (PRSPs), Letters of Intent and Memoranda of Economic and Financial Policies.

Two document types fall outside these three categories: statements on Fund decisions on waivers of nonobservance or applicability for performance criteria and similar statements in reference to assessment criteria.

For country policy and country policy intentions documents, there is no **automatic disclosure**, thus violating the second principle of the Transparency Charter on automatic disclosure. For some of the documents, the Fund's policy says "A member's consent to Fund publication of documents ... shall be voluntary but presumed." However the policy defines "presumed" to still require a member's explicit consent for the publication (see Box 1). This is the opposite of automatic disclosure. Furthermore the publication of other documents is considered entirely voluntary.

The transparency policy also does not cover information about the **structure**, finances and decision-making processes of the IMF. The IMF does publish information on its structure – including Articles of Agreement, voting rights, and by-laws<sup>7</sup> – but this is not mandated by its transparency policy and the release of information must be separately authorized for publication, thus further violating the second principle on automatic access. Publication of information on the IMF's finances is mandated by the IMF's Articles of Agreement.

The IMF transparency policy also clearly states: "Documents may be published under this decision only after their consideration by the Executive Board" except for a few document types such as PRSPs. This is a clear violation of the third principle of the Transparency Charter on access to decision making, which requires that **draft documents**, at least on some classes of documents, be published in advance of decisions being taken by the board. This is to allow proper input into the decision making process by external stakeholders.

### Box 1. Two steps forward, one step back

While the IMF has made progress in increasing transparency in recent years, including broadening the transparency policy, it has simultaneously retreated on one of the most important principles contained within the IFI Transparency Charter: automatic disclosure.

The first IMF publication policy created in 2001 contained a presumption of disclosure for four types of documents, including the important Letters of Intent and Memorandum of Economic and Financial Policies. It provided that "if a member does not wish to consent to Fund publication of a document, the member will need to notify its decision and provide an explanation."

The 2003 revision of the policy redefined "voluntary but presumed" to require an explicit written permission from country authorities before a document can be published. This is actually a presumption of non-disclosure. The new definition remains in place in the current policy.

<sup>7</sup> This information can be found on the IMF's web site in the following locations: Article of Agreement, <http://www.imf.org/pubs/ft/aa/index.htm>; voting rights, <http://www.imf.org/external/np/sec/memdir/members.htm>; by-laws, <http://www.imf.org/external/pubs/ft/bl/blcon.htm>.

<sup>8</sup> See IMF, Decision No. 12067-(99/108), September 22, 1999, [http://www.imf.org/external/pubs/ft/sd/index.asp?decision=12067-\(99/108\)](http://www.imf.org/external/pubs/ft/sd/index.asp?decision=12067-(99/108)).

The IMF transparency policy also contains further means by which information can be kept away from the public. In relation to IMF financial assistance, the policy makes provisions for the use of **‘side letters’**<sup>9</sup>. While member countries may consent to the publishing of country documents in relation to a loan from the IMF, they can keep controversial decisions with regards to government economic policy out of the published version by putting them in a side letter. A side letter is a strictly confidential, binding agreement between the country and the IMF containing conditions and economic policy plans. In fact, this information in some cases may not even be released to the IMF Executive Board.

Furthermore, in relation to surveillance and oversight of a country’s economy, the transparency policy allows for **deletions** to take place. Member countries may seek deletions of two types: “highly market-sensitive material” and “material not in the public domain, on a policy the country authorities intend to implement, where premature disclosure of the operational details of the policy would seriously undermine the ability of the member to implement those policy intentions.” While deletions must be “requested” by the member country, the IMF does not keep information on the number of deletion requests that are rejected.

The use of side letters would violate the spirit of the fifth principle of the Charter on limited exceptions. The Fund policy in relation to side letters is very broadly defined with a non-exclusive list of items that could be agreed in this format: “While there is no presumption that particular kinds of measures would be conveyed in a side letter rather than a letter of intent, some matters that could in some cases be considered for inclusion in side letters would be: (i) exchange market intervention rules; (ii) bank closures; (iii) contingent fiscal measures; and (iv) measures affecting key prices.” Exceptions should be strictly defined, not based on an open list. Additionally there is no **appeal mechanism**, including for the use of side letters or the deletions policy, thus violating the sixth principle of the Transparency Charter on appeals.

The current IMF transparency policy must be reviewed at least every 36 months. The IMF has scheduled its next review to take place before June 2008. This partially fulfills the requirement under the ninth principle of the Charter for **regular review**. However, the IMF has no formal requirement in place for conducting multi-stakeholder consultations on its policies. No previous review of the transparency policy involved consultations with stakeholders. The 2008 review should actively solicit the opinion of communities who have been affected by IMF policies in general and external stakeholders in member countries that do not publish IMF documents in particular.

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<sup>9</sup> Decision No. 12067-(99/108), op cit, para 6.

### III. Available information

The IMF is a repository of much useful information on countries' spending and fiscal plans and other monetary and economic policies that affect their citizens. Some governments make it easy for their citizens to access such information domestically, but others do not. This makes the IMF a potentially valuable source of information for civil society organizations looking to hold their governments to account in a wide range of areas. Of course this all depends on governments consenting to the publication of their IMF documents – something which a few governments still resist (see Box 2).

#### A. Poverty Reduction Strategies

Poverty Reduction Strategy Papers (PRSPs) describe a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs and major sources of financing. These are comprehensive national planning documents which are prepared by governments supposedly in consultation with external stakeholders including civil society organizations. Though each PRSP differs based on country circumstances, the PRSP must outline the economic framework that the government plans to use. It usually covers a three to five year timeframe, setting out the government's medium-term priorities.

Final PRSPs can be useful documents for holding governments to account on promises made to reduce poverty and increase social expenditure. Any low-income country that takes a loan from the IMF under their Poverty Reduction and Growth Facility (PRGF) must consent to publishing their PRSP on the IMF website. Thus PRSP-related documents are available for nearly 40 countries. However the fact that it is not prepared on a very frequent basis limits some of the usefulness of the PRSP. Also the IMF does not have draft versions of the PRSPs or working group papers that fed into their production. Those documents would be held only by the country authorities.

#### B. Economic policies

The IMF's country documents are excellent repositories of data, statistics, and policies of all of the IMF's member countries. Many governments now publish data, such as inflation statistics, budget numbers, revenue and other information on their own web sites. However for those countries where this is not available or not easy to navigate, IMF documents may provide the information needed for activists and analysts. However this requires some understanding of where information can be found and how it might be useful.

#### Box 2. Publishing laggards

Of the IMF's 185 current members, 163 published their most recent Article IV report. The following countries refused publication:

Bahrain	Guyana	Qatar
Bhutan	Haiti	Saudi Arabia
Brazil	Malaysia	Seychelles
Brunei	Maldives	Somalia
Cote d' Ivoire	Myanmar	Thailand
Dominican Rep.	Nigeria	Turkmenistan
Grenada	Oman	Venezuela

For borrowing countries, of the 34 IMF members with current lending programs, all but 3 of them have published their Letters of Intent. The following countries refused publication:

Iraq	Kenya	Paraguay
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There are three basic places that such information can be found: Article IV documents; documents relating to IMF loans, so-called Use of Fund Resources (UFR) reports; and Reports on Standards and Codes (ROSCs). Remember, all these types of documents are not automatically published; consent must first be given by the authorities of the country concerned.

**Article IV** reports are periodic assessments of a country's economy and are part of the IMF's 'surveillance' work. They are produced annually or biannually for all IMF members<sup>10</sup>. The Article IV documents contain key statistics and information on every IMF member. Even for those members that do not publish their Article IV reports (see Box 2), the Public Information Notice released by the IMF board will contain some of the basic economic indicators – such as inflation, government revenue, the fiscal balance and the balance of payments – which may not be available from any other source.

For those countries that borrow money from the IMF, there are more frequent reviews of the country's performance and plans, generally grouped under the heading Use of Fund Resources (UFR) reports. Middle-income countries borrow money under a **Stand-By Arrangement (SBA)**. SBAs are reviewed every three months initially and then every six months later. Meanwhile low-income countries borrow money under a **Poverty Reduction and Growth Facility (PRGF)**, which have reviews every six months. The PRGF and SBA reviews contain much information about economic policies. Additionally there are two further types of non-financing programs that contain similar information: Staff Monitored Programs (SMPs) and Policy Support Instruments (PSIs). SMPs are now usually used by low-income countries that are not stable enough to qualify for support under the PRGF but who want to get that support later. PSIs are for more mature low-income countries that no longer need or want IMF financing but still want IMF reviews. PSI reviews are treated identically to PRGF reviews in terms of publication. SMP reviews are published completely voluntarily, not under the IMF's "presumed" doctrine (see Section II.A).

For loan review documents, the first section is the IMF staff report, which is usually followed by the government's **Letter of Intent (LOI) and Memorandum of Economic and Financial Policies (MEFP)**. This may lead to confusion, but just reflects that there are two parties to the production of the report. The staff report describes the IMF's reaction to the government's plans and proposals, which are contained in the LOI/MEFP. However, readers should not think they will find significant differences between the staff report and the LOI/MEFP. Part of the process for a loan review involves Fund staff going on a 'mission' to the country concerned and negotiating the details of the economic policies in advance. Then the country authorities and IMF staff work on the documents that will justify the position they have negotiated. The staff report is usually officially dated as finished a few days after the government authorities submit the final version of the LOI/MEFP.

The final important document type for economic policies is a **Report on Standards and Codes (ROSC)**. ROSCs are IMF (and World Bank) evaluations of member countries' policies against a set of standards and codes that serve as benchmarks of good practice in 12 areas: data

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<sup>10</sup> The IMF website will show you the date of the most recent Article IV report but will not give the exact date for the next scheduled report. The relations with the Fund section of a staff report (see Section III.C) will specify whether a country is on a 12-, 18-, or 24-month schedule.

quality, monetary and financial policy transparency, fiscal transparency, banking supervision, securities, insurance, payments systems, anti-money laundering provisions, corporate governance, accounting, auditing, and insolvency and creditor rights. Countries volunteer to have the IMF assess its practices in any of these specialized areas, and the publication of the resulting report is also voluntary. A ROSC provides very detailed information on the economic policy of the country in the area concerned. ROSCs are updated on average every five years for participating countries.

Below we describe some of the specific kinds of information that can be found in these three types of documents (Article IV reports, Use of Fund Resources (UFR) reports, and Reports on Standards and Codes (ROSCs):

## 1. Government revenue and expenditure

Some of the most useful information available via IMF documents is about a government's budget and spending plans. In IMF language this is called the 'fiscal plan', the 'fiscal position', or the 'fiscal balance'. The IMF places a strong emphasis on governments controlling their spending, and thus this is always analyzed in IMF reports. At a minimum there is aggregate data on the growth of the economy and the government's budget contained in the tables that follow the main narrative text of either the Article IV report or the loan review. This table, usually the second table attached to a staff report, might be called something like "Federal Government Budget", "Annual Fiscal Operations of the Central Government", or "Operations of the Consolidated Public Sector".

While IMF documents usually do not break down expenditure by sector – for example agriculture, health and education – they do present data for the expected **growth of the budget**, and where relevant, the documents separate out **transfers to sub-national governments**. In some cases the text of the report will contain more detailed plans for sectoral spending increases or new tax measures the government is planning to implement. It should also show the expected increases in loans and grants to the government from bilateral and multilateral donors. Governments, in conjunction with the IMF, often develop medium-term frameworks for the budget. These frameworks range in detail. A medium-term fiscal framework is the simplest; a medium-term budget framework has cost breakdowns by sector of the government; and a medium-term expenditure framework has detailed expense projections for different programs with a sector. These medium-term frameworks are not generally published in full by the IMF.

One area of the budget that is critically important in many low-income countries is the level of **spending on wages** – especially on the wages of publicly employed nurses, doctors and teachers. Spending on education and health sectors has been identified as a key way to help reduce poverty. Additionally, in many countries more nurses, teachers and doctors will be necessary if the country is to meet the Millennium Development Goals such as universal primary education and a reduction in infant mortality. The table that lists government fiscal operations should include line items for two types of expenditure: current and capital. Capital expenses are costs for tangible assets that will last a long time, such as roads, dams, and hospitals. Current expenditures are for expenses that are ongoing and do not involve the creation of tangible assets, such as training, travel expenses and salaries. The IMF categorizes wages for civil servants as current expenditures and a separate line item may show the wages and salaries of government employees.

Like the total budget, the wage spending will not be broken down by sector, but a comparison can be made to see if the amount of money being spent on civil servant salaries is increasing at the same rate as the overall budget. Interpreting the data will require local knowledge. Smaller increases, or even decreases, in civil servant salaries, called the wage bill, compared to the total budget may indicate that the government is effectively eliminating corruption in the form of ghost workers. Then again it may mean that the government is under-investing in critical human resources that are needed in the education and health sectors. Looking at future projections for the wage bill can indicate government intentions in some cases, for example plans for privatization of public services would show up as declines in the amount spent on salaries.

In the area of **taxes**, some of the Article IV reports and loan reviews will break down the sources of tax revenue which can be very helpful to highlight the effect of government policies. Revenue could come from income taxes (both personal and corporate), value-added taxes (taxes on the purchase of goods), excise taxes (taxes on the production of goods including royalties on resource extraction) or customs taxes (taxes on goods imported or exported). The trends in these different tax levels could help show who is financing increased government spending. For example, value-added taxes, also called VAT, may be regressive in that they may tax the poor more than the rich as a percentage of their income. The narrative of the reports may also describe reductions in ‘VAT exemptions’, meaning there may be a plan to levy taxes on more types of goods.

For low-income countries especially, the IMF documents provide an easy way to see the **level of grants** coming into the country from donors. The grant income will be a line item in the section of the table on government revenue. They may also distinguish between budget support grants and project grants – which have different implications for the strategic spending plans of the state. A breakdown by donor is not always available in the IMF documents<sup>11</sup>, but the IMF’s grant numbers should be the most up to date available anywhere.

## 2. Economic statistics and projections

The IMF holds a vast amount of data on the economy of its member states including sometimes very detailed information on trade, foreign investments and debts. The Article IV reports and Use of Fund Resources (UFR) documents like PRGF requests and reviews will provide some of this general economic information. This includes **GDP growth rates, inflation levels**, amount of **foreign direct investment**, and whether the country has a **current account deficit** (importing more than it exports). This will usually be in a section called “recent developments” or “program performance”. This will generally be followed by a section called “policy discussions” which contains the projections for future growth, inflation, etc.

In these same documents there is also usually a discussion of debt levels, both domestic and foreign debt and sometimes both public and private debt. The Article IV reports include this information as part of a “debt sustainability analysis” which checks whether the IMF thinks

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<sup>11</sup> Data that breaks down aid for a specific country by donor is available from the OECD’s Development Database on Aid from DAC Members at: [http://www.oecd.org/document/33/0,2340,en\\_2649\\_34447\\_36661793\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/33/0,2340,en_2649_34447_36661793_1_1_1_1,00.html).

the government can manage the amount of debt it has taken on<sup>12</sup>. There will usually be a narrative description of the debt levels and the key issues in dealing with these. The tables on economic indicators will also contain the past and projected future debt levels. For countries borrowing from the IMF, this is a key location to see whether the IMF has placed constraints on the government's finances as the tables will show how much debt the government is allowed to take on.

For example, under the government budget table there may be a line item called "change in arrears". This indicates whether the amount of unpaid debt the government owes is changing. Negative numbers indicate that the government is reducing its level of unpaid debt by making payments to its creditors. Positive numbers would indicate that the government is not making payments on its debt. Some reports do not show the change in arrears, but instead show the level of debt (either in currency terms or as a percentage of GDP). So declining numbers would show a reduction in debt levels. For some countries this may be interesting information, because paying off domestic and foreign debt might go against the government's need to increase spending on social sectors or investments in infrastructure, education or health. The IMF may be requiring that increases in aid be used to pay off debt rather than pay for poverty-reducing government programs.

### 3. Conditionality

The IMF has been accused of preventing citizens from holding their governments to account for economic policy decisions. The IMF and government often play a blame game as to who is responsible for the adoption of economic policies when a country is borrowing money from the Fund. The IMF may claim that the governments wanted to introduce some unpopular policy, such as increasing fuel prices, while the governments may counterclaim that the IMF forced them to do it. The dynamics of the IMF-government relationship can not be fully uncovered by looking at IMF documents; to see the full story would require sitting in on the negotiating sessions between the IMF mission team and the finance ministry. However, by knowing the right place to look in IMF documents that have been made public, you can see the exact agreement and conditions of IMF loans.

Knowing the conditions facing a country can be useful information in a number of ways. First, it indicates the economic policies that the government will implement. In some cases, even unpopular conditions will be made public in the documents. Structural conditionality usually will have implications for the parliament or legislature. Knowing the timetable for such conditions allows civil society to engage in advocacy and campaigning targeted at elected officials.

**Conditionality** comes in three types from the IMF: prior actions, performance criteria and structural benchmarks. **Prior actions** are requirements a country must meet before the loan from the IMF will go ahead. **Performance criteria** (PC) are the conditions the country must meet during the course of the loan to continue to borrow money from the IMF. There are two types

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<sup>12</sup> Debt sustainability is determined using the joint IMF-World Bank debt sustainability framework (DSF). For a critique of the latest review of the DSF see: F Oddone, "Debt sustainability or defensive deterrence: The rise of new lenders and the response of the old", Eurodad, 10 January 2007, [http://www.eurodad.org/uploadedFiles/Whats\\_New/Reports/Eurodad%20Debtsustainabilityordefensivedeterrence.pdf](http://www.eurodad.org/uploadedFiles/Whats_New/Reports/Eurodad%20Debtsustainabilityordefensivedeterrence.pdf).

of performance criteria: quantitative and structural. **Quantitative PC** are usually measurable economic statistics such as the inflation rate, level of international currency reserves or amount of debt of the government. **Structural PC** relate to changes in a country's economic structure or laws that are required by the IMF. These could include eliminating fuel subsidies, creating a public financial management system, trade and investment liberalization, privatization of state-owned enterprises or any other policy change that is negotiated between the IMF and government. Failure to fulfill the prior actions or performance criteria could cause the IMF to cease lending money and declare a country "off-track"<sup>13</sup> in its economic program.

**Indicative targets** and **structural benchmarks** are also conditions, but not following through on these reforms would not cause a country to lose the loans from the IMF or be declared off-track. Indicative targets are generally either interim or long-term goals related to a quantitative PC. Structural benchmarks are similar to structural PC, but often involve long-term reforms to economic policy. Even if the indicative targets or the benchmarks are missed, a country will still receive money from the IMF, but continuing

to not fulfill these conditions may see the IMF convert them into performance criteria. Sometimes as the country fulfills the performance criteria set out in the original loan agreement, the indicative targets and structural benchmarks become the new performance criteria. Despite all these classifications, they are all types of conditions that the country has agreed to as part of its request for IMF financial assistance.

#### **Top Tip: Finding the table of conditions**

As a rule of thumb, the table of conditions is generally found between page 30 and page 40 of a PRGF review document that contains both the staff report and the Letter of Intent. For Stand-by Arrangement reviews for middle-income borrowers, if the document includes the staff report and the Letter of Intent then the table of conditions is usually at about page 60 or 70.

In the past it has been very difficult to find the actual conditions set in IMF programs.<sup>14</sup> The IMF does not make public a full database of its conditions across all its loans. However most countries publish their LOI/MEFP which outlines the conditions a country has agreed to. The narrative section of the MEFP describes economic policy plans in general and also includes a detailed discussion of the conditions being agreed. The conditions are also summarized in a table that is the first attachment to the MEFP. This table breaks down the conditions according to the types described above. For the quantitative PC and indicative targets, the table will show the figures for several years going forward. For the structural PC and benchmarks, the table will show the deadline for the change to be made as well as notes about how and when previous criteria were fulfilled.

Finally, the Letter of Intent and Memorandum of Economic and Financial Policies is usually accompanied by a Technical Memorandum of Understanding. This document sets out in even further detail how the IMF will assess whether the country has met the conditions set out. It gives the definitions of the performance criteria and how the various figures are measured.

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<sup>13</sup> Having an off-track IMF program can have grave consequences aside from the IMF ceasing its lending. Going off-track will mean a suspension of World Bank financing. Many donor countries will refuse to give further aid to a recipient country that is declared off-track. Some private sector financing may also cease when a country goes off-track.

<sup>14</sup> Note that IMF conditions are set separately from World Bank conditions. World Bank conditionality can only be researched in World Bank documents.

It is important to note that countries do not automatically go “off-track” if they fail to meet one of the conditions. In fact for most program reviews, the country makes a “request for waiver of nonobservance of performance criteria”. The waiver request will be included in the Letter of Intent and discussed in the staff report. This will often appear in the title of the document on the Fund website. This means that the country did not do what it committed to do, but still wants to receive money from the IMF and continue with the program. Such requests are rarely refused, and usually the IMF reschedules the deadline for the structural PC or adjusts the target for the quantitative PC. Explanations of which conditions were not met will usually be in the “recent developments” section of the staff report. They can also be found by comparing the deadlines and notes in the table of conditions found as an annex to the MEFP.

### C. Country relations with IFIs

The IMF loan review and Article IV documents also describe the country’s **relations with multilateral institutions**. For most countries this will only reference the IMF, but for many developing countries there will also be an overview of relations with the World Bank. This information can help clarify what sort of technical assistance projects the IMF is doing in a country, and what projects the different arms of the World Bank Group are funding. It also gives brief descriptions of Bank policy lending and technical assistance.

**Technical assistance** work by the IMF and World Bank is an important but less well-known way for the international institutions to influence economic policy. Technical assistance usually involves ‘experts’, either private sector consultants or staff of the Bank or Fund, advising the government on different aspects of economic policy and institutional reform. The reports and recommendations from technical advisors are generally not subject to any review and are not debated by elected authorities such as parliaments. Investigating what technical assistance projects the IMF has undertaken may clarify why there have been changes in economic policy – especially tax policy.

Additionally it can be difficult to find information on the activities of all the arms of the World Bank Group in a country. However the report on the relations with the World Bank usually separately lists the activities of the International Finance Corporation (IFC), which lends money to companies as opposed to governments, and the Multilateral Investment Guarantee Agency (MIGA), which insures private-sector investments.

The summary of ‘Relations with the Fund’ is usually found as an annex to the staff report on a loan review or the Article IV report. It also lists basic data about how much money the country owes to the IMF and the name of the IMF resident representative in the country.

### D. Contacts and key people on country programs

It can be difficult to locate the right person to whom a question can be asked, especially with country authorities and the IMF directing civil society organizations to each other. However the IMF documents can provide several names of people that may be helpful in finding further information.

First, as described above, the IMF **resident representative**, usually known as the ‘res rep’, will be listed in the ‘Relations with the Fund’ section in an annex to the staff reports of documents.

The contact information for the resident representative will also be on the IMF's web site (see next section). However, the resident representative is not the one making key decisions on behalf of the IMF when it negotiates with the country. The real decision maker is the 'mission chief'. The **mission chief** or 'head' of the staff team is always listed on the covering page of a loan review document along with the names of the staff team who participated in the mission and prepared the document. They usually come from the IMF area department responsible for the country in question: African Department (AFR), Asia and Pacific Department (APD), European Department (EUR), Middle East and Central Asia Department (MCD) or Western Hemisphere Department (WHD).

While some IMF staff will ask you to talk to the resident representative or the external relations department, others may be willing to discuss country circumstances with you directly. The IMF has a guide for its staff and their relations with civil society.<sup>15</sup> **To reach an IMF staff member**, you can call the IMF switchboard at +1.202.623.7000 and ask for them by name and department. You can also call this number to ask for the email address of any staff member. The standard email format for IMF staff is the first initial followed by the surname. So John Doe's email address would be jdoe@imf.org. Unfortunately the IMF does not generally make public the names of individuals within country governments that they work with. Finding this information will require inquiring directly with the finance ministry.

## E. IMF policy and accountability

Like any organization, the IMF has a number of policies that guide how the institution operates. These IMF policies include everything from human resources and staff procedures to what kind of economic policies low-income countries should follow and how to operate a central bank. Despite the importance of these policies, as they govern the advice the IMF gives and the conditions they set on countries, they are not developed in a transparent way. The **IMF Executive Directors' meetings** are closed to the public. The text of the papers and proposals going to the board are not published until after the board has made its decision. The 'gray statements' that board members make and circulate on a policy proposal before the board discussion are also unavailable. Finally, most IMF decisions are taken on the basis of 'consensus', a loosely defined concept at the Fund that leaves it to the chair of the board to assess if the proposal has enough support. Formal votes at the board are very rarely taken except on issues such as salary levels and the interest rates on loans. The records of votes, board minutes and gray statements are not publicly available until ten years after the board meeting.<sup>16</sup>

Thus, it is almost impossible for external stakeholders to participate effectively in decision-making. The IMF does publish a **board work program** every three months with a rough schedule of what policy discussions will take place. The exact date of a board meeting on a particular subject, including country programs, is made available on the IMF's website no more than seven days before the meeting is due to happen.<sup>17</sup> This leaves little time for advocacy or

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<sup>15</sup> The Guide for Staff Relations with Civil Society is only for guidance purposes and is not binding on the staff. The guide is available in multiple languages and is available at: <http://www.imf.org/external/np/cso/eng/2003/101003.htm>.

<sup>16</sup> For a discussion and comprehensive set of recommendations on aspects of accountability and transparency related to the IMF board see: "High-Level Panel on IMF Board Accountability: Key Findings & Recommendations", New Rules for Global Finance, 10 April 2007, [http://www.new-rules.org/docs/imf\\_board\\_accountability.pdf](http://www.new-rules.org/docs/imf_board_accountability.pdf).

<sup>17</sup> The latest board work program is available at <http://www.imf.org/external/ns/cs.aspx?id=89>. The weekly board calendar can be found at <http://www.imf.org/external/np/sec/bc/eng/index.asp>.

consultation, and lobbying of governments is difficult when drafts of the policy proposals are not available. ‘Consultation’ that does happen, often occurs after a board decision and is used to explain the IMF’s opinion more than solicit input from external stakeholders.

There is also a problem of accountability after a policy has been chosen. Without knowledge of how the representatives of governments voted at the IMF, how can civil society hold them to account for their decisions? The finance ministries in some countries do publish reports on their decisions at the IMF, usually in the form of **a report to parliament**, but this is the exception rather than the norm.<sup>18</sup> Such reporting is complicated by the fact that most developing countries do not have their own representatives on the IMF executive board. Instead they are part of a constituency, with as many as 24 countries represented by a single executive director (ED). That ED then has very blurred lines of accountability to the elected governments in those countries let alone civil society.

The only statement that sheds any light on the decision making at the Fund is the **Public Information Notice (PIN)**. It is written in a coded fashion to indicate whether the board agrees with a proposal or not, but it will never indicate which specific EDs agreed or disagreed. When reading a PIN it is essential to pay attention to modifiers and keep in mind that votes are weighted. A sentence with “the board ...” indicates there was consensus or a sufficiently large number of EDs to be near unanimous agreement. The phrase “most directors ...” would attribute agreement to more than half of the directors, but usually representing less than the required threshold of votes for agreement. Finally “some directors” shows that a smaller number of EDs had the opinion, but they were probably very adamant about their position. This scant evidence is all that is available to try to determine the thinking of the board because of the lack of transparency.

Finally, there are **statements to the International Monetary and Finance Committee (IMFC)**, an advisory body of finance ministers that reflects the same makeup of nationalities as the executive board. The IMFC meets twice yearly to discuss policy and set strategic directions at the IMF. Each minister reads a prepared statement to the IMFC on behalf of the constituency. This statement is publicly available. It shows the opinion of the minister, and thus usually the ED of that constituency, on policy questions and country economic plans that will come up in the next six months. However the statement does not usually discuss the intimate details of policy or country programs and thus is of limited use in advocacy.

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<sup>18</sup> For a global review of parliamentary mechanisms for oversight of the IFIs see: “Who’s Minding the Store? Legislator Oversight of the Bretton Woods Institutions”, Halifax Initiative, October 2004, [http://www.halifaxinitiative.org/lupdir/Legislator\\_Oversight\\_Paper\\_Oct2004.pdf](http://www.halifaxinitiative.org/lupdir/Legislator_Oversight_Paper_Oct2004.pdf).

## IV. Access to information

### A. Physical access

While the World Bank has tried to decentralize many of its operations, the IMF is still very centralized with most operations and analysis controlled from Washington. However, the Fund has also started to open offices in many developing countries, especially low-income countries. The **resident representatives**, or ‘res reps’, should serve as a point to access information available from the IMF.<sup>19</sup> The res rep’s office should have all country documents and country policy intentions documents that are publicly available, but they will generally only be available in English. The IMF does not regularly undertake translation, leaving it to a country’s government to translate the documents from English into **local languages**. This would constitute a further violation of the principles of the IFI Transparency Charter, especially the third principle on access to decision making. Few countries choose to make translations of documents into local languages.

Some documents that are not country specific or are not recent will not be available from the res rep’s office. They will only be available from the **IMF archives** in Washington.<sup>20</sup> Access to the archives is available by advance request. Most of the interesting archive documents, such as board statements and minutes, are only available after ten years.

Access to information can also include **access to meetings** where decisions are made. The most important meetings in this context are between IMF staff members on a mission to a country and the country authorities, often in the finance ministry. The IMF has no policy on access to such discussion and negotiating sessions. Some such sessions have even been filmed for documentary purposes.<sup>21</sup> Access to such meetings is granted by the government of the country concerned. As most IMF meetings happen with the finance ministry, civil society should ask the ministry to grant citizens the right of access to the meetings.

### B. Electronic access

The easiest way to access the documents from the IMF is through the Internet. The IMF web site (<http://www.imf.org>) provides documents from as far back as 1990, but most country documents, such as loan reviews and Article IV reports, are only available from about 1999.

Documents about specific countries can be found via the “**Country Info**” tab on the web site and selecting the relevant country. The resulting list of documents will list everything available on the country, with the most recent documents first. This list can include a wide diversity of items, making it necessary to scroll through the items to find the one you are looking for. Alternatively, by selecting the link for “view items by category” at the top of the country page you will be presented with categories of documents to search through. The relevant categories for the information described in this guide are: Letters of Intent, Poverty Reduction and

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<sup>19</sup> A list of res rep offices can be found at <http://www.imf.org/external/ns/cs.aspx?id=57>.

<sup>20</sup> See <http://www.imf.org/external/np/arc/eng/archive.htm> for the policies on access to the archives.

<sup>21</sup> The 2-part film series *The Bank, the President and the Pearl of Africa* documents the negotiations between the World Bank and Uganda in 1998. For more information see <http://www.if WATCH.tv>.

### Top Tip: Watch out for ‘bundling’

Often multiple documents will be released together in a bundle, especially when they relate to the same IMF mission or the same loan review. However, to complicate matters, there is no standard format for how and when these bundles are created. Many times, for countries borrowing from the IMF, a staff report on the loan review, the Article IV report, the LOI/MEFP, an Executive Director’s statement and a PIN are all released together.

In other cases the Letters of Intent are released and published separately. The bundling will make document titles very long, but to find the right document it is important to read the whole title. In some cases when the LOI is bundled with the staff report, the title may not even reflect this fact and it will be necessary to read the table of contents of the staff report

Strategy Papers, Public Information Notices, and IMFC statements. Article IV reports are filed under “Publications”.

It is helpful to know the **schedule** of when a document should be produced to assist in scanning through the document list. Low-income countries borrowing from the Poverty Reduction and Growth Facility (PRGF) or participating in the Policy Support Instrument (PSI) will have loan reviews every six months. Middle-income countries will have Stand-by Arrangement (SBA) loan reviews every three months to start with, with later reviews conducted in groups of two, thus generating reports every six months. For non-borrowing countries the Article IV report will generally be released separately from the PIN and should be either on an annual, 18-month or biannual cycle.

Sometimes the link from the document list will take you to a secondary page with more details about the document. There is usually a “Free Full Text” link that will give you access to an electronic version of the document. Most documents are released in Adobe Acrobat format, so it will be necessary to have Acrobat Reader software installed on your computer.

The IMF also has a system in place to send out **automatic notifications by email** when new content becomes available. You can sign up to receive email when documents become available in relation to a specific country or when certain kinds of documents (for example PINs or working papers) become available.<sup>22</sup> This makes it unnecessary to continually monitor the IMF website.

## C. Accessing unavailable information

Information not published by the IMF might be available by other means. For countries with **freedom of information (FOI) laws**, civil society may be able to use those laws to ask for information from the governments.<sup>23</sup> FOI requests can be made of the finance ministry and other relevant ministries.<sup>24</sup> **Parliaments** may have better access to information, including the ability to legally demand information from finance ministries. In fact in some cases parliaments are legally required to scrutinize loans and budgets before they can go forward. Thus friendly

<sup>22</sup> You can subscribe from this web page: <https://www.imf.org/external/cntpst/index.aspx>.

<sup>23</sup> The GTI’s report, *Behind Closed Doors*, is a systematic cross-country study of access to IFI documents and information using freedom of information laws. It is available at: [http://www.ifitransparency.org/doc/behindcloseddoors\\_secrecyiniifis.pdf](http://www.ifitransparency.org/doc/behindcloseddoors_secrecyiniifis.pdf).

<sup>24</sup> Parliaments may have better access but they are not uniformly empowered to act on this information. For a further discussion of legislator oversight over the IFIs see: “Kept in the Dark”, World Development Movement, April 2005, <http://www.wdm.org.uk/resources/briefings/debt/keptindarkbriefing01042005.pdf>.

parliamentarians can be very helpful in securing access to information.<sup>25</sup> For example the Malawian parliamentary committee on international financial institutions (MAPCOI) has had success in ensuring that Parliament has access to budget proposals before they go to the IMF board for approval.

Another possibility is to make a direct request for the information to the executive director representing your country or the country of interest. In some cases the offices of the ED will be able to provide the information or enquire about why it is has not been released. Sometimes the country authorities forgot to give permission for a document to be published. Simply asking for the document might prompt them to give the permission and have the information made publicly available. Finally, requests can also be directed to the IMF's civil society liaison office.<sup>26</sup> There is no guarantee that they will meet your request, but the staff can be helpful in getting information to you with a minimum of hassle.

These difficulties in accessing information highlight the need for a mechanism to request information, as described in the fourth principle of the IFI Transparency Charter. To complement that, an appeals mechanism should be available, as described in the sixth principle. This would enable a fair system to be put in place that would recognize the right to information. The IMF has not made any progress on meeting either of these two principles to date.

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<sup>25</sup> For those civil society organizations working with parliamentarians, a toolkit is available to introduce the legislator to oversight of the IFIs: "Building Scrutiny of the World Bank and IMF, A toolkit for legislators and those who work with them", World Development Movement, 19 January 2007, <http://www.wdm.org.uk/resources/reports/debt/toolkitforlegislators19012007.pdf>.

<sup>26</sup> The civil society liaison office can be reached at: +1 202 623 9400 and [ngoliaison@imf.org](mailto:ngoliaison@imf.org).

## V. Conclusions and recommendations

The IMF does not meet the principles put forward in the IFI Transparency Charter developed by the Global Transparency Initiative (GTI). Despite its lack of transparency and its non recognition of the right of access to information, the IMF does release information that can be useful to activists.

A more open disclosure policy at the IMF would make available much more information that can assist in policy and advocacy work. Pushing for more disclosure at the IMF, means putting pressure on the IMF member states to change the policy. Ultimately the IMF transparency and disclosure policies are determined by the Executive Board, meaning the representatives of governments around the world.

The IMF has committed to review its transparency policy in 2008, with a firm deadline of finishing the review before June. The GTI and its network of members are pressing for the IMF to meet the principles set out in the IFI Transparency Charter. The first steps to achieve that would mean the following changes:

- Introduce a regime of presumed disclosure, with no ability for member countries to withhold documents aside from a limited regime of exceptions;
- Establish a mechanism to request any information;
- Establish an independent appeals process to handle disputes over the exemptions policy or rejections of requests for information;
- Broaden the scope of the transparency policy to cover all documents held by the IMF, not just the 24 document types currently covered. In particular the following documents should be included:
  - Organizational information such as the staff directory;
  - Board documents such as ‘gray statements’ by EDs;
  - Board transcripts; and
  - Operational guidance notes for the staff.
- Publish draft documents, particularly policy papers, before they go to the Board;
- Make documents available in local languages.

The GTI is urging civil society organizations around the world to support the principles of the IFI Transparency Charter by formally endorsing it. Endorsements should be communicated to the GTI Secretariat. However, efforts must go beyond simply endorsing the Charter. Civil society organizations also have a key role to play in campaigning for their governments to demand that the IFIs respect the Charter.

Governments, particularly those with representatives sitting on the IMF executive board, must demand that the IMF open up and make itself more transparent. Lobbying and advocacy must be done in advance of the 2008 transparency policy review. The IMF has promoted transparency and ‘good governance’, now it should live up to this rhetoric. It is especially important that Southern governments vocally support increased transparency, because those who hold the power at the IMF, the United States and European countries, often blame Southern governments for the lack of transparency.

At the domestic level pressure must be put on governments to consent to publish more material. Parliaments, as the representatives of the people and victims of IMF’s secrecy, can be excellent allies in pressing the government to take action. As always civil society, especially in the South, has a vital role to play in bringing these issues forward and demanding reform.

# Glossary

## **Article IV report**

A periodic report prepared by Fund staff assessing a member's economic, monetary and fiscal policies, financial sector and other structural issues. Traditionally the reports are prepared annually but can be on longer cycles for smaller countries. It contains data on the economic situation of a country and on what economic and fiscal policies are being pursued. Most IMF members volunteer to have this information published.

## **Chairman's statements / summing up**

Like a Public Information Notice, a statement issued after an executive board meeting.

## **Country Documents**

A category of document under the IMF transparency policy. It includes: Article IV reports, Use of Fund Resources reports, surveillance-associated issues papers and statistical appendices, Reports on the Observance of Standards and Codes, staff assessments of Poverty Reduction Strategy Papers, post-program monitoring and ex-post assessment reports, documents relating to debt relief under the Heavily Indebted Poor Country (HIPC) initiative, stand alone staff reports on Staff Monitored Programs, and Public Information Notices or chairman's statements relating to any of the above.

## **Country Policy Intentions Documents**

A category of document under the IMF transparency policy. It includes: Poverty Reduction Strategy Papers, Letters of Intent and Memoranda of Economic and Financial Policies, and Technical Memoranda of Understanding, including those of Staff Monitored Programs.

## **Executive Director's statement**

A statement issued by the executive director of the IMF that represents a country covered by a report or loan review. The EDs statement is a chance for the country to publicly express its views on the report or review. The EDs statement is usually attached as an annex to the staff report or LOI.

## **Gray statement**

A confidential statement issued by an executive director before the board discussion of a paper or document. The gray statements are circulated to all the other executive directors as a process to share views before the formal board discussion takes place. Gray statements are publicly available 10 years after the board meeting.

## **Guidance Note**

Instructions for IMF staff on how to go about their work. These documents are written by the management of the IMF to interpret executive board decisions for the staff and set out operational policies. These are not covered by the publication policy of the IMF and thus are not generally published. A limited number of guidance notes have been released in recent years, notably those relating to Poverty Reduction and Growth Facility program design.

## **Indicative target**

A type of IMF conditionality. Indicative targets are either longer-term versions of quantitative performance criteria or interim targets. Missing an indicative target can not cause a lending program to stop, but indicative targets may become performance criteria especially if the country continually misses the target. For example a program might have an indicative target of a certain fiscal balance in three years time. On a future review, that target might become a performance criteria.

**Letter of Intent (LOI)**

A short formal letter submitted by the finance minister of a member country to the IMF when it requests financial assistance from the IMF. It has the Memorandum of Economic and Financial Policies and the Technical Memorandum of Understanding attached to it. The letter gives a very brief overview of the situation of the country and its intended economic policies. Most IMF members requesting Fund resources now volunteer to have this information published.

**Memorandum of Economic and Financial Policies (MEFP)**

A detailed description of the policies a member will take. It forms part of the Letter of Intent which is submitted with a request for financial assistance from the Fund. It outlines the macroeconomic, fiscal and economic policies to be undertaken including specifying the conditions the country has agreed to follow. The final pages of the document contains a table which sets out the conditionality of the IMF loan, including the prior actions, performance criteria, structural assessment criteria and structural benchmarks.

**Performance criteria (PC)**

A type of IMF conditionality. PCs are conditions that must be achieved during the course of a loan or else the country risks the IMF calling a halt to the lending program. Performance criteria can be either quantitative or structural. Quantitative PC are measurable economic targets that the country must achieve. Structural PC are requirements for changes in economic policy or the structure of the economy or institutions of a country.

**Prior Action**

A type of IMF conditionality. Prior actions are items that must be completed before a loan can go forward.

**Policy Support Instrument (PSI)**

A non-lending program for low-income countries to get advice and support from the IMF. PSIs, like PRGFs are reviewed every six months. PSIs, despite not actually providing financing, still contain conditionality.

**Poverty Reduction and Growth Facility (PRGF)**

The program under which the IMF lends money to low-income countries. PRGF loans are disbursed over three years and countries must undergo PRGF reviews every six months. Loans from the PRGF are at concessional interest rates.

**Policy Paper**

A report written by the staff of the IMF that discusses an aspect of the IMF's policies and operations and usually proposes changes to or reaffirmation of existing policy and practice. Policy papers on Fund administrative matters are not published. Other policy papers are presumed to be published unless the executive board refuses publication. The papers are published only after the board has discussed the proposal and made its decision.

**Public Information Notice (PIN)**

A PIN is a summary of the discussion that takes place at the IMF executive board. It reports on the board's assessment of a program or policy, but does not identify the stance of individual executive directors. In the case of a PIN for an Article IV report it also includes some basic economic information and statistics about the country concerned. PINs relating to country documents must have country consent for publishing. PINs relating to non-administrative IMF policy matters are generally published.

**Report on the Observance of Standards and Codes (ROSCs)**

An in-depth surveillance report on a specific area of a country's financial sector. ROSCs are prepared in one of twelve areas as part of the joint IMF-World Bank Financial Sector

Assessment Program (FSAP). They are undertaken voluntarily by countries and publication is not required.

### **Side letters**

An agreement between the IMF and a member government that is additional to what is contained in the Letter of Intent. It is strictly confidential and contains a description of policies or IMF conditions that the government does not want made public. It is unclear how many side letters are currently being used. In some cases the executive board of the IMF does not see the full text of the side letters.

### **Staff report**

A component of an IMF economic review or loan review. It sets out the opinion of the IMF staff on the economy or the loan renewal. It also makes recommendations for the country authorities and the IMF board.

### **Staff-monitored program (SMP)**

A non-financing program under which the IMF monitors a country's economic performance. SMPs are like Policy Support Instruments, but not specifically targeted at low-income countries. They involve no lending from the IMF and were previously used by countries that wanted IMF support but not financing. Now they are most commonly used in countries emerging from conflict or serious instability that will want to borrow from the IMF in the future. Publication of SMP-related documents is entirely voluntary.

### **Stand-by Arrangement (SBA)**

The program under which the IMF lends money to middle-income countries. SBAs are generally disbursed over 18 months and countries must undergo reviews every three months.

### **Structural benchmark**

A type of IMF conditionality. Structural benchmarks are the longer-term versions of structural performance criteria. Missing a structural benchmark can not cause a lending program to stop, but structural benchmarks may be converted into performance criteria over time. For example a benchmark on national pension reform, might be converted to a performance criteria in later review of a program, particularly if progress has been slow or difficult.

### **Surveillance**

IMF oversight of either the global economy or member country economies. Bilateral surveillance refers to Article IV reports. Multilateral surveillance generally takes the form of publications such as the World Economic Outlook and the Global Financial Stability Report.

### **Technical Memoranda of Understanding**

A detailed description of the indicators used to measure the success of the policies of a country. It forms part of the letter of intent which is submitted with a request for financial assistance from the Fund. It gives further quantification of the conditions listed in the Memorandum of Economic and Financial Policies.

### **Use of Fund Resources (UFR) report**

A loan request or review report. This is a short hand way for the Fund to refer to requests and reviews of both Stand-by Arrangements and Poverty Reduction and Growth Facility programs as a group.

# Appendix: Transparency Charter for International Financial Institutions: Claiming Our Right to Know<sup>27</sup>

## A. Preamble

The right to access information held by public bodies is a fundamental human right, set out in Article 19 of the United Nations Universal Declaration of Human Rights, which guarantees the right to “seek, receive and impart information and ideas”. This right applies to intergovernmental organisations, just as it does at the national level. The right to information plays a crucial role in promoting a range of important social values. Information has been described as the oxygen of democracy. It is a key underpinning of meaningful participation, an important tool in combating corruption and central to democratic accountability. A free two-way flow of information provides a foundation for healthy policy development, decision-making and project delivery. Key elements of a rights-based approach are a true presumption of disclosure, generous automatic disclosure rules, a clear framework for processing requests for information, limited exceptions and a right to appeal refusals to disclose to an independent body. This Charter elaborates the standards upon which the access to information policies of international financial institutions should be based. The Global Transparency Initiative (GTI) calls on all international financial institutions to amend their information disclosure policies to bring them into line with this Charter.

## B. Principles

### Principle 1: The Right of Access

The right to access information is a fundamental human right which applies to, among other things, information held by international financial institutions, regardless of who produced the document and whether the information relates to a public or private actor.

### Principle 2: Automatic Disclosure

International financial institutions should automatically disclose and broadly disseminate, for free, a wide range of information about their structures, finances, policies and procedures, decision-making processes, and country and project work.

### Principle 3: Access to Decision-Making

International financial institutions should disseminate information which facilitates informed participation in decision-making in a timely fashion, including draft documents, and in a manner that ensures that those affected

and interested stakeholders can effectively access and understand it; they should also establish a presumption of public access to key meetings.

### Principle 4: The Right to Request Information

Everyone has the right to request and to receive information from international financial institutions, subject only to a limited regime of exceptions, and the procedures for processing such requests should be simple, quick and free or low-cost.

### Principle 5: Limited Exceptions

The regime of exceptions should be based on the principle that access to information may be refused only where the international financial institution can demonstrate (i) that disclosure would cause serious harm to one of a set of clearly and narrowly defined, and broadly accepted, interests, which are specifically listed; and (ii) that the harm to this interest outweighs the public interest in disclosure.

### Principle 6: Appeals

Anyone who believes that an international financial institution has failed to respect its access to information policy, including through a refusal to provide information in response to a request, has the right to have the matter reviewed by an independent and authoritative body.

### Principle 7: Whistleblower Protection

Whistleblowers – individuals who in good faith disclose information revealing a concern about wrongdoing, corruption or other malpractices – should expressly be protected from any sanction, reprisal, or professional or personal detriment, as a result of having made that disclosure.

### Principle 8: Promotion of Freedom of Information

International financial institutions should devote adequate resources and energy to ensuring effective implementation of their access to information policies, and to building a culture of openness.

### Principle 9: Regular Review

Access to information policies should be subject to regular review to take into account changes in the nature of information held, and to implement best practice disclosure rules and approaches.

<sup>27</sup> The IFI Transparency Charter is available in English, French, Spanish, Russian, Arabic and Bahasa from the GTI web site at: <http://www.ifitransparency.org/activities.shtml?x=44474>.



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Endorse the GTI Transparency Charter! Visit [http://ifitransparency.org/doc/charter\\_en.pdf](http://ifitransparency.org/doc/charter_en.pdf) and email your endorsement to [GTI.Transparency.Charter@gmail.com](mailto:GTI.Transparency.Charter@gmail.com).

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