

**FOR
AGENDA**

SM/03/200
Supplement 2

June 25, 2003

To: Members of the Executive Board

From: The Acting Secretary

Subject: **The Fund's Transparency Policy—Issues and Next Steps**

The attached background section of a Public Information Notice to the paper on the Fund's transparency policy—issues and next steps, is tentatively scheduled for discussion on **Friday, June 27, 2003**.

The staff proposes the publication of the PIN summarizing the Executive Board's discussion, after the Board completes its deliberations on this topic.

Questions may be referred to Mr. Gajdeczka (ext. 37124), Mr. Monroe (ext. 38020), and Ms. Tamirisa (ext. 34371) in PDR.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

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INTERNATIONAL MONETARY FUND

Public Information Notice

EXTERNAL
RELATIONS
DEPARTMENT

Public Information Notice (PIN) No. 03/xx
FOR IMMEDIATE RELEASE

International Monetary Fund
700 19th Street, NW
Washington, D. C. 20431 USA

IMF Reviews the Fund's Transparency Policy - Issues and Next Steps.

The Executive Board of the International Monetary Fund (IMF) discussed the Fund's transparency policy on June 27, 2003 based on *The Fund's Transparency Policy—Issues and Next Steps*.

Background

In January 2001, the Executive Board adopted a decision on the voluntary publication of country documents and more systematic publication of policy papers and associated Public Information Notices (PINs). This decision followed a number of steps taken since 1994 to enhance transparency of the Fund as an institution and to increase the availability of information about the Fund and its members' policies. The decision defined the key elements of the Fund's publication policy and established the guiding principles to improve provision of information to markets and to the broader public, to safeguard the frankness of policy discussions with members, to maintain the appropriate balance between transparency and confidentiality, and to continue to improve the quality of staff reports. In the discussion reviewing the transparency policy in June 2002, it was agreed to reconsider a possible move to a policy of presumed publication for Article IV consultation reports and staff reports on the use of Fund resources in June 2003.¹ The current review focused on this issue and several others that have arisen in the implementation of the policy.

Since the last review, publication rates have broadly continued to rise for most regions and most types of documents. The publication rates of Article IV staff reports continued to increase and reached 66 percent for stand-alone reports, and 71 percent for combined Article IV-UFR staff reports, although publication rates continue to be uneven across regions. Nearly

¹ See IMF Publication Information Notice 02/111, September 27, 2002, *IMF Reviews Experience and Next Steps in the Fund's Transparency Policy*.

three quarters of the Fund's membership have agreed to publish at least one country staff report, and over 90 percent of members have published a PIN. Nearly all country policy intention documents (Letters of Intent/Memoranda of Economic and Financial Policies (LOIs/MEFPs) and Poverty Reduction Strategy Papers (PRSPs)) have been published. In the period since the May 2002 staff paper, about 57 percent of UFR staff reports were published. Three quarters of stand-alone UFR staff reports for normal access cases were published, while the publication rate for exceptional access cases declined to 21 percent in the recent period (from 36 percent in the last review).

The publication rates of policy papers and associated policy PINs continued to increase. Since the time the Board approved a presumption for the publication of policy papers and PINs in November 2002, all but one policy paper and associated PIN have been published. The share of staff reports with deletions declined to 8 percent (from 12 percent), in part reflecting a much lower rate of deletions from stand-alone UFR reports. The share of reports with corrections increased from 53 to 57 percent. In response to guidance in the previous review, the vast majority (73 percent) of corrections during the period since the May 2002 review were made before Board discussions.

Executive Board Assessment

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Public Information Notices (PINs) are issued, (i) at the request of a member country, following the conclusion of the Article IV consultation for countries seeking to make known the views of the IMF to the public. This action is intended to strengthen IMF surveillance over the economic policies of member countries by increasing the transparency of the IMF's assessment of these policies; and (ii) following policy discussions in the Executive Board at the decision of the Board.