

**IMMEDIATE
ATTENTION**

EBD/00/20

March 14, 2000

To: Members of the Executive Board

From: The Secretary

Subject: **Electronic Transmission of Encrypted Board Documents to
Member Countries and Eligible International Organizations**

On July 16, 1999, SEC announced an initiative under which a number of Executive Directors were invited to participate in a pilot program to test the electronic transmission of encrypted Board documents directly to member country authorities. Ten member countries participated in the testing¹ which is now complete, and the results have been positive.

It is proposed to deliver certain documents to member countries and eligible international organizations by encrypted electronic transmission. In view of technology constraints in some member countries on receipt of larger documents, we propose initially to transmit electronically only staff reports on Article IV consultations, papers on requests for use of Fund resources and their reviews, and policy papers below some maximum length. Also, we have learned from the pilot experience that the necessary administrative groundwork (designation of official recipients and collection of relevant contact data) can be time consuming. Against this background, we plan to increase the number of recipient countries in phases, adding no more than 10 countries at a time.

The Bureau of Information Technology Services considers that the encryption technology employed in the pilot provides an appropriate balance between security and ease of use. The encryption technology is among the most robust in use today, equal to or greater than that used in electronic banking or e-commerce. The vulnerability of the system, as with other approaches, lies in the extent to which recipient officials are cautious about protecting the passphrase supplied to them to decrypt the documents. To mitigate this risk, we propose to change the passphrase every 90 days and to request that members immediately inform the

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¹ Argentina, Canada, China, Germany, India, New Zealand, Philippines, South Africa, Switzerland, and the United Kingdom.

Secretary's Department of any change in the authorized country contact. While the incremental risk lies in the availability of a document in a readily transmittable form, member country authorities are already under an obligation to protect the confidentiality of the documents they receive.

Accordingly, it is proposed to offer the service of electronic transfer of certain encrypted Board documents to member countries and to eligible international organizations under the Fund's policies on transmittal of documents to other institutions. If the Board agrees, the Secretary would begin working with Executive Directors on a first-come-first-served basis to transmit Board documents under this approach beginning May 2000.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Tuesday, March 21, 2000. In the absence of such a request, the proposal will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next Board meeting thereafter.

Other Distribution:
Department Heads