

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

PUBLIC INFORMATION POLICY

As approved by the board of directors at its meeting of 16 may 2006

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EXECUTIVE SUMMARY

The EBRD's Public Information Policy (PIP) embodies the Bank's commitment to enhance the transparency of its activities and promote good governance. The Bank has conducted this third review as mandated by the Policy.

The 2005/2006 review was wide-ranging, including internal and external consultations, benchmarking with other IFIs, a website posting of the draft proposals, and a meeting with representatives of NGOs.

The following new elements will enhance the Policy: the introduction of two new categories of information to be disclosed: *General Institutional Information* and *Accountability and Governance* (in addition to the existing categories of *Project-related Information* and *Policies and Strategies*). Secondly, it is proposed to widen the scope of information to be made available to the public by publishing Minutes of the Board of Directors Meetings. Thirdly, public participation in the development of Country Strategies will be enhanced by posting draft strategies on the Bank's website with an invitation to comment. Fourthly, it is proposed to make available Project Summary Documents (PSDs) in the relevant official national languages.

Through these revisions to the Policy the Bank will increase the transparency and accountability of its activities.

A: PUBLIC INFORMATION POLICY

1. *Basic principles*

The Bank's *Public Information Policy* is founded on the following basic principles:

1.1 Transparency. The Bank continues to be guided by the underlying presumption that, whenever possible, information concerning the Bank's operational activities will be made available to the public in the absence of a compelling reason for confidentiality. Openness helps to promote the Bank's impact on the transition in the region of operations. Furthermore, by providing information to economic decision-makers the Bank also helps to improve the stability and efficiency of markets, and promotes adherence with internationally-agreed standards.

1.2 Compliance with the mandate. As an international financial institution (IFI) entrusted with public monies to promote transition, the views of the Bank's members must remain at the heart of policy design and strategic decision-making so as to ensure compliance with the mandate.

1.3 Accountability and governance. The EBRD is committed to reinforcing its accountability to shareholders, and to ensuring high standards of corporate governance. As an important step, the EBRD has enhanced the roles, responsibilities and functions of the Office of the Chief Compliance Officer (OCCO). That Office has responsibility for investigating fraud and corruption both internally and externally, the responsibility for identifying and handling reputational risks to the Bank, as well as ensuring that the Bank operates to the highest ethical standards. The Bank's Independent Recourse Mechanism (IRM) allows shareholders, in certain circumstances, to take decisions in respect of complaints that the Bank has contravened some of its approved policies. The Bank's Evaluation Department (EvD) is independent from Bank management and solely accountable to the Board of Directors.

1.4 Willing to listen and receptive to comment. Through its commitment to open communication, the Bank demonstrates its willingness to listen to third parties, with the purpose of benefiting from their contributions to its work in fulfilling its mandate. This does not diminish the Bank's ultimate responsibility to decide its own strategies and to choose its own operational activities.

1.5 Safeguarding the business approach to implementing the mandate. A business-sensitive partnership with sponsors is necessary to allay concerns about client confidentiality that could affect willingness to work with the Bank. This will take into account the recommendations of the G-22 Working Group on Transparency and Accountability, that IFIs establish, publicly announce and periodically revisit explicit and well-articulated definitions of the areas in which confidentiality should apply and the criteria for applying it. It will also take into account the Aarhus Convention, the general spirit, purpose and ultimate goals of which are subscribed to by the Bank in the implementation of its Environmental Policy, along with other relevant international conventions.

Therefore, the Bank has established clear lines of demarcation to distinguish information that it will put in the public domain from certain information related to its business dealings and clients, particularly in regard to operations in the private sector. The principles establishing these lines of demarcation aim to ensure an appropriate balance that will satisfy the Bank's stakeholders, comply with its mandate, and protect the interests of its business partners:

- First, the Bank must ensure that an atmosphere of mutual trust is maintained in all its business transactions. For this purpose the Bank must continue to honour its commitment to protect the confidentiality of commercially sensitive information;
- Second, at the same time, the Bank must reassure other stakeholders that such protection of valuable business information will co-exist with the presumption of disclosure and will not lessen accountability.

The Bank's *Public Information Policy* recognises four distinct information categories:

- General institutional information
- Information on policies and strategies;
- Project-related information;
- Information on accountability and governance

2. General institutional information

2.1 Schedule of forthcoming Board discussions. The Bank will collate in a dedicated website location the programme for Board discussions of forthcoming Country Strategies and Sector Policies, with a link to the Project Summary Documents which specify the envisaged Board date for project approval. The schedule will be updated on a monthly basis. It must be noted that the precise scheduling of individual items can change.

2.2 Board Minutes. The Bank will release Minutes of meetings of the Board of Directors which will contain the following: (i) the names of attendees; (ii) a record of the approval of the Minutes of the previous meeting; (iii) titles of the agenda items; and (iv) agreements and decisions reached.

2.3 Board Committees. The Terms of Reference and membership of the Committees of the Board of Directors will be posted on the website.

2.4 Organigram of the Bank. The Bank will post on its website an organigram of the EBRD identifying the various departments and component parts of the institution.

2.5 Salaries of Senior Management and Directors. The Bank will disclose the salaries of the Presidents, Vice Presidents, senior management and Directors and Alternate Directors in the Bank's Annual Financial Report.

3. Information on policies and strategies

3.1 (Draft) Sectoral Policies. In the spirit of its willingness to listen and be receptive to comment, the Bank will release (draft) Sectoral Policies before final

approval by the Board of Directors. These drafts will be made public once they have been endorsed by the Bank's Executive Committee and following a preliminary issues-oriented discussion at the Financial and Operations Policies Committee (FOPC) of the Board of Directors. Other Board Committees may be involved, on occasion.

Such (draft) Sectoral Policies will be posted on the Bank's website for a period of 45 calendar days, during which time the public will be invited to send comments to the Bank. In this regard, management will proactively stimulate stakeholders' interest in, and contributions to, the drafting process of these policies. A summary of such comments will be made available to the Board of Directors for Committee discussion before final approval of policies. After the policy's approval the summary will be posted on the website. While taking into account comments made during this exercise, the Bank will not respond individually to public comments or communications. In this respect, the Bank's policy is consistent with the approach followed by other IFIs.

The above consultation procedure does not cover any aspects of the Bank's financial policies.

3.2 (Final) Sectoral Policies, namely policies approved by the Board of Directors following the consultation procedure mentioned under (i) above. Since its inception, the Bank has made certain policies available for public information, after Board approval. In order to allow the public to learn about, and comment on, the Bank's work, all its sectoral policies will now be made available to the public. The following sectoral policies currently provide the guidelines for the Bank's operations:

- Telecommunication, Informatics and Media
- Transport
- Property Operations
- Municipal and Environmental Infrastructure
- Energy Operations
- Shipping Operations
- Financial Sector Operations
- Agribusiness Operations
- Micro, Small and Medium-sized Enterprises Strategy

When additional sectoral policies are developed the same conditions will apply for their release to the public.

Following Board approval of a sectoral policy, a summary of management's responses to the main issues raised during the consultation period and of the comments of NGOs and other interested parties, as presented to the Board at the time of approval, will be placed on the Bank's website. Furthermore, the public will be notified of impending policy reviews in order to give concerned observers adequate advance warning of the comment period. To this end, efforts will be made by the Bank to draw up and update a mailing list for this notification process for the benefit of stakeholders without access to a website.

3.3 Comprehensive list of policies and strategies. In addition, a comprehensive list of policies and strategies scheduled for development or review in the year ahead will be posted on the website and will be updated as appropriate.

3.4 Other Policies and items subject to public review. The *Public Information Policy*, the *Environmental Policy* and the *Independent Recourse Mechanism* will be subject to periodic review. Draft texts will be posted on the Bank's website for 45 calendar days of public comment. Following Board approval, a summary of management's responses to the main issues raised during the consultation period and of the comments of NGOs and other interested parties, will be placed on the Bank's website.

3.5 (Draft) Country Strategies. The Bank will invite the public to provide input to the preparation of Country Strategies on the basis of a draft Country Strategy document. Draft Country Strategies will be posted on the Bank's website for a period of 30 calendar days, during which time the public will be invited to send comments to the Bank. A summary of public comments received will be made available to the Board of Directors before final approval by the Board. After the Country Strategy has been approved the summary of public comments received, as well as management's response, will be posted on the Bank's website. While taking into account comments made during this exercise, the Bank will not respond individually to public comments or communications.

3.6 (Final) Country Strategies. The Board-approved country strategy will be posted on the Bank's website, following consultation with the country concerned, if such consultation is requested by the national authorities. The released document will not contain confidential information as defined in Box 2 of the Policy. Any excluded material will be flagged to the Board of Directors.

As Country Strategies form an integral part of the Bank's policy dialogue process with its countries of operations and these documents are a blueprint for the Bank, the integrity and intrinsic value of the Strategies will be respected. This position is intended to avoid endangering the existing frank and open dialogue with the authorities of member countries.

3.7 Translation of Approved Country Strategies. The Bank will translate each approved Country Strategy into the relevant official national language as prescribed in the relevant laws. In those countries where there is more than one official national language, and where one of those languages is a designated working language of the Bank, the translation will only be provided in such working language. The responsibility for translation other than in Russian will rest with the local Resident Office, which will select competent translators. Translated Country Strategies will not be considered official Bank documents as they are prepared only for the convenience of local communities and other interested parties. The Bank cannot guarantee the accuracy and authenticity of any such translation, which will carry a disclaimer. Translations of the approved Country Strategies should be undertaken within a reasonable amount of time and be made available on the Bank's website.

The translation of the Country Strategies into the relevant national language is not intended, and should not be seen, to in any way modify, alter or impact upon the Bank's practice of working in the four treaty languages (English, French, German and Russian). These four languages shall remain the only designated working languages of the Bank.

3.8 Translation of the *Public Information Policy*. The Bank will, on request, translate into the relevant official national language a summary of the Policy, extracted from the information set out in boxed format.

3.9 Other Policies and Strategies. Another fundamental element of the Bank's transparency concerns the public awareness of the major policy documents regarding the Bank's future operations. This relates to the Bank's longer term strategies that are neither sectoral, nor country specific. The Bank's operations, in particular, are guided by such strategies as the *Strategic Portfolio Review*, the annual *Medium Term Strategy Update* and the annual *Budget* document. Summaries of these documents will be made available on the Bank's website after Board approval of the main document. In addition, a summary of approved annual Staff Compensation and Benefits adjustments will be included as part of the overall summary of the annual Budget.

4. *Project-related information*

As noted above, business clients entrust confidential information to the Bank, which the Bank in turn, as a financial institution promoting the development of private sector enterprises, has a duty to respect. It is, however, important for the Bank to inform the public of ongoing project development.

4.1 Project Summary Documents. A Project Summary Document (PSD) will be prepared for each private and public sector project. Release of PSDs for private sector projects will occur at least 30 days prior to consideration by the Board of Directors, unless the Bank's client or co-financing institution provides sound reasons for confidentiality. For public sector projects the PSD will be released as soon as possible after the project has passed its Initial Review by the Bank's management (typically 4-5 months before Board consideration), and at least 60 days before Board discussion. PSDs will be updated if material changes are made to the project following the release of the original PSD.

In framing the *Public Information Policy* the Bank has established confidentiality as being foremost a matter of commercial concern. For example, as with other IFIs (eg. the IFC), release of information in relation to listed companies may be price sensitive and must comply with stock exchange regulations. In all cases, confidential information supplied to the Bank by its clients will not be released without the client's prior consent. PSDs will be posted on the Bank's website and made available from the Bank's Publications Desk.

As part of the *Public Information Policy*, emphasis will be placed on the need for implementation of the policy on PSD release, especially regarding timeliness of document release and compliance issues over derogations.

4.2 Translation of Project Summary Documents. In order to make available information about the Bank's operations in a given country PSDs will, as soon as practicable after the posting of the English version, be translated into relevant official national languages and posted on the Bank's website. Translated PSDs will also be made available in the relevant Resident Offices.

4.3 Environmental information disclosure. The Bank's commitments concerning the release of environmental information on projects are contained in the Environmental Policy.

4.4 Public Sector Project Board Reports. The Board Report on a public sector project will be made available to the public on request once the project has been approved by the Board of Directors. Any information that falls within the definition of confidentiality set out in Box 2 of the Policy will be removed from the released documents.

5. Accountability and governance

In strengthening the Bank's corporate governance, through the enhancement of the role of the Office of the Chief Compliance Officer (OCCO) and the full independence of the Evaluation Department (EvD) from management, the Bank will ensure transparency in regard to documents generated by these two functions. Furthermore, the Bank will make available information regarding public sector contracts that it finances. The following documents will therefore be made available to the public:

5.1 Fraud and corruption blacklist. Should the Bank decide that a potential client had engaged in fraud or corruption in seeking a financing contract with the Bank, the Chief Compliance Officer will post on the Bank's website a blacklist of those who are not awarded contracts for these reasons.

5.2 Annual Anti-Corruption Report. The Bank will post its annual Anti-Corruption Report on the Bank's website.

5.3 Independent Recourse Mechanism. The Office of the Chief Compliance Officer will post the following documents on the Bank's website: the Rules of Procedure; the Annual Report of the Accountability Mechanism; Compliance Review and Problem Solving Initiative decisions; the IRM Eligibility Assessment Report; and a roster with information on the backgrounds of IRM experts.

5.4 Evaluation Department (EvD) Documents. The Bank will post on the Bank's website - subject to clearance in respect of commercial confidentiality - certain evaluation reports prepared by EvD. The following documents will be disclosed: summaries of Operational Performance Evaluation Review (OPER) on investment operations; Evaluation Special Studies, on themes such as sectors and programmes; OPER reports on TC operations; the Final Work Programme of EvD and the Work Programme Completion Report; the Annual Evaluation Overview Report (AEOR); and, the Evaluation Policy. In respect of OPER reports on investment operations, where project particulars in high profile projects cannot be easily disguised in order to preserve confidentiality, an exception will be made and a summary of the report will not be disclosed.

Prior to the disclosure of any evaluation report EvD will consult the respective staff in the Banking Department and the Office of the General Counsel (OGC) to screen reports in order to secure necessary commercial confidentiality.

The comments from management in respect of any of the foregoing documents (summaries, reports etc.) are posted in full on the Bank's website at the same time as the document to which they relate. The document is also edited in order to avoid identification of client companies and to preserve commercial confidentiality.

5.5 Annual Procurement Review. The Bank will, subject to the removal of sensitive material, post its Annual Procurement Review on the Bank's website.

6. *Implementation and monitoring of the Policy*

The ultimate success of the *Public Information Policy* will be in its proper implementation. To this end, an essential element of the Policy is to ensure compliance with it, through internal accountability and an ongoing monitoring process.

This will be achieved in the following ways:

6.1 Management will report to the Board on implementation of the Policy on an annual (calendar year) basis and the findings therein will be made public on the Bank's website. The Secretary General, assisted as necessary by the General Counsel and other Members of the Executive Committee, will oversee and verify compliance with the Policy. The Secretary General will issue implementing procedural provisions for information requests and appeals and, in the event of a decision to refuse to release information will, as appropriate, inform the Board.

6.2 The Policy will be subject to review on a three year cycle, especially in regard to such matters as the definition of confidentiality. Such reviews will be posted on the Bank's website.

6.3 In regard to such matters as the release of PSDs in the case of private sector projects, especially in regard to sponsor confidentiality and business sensitivity, derogations will be authorised by management. The Board of Directors will be notified. The Bank believes that the more effective way of ensuring accountability in regard to the Policy is to make each relevant department responsible for implementation.

6.4 The Bank's Outreach & NGO Relations Manager will communicate with NGOs and other stakeholders, thereby establishing a dedicated contact point for such a purpose. The Bank endeavours to respond as appropriate to reasonable requests for information on any other aspects of the Bank's work consistent with the principles of confidentiality set out in Box 2 of the Policy and after consultations with other relevant parties. Contact information and details will be provided on the Bank's website.

6.5 The Bank has an Independent Recourse Mechanism (IRM) to receive complaints from groups who are, or are likely to be, directly and adversely affected by a Bank-financed project to determine whether there has been material non-compliance by the Bank with specified policy requirements. The IRM's focus is to examine project-related issues. If appropriate, a group filing a complaint with the IRM may indicate that, in their opinion, the Bank has failed to comply with a project-specific requirement of the *Public Information Policy*. In this context, the Independent Recourse Mechanism may consider issues relating to possible non-compliance with the project-specific requirements, particularly as set out in Part 4 above, of the *Public Information Policy*.

6.6 In recognition of the importance of the EBRD website in communicating information to stakeholders and the general public, the Bank will continue to enhance the site. The Bank will continue to explore ways in which more country specific information can be translated for posting on the website.

6.7 As part of the monitoring process, the Bank will maintain close contact with other IFIs, benefiting from feedback on their experiences in the application of public information policies, learning from this exercise, and adapting its approach where appropriate, taking into account its particular mandate and business profile. At the same time, other IFIs would benefit from the Bank's experience in implementing its *Public Information Policy*.

Box 1: The Bank's *Public Information Policy*

General institutional information

Posting on the website of a schedule of forthcoming Board discussions

The Bank will collate in a dedicated website location the programme for Board discussions of forthcoming Country Strategies and Sector Policies, with a link to the Project Summary Documents, which specify the envisaged Board date for project approval. The schedule will be posted monthly. The precise scheduling of individual items may, however, be subject to change.

Release of Board Minutes

The Bank will release minutes of Meetings of the Board of Directors containing the following information: (i) the names of attendees; (ii) a record of the approval of the minutes of previous meetings; (iii) titles of agenda items; (iv) agreements and decisions reached.

Board Committees

The Terms of Reference and membership of Committees of the Board of Directors will be posted on the Bank's website.

Organigram of the Bank

The Bank will post on its website an organigram of the EBRD identifying the various departments of the institution.

Salaries of senior management and the Board of Directors

The Bank will disclose the salaries of the President, Vice Presidents, senior management and Directors and Alternate Directors in the Bank's Annual Financial Report.

Sectoral Policies

All (draft) Sectoral Policies, after pre-Board discussion by Directors, will be posted on the Bank's website for a period of 45 calendar days, during which time the public will be invited to send comments on the Policy. Management will proactively stimulate stakeholders' interest in, and contributions to, the drafting of these Policies. The comments will be summarised and distributed to Directors before approval of the relevant Policy. (Final) Sectoral Policies, after approval by the Board of Directors, will also be posted on the Bank's website to enable the public to comment and be informed.

Comprehensive list of policies and strategies

In addition, a comprehensive list of policies and strategies scheduled for development or review in the year ahead will be posted on the website and will be posted as appropriate.

Other Policies and items subject to public review

The Public Information Policy, the Environmental Policy and the Independent Recourse Mechanism will be subject to periodic review. Draft texts will be posted on the Bank's website for 45 days of public comment. Following Board approval, a summary of management's responses to the main issues raised during the consultation period and of the comments of NGOs and other interested parties, will be placed on the Bank's website.

Country Strategies

The Bank will invite the public to provide input to the preparation of Country Strategies on the basis of a draft Country Strategy document. Draft Country Strategies, after pre-Board discussion by Directors, will be posted on the Bank's website for a period of 30 calendar days, during which time the public will be invited to send comments to the Bank. A summary of the comments received will be made available to the Board of Directors before approval by the Board. After the Country Strategy has been approved the summary of the comments received, as well as management's response, will be posted on the Bank's website. While taking into account comments made during this exercise, the Bank will not respond individually to public comments or communications.

- (Final) Country Strategies, after approval by the Board of Directors, will be posted on the Bank's website along with a summary of comments received and staff responses. The approved Strategies will only be posted after consultation with the country concerned, if such consultation is requested by the national authorities. Such documents will exclude any information which falls within the definition of confidentiality as set out in Box 2 of the Policy.*
- The Bank will translate each approved Country Strategy into the relevant official national language as set out in the relevant laws.*

Translation of the Public Information Policy

The Bank will, on request, translate into the relevant official national language a summary of the Policy set out in (this) boxed format.

Other Policies and Strategies

The Bank's medium and long-term strategies, namely the Strategic Portfolio Review, the annual Medium Term Strategy Update, as well as the Budget will be released in a summary form. In addition, a summary of approved annual Staff Compensation and Benefits adjustments will be included as part of the overall summary of the annual Budget.

Project Summary Documents

- *A Project Summary Document (PSD) is prepared for each project. PSDs for private sector projects will be released at least 30 days prior to consideration of the project by the Board of Directors. PSDs for public sector projects will be released at least 60 days before Board consideration, after passing Initial Review by the Bank's management. PSDs will be updated if material changes are made to the project.*
- *In order to make available information about the Bank's operations in a given country, PSDs will, as soon as practicable after the posting of the English version, be translated into the relevant official national language and posted on the Bank's website. Translated PSDs will also be made available in the relevant Resident Offices.*

Environmental information disclosure

The Bank's commitments concerning the release of environmental information on projects are contained in the Environmental Policy.

Public Sector Projects

The Board Report on a public sector project will be made available to the public on request excluding any information therein which falls within the definition of confidentiality set out in Box 2 of the Policy.

Accountability and governance

In strengthening the Bank's corporate governance, through the enhancement of the role of the Office of the Chief Compliance Officer (OCCO) and the full independence of the Evaluation Department (EvD) from management, the Bank will ensure transparency in regard to documents generated by these two functions.

Office of the Chief Compliance Officer (OCCO)

The following documents will be made available to the public:

- ***Fraud and corruption blacklist*** *Should the Bank decide that a potential client had engaged in fraud or corruption in seeking a financing contract with the Bank, the Chief Compliance Officer will post on the Bank's website a blacklist of those who are not awarded contracts for these reasons.*
- ***Annual Anti-corruption Report*** *The Bank will post its Annual Anti-Corruption Report on the Bank's web site.*

- **Rules and Procedures of the Independent Recourse Mechanism (IRM)** The Office of the Chief Compliance Officer will post the following documents on the Bank's web site: the Rules of Procedure; the Annual Report of the Accountability Mechanism; Compliance Review and Problem Solving Initiatives; the IRM Eligibility Assessment Report, and a roster with information on the backgrounds of IRM experts.

Evaluation Department (EvD)

The Bank will post on the Bank's website - subject to clearance in respect of commercial confidentiality - certain evaluation reports prepared by EvD. The following documents will be disclosed: summaries of Operational Performance Evaluation Review (OPER) on investment operations; Evaluation Special Studies, on themes such as sectors and programmes; OPER reports on TC operations; the Final Work Programme of EvD and the Work Programme Completion Report; the Annual Evaluation Overview Report (AEOR); and, the Evaluation Policy. In respect of OPER reports on investment operations, where project particulars in high profile projects cannot be easily disguised in order to preserve confidentiality, an exception will be made and a summary of the report will not be disclosed.

Prior to the disclosure of any evaluation report EvD will consult the respective staff in the Banking Department and the Office of the General Counsel (OGC) to screen reports in order to secure necessary commercial confidentiality.

The comments from management in respect of any of the foregoing EvD documents (summaries, reports etc.) are posted in full on the Bank's website at the same time as the document to which they relate. The document is also edited in order to avoid identification of client companies and to preserve commercial confidentiality.

Publications

Through the Annual Report and its publications programme, the Bank will continue to make available a considerable amount of information about its organisation, its operational strategy and its assessment of the economic climate in its countries of operations.

Press releases, President's speeches and senior management statements

The Bank will continue to inform the public and business community at large about its operational activities through press releases. The public release of many of the President's speeches and statements by senior management contributes to the free flow of information on the Bank's policies and operations. These speeches will continue to be posted on the Bank's website.

7. Information considered confidential

The Public Information Policy is based on the presumption that information concerning the Bank's operational activities will be made available to the public in the absence of a compelling reason for confidentiality. For the stated reasons, certain categories of documents are not released. These are listed in Box 2 below.

Box 2. Confidential information

- *Documents intended for internal purposes only, or classified under the Bank's internal classification regime;*
- *Board documents, unless Board approval for release is given;*
- *Privileged information such as legal advice and correspondence with external legal advisers;*
- *Information which, if disclosed, in the Bank's view would seriously undermine the policy dialogue with the country of operations concerned;*
- *Information that, if disclosed, could violate the law, or prove a threat to the national security of a member country;*
- *Information in the Bank's possession which was not created by the Bank and is identified by its originator as being sensitive and confidential, or when the originator legitimately has requested that its release be restricted;*
- *Information related to procurement processes, including pre-qualification information submitted by prospective bidders, tenders, proposals or price quotations (other than the total contract price), or records of deliberative processes;*
- *Financial, business or proprietary information of private entities received by the Bank in the analysis or negotiation of loans, unless permission is given by those private entities to release this information.*

The Bank maintains high standards of conduct with respect to such confidential information. Failure to continue to observe those standards would not only affect the credibility of the Bank with its existing clients but could act as a deterrent to future business partners. In general, and not only in regard to the Bank, confidential materials cannot be released without the agreement of their originators.

B: BACKGROUND TO THE PUBLIC INFORMATION POLICY

8. *Information, accountability and transition*

The Bank places particular emphasis on public accountability, and its inextricable link with the institution's role as a promoter of transition. The presumption of information disclosure is put forward as a way to enhance the Bank's role in an increasingly challenging business environment. Thus, the passive concepts of "access and disclosure" have been transformed into the more proactive notions of "information and accountability".

As an organisation mandated to promote economically, financially and environmentally sustainable transition, with emphasis on the private sector, the Bank strives to integrate sound business practices into all its operations. To this end, the Bank continues to capitalise on advice from the market-place and public opinion, in addition to guidance from shareholders and its policy dialogue with the countries of operations.

The Bank cannot realise its ambitious mandate alone. For this purpose the *Public Information Policy* seeks to broaden and deepen the Bank's relationship with all stakeholders, taking into account the different nature and significance of individual interests and pursuits.

At the heart of the Bank is its shareholders, which provide guidance and expect full implementation of the Bank's mandate. The partnership which the Bank has established with business sponsors and co-investors is another core element of the Bank's operations. The interaction with other stakeholders, given their divergent interests, their large number and their global spread, must be looser and incorporated, for practical reasons, into the notion of the Bank's willingness to listen. This will be the basis, when required, for consultations.

Box 3. The benefits of Public Information

Enhanced public information brings widely recognised benefits, for the Bank as an institution, for its shareholders and clients and for those charged with executing its unique mandate. These benefits include:

- *greater transparency for purposes of governance*
- *reaching out to stakeholders*
- *learning from outside comments*
- *informing the public about the Bank's mission*
- *fostering a positive image of the Bank*
- *promoting the efficiency and stability of markets*

There are significant merits in framing the *Public Information Policy* keeping in mind the benefits outlined in Box 3:

- Information exchanged with stakeholders reflects a proactive attitude, appropriate to keeping the Bank at the forefront of the efforts to build democratic governance and market economies in the region.
- In its continuous efforts to innovate, learn and search for new ideas, the Bank is willing to listen to the views of external stakeholders.
- The Bank continues to emphasise its role as a partner in the transition of the countries of operations – in association with all those able and willing to contribute to the process.

9. A Bank focused on the private sector

As a financial institution with the bulk of its business in the private sector, the Bank must also maintain a pragmatic, realistic approach in dealing with its business sponsors, clients and co-financiers. Their concern, shared by the Bank, is preservation of the confidentiality and security necessary to develop business initiatives when considerable private resources are at stake.

The Bank is currently exploring the establishment of specific country Web pages in local languages with a focus on business development and including such documents as Country Strategies and PSDs.

Box 4: Reasons for confidentiality of project information

The Bank's duty to protect the business interests of its project sponsors and clients covers a range of issues that are crucial in the highly competitive marketplace. The key issues that must be taken into account when assessing the "confidentiality" of information regarding private sector projects are:

- *The mere fact that a client is intending to invest in a given country may be confidential until preparations are quite advanced. Otherwise the client may lose its first-mover advantage in relation to its competitors.*
- *Many details of the clients' projects may be commercially sensitive. These could include the market entry strategy, product positioning, detailed costings, expected pricing strategy and overall profitability.*
- *A decision by the Bank not to finance a particular project could damage the reputation of both project and client in the country concerned. The Bank's decision may be related to its own strategy in the country, not to questions regarding the viability or commercial worth of the project. Yet the sponsor's prospect for obtaining finance from elsewhere might nonetheless be damaged.*
- *The above confidentiality concerns may be further reinforced where the client is a listed company. The Bank's potential or actual involvement might then be price-sensitive information whose handling needs to respect the local stock exchange requirements.*