



Japan Center for a Sustainable Environment and Society

2F, Kowa Bldg. No.32, 5-2-32 Minami-Azabu, Minato-ku, Tokyo 106-0047

Phone: +81-3-3447-9585/9515 Fax: +81-3-3447-9383 E-mail: jacses@jacses.org URL: <http://www.jacses.org>

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Robert H. Salamon
Principal Director
Office of External Relations
Asian Development Bank

**Re: Comments on the Review of the ADB's Policy on
Confidentially and Disclosure of Information
-Private Sector Operations and Six Other Important Points-**

Dear Mr. Salamon,

Regarding ADB's review of its policy on Confidentially and Disclosure of Information (Disclosure Policy), we strongly suggest the following seven important points in carrying out a draft for the policy.

Currently, information disclosure for private sector projects requires the private sponsors' consent in order to protect its business interest. However, it is absolutely necessary that Project or Program Profiles (PP) and Reports and Recommendations of the President (RRP) of private sector operations be disclosed, in order to solve problems and negative impacts at the earliest stage of the project cycle.

If any information must be withheld, the PP and the RRP should still be provided except the confidential portion, together with the reasons for withholding such information. If such disclosure conflicts with the current information disclosure policy, appropriate amendments must be made to the ADB's policy. Likewise, a relevant Operations Manual should be produced.

Currently, in public sector operations, the PP is prepared at the beginning of project development, after the project is included in the Country Assistance Plan (CAP) or has been issued of concept clearance. The RRP is declassified from confidential status after Board approval of the project. On the other hand, in the private sector operations, the PP is not issued until the final stage of the loan processing (at least 30 days prior to the Board consideration of the project) even if the consent of the private sponsor is obtained. The RRP is never disclosed. Even with consideration to procedures and characteristics particular to the private sector operations, the PP must be disclosed earlier in the project processing, and the RRP must be disclosed.

For our detailed suggestions regarding the private sector operations and the six other important points:

1. Private Sector Operations

- The new disclosure policy should state that ADB requires the same level of information disclosure regarding private sector operations as for public sector operations, instead of description in the Confidentiality and Disclosure of Information (1994): "...in line with the Bank's General Policy on Disclosure, the Bank adopts a presumption in favor of disclosure for its private sector operations where disclosure would not materially harm the business and competitive interests of the bank clients. It is important to temper openness and transparency

with respect to the Bank operations and policies where the Bank is dealing with disclosure of information provided by the Bank private sector clients regarding their business and objectives”. If the ADB adopts different operational procedures regarding private sector operations, these should be clarified in the Operations Manual.

- According to the current Disclosure Policy, the Project Profiles (PP) of a private sector will ordinarily be released at least 30 days prior to consideration of the project. However it is too late to hold a consultation with affected people. The PP of a private sector should be released as early as possible along with that of the public sector’s.
- The RRP of a private sector are classified as “Confidential” and disclosed only with consent of the project sponsor. The disclosure framework of a private sector operation should be equal as public sector operation, as well as the new Accountability Mechanism. Therefore, the RRP should be unclassified regardless of the Board consideration.

2. Board of Executive Directors Meeting

- Minutes and summaries of discussions at Board meetings are classified as “Confidential” under the current disclosure policy. However, the Board, as a decision-making body of the Multilateral Development Bank, should be open to the public. Therefore, “the Record of Discussions at Board of Directors Meeting” and other related documents should be unclassified the earliest as possible after the Board meeting.

3. Policy and Strategy Review Paper

- Final drafts of policy/strategy papers (R-Paper) at review process are classified as “Confidential” or “For Office Use Only”. However, final drafts (R-Paper) should also be unclassified as well as other drafts of the policy/strategy papers.
- Public consultations and public comments have been held at several reviews of policies. However, the ADB has no framework for public consultations and public comments. The ADB should establish a framework, and disclose a timetable prior to the beginning of the review process.

4. Country Specific Documents

- The Country Strategy and Program (CSP) and the Country Strategy and Program Update (CSPU) are classified as “For Office Use Only” for the duration of Board of Directors. However, the CSP and the CSPU are focused on ADB’s goals, priorities and benchmarks for evaluation in borrowing countries. Every project is required to fit under the CSP and the CSPU. Therefore, drafts of the CSP and the CSPU should be unclassified.

5. Project Cycle

- The Report and Recommendation of the President (RRP) and technical assistance reports of a public sector/program is only declassified and made available to the public after its approval by the Board of Directors. However, it is important to consult with affected people as early as possible. The RRP and technical assistance reports should be declassified prior to the Board approval.

6. Translation

- Bunch of documents have been translated into local languages by the ADB. However, the ADB has no regular framework on translation. Therefore, the ADB should establish a regular framework on translation into local languages. In addition, objects for translation into local language should be decided based on consultations with local people.

7. Disclosure Compliance Mechanism

- The current Disclosure Policy states that any information requests will be relayed “within three days to the

Information Officer.” Furthermore, these requests will be responded to “within 22 working days of the receipt of the request by the Bank.” However, the ADB has no mechanism to monitor the implementation of the policy. In order to ensure accountability to the disclosure requirements, the ADB should establish a disclosure compliance mechanism.

The Disclosure Policy is one of the most important policies that ensure ADB’s accountability to the public. We look forward to seeing the above seven major points considered in the ADB’s new Disclosure Policy.

Thank you

Yuki Tanabe
Japan Center for a Sustainable Environment and Society (JACSES)