

**Comment on ADB'S
2nd Draft Public Communications Policy (version 25 October 2004)**

TO: disclosure@adb.org

FROM: Serge Belloni
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Dear Colleagues,

Please find in the attachment a few thoughts triggered by your comprehensive draft on the Public Communications Policy. Your undertaking is a commendable effort that deserves full success.

I thank you for including me in your list of consultants on this issue.

As USP experiences from time to time problems with its network, I would appreciate that you acknowledge receipt of this e-mail.

With Best Regards

Serge Belloni
Projects Officer

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Dear Sir, Madam,

I thank you for my inclusion in this round of consultation on the draft Public Communications Policy of the Asian Development Bank. It is a good example of how to apply, and take advantage, of the proposed disclosure policy, (cf. paragraph 31 on page 7). It is a valuable study that provides much food for thought. As you will see, my comments may echo views and opinions already expressed in the paper, and I apologize for this. Hopefully, you can find useful ideas too.

The policy paper underlines the duty of transparency that is the flip side of the right of outsiders to access information. It also invokes economic reasons that legitimate the need for such increased transparency. So transparency is a need and a duty. But what is transparency? The definition of transparency requires some clarification.

The paper seems to equate 'transparency' and 'disclosure', i.e. that the means, 'disclosure' is equal to the end 'transparency'. But **disclosure** is only one aspect of the issue of transparency; other aspects are the **capacity of outsiders to access effectively the information** disclosed by ADB and their **ability to understand** and use it for their benefit.

Right of stakeholders, availability of information, capacity and ability of all parties are the prerequisites of transparency. While the paper addresses the issue of disclosure, the others are alluded to. But don't they deserve more focus if they are really parts of the problem of transparency? ADB exerts full control of the form and content of the message, of its disclosure. In as far as it has some control over the understandability of the released information, its policy should be more explicit on this point. As it has much less control over the availability of ICT, it is understandable that it can elaborate only to the extent it can help improve the situation.

Of course, ADB is not responsible for illiteracy and low education standards, but it can no doubt take measures to ensure that the message is put in simple language. For instance, repetitions, the abuse of acronyms – a glossary help to some extent - and technical jargon should be minimal, documents as short as possible, translations readily available and technical publications easy to read.

By the same token, ADB has little influence on the technological environment of the population it serves. In the Pacific Island nations, new ICT devices are still expensive to purchase and operate and they are insufficiently user-friendly. As long as ADB targets institutions and educated sections of the population, it is an obstacle that is easy to overcome.

But, for the public at large, these obstacles are cumulative. As Democracy requires the education and participation of all people in age to vote and to voice their opinions and to take positions of responsibility, the disclosure of information is a necessary, but not sufficient, step towards giving the partners the possibility to make well informed decisions and choices.

Finally, disclosure and outreach are not equivalent, except for the 'connected' few. If ADB's primary targets are the educated and connected, it is operating within the ambit of a limited technological democracy. Its transparency is not far from invisible to the masses. A high profile and visibility limited to the eyes of the elite is of limited democratic value.

The recommendations included in the report can improve much communication, but they raise the problem of absolute and relative transparency. Absolute transparency would satisfy the conditions of the value, accessibility, cheapness and legibility of the disclosed information. In real life, transparency is reduced by the constraints on the sender, intrinsic limits of the recipients, the message and the medium.

In brief, ADB's ability to convince that it is becoming more transparent will depend not only on its openness and outreach, but also on its ability to be understood by the population it reaches out to.

ADB wants to unify the information and the disclosure policy. This is not objectionable though it seems to imply that the true substance of the message is less important than its medium and presentation. Some could also infer that the substance of the message is so similar to all MDB's that it is no longer sufficient to distinguish MDBs, in which case, marketing indeed would be the means of last resort to distinguish oneself from other agencies. Under the circumstance, propagation and propaganda would matter more than information per se.

Many agencies, like UNESCAP and ADB, are undergoing similar processes whereby they wish to increase their visibility and clout and to take the intellectual lead. However, the medium is not the message and in the end, governments and populations will evaluate these agencies on their performances, in the same way these agencies rate them.

MDBs have a powerful leverage on member countries in their lending capabilities. But, in an environment where the education is raising, partners may become more aware of alternative solutions and selective about the quality of the services provided by MDBs.

ADB's audience is broad (p 18), but they are all opinion-makers and second-tier organizations. They may be ideal relays and messengers of ADB's messages, but may become critical and difficult to convince if communication is not substantiated by satisfactory results.

A clear Public Relations Policy is welcome. Nevertheless, it needs to be substantiated by success in the field even if such success does not speak for itself any longer. Incidentally, why is success no longer proof of the pudding? Is it because there are so many competitors' successful development stories in Asia-Pacific region that ADB needs to seek a universal recognition for its own successes? Or perhaps, because promoting market economy as development policy ends up in promoting development as a market commodity. If so, the marketing of ADB's development policies by ADB is a market necessity more than a political one. It has more to do with efficiency than with democracy, except if democracy supposed to foster market efficiency.

Transparency is useful to increase acceptance of ADB's message and contribution to development. The paper speaks of community-level participation in the decision-making process. That could be the answer to the above problems. But then, this participation looks more like an asymmetric exchange whereby the community contributes in information and commitments and ABD provides information and feedback on decisions already made that affect their lives. In short, it is plainly obvious

that communication is no decision; the input may shape the output, but feeding the decision-making process is not making the choice.

For the paper, participation equals ex-ante contribution and ex-post comment and endorsement, which is fine, but poses the problem of who decides what.

The new communication policy aims at filling the communication gap between ADB and larger sections of the populations outside the government – ADB experts being already familiar figures of Pacific Island Nations' Ministries and State Agencies. ADB needs to know more about the circumstances in which it operates. And it needs more information. In Pacific Island 'give and take' societies, nobody should expect to collect valuable information without reciprocating and providing some feedback. And the new openness goes in the right direction. More of the same is needed in the future.

As Pacific Island nations embrace the market economy they will also learn to see information through the lenses of the market. Information sharing will be competed by information trading. The free flow of information will become subject to pricing, not sharing, which is a traditional Pacific concept battered by the promotion of a more commercial worldview.

ADB and other agencies may find it more difficult and expensive in the future to collect relevant information, unless they are ready to provide more information in return. It won't be long before governments and people realize and understand the value of the information they have and begin to demand compensation for releasing it.

Governments and Institutions that acquire the capacity to process the information, which gives all its value to this information, will not lose the benefits of the lessons on the economic efficiency of relevant and timely information. Sooner or later, they will set a price for its release. Valuable information is also a commodity. A valueless information is no longer an information at all.

Conversely, larger audience will listen and receive more ADB information and messages under the revised policy. The question is: who will double-check the accuracy and relevance of the information provided? Can ADB refer to authoritative institutions on the matter or is it the sole reference of its own production?

A proper answer to these questions of accountability could go a long way to improve the efficiency of transparency.

Who has information has Power? Who has the upper hand and the final say on the agenda and issues involving ADB – or any other organization for that purpose - and its partners? How much information can ADB release that does not endanger its core mission and mandate?

As ADB's core mission and mandate are its identity, any decision-making process that would allow external influences to challenge them would go beyond an institutional safety threshold. Any policy advocating such a move is a nonstarter. However, in my opinion, as long as ADB retains the full control over what information should be disclosed and how to do it, the case that ADB is becoming more open and transparent than before, is less compelling than it is complying with some external obligation imposed by some supervisory agency, say the United Nations.

Who can say if today's ADB drive to more openness is the mere realization that the previous disclosure policy was exceedingly protective and secretive and that there is a need for the relaxation of many unnecessary secretive rules. After all, what can possibly make the same type of information less confidential today than it was yesterday, except for the realization that its confidential status was undeserved in the first place and that there is now more pressure on ADB to release this information than ever before? And the paper acknowledges that ADB reacts, albeit lately, to a general trend. It did not initiate it.

In other words, a guarantee of effective transparency would demand that the freedom of ADB not to disclose information is limited by some kind of international Law, and not by corporate decisions that fluctuate according to circumstances.

Without such an external and independent supervisor that enforces compliance with international legal obligations and standards, the degree of institutional transparency / opacity will continue to vary with the nature and interpretation of corporate rules. It will also depend on the balance of power between information suppliers and information seekers. Perhaps, ADB should come up with recommendations for establishing such an external watchdog that would monitor the conformity of multilateral agencies to certain standards.

An internal watchdog such as the PDAC has little credibility if it is not independent or at arm's length from ADB. It is too much to ask a party to also be the judge and then to expect a perfect separation of the two functions. There is an obvious theoretical global solution a la Montesquieu to this problem, but the practicality of such a solution is uncertain.

Who decides on the disclosure is a separate issue from what is disclosed? ADB does disclose information that look important to the public, but if ADB defines the nature, the extent and the degree of transparency it finds acceptable for itself, it is ADB conception of transparency that prevails, which is not necessarily what the partners do have in mind when they ask for more transparency.

This being said, there is still much room for the wider distribution of a large volume of corporate information. From my past experience in the UN, I reckon that it is sometimes difficult to draw a line between what should be disclosed and what should not, and to decide how it should be. It raises all sort of ethical, legal and managerial questions on the impact of disclosed information and on the responsibility of the agency that discloses them. Some answers can be found in the Law, but some depend on the free choices of each institution.

There is no doubt that ADB is better off with a communication policy document that is also a kind of code of good conduct, although corporate codes of conducts have three major flaws: they assume that a corporation can go against its best immediate interests in the name of moral standards and superior interests, that they act diligently without external pressure on such issues and that the longevity of the code is high. These three assumptions do not hold always and the result is that policies, including communication policies are useful management tools, but offer little guarantee of lasting long. The absence of a guarantee that this openness won't be reversed in the future is caused by

the discretion exerted by every institution on this issue. Global winds of changes may blow in different directions.

The authors of the paper emphasize that disclosure is the rule unless otherwise specified. Like the presumption of innocence, the presumption of openness is a positive attitude and a good starting point; non-disclosure is treated as an exception, but then it raises the issue of the scope and nature of these exceptions. The paper provides a list of exceptions that are legitimized by:

- “Corporate and national security” (Points 1,2, 3, 15,16)
- “Privacy and personal safety” (Point 11, 14)
- “Legal requirements” (Points 4, 7, 8, 9, 10, 12, 13)
- “Strategic reasons” (Points 5 and 6)

Apart from legal requirements that do not leave much other choice to ADB than to comply with them, and privacy and personal safety that are common sense, the inclusion of the two other categories of exceptions is left to the discretion of ADB.

This flexibility, perhaps unavoidable, is introducing a good measure of uncertainty as regards the effectiveness of the disclosure policy. The paper rightly reminds us that the need for ‘confidentiality’ is often opposed to disclosure in the early stage of decision-making, i.e. when the strategic decisions are made.

Keeping secret the early decisions is understandable, but diminishes also to a large extent the claims of ‘participation’ and ‘transparency’. A critical step is taken behind close doors. In as far as the future course of action is encapsulated in initial decisions, and these are based on assumptions and interpretations, they determine the final destination. The rest becomes a foregone conclusion. Information disclosed after this initial step is useful to encourage feedback, to overcome resistance and to adjust the pace of activities, but then the participation of the partners is limited to their contribution to a plan endorsed by ADB.

I don’t think that ADB can do much about it. It has limited freedom and therefore, there is no harm recognizing the fact that it will have the last say in the collaboration. But it puts in perspective the proposed communication policy, which is to circumscribe non-disclosure to the core and critical decisions, without being bloated with restrictions. This policy is perfectly worded to relax the pressure of information-seekers on ADB.

Moreover, as definitions are worded in general terms and open to a wide array of interpretations, they provide some flexibility. For instance, point 15 and 16 can be invoked for a multitude of information. The flip side of the flexibility is that unless there is an explicit definition of what a ‘serious prejudice’ is and how serious is ‘serious’, there is an ambiguity in the policy statement.

To come back to the issue of criticality of information, strategic information is in a sense the only information that matters, because it does more than describe, explain or predict the future, it changes it, and for that reason, it is sensitive and less likely to be disclosed. Its disclosure would mean that key information is for public eyes and that the element of surprise that it contains is eliminated. And yet, disclosing strategic information is the acid test of the claim to transparency. Conversely, a communication

policy that discloses information on secondary issues sounds more like Public Relationship than transparency.

ADB may have heard this comment before, however, nobody expects a bank to disclose everything, and the word most usually associated with the banking industry is 'confidentiality'.

There is another issue that does not seem to have been addressed. The excess of secrecy has a twin; the excess of release that causes a flood of information that nobody bothers to read any longer; it would put ADB back to square one in terms of visibility and transparency. In the end, it is the perceived substance and relevance of the message and the results of ADB interventions that will entice partners to consider seriously ADB publications and recommendations. It will be all about **WHAT** ADB has to say to **WHOM** rather than **HOW** it conveys the message. Governments and people will continue to rate MDBs on the quality of the information and the results of their action.

As we all know, information is all the more informative that it contains a strong element of surprise. By contrast, repetition diminishes the informative content of an event. True information is an event rich in content. In a sense, the more ADB discloses eventful information, the more it can claim to be transparent. But, in a competitive world, it may be excused to believe that by doing so, it would be losing its competitive edge.

So, in the Pacific sub-region, this exercise is about 'strengthening public confidence' and 'public trust' in an institution Pacific Island people tend to associate with structural adjustment reforms, poverty-production policies, and with the actual distribution of social pains rather than the elusive distribution of economic profits. In the past, a more open communication policy would have also facilitated the introduction of unpopular reforms through explaining their rationale to opinion-leaders and decision makers. In the future, it can help ADB defuse and overcome resistance from those who are losing in similar reforms. As the focus is now on poverty alleviation, it should help revamp the public image of ADB.

As it is, the ABD corporate communication policy may experience difficulties in reconciling discipline and creativity. Corporate cohesion requires discipline, meaning coherence and consistency of the corporate message; such coherence derives for a consensus on the substance; such a consensus is easier to reach if intellectual deviance is low. ADB is well known for the solidity of its convictions in terms of development, shared with all staff, and for the well-organized and systematic way it puts them into practice. One way to reconcile cohesion and creativity is to define 'creativity' as the process of 'sophistication' within a set of formula. The applications of such creativity would be the production of innovative more effective and more efficient delivery systems of the same messages to more partners. It is creativity applied to the method and the medium. The new communication policy is an excellent illustration of that kind of improvement. It is a real progress in this direction.

If 'creativity' implies deviance from established thought patterns, then the substance of ADB messages may be altered. It is another kind of challenge altogether, and it would require a different approach to information disclosure too, more of the laboratory-type. But, it does not seem to me that it is this second version of 'creativity' that is sought by

ADB. And therefore, creativity and discipline can coexist in the new communication policy.

As regards the matrixes of disclosure of major documents; it is a comprehensive statement that does not call for specific comments, as it is a reflection of the rules of disclosure that you have established for yourself. Only future can tell whether the stakeholders find any value in it and how much – for example, your country rating will add one dimension to the ratings offered by rating agencies on the market.

I hope that these few comments will be useful, and I wish ADB full success in the finalization of its new communication policy and in reaping the benefit of a competitive edge that openness is expected to give to ADB.

I thank you again for allowing me to comment your draft policy and I look forward to other opportunities of collaboration in the future.

With Best Regards,

Serge Belloni