IFC’S POLICY ON DISCLOSURE OF INFORMATION
(SEPTEMBER 1998)

PURPOSE

This statement sets out the policy of the International Finance Corporation (IFC) on disclosure of information held by the Corporation and describes the materials available to the public.

POLICY

IFC recognizes and endorses the fundamental importance of accountability and transparency in the development process. Accordingly, it is the Corporation’s policy to be open about its activities, to welcome input from affected communities, interested members of the public and business partners and to seek out opportunities to explain its work to the widest possible audience.

As an organization entrusted with promoting the economically, environmentally and socially sustainable development of the private sector of its member countries, IFC wishes to stimulate debate and broaden understanding of private sector development, to facilitate coordination with its private sector partners, governments and other institutions, and to help create and nurture public support for activities which promote the economic and social progress of developing countries. Experience has demonstrated that consultation and sharing of information with local communities affected by IFC-financed projects, as well as with cofinancers, partners, and groups and individuals with specialized knowledge of private sector development issues, helps to enhance the quality of IFC-financed operations.

As an organization owned by governments, IFC is accountable for its stewardship of public moneys and has an obligation to be responsive to its shareholders.

As a borrower, IFC has established that disclosure of information concerning its financial condition and policies, in addition to information it is required to publish, helps to attract purchasers of its securities.

As an employer, IFC aims to ensure that staff receive the information they need to carry out their responsibilities, to contribute to policy formulation and sound decision making, and to understand the reasons which underlie its policies and procedures.

Therefore, the Corporation’s approach to information about its activities embodies a presumption in favor of disclosure where disclosure would not materially harm the business and competitive interests of clients. In the past considerable information held by IFC has been available without restriction through a variety of IFC publications and documents. As its Disclosure Policy has evolved since its adoption in 1994, the Corporation has continued to broaden the scope of information about its activities that it makes publicly available and to broaden the methods of dissemination of project-specific information, including that pertaining to environmental and social impacts, to locally affected people and other interested parties. To facilitate access, IFC makes certain information, primarily project-specific information, available through the InfoShop established by the World Bank. The InfoShop serves as the central contact for persons seeking to obtain publicly available IFC documents. The InfoShop, located at World Bank Group headquarters, services the public in member countries primarily through the Internet.

THE INFOSHOP

Publicly available information about IFC’s activities may be obtained at the World Bank's InfoShop, 701 18th Street, N.W., Washington D.C. 20433. Requests to the InfoShop may also be submitted through the Internet or the World Bank’s missions in London, Paris and Tokyo, other Bank resident missions or IFC offices located in many countries throughout the world. There may be a standard charge for hard-copy documents, other than Summary of Project Information (SPI) and Environmental Review Summaries.
The InfoShop offers a catalogue of IFC project-specific documents available to the public. Through the InfoShop's Internet web site, users worldwide may select and request certain documents.

The InfoShop deals only with requests for specific documents not blanket requests for information. Its staff will direct individuals to other sources of material available to the public.

**ELECTRONIC MEDIA**

IFC makes available a web site on the Internet that gives users a broad and comprehensive overview of IFC activities. The web site (http://www.ifc.org.) contains information about how to work with IFC, investment guidelines and procedures, daily and weekly stock market statistics from IFC's Emerging Market Data Base, summaries of the Corporation's worldwide activities and business partners, press releases and summary listings of IFC publications and how to receive them. A complete listing of all publicly available documents and publications may be found on IFC’s web site.

Project-related documents such as SPIs, ERSs and EIA reports are available through a link to the World Bank's InfoShop. IFC also now makes available an electronic mailbox, which provides interested parties with an opportunity to provide their comments to IFC management and staff on specific investment activities. When interested members of the public view an SPI, ERS or EIA report citation for an IFC project on the Internet, the project entry includes a prompt indicating how to submit comments electronically.

**PUBLICLY AVAILABLE INFORMATION**

**Operational Information**

Through the timely disclosure of project documentation, IFC helps to ensure accountability, transparency, improved decision making and openness. Disclosure of project information also facilitates early in-country consultation with locally affected people. As described in more detail below, project sponsors are required to make environmental and social information publicly available at or near the location of the project for all environmental Category A and B projects.

Publicly available sources of information about member countries and IFC-financed projects include:

- IFC's Annual Report, which includes a list and brief description of all new investments approved by the Corporation each fiscal year, the current investment portfolio and a summary of the Corporation's strategy and operations by region and sector;
- Lessons of Experience, which provides a historical analysis of IFC’s operations by sector, including lessons learned;
- IFC IMPACT, a quarterly publication reviewing key issues and IFC activities of relevance to private sector development;
- Results on the Ground, which includes case studies of selected IFC investments, both successes and failures; and
- IFC Donor Supported Technical Assistance Program, an annual review of IFC activities financed by donor trust funds.

IFC’s web site provides electronic access to these documents, along with press releases issued by the Corporation.

IFC produces booklets and reports describing its investment guidelines and processes, which are periodically updated. IFC publishes a Good Practice Manual on public consultation to provide guidance for prospective IFC clients on consultation and disclosure issues. IFC makes publicly available information which summarizes the Corporation's environmental and social and disclosure requirements, and on how to do business with IFC including information on IFC investment requirements, products and services.
Project Information

Making project-specific information available helps inform affected local people, the business community and other interested constituencies about prospective IFC investment activities. Provision of this information to the public and responses received enhance IFC’s decision making and developmental effectiveness.

Summary of Project Information

The Summary of Project Information (SPI) makes project information available to interested parties while a project is still under consideration. The SPI provides a brief factual summary of the main elements of the evolving project: its sponsors, the project company's shareholders, total project cost, the location of the project, a description of the project and its purpose, the environmental category, and a brief summary of any environmental and social issues. Since its origination, the SPI has been expanded to include project sector information, amount of IFC investment, measures to mitigate environmental and social impacts and methods for accessing information in country. The SPI is updated as necessary to reflect material changes regarding the project that transpire following its initial filing with the InfoShop.

The SPI is designed to make project information available to interested parties prior to a project's consideration by the Board of Directors, but only after IFC Management has determined that the project is likely to be presented to the Board for consideration and the project sponsors have cleared the content of the SPI to verify its factual accuracy and to ensure that it does not inadvertently contain business sensitive confidential information. The SPI is released no later than thirty (30) days prior to the Board date for projects processed by regular procedure and the closing date for projects processed by streamlined procedure.

Environment-Related Documents

For Category A projects, once IFC has received a copy of a satisfactory Environmental Assessment (EA report) from the project sponsor and obtained permission for its release, IFC releases the EA report to the public in-country and through the World Bank's InfoShop as early as possible and no later than sixty (60) days prior to the proposed Board date (regular procedure), closing date (streamlined procedure) or management approval date (delegated authority). If a project sponsor does not consent to release of the EA report, IFC will suspend further consideration of the project. Since IFC staff must be satisfied that the EA report is complete in all material respects before releasing it to the InfoShop, the sponsor may be required to provide supplements and addenda to the EA report before the disclosure period commences.

EA reports are required to contain details of public consultations made during EA preparation, including location and dates of meetings, a description of parties consulted, an overview of issues discussed and resolved and necessary future action. Significant public comments and consultation after the release of the EA report are also included in substantive addenda to the EA report.

The EA report includes an Environmental Action Plan (EAP) containing the environmental and social measures designed to manage, mitigate and monitor impacts identified earlier in the environmental assessment process. Following negotiations between IFC and the project sponsor, the EAP is updated to reflect final understandings reached between IFC and the project company on measures to be taken to manage, mitigate, and monitor environmental and social issues.

For Category B projects, on completion of IFC's review of the sponsor's environmental analysis, IFC prepares a summary of the key findings of the environmental review, including the measures to be taken to mitigate, monitor and manage environmental and social issues. After the sponsor clears the content of this Environmental Review Summary (ERS) to verify its factual accuracy and to ensure that it does not inadvertently contain business sensitive, confidential information, IFC places a copy in the InfoShop and the sponsor releases a copy locally (see below) as early as possible and no later than thirty (30) days prior to the proposed Board date (regular procedure), closing date (streamlined procedure) or management approval date (delegated authority). If material changes in these measures are subsequently agreed between IFC and the sponsor, these will be reflected in an updated ERS that is released to the InfoShop.
In Category B projects with special issues of concern, such as small-scale resettlement or pest management issues, IFC may require the project sponsor to undertake studies on those issues, including public consultation, which are also publicly released.

Since project affected people may not have reasonable access to a World Bank or IFC office, the sponsor is also required to release locally the ERS (and any amendments to the ERS) and the results of any consultations required by IFC, translated into the local language, in a culturally appropriate manner to facilitate awareness by relevant stakeholders that the information is in the public domain for review. This local release should occur no later than thirty (30) days prior to the proposed Board date (regular procedure), closing date (streamlined procedure) or management approval date (delegated authority).

In order to illustrate how IFC incorporates a project company's commitments on environmental and social requirements into its investment documentation, IFC will publish on its web site "standard" environmental and social covenants typically included by IFC in loan agreements.

Other Project Data

For selected projects, IFC's Operations Evaluation Group will continue to issue summaries of evaluation reports, OEG Findings (previously published as OEU Findings).

Financial Information

Financial statements of the Corporation are published quarterly. Audited financial statements as of June 30 appear in the Annual Report. Unaudited statements as of end September, December and March may be included in the Offering Statements or prospectuses issued in conjunction with bond issues. The financial statements include a balance sheet, statement of income, statement of cash flows, statement of capital stock and voting power, and notes to financial statements. They also include tables showing data on currencies payable on loans outstanding, on the maturity structure of loans, and on borrowing (by maturity and currency). Notes to the financial statements include information on accounting and related financial policies (loan loss reserves, revenue recognition, paid-in and subscribed capital, etc.) and a summary description of the Staff Retirement Plan. The overall borrowing plan is usually announced publicly at the beginning of the fiscal year (July 1).

Other financial data published in the Annual Report or the Information Statement include the average cost of borrowings and returns on liquid investments and on loans. Documents related to public offerings are released when the laws or regulations governing the market require that they be filed with a governmental agency.

Economics and Research

Private Investment

Data on private investment in selected member countries are published in the form of occasional IFC Discussion Papers.

Research

The Annual Index of Publications and the bimonthly Publications Update issued by the Office of the Publisher, list the World Bank's published research output, which takes a variety of forms and includes research conducted under the auspices of IFC.
**Emerging Markets**

The Emerging Markets Database (EMDB) is a comprehensive database available by subscription providing detailed statistics on stock markets in developing countries. The EMDB includes daily and monthly statistics on more than 1,400 stocks from 45 markets and includes price indexes and total return indexes. EMDB data are also included in various World Bank and IFC reports, including the World Debt Tables.

**Administration**

**Board of Governors**

The Annual Report lists members, governors and voting power. Summary Proceedings of Annual Meetings contain all speeches related to IFC decisions taken at the meeting and by mail vote since the last meeting and reports of the Board of Directors recommending decisions on such matters as capital increases and replenishment.

**Board of Directors**

The Annual Report lists Directors’ names, the countries appointing or electing them and their voting power. Most important decisions of the Board of Directors are announced through press releases or at press conferences of senior IFC officials. Approvals of individual investment operations are announced through issuance of press releases and factsheets providing summary data on the projects.

**Management**

Major decisions considered by management likely to be of interest outside IFC are announced through press releases and other means.

**Staff**

Organizational charts and descriptions of positions advertised for recruitment purposes are publicly available, as is the World Bank Group Directory, which contains organizational listings.

Basic employment data are included in the Annual Report. General information on IFC’s salary structure, the methodology employed in establishing salary levels, staff benefits and similar information is publicly available. IFC’s broad objectives and strategy in recruiting, placing, redeploying and retaining staff are available in brochures or other documents prepared specifically for publication.

**Legal Information**

The Articles of Agreement and By-Laws of IFC and IFC's agreements with the United Nations and with a number of United Nations entities are all public documents.

The Annual Report of the Appeals Committee is available on request. The proceedings of the Administrative Tribunal are held in public unless exceptional circumstances require otherwise. The Tribunal's decisions are published. Documents and proceedings related to external litigation to which IFC is a party are available from the forum court in accordance with local procedures.

**CONSTRAINTS**

While every effort is made to keep constraints to a minimum, the effective functioning of the Corporation necessarily requires some derogation from complete openness. Annex 1 to the Policy sets forth a detailed discussion of the grounds for non-disclosure of certain documents or information.

ANNEX 1
Clarifying the Constraints on Disclosure

The Corporation wishes to articulate a set of principles for non-disclosure of certain types of documents in order to assist IFC management and staff in implementing the Disclosure Policy, to reassure clients that the confidentiality of business sensitive information will be respected and to assure the public that IFC management discretion to interpret the Policy would not be abused to lessen accountability.

The presumption in favor of disclosure is limited by the need to avoid material harm to the business and competitive interests of IFC's clients. Clients entrust information to IFC for the purposes of enabling the Corporation to determine whether to make an investment in the client's business and to administer the investment throughout its existence. IFC, as a financial institution promoting the development of private sector enterprises, has a duty to its clients to respect their confidential business information. If IFC did not respect its clients' legitimate expectations of confidentiality, its credibility and effectiveness would be diminished, thereby possibly subjecting it to legal liabilities. Accordingly, IFC will not disclose non-public documents and information provided to IFC pursuant to confidentiality agreements or in the expectation that they will not be disclosed unless the source consents to disclosure. In addition, IFC will not disclose non-public documents owned by third parties that cannot be disclosed without the consent of the owner.

Consistent with its long-standing practice and the practice of commercial banks and of most public sector financial institutions (for their private sector investments), IFC does not disclose the legal documentation pertaining to Corporation-financed projects. However, in order to provide information to locally affected people and other stakeholders, IFC does make publicly available information which describes the commitments made by project sponsors in IFC-financed projects for environmental and social mitigation measures, as described in more detail above and in IFC’s Environmental and Social Procedure. In addition, in order to provide examples of the types of covenants that IFC borrowers are required to comply with, IFC has made publicly available a list of standard environmental and social covenants that are typical of those imposed in loan agreements.

Documents and information related to negotiations between IFC and the client, unless specifically referenced as publicly available elsewhere in this Policy, will not be disclosed. In addition, the Corporation will not disclose information and documents which could jeopardize the outcome of an on-going negotiation.

IFC does not disclose information about projects that are at comparatively early stages of consideration, because, if it were known that IFC were considering a project, but then decided not to invest, such information could harm the client’s ability to obtain other financing. In addition, in a competitive marketplace, knowledge of business plans and timing is a significant business confidentiality issue, especially in the early stages of project planning. For this reason the Monthly Operations Report remains confidential.

Proceedings of the Board of Directors and its committees are, under the Board's Rules of Procedure, confidential. Thus, unless disclosure is approved by the Board, documents prepared for the consideration or review and approval of the Directors, e.g., Board Reports and Project Summaries for proposed investments are not publicly available. The Board may approve the release of Board papers on policy matters or sectoral or regional studies. Board papers on specific investment projects are not disclosed because they contain confidential client information.

Likewise, IFC's communications with member governments and their agencies regarding matters arising from its investments are strictly confidential. IFC also cooperates with relevant member countries, various international organizations, bilateral aid agencies and private commercial banks and institutions in the context of its operations in its member countries. Documents exchanged with such entities on matters of common interest, which are related to the decision-making processes of IFC and such entities, are not made available to the public. Documents and information which, if disclosed, might have an effect of interference with the domestic affairs of a member country in contravention of Article III, Section 9 of IFC's Articles of Agreement are also not disclosed.

There is also a need to preserve the integrity of the deliberative process and to facilitate and safeguard the free and candid exchange of ideas among IFC staff and management and consultants. For this reason, documents that define the Corporation's country strategy, appraisal reports, minutes of Investment Committee meetings and decision meetings, project supervision reports and any internal memoranda and notes of meetings are not publicly available.
As an organization involved in dealings on the world's financial markets, IFC is required to maintain sound financial management practices, including the maintenance of utmost prudence in the disclosure of financial information related to its activities. For this reason, the Corporation's financial forecasts, certain data on individual investment decisions and credit assessments are not publicly available.

The Corporation will not disclose documents, reports or communications in circumstances where disclosure would violate applicable law, such as restrictions imposed by securities or banking laws, or could subject the Corporation to undue litigation risk. In the context of litigation, IFC will require that its privileges and immunities under the Articles of Agreement be respected.

The Principles of Staff Employment require IFC to maintain appropriate safeguards to respect the personal privacy of staff members and protect the confidentiality of personal information about them. Thus, individual staff records and personal medical information, as well as proceedings of internal appeal mechanisms are not disclosed outside the World Bank Group, except to the extent permitted by the Staff Rules.

This description of constraints to IFC's presumption of disclosure is not intended to be comprehensive and exhaustive. Unforeseen circumstances may arise in which IFC’s senior management, after careful deliberation, giving due regard to the principles favoring disclosure, may determine that the best interests of the Corporation, its shareholders, or other stakeholders require nondisclosure of specific information.

Endnotes

1 World Bank information held by IFC will be subject to the Bank's policy on disclosure.

2 In cases where a specific time period for release of information is specified IFC seeks to make information available as early as possible. Thus the time periods referenced are considered absolute minimums.

3 A Category A project is a project which may result in diverse and significant environmental impacts and requires a full Environmental Assessment (EA).

4 IFC requires that affected people be consulted in a meaningful manner as part of the EA process. This consultation must be documented in the EA report before IFC will release the EA report to the InfoShop and start the 60-day period. These requirements are more fully described in the revised IFC environmental and social review procedure.

5 IFC’s amended Disclosure Policy removes the previous waiver authority under which the Vice-President, Investment Operations, could waive the 60-day requirement. The waiver authority had never been invoked.

6 A Category B project is a project which may result in specific environmental impacts and require adherence to certain predetermined performance standards.

7 There may be some circumstances where market conditions or timing requirements, such as for securities offerings, would prevent observance of the thirty (30) day period. In such a case, the Board paper would inform the Board that the release of the ERS had been delayed.