

# MEXICO'S PERSPECTIVES ON TRANSPARENCY IN THE WORLD BANK AND INTER-AMERICAN DEVELOPMENT BANK

Susana Cruickshank and Flavio Lazos Garza

## Introduction

A strong democracy depends on constructive dialogue between diverse political actors, which in turn requires that they all have useful information. In that sense, public information is clearly a tool for citizen empowerment.

This is why we can consider Mexico's Federal Law for Transparency and Access to Information (LFTAIPG in Spanish), together with its implementing agency, the Federal Institute for Access to Information (IFAI in Spanish), to be the result of the strengthening of citizenship, as well as the new checks and balances that followed the change of the party in power in 2000.

In all, it is important to point out that Mexico's information opening moved forward more than a decade after transparency reforms in International Financial Institutions (IFIs). Specifically, changes in World Bank (WB) policies date back to 1993, and they were deepened in 2001.<sup>1</sup> They were driven by strong pressure from civil and social coalitions, both in the global North and South, particularly India.

The right to know about IFI loans, donations, and project amounts is now very broad; for a long time this information was closely held by governments and multilateral institutions. There has clearly been progress, but shadowy areas persist.

## Advances

Transparency in government is not only a right, but a fundamental condition for justice and democracy building.<sup>2</sup> Every State is strengthened when its participants have useful information because information builds citizenship.

<sup>1</sup> World Bank, "Política del Banco Mundial sobre el acceso a la Información, 2002." Available at: <http://www1.worldbank.org/operations/disclosure/documents/Translations/ES-The-WB-Disclosure-Policy.pdf>. The first version dates back to March, 1994; the one cited here is the current version.

<sup>2</sup> Jorge Rodríguez Zepeda, "Estado y Transparencia: Un Paso por la Filosofía Política," *Cuadernos de Transparencia 04* (Mexico: IFAI, 2004).

This principle is the basis for all appeals for transparency in public institutions. According to this logic, IFIs, which are made up of democratic governments, should not be left out of these processes; much less those agencies whose goal is to promote development and who manage public funds belonging to member governments. However, multilateral organizations have long pointed out that the confidentiality of their documents was based on governments' refusal to make their information public and that the Bank's members were governments and not citizens.

In response to the well-known harsh consequences of structural adjustment policies during past decades, citizens from different parts of the world began to question the IFIs; not only through massive marches, but also by rigorously scrutinizing their policies and projects.

For a long time, some public interest groups managed to obtain confidential IFI project and country assistance strategy documents. In Mexico's case, beginning in the 1990s, two civic organizations and a women's network (*Equipo Pueblo, Transparencia* and the *Red de las Multilaterales en la Mira de las Mujeres*, respectively) monitored multilateral development banks. This strategy was bolstered by solidarity from partner organizations in the North.

The case of the Mexican government's controversial Puebla-Panama Plan (PPP) is a recent example of how coordinated region-wide civic resistance, grounded in information and acting before "top-down" decisions were actually carried out, can help to block a widely-criticized investment project. In response, both the World Bank and the Inter-American Development Bank (IADB) took note. The first distanced itself completely from the PPP and the latter lowered its profile, supporting it politically, but providing few resources for its implementation.

If we consider on-line information access, the WB and the IADB websites are complete and transparent. They are systematically updated, and the content is broad and substantial. One can learn about each country's project portfolio, the amounts disbursed, the degree of disbursement, dates of approval, detailed financial reports, implementing agencies, etc. Many of the country strategies in the region are available for consultation.

It is worth mentioning that in 2005, the World Bank reviewed its information disclosure policy to "broaden, rationalize and simplify" it.<sup>3</sup> This includes, among others, opening

<sup>3</sup> World Bank, "Política de Acceso a la Información del Banco Mundial: Cuestiones Adicionales," 14 February 2005. Available at: [http://www1.worldbank.org/operations/disclosure/documents/WorldBankDisclosurePolicy\\_AdditionalIssues-SpanishJul25-05%20FINAL.pdf](http://www1.worldbank.org/operations/disclosure/documents/WorldBankDisclosurePolicy_AdditionalIssues-SpanishJul25-05%20FINAL.pdf).

many operational procedures and increasing the number of documents that are available to the public at the same time that directors see them. The WB considers that its information disclosure policy has been positive and has played a leadership role on this issue among the IFI's.<sup>4</sup>

## Limitations

However, online information is not enough in a country where it is virtually unreachable from rural areas. The outreach work done by civic organizations to disseminate IFI policies and programs is insufficient. The responsibility of informing the public belongs to the multilateral banks and national governments.

For many years, one of the basic citizen demands involved the documents that outlined IFI policies to be followed with a specific country for a certain period of time (for Mexico, the WB calls it their Country Partnership Strategy). These documents were written together with national governments and belong both to the country and the bank. Currently, in some countries, including Mexico, these documents are open for consultation with various citizen groups, but existing mechanisms are still limited. Consultation does not guarantee that policies, programs and/or projects are designed taking their proposals into account, instead they only legitimize policymakers' decisions.

Bank information and consultation mechanisms in each country are different. In Mexico's case, the IADB has its so-called Civil Society Advisory Council (CASC), which has a diverse membership. When the bank calls for consultations or gives out certain information, besides calling the CASC, the IADB also calls different groups and organizations. Are there still information gaps? Yes: and the responsibility is shared by both the multilateral banks and the national governments.

Access to information about both banks is still limited by the predominance of documents in English that are not translated into Spanish. When they were asked about this, WB staff recognized that, after the year 2000, "there was a lot of money for translations, but today there are few funds [...] the most popular synthetic works are transcribed, for example about poverty, but not the complete studies."

<sup>4</sup> For example, in September, 2003, World Bank staff were invited to inform the IADB directors about their policy on the matter. World Bank, "Política del Banco Mundial sobre el acceso a la Información, 2002," p.16.

They added that, “it is as important to de-classify or translate a document so as to train people to know about the information available, so that the information is truly useful.” The WB organizes workshops to do this with scholars, researchers, legislators and civic groups.

In the IADB’s case, the Office of Evaluation and Oversight (OVE), an external and independent office, generally lacks up-to-date documents in Spanish on its web page. In fact, none of the results from national or sector evaluations performed have been published in Spanish. The most recent evaluation of its program in Mexico, the Country Program Evaluation, CPE, covers the 1999-2000 period.<sup>5</sup>

The IADB’s Office of Institutional Integrity is in charge of implementing its public information policy, (which in 2004 permitted the disclosure of information that had been confidential). It is also the office in charge of receiving any complaints regarding corruption, fraud and ethical violations, or of bank policies, in project implementation for each country. Although it is a useful and interesting mechanism, it is still incipient and, therefore, insufficient.

## Perspectives

In Mexico, Article 6 of the LFTAIPG was recently modified to strengthen the principle of disclosure in government agencies not subject to the IFAI, and interpreted the right of public access to information in terms of the international human rights treaties signed by Mexico.<sup>6</sup> Even while recognizing that this change is an important advance in matters of public transparency, it does not explicitly include documents that Mexico signs with IFIs.

In addition to making public the government’s decision-making process within multilateral organizations, national governments—just like the IADB and the WB—should promote the design of public policies that not only guarantee informed participation but also incorporate this participation directly into the policy process. This gap is still very large.

<sup>5</sup> Inter-American Development Bank, *Country Program Evaluation (CPE): Mexico, 1990-2000*, (Washington).

<sup>6</sup> Article 6. When interpreting this Law and its Regulations, as well as the general norms to which Article 6 refers, calls for the principle of maximum disclosure and availability of information in possession of mandated agencies. The right of access to public information will be interpreted according to the Political Constitution of the Mexican United States; the Universal Declaration on Human Rights; the International Pact on Civil and Political Rights; the American Convention on Human Rights; the Convention on the Elimination of All Forms of Discrimination Against Women; and other international instruments signed and ratified by the Mexican State as well as the interpretation about them that specialized international organizations have performed.

It seems that the transparency issue will occupy an important place on the World Bank's agenda. It will be a challenge to strengthen local capacities of the multiple actors involved (social, civil society, academic, business and, of course, from the three branches of government) to achieve constructive impact on multilateral organizations, so that they can support a national project that is more inclusive and competitive.

## Conclusions and Recommendations

Many agree that in a globalized era, information rights should not only refer to the national sphere, but should be expanded to include the multilateral organizations (which are governed by national governments), above all those that determine strategic policies and which involve public debt.

Online information access is insufficient in a country where inequality is searing, especially in rural areas where this type of information is virtually inaccessible.

Information disclosure should be accompanied by broad and efficient outreach strategies, as well as mechanisms that allow the construction of strategies, policies and public programs that involve informed and effective participation.

Articulation between the national government and multilateral agencies should be strengthened by reinforcing each arena with transparency and accountability mechanisms. Mexico's information law should be more explicit and include international financial institutions within Article 6.

In order for external resources to truly promote development, the challenge is to move from information abundance to effective advocacy impact, so that we can see the forest as well as the trees.