A Thorny Path Towards IMF Documents  
A Struggle for the Secret Documents of the IMF in Slovakia

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A July 2000 meeting with Friends of the Earth – Slovakia, convened in Banska Bystrica, a city in the center of the country, to discuss the issues of transparency and corruption. At that meeting, the Slovak Prime Minister, Mikulas Dzurinda, expressed his support in the request made by Friends of the Earth – Slovakia for the full disclosure of all IMF documents concerning Slovakia. “I don’t see any reason why all of these documents should not be made available to you,” he stated. In order for the Prime Minister’s words to become action, Friends of the Earth – Slovakia has followed various procedures, completed numerous activities, written piles of paperwork and spent hours on the telephone – yet, to no avail. The contents of the IMF documents regarding Slovakia still remain secret to most Slovaks.

Chapter One: Relying Upon the Good Will of Bureaucrats

The International Monetary Fund (IMF) is currently facing the strongest criticism ever in its 56-year history. This is due to the fact that its policies have not only failed to follow its own mandate, but rather, have substantially fostered greater inequality and poverty around the world. The extreme lack of transparency and accountability of the institution is a major reason for its failings and these tendencies are also encountered throughout the IMF’s activities in the Central and Eastern European region.

In its response to growing international pressure, IMF representatives point to the remarkable progress that the institution has recently made in making its policies more transparent. “The IMF is currently making almost everything public,” said Thomas Dawson, IMF External Relations Director, at a seminar in Vienna in July 2000. He added, however, that the IMF must keep some of its documents confidential. It is, however, exactly these documents which contain key information for the public including recommended macroeconomic indicators which should be reached by the respective country, prescribed privatization and structural adjustment schemes for key public sectors, and suggested changes of legislation with significant impacts on the country’s poor, the environment, and natural resources.

IMF: No binding policies!

The IMF executives have always emphasized the voluntary approach in its information and public participation policies. “There should not be rigid rules on public participation,” Mr. Dawson stated. However, since this approach has never worked they repeatedly attempt to shift the blame for blocking disclosure to either respective governments or to the IMF’s Board of Governors and Executive Committee. “The governments, and not the IMF, are often the ones who restrict the dialogue with NGOs,” said Mr. Dawson. He also added, “IMF management cannot make decisions anyway. It’s the board who decides.”

According to Mr. Dawson, „the IMF can’t force countries to be open to public consultations, but encourages them to do so,“ because it, „can’t force the national governments to release information they consider confidential.“ When asked to show any example of public participation in any of the IMF programs, Mr. Dawson responded that NGOs „should be creative“ and nobody „should make the process rigid. Let us act in good faith.“
Shaky start: communication with the IMF

In the year 2000, Friends of the Earth – Slovakia (FoE-S) began to analyse the effects of policies of international financial institutions on the country’s economy, society, and environment. Beginning in April 2000, they have been contacting Dawson's External Relations Department asking for documents regarding the Fund's activities in Slovakia over the past ten years. In response, departmental representatives continuously confirmed that they had no objections against disclosure of the requested documents. However, they have never provided any of them to FoE-S.

Later, an official from the same department, stated that the IMF could not release some of the documents without government approval (e.g. the Letter of Intent, which FoE-S was previously told was available to the public). In regards to another document, the Article IV, which FoE-S was previously told was not available to the public, the official stated that the IMF has begun to make the document public, but that they could not release any past Article IVs. This seemed to contradict the IMF’s own archive policy which allows for the publishing of non-confidential documents more than five years old. The IMF official continued with a promise to respond at a later date regarding other requested documents, but never followed through with the promise. He also admitted that the reason the IMF had not retrieved many requested items for FoE-S was because the Fund was unable to locate them. A few weeks following another IMF official, responsible for communication with non-governmental organizations, sent a response to FoE-S strictly excluding the possibility of loss of any document in the IMF central archive and stated that in fact the Slovak government requested that the documents not be released. This, however, contradicts statements of the governmental officials with whom FoE-S regularly communicated.

The IMF´s unclear, contradictory and misleading responses to the request of Friend of the Earth were finally concluded with a recommendation that FoE-S should appeal to the Slovak government since, in any event, the internal guidelines of the Fund only allow the disclosure of documents with written permission of the government of the respective country.

Promising follow-up: communication with the Prime Minister´s Office

In late July 2000, representatives of FoE-S met with the Slovak prime minister Mikulas Dzurinda and asked him to make IMF documents public in their entirety. Mr. Dzurinda expressed a distinct support of this request and appointed a special person from his team as a contact person to provide assistance to FoE-S in their efforts to obtain the following documents:

- complete Article IV Consultations and their supporting documents, including staff reports and staff appraisals;
- copies of all agreements between Slovakia and the IMF including loan reviews and loan approvals including the conditions attached to such agreements;
- Letters of Intent;
- Memorandum of Economic and Financial Policies or Policy Framework Paper;
- detailed summaries of Board discussions of Slovakia's Article IV consultations.;
- formal or informal recommendations submitted to the Slovak government as a result of IMF missions to Slovakia over the last couple of years, as well as IMF summaries/evaluations of how these recommendations have been implemented by the Slovak government;
- review of the responses of the Slovak government related to all recommendations of the IMF missions including a review of all measures taken to implement these recommendations, e.g. in legislation, sectoral policies, etc.

In early July 2000, the Prime Minister´s Office provided FoE-S with three IMF documents they were able to find. As these documents were incomplete and the office could not access dozens of others, FoE-S asked the government to let the IMF know of its support for the requirement of disclosure of these documents. Soon following, there was a meeting held on 28 July 2000, with Mr. Marian Jusko, Governor of the National Bank of Slovakia (who represents Slovakia on the IMF’s Board of Governors), Mrs. Brigita Schmognerova, finance minister (deputy governor on the IMF’s Board of Governors) and Mr. Ivan Miklos, deputy prime minister for economy. At that meeting, all these officials allegedly expressed their consent with the requirement made by FoE-S for the disclosure of IMF documents. Since the IMF documents were in the custody of the Ministry of Finance (MF), it was recommended to FoE-S to communicate directly with the MF Department of European Integration and International Relations.
The Miserable bottom line: communication with the Slovak Ministry of Finance

Soon after, the MF informed FoE-S that most of the documents requested were not available at the MF and that the Ministry must first obtain them from the IMF. In early August, the IMF allegedly sent the ministry a list of all documents of direct relevance to Slovakia, labeling part of them as “confidential”. This was, obviously, in contradiction with what IMF representatives previously told FoE-S. FoE-S was also informed that the Finance Minister, Brigita Schmognerova, reserved the right to review each and every IMF document prior to its publication, which would require more time and a greater delay.

At this stage FoE-S was confused as to why the Ministry of Finance does not archive IMF documents that are bound to have a long-term impact on the country’s economic development and why public officials who make decisions on the most important issues and policies of the country most likely have no knowledge of such documents.

The MF then suggested that – for the sake of speeding up the process – FoE-S should “reduce” their original list of requested IMF documents, because “the less you ask for, the sooner you'll get it.” FoE-S immediately delivered to the MF an updated version of their list, asking only for the provision of the complete Article IV Consultations and copies of all agreements in the first stage (with the remaining documents to be provided at a later date).

Further attempts to contact the MF have been to no avail. The MF stated it would let FoE-S know ‘as soon as things get moving’. However, three months after this promise FoE-S discovered that their contact person at the MF no longer worked at his original desk and thus was no longer responsible for handling their request. Some weeks later his successor informed the organization that the Finance Minister was extremely busy and hardly expected to issue any expedient decision. FoE-S was also informed that the MF received an official letter from the Prime Minister in October in which he confirmed his consent with publishing of all of the requested IMF documents. 3

Even the Prime Minister is unable to attain IMF documents

After months of intensive and unsuccessful attempts, FoE-S decided to publicize the case and share it with their foreign partners and the media. They informed the Prime Minister of their intention to do so.

This time, the response was immediate: the person appointed by the Prime Minister to provide assistance to FoE-S urged the organization to interpret the case in a sensitive way and offered “better-than-standard assistance.” In a matter of three weeks, FoE-S received another three IMF documents from the Prime Minister’s Office. Nonetheless, the most important parts of these documents – annexes containing IMF’s recommendations for Slovakia - were missing and no other requested materials were disclosed. As stated by Jen Kalafut, CEE Bankwatch coordinator in Slovakia, “Institutional chaos and the lack of transparency in the state administration in Slovakia still do not allow public access to information which, even according to the most important governmental official, should be absolutely automatic. For an active citizen, this, in fact, means nothing but that Government’s declarations on transparency lack real content and often merely represent PR exercises rather than any real political priority.”

The goodwill of public servants and public reliance on access to IMF documents completely failed, thus illustrating the necessity for having a clear, legally obligatory and easily enforceable policy for the disclosure of information – a policy that will be binding on both the IMF officials and Slovakia’s public servants.
Chapter Two: Using Enforceable Policy

As of January 1, 2001, the Freedom of Access to Information Act came into force in Slovakia. The Act is considered by many to be one of the most important and progressive pieces of legislation in the country that has been adopted following the fall of communist regime in 1989. The Act introduces a new principle under which “everything, which the law does not expressly make secret, is publicly available” and regulates the mechanism for the provision of information to the general public. Information disclosure is therefore no longer dependent on the goodwill of public servants; it has become their duty and citizens who are denied access to information may enforce their rights through the courts.

Pursuant to the new Act, FoE-S turned to the Ministry of Finance (February 8, 2001) with a formal request for the provision of IMF documents. The Ministry initially used the legally established possibility to extend the prescribed 10 days for the provision of information by additional 10 days. However, in its final decision addressed to FoE-S, the Ministry declined their request and gave the following reason: “A majority of the documents you have requested are of a confidential nature. Based on our consultations with the Ministry of the Interior, it has been determined that these documents can only be released subject to the written consent of their author, i.e., the IMF. In order to fulfill your demand the Finance Minister asked the Governor of the Central Bank of Slovakia to obtain a written approval for publishing the requested documents.”

Following the Finance Minister’s request, FoE-S was later informed by the Governor the Central Bank that “on March 5, 2001 the Central Bank of Slovakia sent the written request to the International Monetary Fund providing permission for disclosure of the documents requested by Center for Environmental Public Advocacy / Friends of the Earth - Slovakia.”

T. Dawson, director of the IMF’s External Relation Department reacted on Governor’s request in the way which could not leave anybody confused about the real place for developing countries within the framework of the IMF. In his response dated March 29, 2001, he explained to the Central Bank of Slovakia that there exist several categories of documents, each with a different level of confidentiality and authorized person who can declassify the respective documents.

And so – after 62 weeks of intense efforts of Slovak citizens to obtain documents that have had a significant impact on the overall economic policies of the country – FoE-S was sent back to where they started. This time, however, they are armed with important arguments they lacked one year ago: a confirmation by the Prime Minister that the request for disclosure of the documents is fully justified and must be fulfilled and the unanimous agreement of top officials representing the Slovak Republic at the IMF on the same issue.

This case more than eloquently points out how important it is to call for the adoption of a liberal, obligatory and enforceable information policy with respect to the IMF. FoE-S will assuredly be an active part of such efforts and will never abandon its efforts to obtain the requested documents from the IMF. It is now the IMF’s turn. The Fund has definitely lost the last arguments in its attempts to justify its untransparent and unaccountable behaviour. It no longer has an opportunity to blame the Slovak government or anyone else for its lack of willingness to provide requested information.

Notes:

1 Center for Environmental Public Advocacy is a civic association focussed on the societal and environmental consequences of economic development, transparency and democracy of decision-making processes, and human and environmental rights protection in Slovakia. CEPA is member of the Central and Eastern European Bankwatch Network which monitors the policies of international financial institutions in post-communist countries and fights for democratic participation of citizens in their decision-making that relates to the region. Since 1997, CEPA has been a part of the Environmental Law Alliance Worldwide, a global network of public interest lawyers. In the same year CEPA initiated the establishment of Friends of the Earth – Slovakia, an association of public policy-oriented civic organizations which was later adopted into Friends of the Earth International, a federation of NGOs active in 63 countries world wide.

2 The CEE Bankwatch Network is an international non-governmental organization (NGO) with member organizations from countries of Central and Eastern Europe and the Commonwealth of Independent States. The basic aims of the network are to monitor the activities of the International Financial Institutions in the regions and to promote constructive alternatives to
their policies and projects. The CEE Bankwatch Network was formally established in 1995, and has become one of the strongest networks of environmental NGOs in Central and Eastern Europe.

3 A letter #2146/00-S from October 27, 2000 written by the Office of the Prime Minister of the Slovak Republic to Finance Minister: "Dear Ms. Minister, Allow me, in the name of the Prime Minister of the Slovak Republic, Mikulas Dzurinda, to respond to your letter #4526/2000-KM in which you request to make public (all related?) documents of the International Monetary Fund since the establishment of the official relationships between Czechoslovakia and IMF after the fall of communism up to and including the IMF documents related to Slovakia after creation of the independent republic. Mr. Mikulas Dzurinda, Prime Minister of the Slovak Republic agrees with publishing the requested information. Sincerely yours, Vladimir Horak, deputy director of the Office of the Prime Minister of the Slovak Republic."

4 A letter #SGU-500/2001 from March 9, 2001 written by the Central Bank of Slovakia to Juraj Zamkovsky of Friends of the Earth - Slovakia: "Dear Mr. Director, In the name of the governor of the Central Bank of Slovakia I am pleased to inform you that, on March 5, 2001, the International Relations Department of the CBS sent the written request to the respective representative of the International Monetary Fund providing permission for disclosure of the documents required by the Center for Environmental Public Advocacy / Friends of the Earth - Slovakia. Immediately following a reply, we will inform the Office of the Government with the response of the International Monetary Fund. Yours sincerely, Dr. Eva Karasova, Director, Secretariat of CBS Governor"