

Minutes of CoST Board Meeting No.14

20/21 January 2015

Participants			
Board: Chrik Poortman (Chair) George Ofori (GO) Bekure Ketema (BK) Vincent Lazatin (VL) Petter Matthews (PM) Per Nielsen (PN)		In Attendance: John Hawkins (JH) Bernadine Fernz (BF) Lara Samuels (LS) <i>Items 6, 7, 8, 11, 12, 13, 14, 15 & 16.</i> Claire Schouten (CS) <i>Items 6, 7, 8, 12, 13, 14, 15 & 16.</i> Lily Ryan-Collins (LRC) <i>Item 5 only</i> Marcela Roza (MR) Apologies: None	
	Discussion& Decisions	Responsible	Deadline
Item 1. Chairman's Welcome and Opening Remarks			
1.1	The Chair welcomed all those present. He pointed out that this meeting would be discussing both the completion of the World Bank DGF grant and the new opportunity presented by DFID's willingness in principle to support CoST. He also said that at the recent OECD Integrity Week meeting in Paris, CoST was integral to much of the discussion, suggesting that we are close to a tipping point in terms of recognition of the importance of the programme.	N/A	N/A
Item 2. Approval of the Minutes of Meeting No. 13 held on 15/01/15			
2.1	The minutes of meeting No.13 were approved as an accurate record of the meeting.	N/A	N/A
Item 3. Matters Arising from the Minutes of the Previous Meeting			
3.1	It was confirmed that the proposal for financial disbursements to countries had been circulated amongst Board Members on a no objection basis. No objections were received and the disbursements were made as proposed.	N/A	N/A
3.2	It was agreed that all other matters arising would be dealt with as part of the main agenda.	N/A	N/A
Item 4. Improving Performance Monitoring			
4.1	Four countries responded to the consultation paper: El Salvador, Guatemala, Tanzania and Malawi. All responses were broadly supportive of what was proposed. In addition, Tanzania requested that a 'self-	N/A	N/A

	assessment' tool be developed to help national programmes evaluate their own performance. Tanzania also suggested that declaring inactive status due to political instability and conflict was inappropriate because it was during such periods that CoST would be most needed.		
4.2	With regard to the appropriateness of declaring a country inactive as a result of political instability and conflict, the Board agreed that each individual case would be assessed on its merits, but where circumstances determined that a CoST programme could not function or comply with the CoST principles for an extended period, declaring it inactive might be appropriate.	N/A	N/A
4.3	The Board approved the introduction of the measures outlined in the consultation paper. It instructed the IS to produce a policy paper based on the recommendations and to circulate it amongst Board Members on a no objection basis prior to publishing it on the CoST website and informing national programmes.	IS	2 nd Quarter 2015
4.4	The Board asked the IS to explore the possibility of developing a self-assessment tool for use by national programmes.		2016
Item 5. DFID Support Part 1.			
5.1	The Chair expressed the gratitude of the Board to DFID for its willingness to consider making a substantial investment in support of CoST. He said that the scale of the investment would enable CoST to scale-up its impact and go much further in realising its potential.	N/A	N/A
5.2	LRC said that CoST fits closely with DFID's priorities and that DFID recognises the great work that it has done. She also said that financial support will be guaranteed for two years and that an additional three years will become available subject to the completion of strategic review and business planning exercises and the mobilisation of additional non-DFID financial resources.	N/A	N/A
5.3	The Strategic Review will take a fundamental look at all aspects of CoST's delivery model. It is possible that the current model is appropriate, but it is also possible that changes are necessary. CoST will continue to operate whilst the Strategic Review is in progress and care will be taken to ensure all stakeholders know that it is essential to continue making progress.	N/A	N/A
5.4	PN will make contact with SIDA to discuss potential support for CoST. He proposed that DFID be involved in the approach and LRC agreed.	PN, LRC & PM	2 nd Quarter 2015
5.5	CoST has been in discussions with Bloomberg Associates about the potential application of CoST at the city level. DFID would be interested to learn more about this and requested to be kept informed of progress.	PM	Ongoing

Item 6. DFID Support Part 2.			
6.1	LRC left the meeting and the end of Item 5. The Board continued to discuss DFID's support for CoST including general points and comments of the draft ToR for the Strategic Review.	N/A	N/A
6.2	It was agreed that it would not be prudent to bring a significant number of new national or sub-national programmes into CoST whilst the Strategic Review was underway. It was also agreed that those countries that we are already in discussion with should be encouraged to continue to work towards submitting an application. These include Indonesia, Mexico and Botswana. We will also continue to work towards bringing in OECD countries as that is in the strategic interest of the programme.	N/A	N/A
6.3	It has been agreed that an Advisory Panel will be established to support the Strategic Review process. Of the two options mentioned in the Annex 1 of the draft ToR, the Board favoured the more 'formal' approach in which members are identified in advance and asked to pledge their involvement for the entire process, which would include providing periodic feedback on progress. It was felt that this option would be more likely to encourage the 'buy-in' of those involved.	N/A	N/A
6.4	MR said that the ToR should go further in exploring the 'value added' of CoST. Specifically, this should include involving project owners and understanding the difference that CoST can make at the project level.	N/A	N/A
6.5	The Strategic Review should explore the financial resource needs of the programme including the rate at which additional 'non-DFID' resources can be absorbed.	N/A	N/A
6.6	The Board instructed the IS to develop an implementation plan and budget for the first two years of DFID support. The priorities should include improving performance in existing national programmes, updating and improving communication materials, rolling-out the Infrastructure Data Standard, testing the Infrastructure Transparency Index and building the evidence base of the potential value-added of CoST in OECD countries.	N/A	N/A
6.6	The Board agreed that it would be appropriate for DFID to have the option to attend future meetings as an observer. PM will communicate this to DFID.	N/A	N/A
7.	Programme Report		
7.1	Afghanistan		
7.1.1	The political uncertainty resulting from the outcome of the Presidential Elections has continued to make progress difficult. The election is now settled with Ashraf Ghani becoming President and Abdullah Abdullah becoming Prime Minister. However, two thirds of Cabinet positions	N/A	N/A

	remain vacant and Provincial Governors and Police Chiefs have been suspended.		
7.1.2	DFID, GIZ and ADB remain interested in principle to provide support to CoST Afghanistan. GIZ is willing to provide short-term technical assistance and DFID and ADB are considering the potential to provide support through the Afghanistan Infrastructure Trust Fund.	IS	Ongoing
7.1.3	Minister Hukum Khan Habibi has been appointed Acting Minister of Economy. He recently Chaired a meeting of the MSG. During the meeting the Minister reconfirmed the Governments' commitment to CoST and he also undertook to try and obtain a meeting with President Ghani to brief him about CoST.	N/A	N/A
7.2	EI Salvador		
7.2.1	Previous reports have described relatively slow progress, but the situation has improved recently. The scoping study is complete and has revealed that 68 per cent of the Infrastructure data Standard is currently being disclosed on COMPRASAL. CoST has been included in EI Salvador's OGP Action Plan and the CoST EI Salvador website has been launched.	N/A	N/A
7.2.2	Efforts will be focused in the next period on completing the Assurance Manual, continuing to strengthen MSG effectiveness and establishing CoST as an independent entity.	N/A	Ongoing
7.3	Ethiopia		
7.3.1	Assurance reports on 16 projects have been finalised. The disclosure event was attended by 80 participants. The second assurance report on 16 further projects is in preparation.	N/A	N/A
7.3.2	Financial support from DFID has been discontinued as part of DFID's decision to end its support for the 'Promotion of Basic Services' programme through which CoST was funded.	N/A	N/A
7.3.3	There have been changes in the membership of the MSG recently and it might be necessary to hold a workshop to help further strengthen its effectiveness.	N/A	N/A
7.4	Guatemala		
7.4.1	Information on 1240 projects has been disclosed on Guatecompras since August 2014 with a total value of more than \$1 billion. It is anticipated that information on 6000 projects will be disclosed in 2015.	N/A	N/A
7.4.2	The disclosure manual was recently updated and published and more than 100 PEs have received training support.	N/A	N/A

7.4.3	The CSO Guatecivica was recently appointed to the MSG. It is hoped that a capacity building event can be scheduled soon to further strengthen the effectiveness of the MSG.	N/A	N/A
7.5	Honduras		
7.5.1	A Formal Disclosure Requirement (FDR) was established by Presidential Decree in January 2015. It explicitly mandates the core elements of CoST, i.e. disclosure, assurance and multi-stakeholder working.	N/A	N/A
7.5.2	Information on 13 World Bank and Central American Bank for Economic Integration funded projects has been disclosed on SISOCS. The second phase will include publicly funded projects and the third phase PPPs.	N/A	N/A
	The Scoping Study and Assurance Manual have been completed.	N/A	N/A
7.5.3	The MSG appears to be functioning well and the CoST Honduras Constitution was signed recently.	N/A	N/A
7.6	Malawi		
7.6.1	Two road projects were cancelled recently for poor performance after being subjected to assurance and disclosure.	N/A	N/A
7.6.2	Vice President of Malawi Saulos Chilima was recently appointed the CoST Champion. The appointment is largely due to the MSGs success in building civil society interest in the programme through the media and is widely seen as a strong commitment to CoST on behalf of the Government.	N/A	N/A
7.6.3	AfDB funding will end in June. It is hoped that the NCIC will provide support until additional resources are secured. The IS will visit Malawi in June.	N/A	N/A
7.7	Philippines		
7.7.1	The PhilGeps modernisation started in March and it will include the CoST Infrastructure Data Standard.	N/A	N/A
7.7.2	The strong support and involvement of the Commission on Audit is no longer in evidence, in part at least because of changes in senior personnel. It is hoped that PhilGeps will pick up responsibility for the Assurance Manual.	N/A	N/A
7.7.3	Further discussion is needed in the MSG to achieve a consensus about the role of CoST beyond the institutionalisation of disclosure and assurance.	N/A	N/A
7.8	Tanzania		
7.8.1	Previous reports have identified slow progress as the result of a range of factors including uncertain high level political backing for CoST and inadequate resources.	N/A	N/A
7.8.2	The MSG met with the Prime Minister in late 2014. He expressed strong support for CoST and suggested that he	N/A	N/A

	host a CoST event. He also said that it would not be possible for a decision by the Government on the Cabinet Paper on CoST before elections in October. The IS will visit in May.		
7.9	Thailand	N/A	N/A
7.9.1	CoST Thailand was formally launched by the Prime Minister General Prayut Chan-o-cha in March. The programme has very high level political backing and strong support from civil society and industry.	N/A	N/A
7.9.2	The British Embassy in Bangkok has been very supportive and provided financial support for the launch event and capacity building workshops.	N/A	N/A
7.9.3	The MSG has been established and has held its first meeting. It continues to focus on the extension of Suvarnabhumi Airport as the first project subject to disclosure, but it is also planning to identify additional projects.	N/A	N/A
7.10	Uganda		
7.10.1	A corruption scandal related to the Mukono-Katosi road project has been widely reported in the Ugandan media. CoST Uganda contacts have confirmed that UNRA officials have been suspended pending investigation. IS trusted CSO & donor contacts vouch for UNRA officials.	N/A	N/A
7.10.2	Progress was slow before the scandal despite the programme being relatively well funded. This is due in part to the bureaucracy & administrative requirements of the terms of donor funding. It is hoped that a Coordinator will be appointed soon and that it will be possible to build momentum and make substantial progress.	N/A	N/A
	MSG Constitution completed and soon to be signed.		
	The World Bank Uganda is supportive of CoST and has allocated up to \$1m under GAC for transparency & accountability work. CoST Uganda has been encouraged to apply for funding.		
7.11	Ukraine		
7.11.1	The scoping study has been completed and now forms a basis for implementation. However, the ongoing conflict in the east creates an atmosphere of uncertainty that makes progress difficult. The State Road Agency has also been experiencing changes in its leadership which has further hampered progress.	N/A	N/A
7.11.2	The World Bank and DFID remain supportive. The next step is to complete two pieces of work to take forward the detailed planning of the technical and institutional arrangements respectively. ToRs have been developed, but the State Road Agency has not responded to requests for comments.	N/A	N/A

7.	United Kingdom		
7.12.1	Little progress has been made recently. The IS is in discussions with the ICE (the host organisation), to try and convene a stakeholder meeting to understand why progress is slow and to develop a proposal to get things back on track,	N/A	N/A
7.13	Vietnam		
7.13.1	Recent changes to the Construction Law appear to constitute a Formal Disclosure Requirement. The IS is seeking to find out when it will come into force and the implications for CoST Vietnam.	N/A	N/A
7.13.2	Funding remains a problem. The World Bank country office decided not to renew its support, but it failed to communicate this to the MSG or IS and this caused considerable uncertainty.	N/A	N/A
7.13	Zambia		
7.13.1	Progress remains very slow. Contributing factors include a difficult political environment, uncertainty about high level political support for CoST and a lack of resources.	N/A	N/A
7.13.2	The Chair and PM have held discussions with the Chair of the MSG. Whilst he remains committed, there is currently little evidence of wider support amongst stakeholders. The MSG Chair recently proposed hiring a consultant to undertake a review of the programme and develop a strategy for getting things back on track,	N/A	N/A
7.13.3	The Board acknowledged the factors that had made progress difficult, but it felt that other factors had probably also contributed. It expressed concern that the MSG has met only very infrequently and that the opportunity to utilise financial support from GIZ had been seized.	N/A	N/A
7.13.4	The Board requested that the Zambian MSG provide some reassurance of the commitment of Government and other stakeholders before any resources were expended on a consultant. It identified three areas: (a) high level political commitment, (b) commitment of the MSG members and their respective institutions (c) commitment of the host organisation and (d) commitment of at least one procuring entity to disclose information.	N/A	N/A
7.13.5	The Chair and PM were tasked with communicating the view of the Board to the Chair of the MSG.	Chair & PM	May 2015
Item 8. DGF Evaluation and Final Report			
8.1	The independent evaluation is complete. The Board expressed its thanks to the consultants 'Agulhas Applied Knowledge' for its hard work. Whilst agreeing to accept the report in principle, the Board identified three areas of deficiency that detract from the overall value and quality of the report.	N/A	N/A

8.1.1	First, the report makes references to CoST becoming a 'global programme', but it does not define what is meant by that term. The DGF agreement set out indicators for measuring progress towards establishing CoST as a global programme, but there is a disjuncture between those indicators and what the report proposes.	N/A	N/A
8.1.2	Second, the decision not to focus on quality is described as an "important gap" and "notably missing" from the Infrastructure Data Standard. The evaluation team were made aware of the reasons why CoST does not focus on quality, but this is not reflected in the report and appears not to have been accepted or understood.	N/A	N/A
8.1.3	Third, the report makes reference to the construction industry and suggests that it has a role to "mainstream" CoST in its "own businesses". This and other references to the private sector suggest a fundamental misunderstanding of the construction industry, CoST and the nature of the information that is disclosed.	N/A	N/A
8.2	The Board instructed the IS to raise these three issues with the evaluation team and provide them with an opportunity to explain their position. It should then draft a short paper outlining the issues and presenting the Board's reaction to them. The paper will be published in conjunction with the evaluation report.	N/A	N/A
Item 9. Botswana Application			
9.1	An application to join CoST was received from the Public Procurement & Asset Disposal Board (PPADB) of Botswana. Some additional information was required before submitting the application to the Board, but it was not available by the time of the meeting.	N/A	N/A
9.2	The Board welcomed the interest of the PPADB in CoST and agreed to consider an application in due course.	PPADB	Ongoing
Item 10. Dutch Ministry of Foreign Affairs Financial Report & Budget			
10.1	The report on expenditure in Year 1 and the proposed budget for Year 2 were approved in principle by the Board.	IS	2015
Item 11. Rebranding			
11.1	Five countries responded to the consultation on rebranding aspects of the CoST programme – El Salvador, Ethiopia, Guatemala, Tanzania and Malawi. Generally there was strong support for the proposal that was put forward. One exception was CoST Ethiopia's objection to the shift in terminology from 'construction' to 'infrastructure'. Whilst acknowledging the objection, the Board noted that the proposed change emerged initially from a donor attitudes survey and was supported by the majority of respondents to the consultation and therefore	N/A	N/A

	it was justified to accept it. It also noted that individual national programmes should 'frame' their programmes using language that is understood by and appeals to stakeholders. The Board agreed that some of the additional indicators proposed by Tanzania for the ITI were useful and should be included in the testing process.		
11.2	The Board approved the report and instructed the IS to (a) incorporate the IDS as an integral part of the CoST approach, (b) develop and implement a plan for rolling-out the IDS across all national programmes, (c) test the ITI using data from Ethiopia and Guatemala.	IS	2015
Item 12. 2015 Events			
12.1	A number of international events will be held in 2015 that are relevant to CoST and present opportunities to share our experience. However, limited time and resources make it necessary to prioritise our efforts.	N/A	N/A
12.2	The International Anti-Corruption Conference will be held in Malaysia 2-4 September. CoST has requested an opportunity to hold a panel discussion.	IS	Oct 2015
12.3	The Third International Conference on Financing for Development will take place in Addis 13-16 July. BK will explore possibilities for CoST Ethiopia to showcase its efforts. The IS will produce a short briefing note on CoST that can be circulated amongst delegates.	IS	May 2015
12.4	The Annual Meetings of the World Bank and the International Monetary Fund will take place in Peru 9-11 October. An FCO funded CoST regional event is scheduled to be held in Peru 18 October. The IS will explore the possibility of rescheduling the regional event so those involved are available to be involved in the World Bank meetings should an opportunity arise.	IS	May/June 2015
12.5	GO will speak about CoST at a Ghanaian Scholars Group meeting in Ghana in August.	GO	Aug 2015
Item 13. Relations with International Institutions & Fundraising			
13.1	The G20 Anti-Corruption Working Group is interested to include a presentation on CoST at its next meeting scheduled for 16-17 June in Washington DC. It was agreed that it would be most appropriate for the Chair to make the presentation. MR to find out more from Bank colleagues.	MR	April 2015
13.2	The Asian Infrastructure Investment Bank (AIIB) will be very influential. The UK recently joined the initiative and given its support for CoST, it might be willing to advocate CoST as an example of how to ensure the efficiency and effectiveness of its investments. Adam Smith International recently wrote a blog that advocated this approach.	N/A	N/A

13.3	The Board agreed that it would be appropriate to approach SIDA (see 5.4 above).	N/A	N/A
13.4	The Open Contracting Partnership (OCP) has now moved out of the World Bank and has appointed a Board that is Chaired by Robert Hunja. CoST supported the establishment of OCP and we continue to explore ways to collaborate with it. An obvious opportunity is for the CoST Infrastructure Data Standard to become an 'extension' of the Open Contracting Data Standard. PM will discuss this with Gavin Hayman, ED of OCP.	PM	June/July 2015
Item 14. Prospective New Countries			
14.1	Mexico is 'testing' the CoST model under its own auspices. Depending on the results, it is possible that an application will be submitted to CoST, but the timeframe is uncertain.	N/A	N/A
14.2	Representatives of the Construction Development Agency in Indonesia are keen to build support to join CoST. They have proposed that a scoping study be undertaken to demonstrate the potential value-added of CoST. During a recent visit to Jakarta by PM, the British and Dutch Embassies expressed support in principle. The Board agreed that CoST could cover the costs of the scoping study if other sources are not readily available.	IS	Ongoing
14.3	Stakeholders in Malaysia have expressed interest in hosting a one day event to gauge interest in CoST. No date has been agreed yet.	IS	2015
	Government and civil society stakeholders from Chile, Colombia, Costa Rica, Panama & Peru have submitted Expressions of Interests confirming their interest in exploring CoST and participating in the CoST workshop in Lima in October 2015.	IS	2015
14.4	Stakeholders in Kazakhstan are undertaking a scoping study and plan to use the results to build support for an application to CoST	N/A	N/A
Item 15. Other Business			
15.1	It was agreed to refer to the 'CoST Board' rather than the 'CoST Interim Board'. It is still the Board's intention to organise a 'General Assembly' to elect the Board when resources permit, but in the meantime, the reference to 'interim' might create a sense of uncertainty.	N/A	N/A
Item 16. Date of Next Meeting			
16.1	The next meeting will be held by telephone around July. The IS will confirm the date. The next physical meeting will be held in one of the CoST countries. This will enable Board members to meet with those involved at the national level and develop a deeper understanding of the	IS	Ongoing

	challenges they face. Vietnam and Malawi were proposed as options. The date will be 10-11 September.		
Item 16. Chair's closing remarks			
17.1	CP thanked everyone for their contributions. He also thanked the IS for preparing the papers for the meeting and for the practical arrangements.	N/A	N/A

These minutes were approved as an accurate record of the meeting.



14th July 2015

Christiaan J. Poortman
Chair

Date