

Minutes of CoST Interim Board Meeting No. 12 22-23 September 2014

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)

Apologies:

Per Nielsen was only available for Day 1 due to another commitment

	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's welcome and opening remarks			
1.1	CP welcomed those present and thanked them for attending. He reported that good progress is being made in many areas, but that we also face important challenges. This meeting will allow for detailed discussion of all of these issues.	N/A	N/A
1.2	CP also reported that the Dutch Ministry of Foreign Affairs has transferred the first of its contributions to CoST, which will eventually total €1m over 4 years. He asked that the gratitude of the Board to the Government of the Netherlands be placed on record.	N/A	N/A
Item 2. Approval of the minutes of Meeting No. 11			
2.1	The minutes of the meeting held on 9 July 2014 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	The draft communication between CoST and the Government of Tanzania has not been sent as the conditions regarding Government engagement has changed.	N/A	N/A
3.2	All other matters arising were dealt with as part of the main agenda.	N/A	N/A
Item 4. Programme report			
4.1	Afghanistan		
4.1.1	The uncertainty created by the disputed Presidential	N/A	N/A

	Election has made progress difficult in recent months.		
4.1.2	The CoST Afghanistan MSG has held its first meeting. All sectors are adequately represented.	N/A	N/A
4.1.3	A draft Business Plan has been developed and will be submitted to GIZ for their consideration. Discussions with the Asian Development Bank and DFID regarding potential support are on-going.	N/A	N/A
4.2	El Salvador		
4.2.1	The MSG has been established and is functioning. It has adequate representation from all sectors.	N/A	N/A
4.2.2	A ToR has been developed for the scoping study and work is expected to start soon.	N/A	N/A
4.2.3	An amount of \$6k in support has been agreed in principle by Casals. A number of other donors are interested to explore the options for providing support. The British Embassy has been providing advice and logistical support.	N/A	N/A
4.3	Ethiopia		
4.3.1	A revised disclosure standard is being tested on 22 projects. The Assurance Report is scheduled for publication in October.	N/A	N/A
4.3.2	The IS is developing promotional films and Ethiopia will be one of the focus countries.	N/A	N/A
4.3.3	DFID has been supporting CoST Ethiopia financially and the current agreement is due to end in June 2015.	N/A	N/A
4.4	Guatemala		
4.4.1	A comprehensive Formal Disclosure Requirement (FDR) has been established. Information will be disclosed on the websites of the Ministry of Finance, Guatecompras and the PEs involved.	N/A	N/A
4.4.2	The 4th Assurance Report is scheduled for publication at a public event in -October 2014.	N/A	N/A
4.4.3	The MSG members have identified a need for TA to support multi-stakeholder working.	N/A	N/A
4.5	Honduras		
4.5.1	CoST Honduras was launched by President Juan Orlando Hernandez at the Presidential Palace in Tegucigalpa in August.	N/A	N/A
4.5.2	The World Bank is providing financial support until December 2014. A ToR for the scoping study has been drafted and a consultant will be appointed in October.	N/A	N/A
4.5.3	The initial disclosure on approximately 30 projects is planned for December 2014.	N/A	N/A

4.6	Malawi		
4.6.1	A new Government was elected in May 2014 and it appears to be supportive of CoST.	N/A	N/A
4.6.2	An Assurance Report on 28 projects has recently been published and the details are available on the CoST Malawi website.	N/A	N/A
4.6.3	AfDB funding for Malawi is due to end in December 2014. Identifying alternative sources of income is a high priority.	N/A	N/A
4.7	Philippines		
4.7.1	The PhilGeps system is being 'modernised' and will include a disclosure portal for CoST information.	N/A	N/A
4.7.2	The MSG is working with the Commission on Audit (CoA) to develop an 'Assurance Manual'. It will guide the assurance process which will eventually be the responsibility of the CoA.	N/A	N/A
4.8	Tanzania		
4.8.1	Contact has been made with the CoST Champion and he is enthusiastic about his role. With his support, it is likely that the MSG will meet with the Prime Minister in October.	N/A	N/A
4.8.2	DFID is including CoST disclosure requirements in approximately 25 rural road projects.	N/A	N/A
4.8.3	An Acting Coordinator has been appointed until December. The process for establishing CoST as an independent legal entity will require an Act of Parliament and the process will be initiated shortly.	N/A	N/A
4.9	Uganda		
4.9.1	The AfDB is providing \$300k over 5 years to the Ugandan National Roads Authority (UNRA). This is being augmented by \$40k per year from the Government of Uganda.	N/A	N/A
4.9.2	A successful multistakeholder event was held in June. It included election of an interim MSG. All sectors are well represented and regular meetings are being held.	N/A	N/A
4.10	Ukraine		
4.10.1	A consultant has been appointed to complete the scoping study. Two important areas of focus are consulting on attitudes towards multistakeholder working and identifying an appropriate disclosure standard for the Ukrainian context.	N/A	N/A
4.10.2	It appears likely that financial support will be available through a DFID fund that is managed by the World Bank.	N/A	N/A
4.11	United Kingdom		

4.11.1	Two local authorities have been identified as partners in 'trial projects', but little progress appears to have been made in recent months.	N/A	N/A
4.12	Vietnam		
4.12.1	A new construction law has been developed and is due to come into force in January 2015. A decree is being developed that will inform the application of the law and it is expected to go some way to institutionalising the formal requirement for disclosure.	N/A	N/A
4.12.2	CoST Vietnam has previously received support from the World Bank country office and DFID. The World Bank failed to respond to a request from the Minister of Construction for further support. It is reported that DFID will close its office in Vietnam in 2015. Obtaining alternative sources of income is a priority.	N/A	N/A
4.13	Zambia		
4.13.1	Progress continues to be very slow. In part this is the result of a difficult political environment and particularly uncertainty about the degree of high-level political support for CoST. The Chair and ED are in discussions with the MSG Chair to see if it is possible to introduce changes aimed at reviving the programme.	N/A	N/A
Item 5. Application to join CoST			
5.1	A joint application was received from the State Enterprise Policy Office (SEPO) of the Government of Thailand and Anti-Corruption Thailand (ACT).	N/A	N/A
5.2	The Board approved the application. Thailand will become the 14 th country to participate in CoST. The Board noted the high quality of the application.	N/A	N/A
Item 6. Donor attitudes survey			
6.1	The Board agreed that the Project and Contract Information Standard should be renamed the 'Infrastructure Data Standard'. It also agreed that the Construction Transparency Index should be renamed the Infrastructure Transparency Index.	IS	Oct – Dec 2014
6.2	The simplified approach to the Infrastructure Transparency Index was supported in principle, but a check against the original Construction Transparency Index concept note should be undertaken ensure no obvious indicators are missed. Consideration also needs to be given to how projects are sampled to ensure it leads to robust data. GO to review the concept note with JH. A paper will then be developed for consulting with MSGs.	GO, JH	November 2014
6.3	The Board decided not to change the name of CoST but in time to drop the 'Construction Sector Transparency	IS	Ongoing

	Initiative' description whilst retaining the CoST logo. It also broadly agreed to the vision, mission and key messages. There was concern about the message that linked CoST to human impact.		
6.4	The Board agreed in principle to a new brand proposition of 'Better value from infrastructure'.	IS	Oct – Dec 2014
6.5	The Board agreed that it would be an advantage to have an Ambassador to help raise the profile of CoST and win support, but we do not have a budget for the role and there is no obvious candidate at this time.	N/A	N/A
Item 7. Managing poor performance			
7.1	The Board expressed its concern that a small number of countries continue to find it difficult to make meaningful progress. Whilst our overall approach remains one of encouraging and supporting countries experiencing difficulties so that meaningful progress can be restored, it agreed that a clear process for managing poor performance would be beneficial.	N/A	N/A
7.2	The Board broadly supported the approach to managing poor performance outlined in paper F. It should be refined, circulated amongst board members on a 'no objection' basis and used to consult with MSGs.	IS	Oct – Dec 2014
7.3	Areas that require clarification are: <ul style="list-style-type: none"> • 'Inactive' status • 'Lack of progress' in section B. 	IS	Oct – Dec 2014
Item 8. Managing political upheaval and controversy			
8.1	The IS provided an update on 'work in progress' in relation to managing the potential for reputational damage arising from conflict, political instability and other controversial issues. This includes analysing scenarios that could arise, formulating actions/responses and developing mitigating measures to try and reduce the frequency and severity of such incidents.	N/A	N/A
8.2	The Board reviewed the initial work undertaken by the IS and suggested some refinements. It requested that further work be completed when time and resources allow.	IS	Ongoing
Item 9. Future of the Board			
9.1	The Board is mindful that it was established on an interim basis in 2012 and on the understanding that when time and resources permitted, it would convene a General Assembly to elect a new Board. It is a matter of concern that because of a lack of financial resources, there is no immediate prospect of convening a General Assembly.	N/A	N/A

9.2	The Board acknowledged that it would be difficult to coordinate a broad based and consultative election process in the current circumstances. It agreed in principle that the most appropriate way forward is for the current Board to continue to function on an interim basis until sufficient resources are available, but decided that MSGs in participating countries should be consulted on this.	N/A	N/A
9.3	The MSGs in all participating countries will be informed of the situation and the proposal of the Board to continue on an interim basis and given an opportunity to comment.	IS, CP	October 2014
Item 10. Open Information Policy			
10.1	The Board is committed to being open and transparent in all that it does. It instructed the IS to develop an 'Open Information Policy' that would help ensure that it meets established good practice standards.	N/A	N/A
10.2	Paper F 'Draft Open Information Policy' was approved subject to certain amendments. The paper will be revised, circulated amongst Board members on a 'no objection' basis and published on the CoST website.	IS	October 2014
Item 11. Financial report			
11.1	The financial report was approved by the Board. It welcomed the finalisation of the agreement between CoST and the Dutch Ministry of Foreign Affairs, but noted that it coincided with the completion of the Development Grant Facility funding provided by the World Bank. The net impact of these changes will be a reduction in income in 2014 of approximately 40 per cent, unless alternative sources of income are identified.	N/A	N/A
Item 12. Fundraising			
12.1	Discussions have been held recently with a series of bilateral and multilateral donors to discuss potential support for CoST at the international and national levels. They include EC, EBRD, DFID, Dutch Ministry of Foreign Affairs, SIDA and IDB.	IS	TBC
Item 13. Date of next meeting			
13.1	The next meeting will be 'virtual' and it was scheduled for 15 January 2014 at 11.00 hrs. GMT.	N/A	N/A
Item 14. Chair's closing remarks			
14.1	CP thanked everyone for their contributions. He also thanked the IS for preparing the meeting papers for the meeting and for the practical arrangements.	N/A	N/A

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



15-01-15

Christiaan J. Poortman
Chair

Date