

# Minutes of CoST Board Meeting No.23

## 25 and 26 September 2017

Participants			
<b>Board:</b> Chrik Poortman (Chair) George Ofori (GO) Vincent Lazatin, Petter Matthews (PM) Frank Kehlenbach (FK) Alfredo Cantero (AC) (Day 1 - item 9 only)		<b>In Attendance:</b> Marcelo Rozo (MR) World Bank (Day 2 - Item 8 only) John Hawkins (JH) International Secretariat Bernadine Fernz (BF) International Secretariat (Day 2 only) Mia Jeannot (MJ) International Secretariat Soren Jensen (SJ) International Secretariat Sean Henderson(SH) (Company Secretary) International Secretariat Elizabeth Dykstra-McCarthy (EDM) International Secretariat Martijn Groen (MG), MinBuZA (Day 1 –items 6 and 7) <b>Apologies:</b> Mark Harvey, DFID	
	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's Welcome and Opening Remarks			
1.1	The Chair welcomed Board members to the meeting especially FK to his first in-person meeting.	N/A	N/A
Item 2. Approval of Meeting 22 Minutes			
2.1	The minutes from meeting 22 were approved as an accurate record.	N/A	N/A
2.2	Paper A was presented, outlining all actions from meeting 22 and updating the board on progress to date. The Board was generally satisfied with progress.	N/A	N/A
2.3	It was clarified that DFID did not require additional funding to be secured prior to the new MoU being signed. However, it is included in the new logframe which forms part of the updated agreement.	N/A	N/A
2.4	ToR advertised to recruit a consultant for a Scoping Study on the added value of CoST for UK investment in Indian infrastructure.	PM	March 2018
Item 3. Financial report			
3.1	The forecast budget (Paper D) and accounts up to 31 August 2017 were presented to the Board.		N/A
3.2	It was suggested that an additional column indicating the amount raised by national programmes is included in the	SH/JH	Next meeting

	forecast budget and accounts. The International Secretariat to consider this.		
3.3	<p>It was reported that grants of between £70-90k have been awarded to nine national programmes. This totals about £400k.</p> <p>It was agreed that a further discussion was required to consider how grant funding is awarded to members (including the process for approval), how they raise their own funds and reduce a dependency on the International Secretariat.</p>	JH / SH	March 2018
3.4	Agreed that a 2017 Annual Report summarising key highlights published in Q2 2018 would be helpful for promoting the programme.	IS	June 2018
3.5	It was reported that the insurance company will shortly pay out to compensate for the misappropriated in Uganda. Legal proceedings against the accused are expected to conclude shortly.	N/A	N/A
3.6	The Trustees agreed to re-appoint Magma LLP as the Auditors.	SH	Dec 2017
<b>Item 4.</b>	<b>Annual General Meeting</b>		
4.1	Board welcomed Will Lodder from Magma LLP (The Auditors) to the meeting.	N/A	N/A
4.2	The International Secretariat has been considering how CoST could develop a reserve. It is currently a challenge as all income is currently restricted. This means all income must be used for specific activities. The EAP Board has agreed in principle that it would make a charitable donation to CoST based on a percentage of the overheads. The details to be furthered considered.	PM	Nov 2017
4.3	Discuss with DFID and other donors if a small percentage could be unrestricted funds to create a reserve. Also consider CoST providing commercial services.	PM	Nov 2017
4.4	The Trustees Report and Financial Statements were approved by the Trustees.	N/A	N/A
<b>Item 5.</b>	<b>Fundraising &amp; Advocacy</b>		
5.1	The immediate fundraising need is for £2.5m – the balance of the £7.5m Business Plan.	N/A	N/A
5.2	<b>Danish Minister of Foreign Affairs</b> has not responded to follow-up from PM. PM to follow up with Per Nielsen to see if personal connection can lead to a meeting.	PM	Next meeting
5.3	<b>Ford Foundation</b> discourage requests to individual staff members. An email enquiry has been sent through the website with a response expected within 45 days.	PM	Nov 2017
5.4	<b>AFDB</b> have sent an initial holding response following an email outlining our interest in applying to the Africa Integrity Fund. JH to follow up.	JH	Nov 2017

5.5	<b>Global Affairs Canada</b> policy direction is focused on women's economic empowerment. They have said that CoST does not fit within their priorities at this time.	N/A	N/A
5.6	<b>Hewlett Foundation</b> – OCP receive funding and have said they would make an introduction. PM to ask OCP for a contact.	PM	Next meeting
5.7	<b>Siemens Integrity Fund</b> will be launching their third funding round in March 2018. The Int. Sec. will be applying.	PM	March 2018
5.8	A call is scheduled with the <b>Open Society Foundation</b> in December. <b>OSF</b> will be looking at future priorities around this time.	PM	Dec 2017
5.9	The Chair and BF held a successful series of meetings with <b>IADB</b> in June. IADB are considering an evaluation of the CoST Honduras programme to strengthen the case for supporting CoST. BF to follow-up.	BF	Dec 2017
5.10	The funding agreement with <b>MinBUZA</b> agreement ends in December. An internal management meeting will consider future funding along with funding other programmes. This will take place following conclusion of the Coalition talks that will form the new Government and priorities become clear. The Int. Sec. will provide information for this meeting when required.  The Chair requested that a positive message is include the Minister of Foreign Affairs statement at the Open Contracting Global Meeting. Unlikely that the Minister will attend as do not know who the Minister will be. Likely to be a special envoy.	JH	Nov 2017
5.11	GO to make an initial contact with the <b>Swiss Development Agency</b> through contacts he has recently made.	GO	Dec 20-17
5.12	JH to visit Malawi with the <b>Partnership Transparency Fund (PTF)</b> to see if it can help leverage funds for the CoST Malawi programme. PTF have developed a detailed concept note of the funding that CoST Malawi require.	JH	Oct 2017
5.13	CoST co-hosted a Panel discussion at the C20 Conference with Transparency International in June. Engaging the G20 through the C20 has proved a very useful learning experience in the run-up to the Argentine Presidency where it is anticipated that infrastructure will be a more prominent theme. It will be important to engage the UK G20 Sherpa in the run up to next years' G20.	SJ	N/A
5.14	CoST a co-sponsor of the Global Open Contracting Meeting in Amsterdam to be held on 28-29 November 2017 with OCP, Hivos and the B Team. Board stated that it was important that the CoST message came through sufficiently at the event.	JH	Nov 2017

5.15	EAP will participate at the World Bank Annual Meetings and will use its presence to help promote CoST.	SJ	Oct 2017
5.16	CoST participating at the World Bank Infrastructure Forum in Cape Town in November. Subsequent Forums are planned in Abidjan and Kuala Lumpur. An output from the Forum is a white paper on infrastructure. It's the first World Bank meeting on the governance of infrastructure.	JH	Nov 2017
5.17	Messaging to be reviewed to look at how CoST contributes towards the SDGs. JH authored a blog on the subject for OGP.	CB	Nov 2017
<b>Item 6.</b>	<b>Membership Criteria</b>		
6.1	Paper G provided an outline of the criteria for joining as either a Member or Affiliate of CoST and their eligibility for technical assistance from CoST and grant funding.	N/A	N/A
6.2	Board Members were broadly content with the criteria for joining CoST as a Member. There was some concern that the \$100m turnover for a procuring entity and the \$1bn value of a mega-project for joining was too high. One option is to consider a percentage basis of turnover PE and a megaproject to encourage low income and small countries. There was also a question if a procuring entity or megaproject would be a voting member for the Delegate Assembly.	N/A	N/A
6.3	There was some concern that Affiliate status may be considered a light option and the incentives for joining. But it was agreed that the Affiliate status is in the spirit of the Strategic Review and that we would learn if there was demand and the criteria was through testing with potential partners. The criteria would need to be applied flexibly. The High-Income Study could help to test the criteria.	N/A	N/A
6.4	The Int. Sec. to draft a Guidance Note to develop the criteria and eligibility for joining both as a Member and Affiliate. The language should be indicative for Affiliate status with each application considered on a case by case basis. The Board would then like to be consulted on the first government / procuring entity who expresses an interest in joining as an Affiliate.	JH	Next meeting
<b>Item 7.</b>	<b>Constituting the CoST Board</b>		
7.1	Paper H provided a 'strawman' option for constituting the Board.	N/A	N/A
7.2	It was thought eleven members may be too large with one of the advantages for CoST that it has a small Board. It was agreed that reducing the proposed number of national government, private sector and civil society representatives to one. It was also agreed that the IS would remain a Board Member. Therefore, the Board would consist of two government (two national), two	N/A	N/A

	private sector (one national, one international), two civil society representatives (one national, one international), Chair and one co-opted member. The International Secretariat would be a non-voting member.		
7.3	Criteria would be needed to be established for potential members. National Board members would be elected in three regional blocs with CoST members able make one nomination. Voting would electronic based on a one-page profile of the nominees. It would mean there is anomaly that Eurasia may have two positions to elect whilst Latin America would have one. But this can be rotated. There will be a two-term limit for members.	N/A	N/A
7.4	The Board would prefer that a regional meeting approach to electing members if resources permit. Otherwise web-based meetings will be used to convene a delegate assembly on a regional meeting.	N/A	N/A
7.5	If there was more than one MSG in a country, they would be required to convene and agree their Delegate Assembly representatives.	N/A	N/A
7.6	A consultation paper will be developed based on this proposal for the MSGs to consider.	PM	Q1 2018
<b>Item 8</b>	<b>Programme Report</b>		
8.1	The IS presented the Board with a set of comparative data from 2016 and 2017 (2017 figures are up to 31 May), highlighting the progress the programme was making.	N/A	N/A
	<b>National Programme Update</b>		
8.2	<b>Scoping Studies</b> have been published in Panama, Costa Rica and Uganda.	N/A	N/A
8.3	Malawi's Parliament has approved a <b>Formal Disclosure Requirement (FDR)</b> as part of new Public Procurement Act and SISOCs is to be installed in October. Costa Rica FDR has been included in a Presidential Decree and a disclosure portal is to be launched in October.	N/A	N/A
8.4	The El Salvador <b>Interim Disclosure Requirement (IDR)</b> was signed by the Minister of Public Works in April and a portal has been developed for public works contracts. In Afghanistan IDR has been drafted and a growing number of PEs are committed to implementing CoST. PM says Afghanistan is a difficult environment to work in but there is real commitment there.	N/A	N/A
8.5	The Board discussed how we capture <b>impact stories</b> especially when it may concern the quality of the infrastructure. CoST does not measure the quality of infrastructure but Assurance Teams and trained Civil Society monitors (such as in Honduras) may identify issues relating to quality or how the construction site is being managed from their observations. This then needs	N/A	N/A

	to be reported accurately as observations and that further assessment would be required before action is taken.		
8.6	The International Secretariat presented several challenges that are arising from national programme. Some MSGs are struggling to prioritise principally due to the absence of a clear strategy. There is on-going concern principally in Africa that CoST is not legally registered and that civil society, especially in Central America, can be politically aligned. The grant funding from the International Secretariat is sufficient for national programme to deliver a reasonable programme but it is not sufficient to deliver at scale. Some MSGs lack capacity to develop new income streams and it is important to avoid dependency on the International Secretariat.	N/A	N/A
8.7	The Minister of Construction in <b>Vietnam</b> has written formerly to the Board withdrawing the country from CoST. This follows the Boards' decision to declare Vietnam 'inactive at its last meeting. The Chair to write to the Minister confirming the withdrawal.	JH/Chair	Nov 2017
8.8	The <b>Philippines</b> MSG Chair has informed the International Secretariat that the political situation there is not conducive for CoST and as such the programme has closed. The Chair would have to write to the MSG Chair confirming the programme has closed.	JH/Chair	Nov 2017
8.9	The International Secretariat has informed the Cabinet Office Transparency Team informally that CoST UK status is revoked. DFID asked CoST to delay public notification of UK's status until after a meeting with the Infrastructure and Projects Authority (a Government unit within the Cabinet Office). CP suggested we should secure a meeting soon and have a decision from the UK either way by the end of December.	JH	Dec 2017
8.10	The International Secretariat has received a positive letter from the Public Procurement and Asset Disposal Board in <b>Botswana</b> proposing to pilot CoST over the coming months. This follows a letter from the Board expressing its concerns about the lack of progress. Board letter to confirm that it is satisfied with proposed way forward.	JH	Nov 2017
	<b>Potential members/affiliates</b>		
8.11	<b>Argentina:</b> Interest has grown to include Rail Authority as well as Roads Agency and Buenos Aries City Authority. <b>Indonesia:</b> BF and VL held workshops that are likely to lead to an application starting with a sub-national road programme. <b>Nuevo Leon:</b> An application to join CoST has been delayed due to a lack of funding.	BF	Ongoing

8.12	<b>South Africa:</b> JH to visit in late October to explore interest with the South Africa National Roads Agency Ltd. and the Cities Support Programme in National Treasury.	JH	October 17
8.13	<b>Liberia:</b> Hamish Goldie-Scot (HGS) facilitated a meeting with key stakeholders about the growing interest in CoST. The meeting included the Minister of Works. PM following up with the Minister. <b>Myanmar:</b> PM to visit to explore potential interest. Myanmar is a DFID priority country. <b>India:</b> A Scoping Study to identify added value of CoST in safe guarding UK government investment in Indian infrastructure to be commissioned.	PM	Ongoing
8.14	<b>Ghana:</b> There is growing interest from a range of stakeholders in Ghana. GO and PM to follow-up with HGS.	GO PM	Ongoing
<b>International Programme</b>			
8.15	<b>A Central America Workshop</b> was held in September with participants from the five programmes in the region. The workshop was funded by the Foreign and Commonwealth office and held in Honduras. <b>A Managers Workshop</b> was held in London in June with CoST National Managers from eleven countries. The Workshop helped to build the relationship between the managers and enabled lessons and experiences to be shared.	N/A  N/A	N/A  N/A
8.16	The Monitoring and Learning framework is nearing completion which includes a revamped reporting tool for Members.	EB / JH	Ongoing
8.17	Consultants have been identified for the following: <ul style="list-style-type: none"> <li>To lead the open data for infrastructure project with OCP.</li> <li>Carry out a needs analysis that identifies future support (tools, standards, T/A etc.) for CoST members and affiliates.</li> <li>A Latin American Regional Manager</li> </ul>	PM/JH	Q1 2018
8.18	Guatemala to test the Infrastructure Transparency Index shortly. The International Secretariat to identify peer reviewers.	JH/BF	Dec 2017
8.19	Honduras and Malawi lessons learned case studies have been drafted and will be published before the end of the year.	JH / CB	Dec 2017
8.20	The roll out of new vision and mission agreed as part of the new Business Plan will take place in Q4 of 2017.	JH/ CB	Dec 2017
<b>High Income Study</b>			
8.21	SJ presented an update on the High Income Country Study. The Study will identify the added value of CoST's	SJ	March 2018

	<p>approach to transparency and accountability in public infrastructure in high income countries. The four case studies: Argentina, Scotland, Lithuania and Denmark reflect criteria based on a mix of advanced and emerging economies, political significance, access to key stakeholders and strategic importance.</p> <p>Argentina will host the G20 Presidency in 2018 and the case study will be launched at the OGP Regional Event in Buenos Aires in November. The Scotland case study is expected in December and the Lithuania case study in January. The Denmark case study will be done in-house with the aim of completion in February.</p>		
<b>Item 9</b>	<b>Growth Strategy</b>		
9.1	<p>The Board discuss potential areas to grow the number of Members and Affiliates participating in CoST. One option is to develop a cluster based around Ukraine in East and Central Europe similar to the cluster that has developed in Central America. The Board discussed how it balances encouraging middle and high-income countries to join the programme whilst ensuring that low income countries remain a core part of the programme. The International Secretariat to develop a short paper that identifies how the number of Members and Affiliates can grow over the next two years.</p>	PM/SJ/JH	Next meeting
<b>Item 10</b>	<b>Future meeting dates</b>		
10.1	<p>A teleconference will take place at 13.00 GMT on Wednesday 13th December 2017.</p> <p>The next physical meeting will take place in March / April 2018 in Kyiv. The dates to be confirmed.</p> <p>The second physical meeting in 2018 will take place on Monday 24th and Tuesday 25<sup>th</sup> September 2018 in London.</p>	N/A	N/A

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



15<sup>th</sup> January 2018

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Christiaan J. Poortman  
Chair

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Date