July 2018

Guidance Note

Joining CoST

There are various ways to join CoST and receive support. This guidance note explains what they are and is designed to help you decide which is best for you. It should be read in conjunction with the other guidance notes available in the series.¹

This note begins by describing the process of 'engagement', which refers to the initial discussions that take place with the CoST International Secretariat. It then describes the two categories of membership that are available (see Box 1) and explains the rights and responsibilities associated with each. Those seeking membership must apply to the CoST Board. This note explains what should be included in an application and where it should be submitted. It concludes by describing the relationship between the two categories of membership and the circumstances in which members might move between them at various stages of their reform process.

Engagement

Engagement is the process of potential applicants discussing their needs and deciding if and how membership of CoST might benefit them. The process of engagement can be initiated by government, the private sector or civil society. Before contacting the International Secretariat, you are advised to:

Review the materials available on the CoST website and consider how it could be relevant in your circumstances.

Box 1: CoST has two categories of membership

- Member aimed at those who are committed to improving transparency and accountability in public infrastructure investment and see CoST as being central to that reform effort.
- Affiliate aimed at those who are committed to improving transparency and accountability in public infrastructure investment and see CoST as a source of support and advice that can enhance that reform effort.
- Where appropriate, contact representatives of government, the private sector and civil society to assess their interest in CoST and if appropriate, involve them in the engagement process.
- If then you would like to pursue your interest in CoST, please contact the International Secretariat explaining the reasons for your interest and describing what discussions, if any, have taken place between representatives of the three sectors.

The International Secretariat will respond, in most cases seeking additional information and proposing an online discussion. The dialogue will continue until a decision has been made on whether to apply to join CoST as a member or affiliate member. The International Secretariat can also visit and hold in-person discussions, if it is considered of value to the engagement process.

The length of time this process can take is dependent on your level of interest and how you quickly you want to move. The two categories of membership are now explained in detail.

 $^{\, 1}$ Other guidance notes can be found on the CoST website at: https://bit.ly/2L8dxCc

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Member

- Membership is open to any national or sub-national part of government and its partners in industry and civil society, and to individual procuring entities and megaprojects.
- This category is aimed at those who are committed to improving transparency and accountability in public infrastructure investment and see CoST as being central to that reform effort.
- Members commit to adopting the full CoST approach including multi-stakeholder working, disclosure, assurance and promoting social accountability.
- The CoST Board monitors the performance of members and continued membership is contingent on the CoST Board being satisfied that meaningful progress is maintained.
- Members are subject to the CoST performance monitoring procedures. Continued failure to perform can result in membership being revoked.

MEMBERSHIP RIGHTS	MEMBERSHIP RESPONSIBILITIES
Use of 'CoST member' branding in your communications	Observe and promote <u>CoST principles</u>
Participation in the governance of CoST, including electing the CoST Board	 Establish a Multi-Stakeholder Group (MSG), or demonstrate to the satisfaction of the CoST Board, how you will promote multi-stakeholder working using an alternative approach
 Members in low-income countries can apply for grant funding from the International Secretariat 	 Disclose information in the CoST Infrastructure Data Standard (CoST IDS) format
 Members in low-income countries receive technical assistance from the International Secretariat at no cost to themselves 	Implement an assurance process
 Members in middle and high-income countries can purchase technical assistance from the International Secretariat at discounted rates 	Establish a Formal Disclosure Requirement within three years of becoming a member
Participation in national and international CoST events	Promote social accountability
	Submission of quarterly progress reports to the International Secretariat

Affiliate membership

- Affiliate membership is open to any national or sub-national part of government and to individual procuring entities and megaprojects.
- This category is aimed at those who are committed to improving transparency and accountability in public infrastructure investment and see CoST as a source of support and advice in that reform effort.
- Affiliate members adopt and adapt those aspects of the CoST approach that they consider most useful and appropriate in their circumstances.
- The CoST Board does monitor the progress of members in this category and continued membership does not imply that CoST endorses or approves of their reform effort.
- Affiliate members publish progress reports and through this mechanism are accountable to their stakeholders.
- Affiliate members are not subject to the CoST performance procedures. However, the CoST Board reserves the right to periodically review if affiliate members are meeting their responsibilities (described below). Such reviews might include requests for documentation, telephone interviews and/or in-person interviews. A failure to meet responsibilities, or to respond to Board requests for information, can result in affiliate membership being revoked.

AFFILIATE MEMBERSHIP RIGHTS	AFFILIATE MEMBERSHIP RESPONSIBILITIES
Use of 'CoST affiliate member' branding in your communications	Observe and promote <u>CoST principles</u>
 Affiliate members in low-income countries receive up to six hours of technical assistance per month at no cost to themselves. Additional technical assistance can be purchased at discounted rates 	Quarterly publication of progress reports that incorporate 'CoST indicators'
 Affiliate members in middle and high-income countries can purchase technical assistance at discounted rates 	Sign a Memorandum of Understanding with the International Secretariat that records the rights and responsibilities of both parties
Participation in national and international CoST events	

Making an application

Applications for membership should respond to points 1-3 below. Applications for affiliate membership should respond to point 1. In all instances, the International Secretariat will be available to provide support and advice whilst the application is being developed. A pro-forma application template is available on the <u>CoST website</u> to help structure your application.

1. Submission of a letter to the CoST Board from government, or an alternative organisation with government endorsement indicating:

- A desire to enhance transparency and accountability in public infrastructure investment;
- A willingness to promote the <u>principles of CoST</u>;
- Administrative arrangements, including official contact for coordination with the International Secretariat;
- Details of a scheduled public announcement to confirm the intent to implement a programme for increasing transparency and accountability in the provision of public infrastructure;
- A commitment from at least one procuring entity to participate in the initial implementation of the programme;
- A commitment to liaise and share information with the International Secretariat; and
- Evidence of support from government, the private sector and civil society.

2. An implementation plan, indicating:

- Details of a short-term inception period in which disclosure and assurance are tested and refined (usually) on a small number of projects, multi-stakeholder arrangements put in place and consideration given to the promotion of social accountability;
- A commitment to develop a more detailed strategic plan after the inception period; and
- A commitment to establish a Formal Disclosure Requirement within three years of joining CoST.

3. Budget and financing plan indicating:

- Evidence of government or other resources available for the inception period;
- Where the applicant is a low-income country and it intends to request financial grant assistance from the International Secretariat, a request for funding including the financial management procedures that will be followed and details of expenditure.

Applications should be addressed to the Chair of the CoST Board via CoST@infrastructuretransparency.org.

Box 2: Honduras joins CoST

In 2014, the Government of Honduras approached the International Secretariat to express their interest in joining CoST. The World Bank Office in Honduras played a critical role in persuading the Government of the added value of CoST and helped to facilitate the initial engagement process.

The engagement process took just three months as the Government was keen to move quickly. The process included several video conferences organised by the World Bank Office where the International Secretariat familiarised an interim Multi-Stakeholder Support Group and the CoST Champion and Minister for Infrastructure, Roberto Ordonez with CoST. The International Secretariat then supported a Senior Adviser to the President to develop an application.

The application was of an extremely high standard as it clearly set out how CoST would complement Government reforms. It included a detailed eighteen-month implementation plan that included a list of 13 road sector projects from two procuring entities for testing the disclosure and assurance process, how a permanent MSG would be established and a series of capacity building and training workshops. The application was the first to include letters of support from the private sector and civil society demonstrating that the Government was committed to a multi-stakeholder approach. The Government allocated \$200,000 to implement CoST from a Governance and Anti-Corruption component of a road sector programme funded by the World Bank.

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Box 3: Civil Society initiates Thailand application during political upheaval

Following the 2014 military coup, CoST was approached by Anti-Corruption Thailand (ACT), a network of anti-corruption activists with strong roots in the private sector. It had obtained a mandate from Government to explore if CoST could potentially support the reform efforts which were underway. Given the backdrop of the military coup, it was important that the International Secretariat visited Thailand to meet representatives of government, industry and civil society and assess the prospects for a CoST Thailand programme. The assessment was made with the support of the British Embassy in Bangkok who helped to convene stakeholders.

The response of most domestic and international stakeholders was pragmatic. They expressed concern about the coup, but also recognised that its aftermath presented an opportunity to accelerate anti-corruption reforms. This support led to the State Enterprise Policy Office submitting an application in 2015 that focused on the \$(US) 2.5 million extension to Bangkok airport - CoST's first megaproject. Government leadership of CoST subsequently shifted to the Comptroller General's Department

Thailand's experience demonstrates how it is possible to initiate a CoST programme, even during periods of political upheaval. In fact, it was political upheaval in this case that opened an opportunity for reform. It also demonstrates how a non-government organisation with strong anti-corruption credentials, in this case ACT, can be very effective in bringing stakeholders together in the early stages of joining CoST It also illustrates how an international partner, in this case the British Embassy can encourage and support those leading the reform effort.



Moving between membership categories

It is possible to move between member and affiliate categories in both directions and at the discretion of the CoST Board. A member for example, might consider that reforms have been institutionalised to a point where some elements of the full CoST approach are no longer necessary. In such circumstances, switching to affiliate membership would enable them to continue benefiting from an association with CoST, but in a way that had fewer responsibilities and therefore constituted a 'lighter touch' relationship. Alternatively, affiliate membership could be the starting point for a reform effort that needs to build support and gain momentum before switching to become a member once they are in place and there is appetite for a more substantial effort based on the full CoST approach. There is no hierarchy between categories of membership. They are different options and prospective members must decide which is most relevant in their circumstances.

Use of CoST tools and approaches by non-members

A range of resources are freely available on the CoST website to anyone involved in improving the transparency and accountability of public investment in infrastructure. You do not have to be a member or an affiliate member to use these resources. Please note that non-members who make use of these resources have no right to use CoST branding or to give the impression that CoST endorses their efforts. The International Secretariat would however be interested to hear about your experience.

GLOSSARY	
Formal Disclosure Requirement:	An act, law, regulation, decree or other instrument that makes the disclosure of information in the CoST IDS format mandatory.
CoST Infrastructure Data Standard (CoST IDS):	A set of 40 data points that are disclosed routinely and periodically over the entire project lifecycle.
Megaproject:	Large-scale, complex infrastructure investments that typically cost \$(US) 1 billion or more.
Procuring entity:	Any part of government responsible for procuring infrastructure works and/or services.





