

Minutes of CoST Board Meeting No. 31

30th and 31st January 2020

PARTICIPANTS

Board:

Chrik Poortman, Chair
 George Ofori, Vice Chair
 Gavin English, Private Sector (for items 1 to 10)
 Vincent Lazatin, Civil Society
 Petter Matthews, CoST IS
 Nataliya Forsyuk, Government

Observers:

Alexandra Habershon, World Bank
 Ivo Stoel, MinBuZA (joined by Skype for item 4)

Hayley Sharpe, DFID

International Secretariat

John Hawkins, CoST IS
 Evelyn Hernandez, CoST IS
 Charlotte Broyd, CoST IS
 Sean Henderson, CoST IS (item 5 only)
 Zlatina Loudjeva, CoST IS (up to item 4)
 Nora Pesheva, CoST IS (minutes)
 Joanne Coysh, CoST IS (up to item 4)
 Amanda Oduka, CoST IS (from item 9 onwards)

	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's welcome and opening remarks			
1.1	The Chair welcomed the Members and Observers to the meeting.	N/A	N/A
1.2	CP expressed sadness at the loss of Alfredo Cantero. An award in his name will be discussed by the Board. CP also gave brief details of his trip to Honduras to honour Alfredo and his family and the work he did including meet with President of Honduras.	N/A	N/A
1.3	CP welcomed NF formally to the board. The board is looking forward to working with her and to the difference she can make. NF thanked the board for the opportunity. The Board approved NF appointment to the Board. SH to formally register NF as a Board member	SH	Feb 2020
1.4	CP welcomed ZL as an advisor to the Board and on her return to CoST.	N/A	N/A

Item 2. Approval of Meeting 29 and 30 Minutes and matters arising

2.1	Minutes from both meetings were accepted as an accurate record.	N/A	N/A
2.2	Item 6.2 from meeting 29. The articles of association have yet to be finalised due to other priorities.	PM	April 2020
2.3	Item 8.2 from meeting 29. PM has been appointed as Chair of the C20 Infrastructure Working Group and is a member of the C20 Steering Group.	N/A	N/A
2.4	It was recommended that the Board look at the recently published DFID Infrastructure Commission report. PM has also written a blog about the Commission for EAP.	N/A	N/A

Item 3. CoST Strategy – Part 1

3.1	The Board thanked the CoST IS for developing the draft strategy (paper D) in a short period of time.	CoST IS	
3.2	<p>Changing context</p> <p>The introduction in the strategy sets out how the context has changed in recent years such as climate change and social inclusion and that there is some pressure on CoST to respond to this. There was some concern on Board that the context may be over emphasised, and the response may come at the expense of the core programme.</p> <p>It was agreed that changing context in the introduction should be reframed to ensure that it was clear that CoST will contribute to these issues based on the proposed actions in the strategy. This includes requiring MSGs to improve their gender balance amongst their members and to encourage women to participate in community meetings.</p>	CoST IS	Feb 2020
3.3	<p>Theory of change</p> <p>The Board agreed that the proposed theory of change in paper D was impressive but asked that 'strategies' was changed to 'enabling environment'. It was explained that the incentives for government, the private sector and civil society action fits between strategies and systems.</p>	JC	Feb 2020
3.4	<p>New members</p> <p>NF was concerned with a target of 35 new members. There should be an emphasis on the quality of the CoST member programmes and less on the number of members. It is important to have strong examples of successful CoST members in each region that will help to attract their own finance. The Board agreed with this view and that the emphasis on the target would be reduced with more said about the quality of programmes.</p>	CoST IS	Feb 2020

3.5	<p>Data approach</p> <p>There was agreement that CoST should move in the direction of an emphasis on data that can be analysed in real time and as a compliment to the assurance process. But the data sets would be owned by the members and it was thought unlikely that an international database could be developed by CoST. There was also agreement that there should be other tools and approaches for validating and using data along with assurance.</p>	N/A	N/A
3.6	<p>Current priorities</p> <p>CP asked what the CoST IS believed the current priorities were. JH responded stating that a recent CoST IS workshop there was a consensus that consolidating the programmes of the seven new members who joined in 2019 was the priority for this year. EH said that we also need to provide practical tools to achieve more in each programme and that each CoST member has been asked to develop longer term strategic plans. It was also thought that diversifying of our funding was a priority. Advocacy would be focused on fundraising efforts.</p>	N/A	N/A
3.7	<p>Rewarding success</p> <p>There was agreement that both the 'carrot and stick' was required to encourage good performance and that success needs to be rewarded as well as the option of reducing grant funding and closing programmes for members who are not performing. The proposed CoST awards would be the main means for rewarding success.</p>	N/A	N/A
3.8	<p>Private sector</p> <p>It was understood that engaging the private sector was an important for the board but there less emphasis given by MSGs to this topic. It was agreed that a mapping exercise was required to better understand the different constituencies within the private sector (investors, contractors, consultants, domestic, multi-nationals etc.) and the value proposition of CoST to them.</p>	CoST IS	Feb 2020
3.9	<p>Communication</p> <p>It was agreed that more needs to be done to help communicate CoST to senior officials. It was understood that the value of CoST will vary according to the priorities of each potential member. We can demonstrate how the same approach can provide you with positive results that meet those priorities.</p> <p>Post-meeting note:</p> <p>The CoST IS has agreed to develop an internal brief to help Board members and observers to help communicate CoST in their engagements with senior officials.</p>	CB	

3.10	<p>Research</p> <p>The strategy includes an action to engage with research organisations as part of the learning goal. The CoST IS current working with UCL on potential research on MSGs as part of a doctorate.</p>	N/A	N/A
3.11	<p>Strategic goals and objectives</p> <p>The Board was in principle content with the goals but thought they could be rationalised from 4 to 5 and made 'SMARTER' and that it needed to come across as being ambitious.</p> <p>It was also thought the timing of some of the objectives and activities could be indicated.</p>	CoST IS	Feb 2020
3.12	<p>Strategic Plan or Business Plan</p> <p>The Board agreed that the draft was more detailed than a typical strategy and it was heading towards a more detailed business plan. It was agreed that the CoST IS would now flesh out the draft into a business plan.</p>	CoST IS	Feb 2020
3.13	<p>Consultation</p> <p>The Board agreed to publish a consultation version of the business plan on the website and proactively engage with key constituencies such as the private sector, open government and open contracting specialists, potential donors and CoST members.</p>	CoST IS	Feb 2020
Item 4.	Trust fund (not on the agenda)		
4.1	<p>CP explained that the World Bank is exploring how a multi-donor trust fund (MDTF) could be established. The main issue has been how to align CoST within the World Bank on inter-connected themes and existing trust funds on procurement, governance and infrastructure. The most likely option is to establish a new CoST MDTF that aligns with an existing procurement MDTF. The main objective of the MDTF would be to attract more donors to support CoST.</p> <p>The message to the donors contributing the procurement MDTF is that you are already giving money to procurement, we know you care about these things and would you like to maximise the potential impact by contributing to this new MDTF.</p>	N/A	N/A
4.2	<p>It was understood that the MDTF is a medium-term option for funding and that it would not solve the short-term needs of CoST.</p>	N/A	N/A
4.3	<p>If a MDTF was to proceed then the governance arrangements especially how it would interact with the CoST Board would be very important.</p>		
Item 5.	Financial Report		

5.1	The 2019 draft accounts and 2020 forecast budget were approved by the Board. GE said that compared to market rates the Board is obtaining good value from EAP.	N/A	N/A
5.2	The budget is reduced for 2020 which has led to smaller grants for CoST members, and the £1m in funding from DFID will be used by the end of June.	N/A	N/A
5.3	The Board agreed that given this we should not be overly conservative in our spending until DFID makes a formal decision on future funding around late April.	N/A	N/A
Item 6.	Risk Management & Safeguarding		
6.1	No changes to the risk register are required at this time. However, the country specific risks need to be completed.	JH & EH	April 2020
6.2	No safeguarding issues reported in the last quarter.	N/A	N/A
Item 7	Funding		
7.1	The Board endorsed the short-term fundraising strategy.	N/A	N/A
7.2	EH informed the Board that CAF are willing to support Jalisco (Mexico), Argentina and Panama.	N/A	N/A
7.3	The private sector is being considered as part of the long-term fundraising strategy.	N/A	N/A
7.4	NF agreed to set up a meeting with USAid and CP.	NF	June 2020
7.5	The consultation on the business plan will be used to engage with partners, donors and other key stakeholders.	JH CB	March 2020
7.6	NF suggested sending the business plan to EBRD prior meeting with them and OCP in London in March.	JH	March 2020
7.7	DFIDs new partnership with the African Development Bank may provide an opportunity.	N/A	N/A
Item 8. Infrastructure Transparency Index			
8.1	The Board were highly impressed with the beta version of the Infrastructure Transparency Index and thought it represented a great opportunity for CoST globally.	N/A	N/A
8.2	There was some concern that it may be too demanding for some procuring entities to complete. Whilst it has been developing to compare procuring entities at a national level, others will then use this to compare countries. This approach also lends itself to a diagnostic tool. Certain indices will not work when comparing countries as the level of detail is too deep.	N/A	N/A

8.3	Stakeholders will need to be convinced that the numbers are accurate and that the methodology is sound.	N/A	N/A
8.4	<p>It was agreed that a development plan was required that would outline how the Index could transition from a national to international level product. It would need to consider how it would be resourced at a national or international level and rolled out and there needs to be a high-level narrative for non-technical people.</p> <p>One possibility is that a sub-section of indices could be used at an international level and to explore if this could be identified during the peer review.</p>	EH JH	April 2020
8.5	<p>The next step is for the current version to be externally peer reviewed and suggestions were made for peer reviewers by the Board.</p> <p>It was also agreed to explore the options for presenting and or publishing the Index at the IACC. One option is for a technical session to test interest with expectations managed in not necessarily having all of the answers. CoST IS to consider the options.</p>	EH JH	March 2020

Item 9. International and regional promotion

9.1	<p>CB provided an update on international and regional promotion including a discussion on the OECD engagement action plan.</p> <p>NF asked for the link to be shared on the FIDIC endorsement of CoST. CB confirmed it is on our website.</p>	N/A	N/A
9.2	There is growing awareness of CoST in OECD but this needs to be pulled together perhaps through a breakfast meeting. The CoST Ukraine data analytics tool is likely to be of interest to OECD.	N/A	N/A
9.3	CB to consider a joint event with FIDIC at COP 26 in Glasgow.	CB	May 2020
9.4	CP asked if we need to change the CoST story to avoid the risk of becoming repetitive.	N/A	N/A
9.5	It was agreed that we should prioritise the international and regional events and avoid those constituencies where we have nothing new to tell them.	CB	Ongoing
9.6	GO's book on the construction industry is being republished and includes a chapter on CoST. GO to provide details for CB.	GO CB	March 2020

Item 10. CoST Tanzania governance review

10.1	The Board agreed that CoST Tanzania should be declared inactive. This follows a second review in accordance with the performance policy with the	N/A	N/A
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	remedial actions set out be the Board in its letter of May 2019 not having been completed.		
10.2	The Board will write to the relevant stakeholders setting out the remedial measures that have to be completed within a six month period. This includes disbanding and reconstituting the MSG. If the remedial measures are achieved the Board can return CoST Tanzania to active status. If they are not achieved, then the Board has the option of revoking Tanzania's CoST status. CoST Tanzania will also be given the option of leaving CoST on a voluntary basis.	JH EH	March 2020
10.3	It was agreed that some limited funding should be available to support the CoST Tanzania manager and host organisation (NCC) who have been very helpful during the governance review and audit.	EH	March 2020
10.4	It was agreed that lessons need to be learnt from this experience and that the performance policy should be reviewed..	JH EH	Next meeting
Item 11. Brief update on other CoST member programmes			
11.1	The current logframe targets expire at the end of March. A new logframe will replace it based on the new theory of change.	N/A	N/A
11.2	JH reported that with 1 or 2 exceptions the current targets will have been met. However, there are some concerns with how the number of projects disclosed is being counted by CoST member managers. Thus, a discussion with the managers on what is understood to be a project is required. We would also like to capture the total value of the projects disclosed compared to the overall investment in infrastructure. However, it may be a challenge to capture this information.	N/A	N/A
11.3	AH is keen to include the impact story from Thailand in a World Bank report. SKJ to inform AH when confirmation of the story has been received by the International Secretariat.	SKJ	March 2020
11.4	It was agreed that the guidance on MSGs should include model ToR and a model code of conduct to guide ethical standards. It was also important to have an MoU between the host organisation and the MSG. The guidance should also require MSGs to publish the minutes of their meetings in line with the current practice of the Board.	JH EH	June 2020
11.5	The Board thought the CoST IS should decide if an MoU was required with the lead government partner on a case by case basis. Whilst our understanding of an MoU is that it is not legally binding, there are jurisdictions where this would be questioned. The Board also were concerned if the CoST IS spending too much time	N/A	N/A

	checking on the governance arrangements and behaviour of poorly performing programmes.		
11.6	The board clarified that it only needed to approve a technical guidance documents if it affected policy matters. The CoST IS would use its judgement as to when it was necessary to refer a document to the board.	N/A	N/A
Item 12. Any Other Business			
12.1	<p>Board sub-groups</p> <p>It was agreed that establishing the sub-groups for governance, advocacy and members had been helpful.</p> <p>It was agreed that NF would join GO on the membership sub-group.</p> <p>Fundraising would be absorbed into the advocacy subgroup with ZL potentially joining this group.</p> <p>A private sector group may be established in due course.</p>	N/A	N/A
12.2	GO informed the board that he participated at the launch of the CoST Mozambique programme in December 2019.	N/A	N/A
12.3	<p>It was agreed that the next meeting is likely to be an online meeting or conference call at a time to be confirmed.</p> <p>The next physical meeting is likely to be week commencing 22nd June 2020 in London. The Board would look to hold a meeting in a CoST member towards the end of the year. JH and NP to confirm availability with Board members and observers.</p>	JH NP	March 2020
Item 13. Chair's closing remarks			
13.1	CP thanked NF joining the Board for the first time and ZL, HS and AH for their availability and input.	N/A	N/A
13.2	CP thanked the CoST International Secretariat for their hard work and thanked everyone for their participation.	N/A	N/A

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

Christiaan J. Poortman

Date: 23/06/2020

Chair