

Minutes of CoST Board Meeting No.19 21 and 22 June 2016

Participants	
Board: Chrik Poortman (Chair) George Ofori (GO) Alfredo Cantero (AC) Vincent Lazatin (VL) Petter Matthews (PM)	In Attendance: Marcelo Rozo (MR) John Hawkins (JH) Bernadine Fernz (BF) Eleanor Morgan (EM) Mia Jeannot (MJ) Apologies: Mark Harvey (MH) Per Neilsen (PN) Andri van Mens (AvM) Jan Meijer (JM)

	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's Welcome and Opening Remarks			
1.1	The Chair welcomed all those present and apologies were made for MH, PN, AvM and JM.	N/A	N/A
1.2	The priority of the meeting would be discussing the strategic review but also the application from Costa Rica and the progress made in carrying out the advocacy strategy.	N/A	N/A
Item 2. Approval of the Minutes of Meeting No. 18 held on February 2016			
2.1	The minutes of meeting No.18 were approved as an accurate record of the meeting.	N/A	N/A
Item 3. Programme Report			
3.1 Scoping Studies			
3.1.1	Scoping study is underway in Tanzania and initial findings have indicated a strong case for CoST. A notable shift in the language used by the civil service has indicated a new willingness to support the programme. MR mentioned that the OCDS has also been gaining traction in Tanzania and opportunities existed for synergised efforts.	N/A	N/A
3.1.2	Scoping Study is underway in Afghanistan and will provide crucial insight into the viability and need for CoST in the country.		

3.1.3	El Salvador and Thailand have both completed their scoping studies. Both are of a reasonable standard but El Salvador's is three years in the making whilst Thailand's falls short of the depth it could have achieved.		
3.1.4	Chile, a high-income OECD country has expressed interest in a scoping study in order to establish the benefits for CoST. BF remarked a number of middle to high income countries are indicating that a scoping study is needed to make the case for CoST. There is also interest from Argentina, a high-income non-OECD country. The World Bank in Argentina is eager to participate in CoST's OECD research. The Chair recommended that Chile and Argentina are included for consideration in the OECD research piece.		
3.1.5	CoST has secured £165,045 funding to conduct activities in SE Asia, a component of which is a regional study to understand transparency and accountability needs in the 4 countries in the region.		
3.2	Disclosure		
3.2.1	Number of projects disclosing continues to increase, with first year DFID targets met.	N/A	N/A
3.2.2	The number of projects disclosing in Guatemala has begun to level off at a slower rate, but a substantial amount of new projects are still disclosing each quarter.		
3.2.3	Honduras has started disclosing information on 18 PPP projects and will soon commence its 3 rd Assurance Report focussed on PPPs. AC remarked that the commitment from the commissioners and technical staff on the PPPs has been genuine and information is being disclosed on the CoAllianza website. AC also referenced that efforts need to be made to engage those who will execute the project all the way down the supply chain. MR referenced the development of PPP guidelines by the WB in conjunction with CoST. Honduras are applying 39/40 IDS data points on their PPP projects. VL encouraged the IS to consider and prepare additional indicators.	BF	October 2016
3.2.4	Progress on establishing the Malawi FDR has stalled with the Ministry of Justice to approve the Bill. Following a demonstration of SISOCS at the CoST Coordinators' workshop, Malawi are aiming to adapt and implement the system which is an open source code. A study visit to Honduras has been planned for July 2016.		
3.2.5	Ethiopia has made moves to strengthen their FDR in proposed legal reforms. They have also got disclosure included as an audit item.		

3.2.6	El Salvador has tactically reworked their IDR in order to mobilise support from MOP quicker. The decree is on the Minister's desk.		
3.4.3	Procuring Entity Capacity Building		
3.3.1	Number of PE officials trained is well above the target level with 4 countries conducting trainings. Trainings are low cost investments which generate impacts. JH referenced the example of Ukraine where trainings have reduced the fear around disclosure.		
3.4	Assurance		
3.4.1	Funding has enabled assurance to be carried out on about 100 projects this year. El Salvador, Ethiopia, Guatemala, Honduras, Malawi, Thailand and Ukraine have completed/will be completing assurance reports this year.	N/A	N/A
3.4.2	<p>The Board raised the issue of what happens after assurance. It is a costly process and the justification comes from the actions taken by government based on the assurance findings and recommendations.</p> <p>AC confirmed that the Honduran government is seeing an impact from assurance process. PE's acknowledge that assurance is 'business as usual' and are going to be held accountable. This in turn is driving improvements and positive changes.</p> <p>PM referenced the case of Thailand where moves are being made to institutionalise assurance, as the Governments take responsibility for actioning and funding the process.</p>		
3.5	Civil Society Capacity Building		
3.5.1	Civil Society engagement is gaining traction in Malawi and Honduras. Malawi has launched an SMS platform with large scale response from civil society and Honduras has signed MoUs with 90 citizen transparency commissions, providing access to around one million citizens. A further 85 commissions soon to participate. Combined, this will give access to over four million citizens.	N/A	N/A
3.5.2	The Board stressed the importance of establishing management tools for civil society engagement. Many civil society programmes start out strong but a failure to capture and coordinate the support leads to disengagement. AC commented that securing the right CSOs on the MSG, and working through existing civil society systems is vital.		
3.6	Political Endorsement		

3.6.1	The Chair raised the point that the success or failure of the CoST programme often rests in the hands of political endorsement or configuration. There must be efforts made to support countries like Ukraine and Tanzania who are including CoST in their OGP plans, whilst working to secure high level support for existing national programmes that are at risk of political changes. The Board agreed that consideration of how CoST manages the political environment and the tension between being politically neutral whilst supporting the reformers needs to have been considered more closely by the Strategic Review.	N/A	N/A
3.7	Refreshing Programmes		
3.7.1	The Board discussed three countries that are in need of refreshing. It was decided that the UK and Philippines warranted a separate discussion during the meeting.	N/A	N/A
3.7.2	Vietnam is showing some promising signs. Some discussions are happening around which Ministry should be responsible for CoST but most likely the Ministry of Construction will be responsible until an FDR is established and then reallocation can happen. Main challenge at this point is gaining high level support. PM reported that the Ministry was aware that funding needs to come internally, although the CoST IS may be able to offer initial support.		
3.8	Funding National Programmes		
3.8.1	The International Secretariat confirmed that the new grant agreements have been signed or are in the process of being signed with the countries whose applications were successful. Deadlines are being set for countries that have been slow to respond.	N/A	N/A
3.9	Uganda		
3.9.1	The International Secretariat presented a report to the Board explaining a recent investigation of Uganda's management of the grant.		
	The Board encouraged the International Secretariat to review reporting procedures, the grant agreement and establish a set of lessons learnt.	JH	October 2016
3.10	Other Activities		
3.10.1	The International Secretariat reported on a highly successful workshop for CoST Country Managers. The event showed a clear demonstration of shared learning, capacity building and strengthening relationships.	N/A	N/A
3.10.2	The Transparency Index is currently being developed in Honduras and once tested, it will be rolled out to Guatemala. BF is working closely with Evelyn Hernandez and the Consultant to develop the Index.	IS	July 2016

	The Chair encouraged the IS to push forward with this piece of work, ensuring that the product developed aligns with the concept note. MR asked for the concept note to be circulated again for reference.		
3.11	Conclusion		
3.11.1	The Board praised the level of work undertaken by a lean IS and urged them to keep it up. The Chair asked about future staffing intentions and PM referenced that the outcome of the Strategic Review would influence these decisions.		
3.11.2	The Board reflected that the programme is developing well but there is still some imbalance in the levels of performance by participating countries. It was stated that where areas of disclosure or assurance are slow to be picked up, developing other actions, specifically around social accountability would be very beneficial.		
3.11.3	GO referenced Tanzania and how the change in Government has opened up key opportunities for CoST that must be embraced and lessons learnt established. CoST should acknowledge that it is not one size fits all but it is key to build in systems of sustainability.		
3.11.4	The Chair suggested that thinking around the appointment of Host organisations needs to be developed. Often knowledge of local partners is limited and whilst an organisation may be technically viable, the capacity is lacking. One option proposed was to incorporate this aspect into the scoping study.	IS	October 2016
Item 4. Financial Report			
4.1	The Board reviewed the financial report and agreed that the finances are in a good place.	IS	Jan 2016
Item 5. Strategic Review			
5.1	The Board reviewed the draft briefing note as prepared by IMC and discussed a number of key issues.	N/A	N/A
5.2	AC commented that reducing TA may not be a viable option. Honduras had high level political support and an excellent coordinator but TA was still an invaluable asset. The Board agreed that TA is required for many countries but consideration should be given to acknowledge that different countries require different levels. It is likely OECD members would require less support.		
5.3	Developing a rating system or indices is a complicated process and thinking around this will need to be advanced. MR flagged two important points for consideration: what incentive there is for countries to be subject to the rating and how do you mitigate vested interest when comparing CoST countries within the wider global community.	N/A	N/A

	The Board agreed that the development of the Transparency Index would provide a key step in establishing a rating system and as countries are compared within the initiative, there is incentive to perform well as CoST countries.		
5.4	The Board agreed that the multi stakeholder group is a key component of the CoST model and one of the unique selling points that the initiative has to offer. The thinking around MSW does reflect similar considerations as TA, different models could be adopted depending on the situation. In many instances though, the multi stakeholder group provides a unique opportunity for all actors to sit around the same table. MR commented that this forum for discussion could be utilised by other initiatives like OCP and EITI and CoST should consider this.		
5.5	The Board considered what “increasing impact” means for CoST. Two clear options presented themselves: increasing the number of participating countries or increasing the scope and impact of the work within existing CoST countries. In either case, ensuring the monitoring and evaluation procedures are capturing the results is vital.		
5.6	The Board commented that they look forward to receiving the final report from IMC, seeing how the thinking has been refined into a final product which also reflects the considerations offered by the Strategic Review Advisory Panel.		
Item 6. Application from Costa Rica			
6.1	The Board stated how impressed they were by the Costa Rica application and acknowledged that a lot of effort had been put into it.		
6.2	The Board reflected that having countries like Costa Rica (upper middle income and on the OECD ascension track) is vital for CoST and reflects that CoST is not solely for developing countries.	N/A	N/A
6.3	The Board approved the application. The Board highlighted that the application was well thought out and went beyond compliance with the basic requirements for an application. It was clear that government commitment is strong, the MSG is formidable with strong institutions across sectors and the Board looks forward to the Executive Decree to formalise CoST in August 2016.	N/A	N/A
6.4	The IS was asked to write to the Ministry of Infrastructure to inform them of the decision of the Board.	BF	End of July
6.5	The Board congratulated BF for her work in Latin America and hoped that other countries in the region would follow suit and apply to join CoST.	N/A	N/A

6.6	The Chair asked BF to share the comparative analysis table of Latin American countries from the Costa Rica presentation with the Board. This type of analysis is very useful for understanding and benchmarking CoST and should be adopted for all countries in the future.	IS	Ongoing
Item 7. Advocacy Strategy			
7.1	PM reported that reconnecting with Global Affairs Canada had gone ahead in March 2016 and a meeting had gone ahead. Global Affairs are expressing support and interest in the CoST programme but are not currently able to consider funding. Recommendation is to pursue funding at a country level. Some ground was made in Ethiopia but due to staffing changes, the trail ran cold. Over the coming months efforts will be made to connect CoST National Programmes with national offices of Global Affairs Canada.	JH, PM	October 2016
7.2	The Chair discussed the possibility of working alongside the new Asian Infrastructure Investment Bank (AIIB). As a multilateral bank, AIIB is unlikely to provide funding but can help raise the profile of CoST. Specific opportunities exist to be incorporated in the new safeguarding procedures that they are developing. Conversations will be pursued with the VP.	Chair	October 2016
7.3	The Chair stressed the importance of CoST being at the forefront of the World Bank's thinking around transparency and accountability initiatives. Hart Schafer is a supporter and this should be leveraged. MR commented that opportunities exist within Infrastructure at the WB but current restructuring is making this hard. She offered to pursue conversations with Marcella Servia in order to put CoST on the table for operational work.	MR	October 2016
7.4	PM reported that AvM has been feeding the MinBuZa experience of CoST into the Donor Committee for Enterprise Development (DCED). This continues to raise the profile of CoST amongst bi-lateral donors.		
7.5	Successful interactions with the European Investment Bank (EIB) have been underway. PM reported on a meeting attended in Luxemburg, with Frank Kehlenbach in support, in which around 90 bank staff participated. EIB is interested in advocating CoST and consideration was given to how CoST could be used in the future as a standard employed by countries in order to meet EIB funding criteria. Currently CoST disclosure processes are being used on an EIB highway rehabilitation programme in Ukraine. The Chair encouraged the IS to reach out to higher level personnel at EIB in order to push this relationship further.	IS	October 2016
7.6	PN organised a meeting with Foreign Affairs Denmark (DANIDA). DANIDA is open to CoST and willing to consider a funding request once the strategic review is	IS	Ongoing

	complete and the business plan has been drawn up. In the meantime, efforts should be invested at the national level. Tanzania, Vietnam and Uganda are the recommended starting points.		
7.7	BF and PM have won funding worth £165,000 to carry out a variety of activities in SE Asia, including a regional study and a regional event. The Chair hoped that this work would incentivise the region to participate in CoST and looks forward to similar results as Latin America has realised. There is also a budget for in-country implementation activities in Thailand and Vietnam.		
7.8	The Chair referenced that Australian Aid may be interested if CoST could bring on-board a country like Papua New Guinea.		
7.9	The Inter-American Development Bank (IDB) has shown interest in countries in the region. AC reported that Honduras has submitted an application and BF remarked that El Salvador is in the process of doing the same. The Chair offered to lend support if needed in getting the applications through.		
7.10	The Board encouraged the IS to put more consideration into funding from foundations. Effort should be invested in developing the language of CoST around the demand side from civil society and desk based research outlining the cost, benefits and strategy for a trip to the US in order to meet with foundations conducted.	IS	October 2016
7.11	MR encouraged the IS to pursue the potential for working alongside HIVOS and their partnership with OCP in the engagement of civil society.	IS	October 2016
7.12	It was decided that the current priority funders are DANIDA, EIB, AIIB and IDB as relationship has already been built. Opportunities with other funders should still be considered and where application, pursued. PM to speak to MH about DFID support in approaching new funders and conversations to be commenced with MinBuZa about additional funding.	IS	October 2016
Item 8. CoST in the UK			
8.1	The Board discussed the current status of CoST in the UK. Current efforts to engage stakeholders had been unsuccessful.		
8.2	The Chair urged CoST to maintain a single standard of monitoring performance and declare the UK inactive. Whilst the programme is declared as such, the following activities could be undertaken as potential options for reinvigorating the programme: <ul style="list-style-type: none"> • Speak with OCP to see if a joint venture on HS2 can be established 	IS	Ongoing

	<ul style="list-style-type: none"> • Explore conversations with local and housing authorities, especially in light of an adapting CoST model. • Include the UK in the research piece concerning CoST in OECD countries. • Hire a consultant to complete a scoping study of the current environment in the UK 		
8.3	The IS is to write a formal letter to the cabinet office and the MSG Chair notifying the UK about their inactive CoST status.	IS	July 2016
8.4	The IS is to prepare a briefing note which outlines the potential implications of the UK leaving the CoST programme.	IS	July 2016
Item 9. Communication Progress Report			
9.1	EM presented key communication achievements realised by CoST since February. High level increases were noted in YouTube viewers and Twitter followers, whilst the Newsletter and website remain popular.		
9.2	Several partnerships are being developed: <ul style="list-style-type: none"> • OCP, with whom an MoU has been signed • National programmes are working to ensure that CoST is referenced in their national OGP plan • Creating synergies around TI's integrity pacts and the CoST IDS • Working alongside Global Infrastructure Basel to include CoST IDS as one of the governance standards. 		
9.3	GO encouraged the IS to consider partnerships with academic institutions. PM confirmed that partnerships exist with LSE and Birmingham university and these could be utilised more. PM also reported on the Governance in Infrastructure report from the Hertie School of Governance and reflected that a collaboration could be established here as CoST is data rich. GO suggested the IS consider joining the ARCOM conference.	IS	Ongoing
9.4	The Board discussed two key opportunities for CoST to influence. The first is the National Infrastructure Development Plans being established, alongside infrastructure commissions, in many countries. The second is the SDGs. One references infrastructure and the other references governance and efforts to contribute to thinking or opportunities around this should be seized.	IS	Ongoing
9.5	Given the increasing interest from CoST countries in the CoST Honduras SISOCs platform, VL proposed a CoST Global "SISOCs", a centralised platform which connects all CoST countries with similar SISOCs platforms.	IS	Ongoing

9.6	GO represented CoST at a research conference in Finland. The session focused on Transparency and the role CoST can play and attendance was around 50 people.		
9.7	The Chair attended the Infrastructure Forum in Washington but the format only enabled one question to be asked.		
9.8	GO referenced his intention to submit a proposal for a task group to the International Council or Innovation and Construction (CIB). The task group will consider transparency and anti-corruption in construction, with the aim of furthering and extending the reach of CoST. Further information to follow in early 2017	GO	January 2017
Item 10. CoST in the Philippines			
10.1	VL explained that the current situation in the Philippines is such that it is hard to know exactly which way CoST could go. The new President may shut down the space for civil society or limit the transparency agenda but currently there are people who are advocating for initiatives like CoST.		
10.2	The rest of the Board expressed understanding to the situation and advocated to help support in whatever way possible. The Chair encouraged VL to establish a new MSG as soon as possible.	VL	Ongoing
Item 11. AOB			
11.1	The Auditors have not submitted the budget in time for Meeting 19. PM asked that it be circulated and approved offline.	Board	TBC
11.2	Board appoint MJ as new Company Secretary for CoST		
11.3	AC presents formal letters of invitation from the President of Honduras inviting CoST to host the next board meeting in Honduras. The Board gratefully acknowledges the kind invitation but Malawi was noted as the immediate choice for the next Board meeting given the current travel schedules and work priorities of various members and observers. Honduras is scheduled for the meeting after next.		
11.4	The next board meeting is scheduled for October 24 th -25 th , Lilongwe, Malawi, subject to government and MSG approval.		
Item 12. Chair's Closing Remarks			
12.1	The Chair thanked everyone for their participation and time. CoST has a lot to look forward to as the Strategic Review comes to a close, partnerships are built and countries like Costa Rica join. Thanks was given to the IS for all their hard work and time spent doing preparations for the meeting.		

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



26 October 2016

Christiaan J. Poortman
Chair

Date