

Minutes of CoST Interim Board Meeting No. 1

23 September 2011

PARTICIPANTS

Board Members:

Chrik Poortman (CP), Chairman (Washington)
Isaac Chilima (IC), Government (Lilongwe)
Hart Schaefer (HS), World Bank (Washington)
Bob McKittrick (BM), Business (London)
Vincent Lazatin (VL), Civil Society (Washington)
Petter Matthews (PM), IS (Washington)

In Attendance:

Zlatina Loudjeva (ZL), IS (London)
Kirsten Hommann (KH), World Bank (Washington)
Jared Haddon (JH), World Bank (Washington)

Item 1. Chairman's Welcome and Opening Remarks

Discussion

The Chairman welcomed those present in Washington and those joining the meeting by video conference facilities. He said that the IB has a critical role to play during this interim period to establish the CoST global CoST programme. He also highlighted the importance of the IB maintaining contact with IAG members during the interim phase so that CoST can continue to benefit from their considerable knowledge and expertise, and help maintain the network of CoST supporters that was established through the pilot project.

Item 2. Board Function

Discussion

ZL presented a summary report on the results of the election of the Interim Board. Two rounds of voting were held to fill the three elected positions. Twenty eight votes were cast in the first ballot and 27 in the tie-break. Eventually Vincent Lazatin (Civil Society, 21 votes), Isaac Chilima (Government, 18 votes) and Bob McKittrick (Business, 10 votes) were elected and joined Chrik Poortman (Chairman), Hart Schaefer (World Bank) and Petter Matthews (IS) to form the Interim Board. A full written report of the election process and results was circulated amongst all those involved and participants expressed a high degree of satisfaction with the process and outcome.

The IB's main responsibilities were described as (a) fundraising and outreach. (b) resource allocation, (c) decisions regarding the CoST global programme and (d) decisions regarding the entry and progression of participating countries through the proposed phases of CoST. The IB does not have formal legal status and it operates on a voluntary basis. We should seek legal advice to clarify if it is likely to incur any legal liabilities. The IB will approve a budget to be executed by the IS. The IS will provide a financial report to each IB meeting summarising what was spent in the previous quarter and anticipating expenditure in the subsequent quarter.

The focus of fundraising for country programmes should be at the country level. HS remains available to support the fundraising efforts of national programmes, particularly with regard to potential Bank funding, but he has not yet been approached by countries.

This issue of remuneration of IB members was discussed. It was agreed that any system should be simple, transparent and in line with similar initiatives.

The main point of contact between the IB and IS is the IS appointed IB member (currently PM with ZL as alternate). The IS reports to the IB and to the World Bank with regard to the DGF agreement. The IB will continue to consult with former IAG members during the interim period.

Conclusion

There was broad agreement around the main functions of the IB but also recognition that they should be subject to periodic review and revised if necessary. Remuneration should be handled carefully and the approach adopted should be comparable to similar initiatives. The IB should seek to make all aspects of its operations as transparent as possible.

| Action | Responsible | Deadline |
|--|-------------|----------------------|
| 2.1 Seek legal advice on whether IB is likely to incur any legal liabilities. | PM, ZL | Before next meeting. |
| 2.2 Identify comparative initiatives to help inform remuneration guidelines. | IS | Before next meeting. |
| 2.3 Remind participating countries to copy HS in on correspondence with World Bank offices and seek assistance with fundraising where appropriate. | IS | Before next meeting. |

Item 3. The Global CoST Programme

Discussion

Work on the CoST Global Programme design document is well advanced. Bill Paterson is the lead author and he is being supported by the IS. A draft version will be available at the end of September. IAG members will be asked to comment on the draft text and to consult with their MSGs. The IS will prepare a short guidance note to help those reviewing the text. It is important that the IB schedule an extended meeting (probably of two days duration) to finalise the global design document before the end of the year.

It is very likely that the G20 will endorse CoST in its meeting in Cannes 3-4 November. It is important that we are ready to respond to the interest from potential supporters after that event. We must be in a position to speak with clarity about the global programme including financing requirements.

Conclusion

Completing the design of the global programme has been a difficult and time-consuming task. The work completed so far is very thorough and the written output will provide a strong foundation for the global programme. It is essential that we secure detailed comments from the IAG and MSGs.

| Action | Responsible | Deadline |
|--|-------------|-----------------------------------|
| 3.1 Circulate the draft design document to IAG members and encourage them to consult with MSGs when reviewing it. | IS | 24/10/11 (for receiving comments) |
| 3.2 Develop the CoST brochure developed for the 22 Sep event at the World Bank to speak directly to the interests of potential supporters. | IS | Mid November |

Item 4. Programme Priorities

Discussion

KH presented an update on the DGF grant. The DGF is an internal World Bank facility that is available to support the development of new initiatives. The proposal was developed by KH and JH with support from the IS and it was structured around ensuring continuity from the CoST pilot phase. Accordingly it builds on the lessons from the pilot project, EAP was named as the grant recipient (in the absence of a CoST legal entity) and CP was named as the Chairman of the IB.

The language and structure of the grant agreement can be difficult to follow, but it conforms to a standard template used by the DGF. IB members can submit further comments after the meeting if they have any questions or concerns.

The agreement sets out a detailed results framework that includes activities, objectives and a budget. The copy circulated to IB members does not include the contractual details, but these will be included in the final version that will be circulated to the IB prior to it being signed. The composition of the IS is the same as it was in the pilot project, although overall responsibility has shifted from PwC to EAP. An additional position will be created in the IS for a communications specialist.

PM presented a draft implementation plan for the first year of the DGF agreement (July 2011 – June 2012). It identifies four areas of priority activity (a) fundraising and outreach, (b) institutional arrangements, (c) support to former pilot countries and (d) support to new countries. The possibility of the IS providing a monthly financial report to the IB was discussed, but it was felt that this might be too time consuming. No objections to the implementation plan were expressed, but it was felt that further discussion was necessary on the detail. A number of priority activities were approved.

Options for resourcing national programmes were discussed. The interim plan suggests making a 'start-up grant' available to all former pilot countries that would cover core CoST activities (MSG meetings, employment of a coordinator and important outreach activities) for a period of 3 months. During that time MSGs would develop a national strategy that would include resourcing plan and a request for financial support to the IS.

The IS and those working as consultants on CoST have been giving their time on a pro bono basis since March 2011. Whilst the IB was grateful for the commitment demonstrated, it was agreed that this was not adequate basis for moving forward and efforts to adequately resource CoST activities must be a priority.

It would be desirable to publish the minutes of IB meetings. It is thought that the EITI does not publish the discussion relating to the status of countries seeking 'Compliant' status and CoST should consider establishing similar procedures.

Conclusion

The constraints of time and resources have made it difficult to maintain CoST during the current interim phase. It has not always been possible to consult as widely or as thoroughly as we would have liked too and the IB will work to ensure that consultations are as thorough as possible during the remainder of the interim period.

| Action | Responsible | Deadline |
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| 4.1 Develop fundraising strategy. | IS | 30/11/11 |

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|--|----|---|
| 4.2 Obtain legal advice on registering the CoST legal entity. | IS | To be determined once resources become available. |
| 4.3 Develop a guidance note, aimed at former pilot countries, on developing national programme strategies. | IS | End of November |
| 4.4 Provide a letter template to be sent to World Bank offices in CoST countries updating them on the global programme and requesting support. | IS | End of November |

Item 5. Other Business

Discussion The communications function in the IS is of vital importance. The IB would like to see the ToR for the position. The IS should consider how we manage the communications aspects of the G20 meeting in Cannes.

| Action | Responsible | Deadline |
|--|-------------|---------------------|
| 5.1 Develop ToR for communications specialist. | IS | Before next meeting |
| 5.2 Develop communications plan for G20 meeting in Cannes. | IS | Before next meeting |

Item 6. Date of Next Meeting

Discussion We need an extended meeting before the end of the year. The main topic of discussion will be the global design document. Vincent, Chrik and Hart will be travelling in Europe in early November and we should organise a meeting in London around that time.

| Action | Responsible | Deadline |
|---|-------------|---------------------------------|
| 6.1 Convene two day IB meeting around 1-3 November in London. | CP & PM | Within one week of this meeting |



1 November 2011

Christiaan J. Poortman
Chairman

Date