# Minutes of CoST Interim Board Meeting No. 10 22-23 April 2014

| Participants | |
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| **Board:**<br>Chrik Poortman (Chair)<br>George Ofori (GO – by Skype)<br>Bekure Ketema (BK)<br>Vincent Lazatin (VL)<br>Petter Matthews (PM)<br>Tendai Nyoka (TN), Company Secretary | **In Attendance:**<br>Jared Haddon (JH1)<br>John Hawkins (JH2)<br>Bernadine Fernz (BF)<br>Lara Samuels (LS) (Items 9-14 only)<br>Claire Schouten (CS) (Items 1-4 only)<br>Howard Josephs (HJ) (Item 9 only)<br>**Apologies:**<br>Per Nielsen<br>Jose Luis Irigoyen |

| | Discussion & Decisions | Responsible | Deadline |
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| **Item 1. Chairman's welcome and opening remarks** | | | |
| 1.1 | CP welcomed those present and thanked them for attending. He reported that good progress was being made in some countries, particularly on institutionalising disclosure requirements within government systems. Some other countries are experiencing difficulties and we will have an opportunity to discuss them. He also said that a number of new countries were enquiring about joining CoST, but that our ability to absorb them is being constrained by limited financial resources. | N/A | N/A |
| 1.2 | CP reported that BK had recently retired from Government. Currently there is no 'alternate' for the Government position (BK was the alternate and replaced another member who retired), so CP suggested BK remain on the Board until the General Assembly elects a new Board. The Board agreed and BK accepted. | N/A | N/A |
| **Item 2. Approval of the minutes of Meeting No. 9** | | | |
| 2.1 | The figure in Item 6.2 should read "$3.5m". Subject to that correction, the minutes of the meeting held on 9 January 2014 were approved as an accurate record of the meeting. | N/A | N/A |
| **Item 3.  Matters arising from the minutes of the previous meeting** | | | |
| 3.1 | The third year of the World Bank DGF grant agreement has been approved. | N/A | N/A |

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| 3.2 | The CoST submission to the Siemens Integrity Initiative was rejected. No reasons were provided. | N/A | N/A |
| 3.3 | A series of meetings have been scheduled with representatives of Trusts and Foundations. | IS/CP | June/July 2014 |
| 3.4 | All other matters arising were dealt with as part of the main agenda. | N/A | N/A |
| **Item 4. Programme report** | | | |
| 4.1 | **Afghanistan** | | |
| 4.1.1 | Progress has been slow in recent months, mainly due to the Presidential Election. It is possible that there will be further loss of momentum until after the election is settled and the new Administration establishes itself. | N/A | N/A |
| 4.1.2 | The working group to establish an MSG has met and agreed the composition of the MSG. Individual sectors are now selecting their representatives. | N/A | N/A |
| 4.1.3 | Discussions have been held with DFID, ADB and GIZ about potential funding. No agreements have been made, but the prospects for obtaining funding appear positive. | N/A | N/A |
| 4.2 | **El Salvador** | | |
| 4.2.1 | The MSG has been established, an assurance manual is in planned and the scoping study is about to be commissioned. | N/A | N/A |
| 4.2.2 | $16k has been secured from Casals, the USAID affiliate in El Salvador. | N/A | N/A |
| 4.2.3 | Minister Gerson Martinez is a very effective Champion and he remains a driving force behind the programme. It isn't clear if he will retain responsibility for CoST beyond the Presidential elections planned for March. | N/A | N/A |
| 4.3 | **Ethiopia** | | |
| 4.3.1 | Transparency has been institutionalised through a series of proclamations, regulations and directives, although CoST is not mentioned specifically. | N/A | N/A |
| 4.3.2 | Capacity building support has been provided to 14 PEs and 4 oversight agencies. 7 or 8 PEs have agreed to sign MoUs with CoST and disclose information. | N/A | N/A |
| 4.3.3 | Commissioner Ali Suleiman remains a very effective Champion and ensures that CoST is known in the highest levels of Government. | N/A | N/A |
| 4.4 | **Guatemala** | | |
| 4.4.1 | CoST has been institutionalised through 'Regulations of the Organic Law of the National Budget' that requires PEs to disclose information on the MoF website and on PE websites. CoST is mentioned specifically. | N/A | N/A |

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| 4.4.2 | Capacity building support is being provided to PEs and the 4th disclosure event is planned for July 2014. The 4th assurance report will be published at the event. | N/A | N/A |
| 4.4.3 | Accion Ciudadana (AC) has withdrawn from the MSG. CP has been in touch with COPRET and Accion Ciudadana to better understand the reasons for the dispute. | N/A | N/A |
| 4.5 | **Malawi** | | |
| 4.5.1 | Amendments to the Procurement Act aimed at institutionalising the CoST disclosure requirements have been proposed. They are expected to become Law by the end of the year. | N/A | N/A |
| 4.5.2 | A draft Assurance Report on 31 projects has been produced. | N/A | N/A |
| 4.5.3 | The MSG remains strong and committed, but support from Government and industry beyond the MSG is limited. | N/A | N/A |
| 4.6 | **Philippines** | | |
| 4.6.1 | The IS visited Manila in February and met with the MSG, PhilGeps, Commission on Audit and the Government Procurement Policy Board. All said that they remain committed to supporting CoST. | N/A | N/A |
| 4.6.2 | The MSG is supporting PhilGeps in the modernisation of its system which will include additional features to enhance its usefulness to citizens and CSOs. | N/A | N/A |
| 4.6.3 | Everything appears to be in place to eventually institutionalise CoST in Government systems. The MSG was encouraged to develop a clear plan, with resources and milestones, for achieving this objective. | N/A | N/A |
| 4.7 | **Tanzania** | | |
| 4.7.1 | Progress continues to be slow. The MSG has been unable to meet with the CoST Champion and until it does, feels unable to submit a draft Cabinet Paper to Government. | N/A | N/A |
| 4.7.2 | Recent developments could help build momentum, e.g. recent published procurement regulations strengthening the requirement for disclosure; Tanzania's membership of the Open Government Partnership; the announcement by President Kikwete of the Government's intention to introduce FOI legislation. | N/A | N/A |
| 4.7.3 | CP will write to President Kikwete to request his support in securing political support for CoST in Tanzania. | IS/CP | June 2014 |
| 4.8 | **Uganda** | | |
| 4.8.1 | Regional workshop held in Kampala recently and hosted by UNRA. Separate workshop held with UNRA staff to | N/A | N/A |

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| | discuss implementation in Uganda. | | |
| 4.8.2 | Funding secured from AfDB of $300k over 5 years, Government contributing $40k per year. | N/A | N/A |
| 4.8.3 | Events are planned for May aimed at engaging a wide range of stakeholders and initiating the formation of the MSG. | N/A | N/A |
| **4.9** | **Ukraine** | | |
| 4.9.1 | Progress has been slow as a result of the political upheaval affecting Kiev and other parts of the country. A technical visit is planned for May. | N/A | N/A |
| 4.9.2 | Multilateral and bilateral agencies are suggesting that despite the uncertainties, the situation is likely to become more favourable towards efforts aimed at promoting transparency and accountability. | N/A | N/A |
| **4.10** | **United Kingdom** | | |
| 4.10.1 | The strategy of the MSG is to produce results and use that to persuade clients to adopt CoST, although progress has been slow. Two local authorities have agreed in principle to disclose information. | N/A | N/A |
| **4.11** | **Vietnam** | | |
| 4.11.1 | The Ministry of Construction approved a 3 year programme in April. DFID has agreed in principle to provide $200k. A proposal was submitted to the World Bank in July 2013, but it has not yet informed the MSG of its decision. This appears to have become a barrier to progress. | N/A | N/A |
| 4.11.2 | The Board feels that it might be necessary for the MSG to consider an alternative programme based on the resources it has secured. This will be communicated in a letter. | IS | May 2014 |
| **4.12** | **Zambia** | | |
| 4.12.1 | Progress has been slow, due in part to rapid turnover of individuals in the Road Agency and Ministry of Works and Supply. | N/A | N/A |
| 4.12.2 | The MSG has been dormant, but has recently formed a sub-group to decide how to take things forward. | N/A | N/A |
| 4.13 | Discussion of country reports identified a series of emerging themes:<br><br>• A number of countries are showing positive signs of institutionalising the disclosure process within government systems.<br>• There will be a spike in information disclosure and assurance in the next few months.<br>• A number of countries are experiencing a lack of high-level political support and this is an impediment | N/A | N/A |

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| | to progress.<br>• Most countries have had some success in mobilising financial support directly into their programmes, but in most cases it is limited and short-term.<br>• The performance of MSGs is mixed and it is a matter of concern to the Board that in a small number of cases, representatives of one sector have begun to dominate. | | |
| 4.14 | It is necessary to devise a formal process for dealing with countries that are not performing satisfactorily. The IS will develop a proposal for discussion by the Board. | IS | July 2014 |
| 4.15 | A number of countries/cities have expressed an interest in CoST, but for various reasons, don't feel that it is possible to submit a formal application to join the programme at this time. The IS will examine the possibility of establishing some form of 'associate' status for countries/cities in this category. | IS | July 2014 |
| 4.16 | The IS will look into the possibility of convening regional 'CoST Champion' meetings, as part of the effort to strengthen high-level political support for CoST in countries. | IS | Autumn 2014 |
| 4.17 | Experience of country-to-country visits suggests that they are valued by those involved and are very beneficial in terms of learning. The costs involved limit how often they can happen, so the IS will look into establishing some form of peer-to-peer mentoring that can be managed by the countries themselves. | IS | Autumn 2014 |
| 4.18 | It would be valuable to calculate the financial cost savings achieved through improvements to the disclosure and assurance process. The IS will see if it is possible. | IS | July 2014 |
| **Item 5. Financial report** | | | |
| 5.1 | A financial report was tabled and accepted by the Board. | N/A | N/A |
| 5.2 | In Year 3 of the DGF, of the allocated $500k, $111k has been spent, leaving a balance of $389k (figures are approximate). | N/A | N/A |
| 5.3 | Requests for support from national programmes will exceed the amount available to them from the DGF. The IS will prioritise allocations based on recent performance and the prospects for disclosure in the current period. A draft of the proposed allocations will be circulated amongst Board members are approved on a 'no objection' basis. | IS | April/May 2014 |
| **Item 6. Reviewing the transparency of CoST** | | | |
| 6.1 | The IS conducted desk based research to determine how transparent CoST is (in its own operations) relevant to other transparency initiatives. It showed that CoST | N/A | N/A |

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| | compares favourably with others, but that more could and should be done. | | |
| 6.2 | The IS will develop an 'Open Information Policy' for consideration by the Board and once approved, will publish it on the CoST website. | IS | Autumn 2014 |
| 6.3 | In the short term the IS will disclose the following information on the CoST website:  Business Plan, Memorandum & Articles, details of financial support received, minutes of Board Meetings and our Bribery and Anti-Corruption Policy | IS | July/Aug ust 2014 |
| 6.4 | In the long term the Board will consider joining the INGO Accountability Charter (or a similar initiative) and explore the costs, benefits and implications of proactively disclosing payments to suppliers on its website. | IS | TBC |
| **Item 7. Methods of implementation** | | | |
| 7.1 | It has been necessary to revise our approach to disclosure and assurance in the light of experience. The IS presented a summary of how they are being implemented in practice. Importantly the 'Baseline Study' has been renamed a 'Scoping Study' and no longer gathers data on completed projects. Its focus is now on gathering the data needed to effectively plan the new national programme. With regard to disclosure, the responsibility sits with procuring entities from the outset. The Board was content with the revisions and how they are being implemented. | N/A | N/A |
| **Item 8. Scaling-up CoST** | | | |
| 8.1 | Funds are not available for scaling-up CoST in line with our Business Plan. And in terms of DGF funding, $50k needs to be allocated to the independent evaluation in the current financial year. If, as we anticipate, the Dutch Government finalises its commitment, it will help to ease the pressure, at least in the short term. Given these constraints, the Board identified the following activities to be considered if funding allows:<br>• An African Champions' meeting<br>• Other regional Champions' meetings<br>• Regional events in East/Central Asia<br>• North American industry stakeholders event<br>• A media campaign to promote the results of disclosure. | N/A | N/A |
| 8.2 | Considerable delays in the approval of DGF funds mean that some results have been delayed and might not be captured in the M&E exercise as currently scheduled. We will find out if it is possible to delay the M&E exercise for | JH1 | June/July 2014 |

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| | a period of between 4-6 months. | | |
| **Item 9. Market survey preliminary results** | | | |
| 9.1 | Howard Josephs from 'See Research & Planning' made a presentation of the survey of donor attitudes to CoST. Points to emerge include:<br>• Respondents overwhelmingly supportive of CoST<br>• Global awareness of CoST needs to be improved<br>• Potential supporters want to see evidence of impact<br>• Consider reviewing CoST Brand – infrastructure likely to appeal more than construction. | N/A | N/A |
| 9.2 | There is further work to be done and once it is complete, the results will be made available to the Board and it will decide how to respond to the recommendations. | IS | July 2014 |
| **Item 10. Fundraising** | | | |
| 10.1 | It is anticipated that the formalities for a contribution of €1m from the Dutch Ministry of Foreign Affairs will be finalised in the next 4-6 weeks. | N/A | N/A |
| 10.2 | Discussions have been held with the Canadian Department of Foreign Affairs, Trade & Development, but it is not clear if they eventually offer support. | N/A | N/A |
| 10.3 | A meeting is being sought with representatives of the European Commission in partnership with EIC. | IS | July 2014 |
| **Item 11. Managing political upheaval and controversy** | | | |
| 11.1 | The number of countries participating in CoST has increased to 12 and amongst them are countries experiencing conflict, instability and political upheaval. | N/A | N/A |
| 11.2 | The IS to consider the scenarios that could arise and potentially impact negatively on CoST and recommend measures needed to mitigate their impact. | IS | July 2014 |
| **Item 12. Other business** | | | |
| 12.1 | CoST is collaborating with the World Bank on research into transparency in PPPs. The results will be used to develop a guidance manual. | IS | TBC |
| 12.2 | CoST is continuing to support the 'Open Contracting Partnership'. In the next few months it will be established as an independent entity with a Board and small Secretariat. | N/A | N/A |
| 12.3 | The World Bank is going through organisational restructuring. Due to a re-alignment of its work programme, the unit overseeing the DGF grant to CoST will be unable to continue its formal relationship with CoST beyond 2014. The World Bank, however, remains | N/A | N/A |

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| | a strong advocate for CoST and will continue to explore avenues to collaborate with the programme in the future. | | |
| **Item 13. Date of next meeting** | | | |
| 13.1 | The next meeting will be 'virtual' and it was scheduled for 9$^{th}$ July 2014. | N/A | N/A |
| **Item 14. Chair's closing remarks** | | | |
| 14.1 | The Chair thanked everyone for attending, especially GO who joined by Skype and during unsociable hours. He said that good progress had been made on a range of important matters. | N/A | N/A |

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

9 July 2014

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Christiaan J. Poortman                                           Date
Chair

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