

Minutes of CoST Board Meeting No.17 8 and 9 December 2015

Participants

Board:

Chrik Poortman (Chair)
George Ofori (GO)
Alfredo Cantero (AC)
Vincent Lazatin (VL)
Petter Matthews (PM)
Per Nielsen (PN) (Day 2)

In Attendance:

Marcelo Rozo (MR)
Mark Fitzpatrick (MF)
John Hawkins (JH)
Bernadine Fernz (BF)
Lara Samuels (LS) *Items 1 to 6.*
Eleanor Morgan (EM) *Items 1 to 6*
Don Smith (DS) – *Item 7*
Kat Hancock (KH) – *Item 7*
Hamish Goldie-Scott (HGS) – *Item 7*

Apologies: Andri van Mens

	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's Welcome and Opening Remarks			
1.1	The Chair welcomed all those present including AC to his first meeting as Board member and to MF representing DFID. Although it is only a few months since the last meeting, there are a number of important issues to discuss including the advocacy strategy.	N/A	N/A
1.2	AC stated that he was honoured to be invited to join the Board both personally but also for the Honduras government and for the CoST Honduras programme.	N/A	N/A
Item 2. Approval of the Minutes of Meeting No. 16 held on 14 & 15/09/15			
2.1	The minutes of meeting No.16 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	There are two or three sets of minutes to be updated and published. This will be done shortly after this meeting.	PM	Jan 2016
3.2	A meeting with the Open Contracting Partnership (OCP) will take place this week. A draft MoU between CoST and OCP has been developed for discussion. The MoU will formalise the relationship and how we can support each other's work.	N/A	N/A
3.3	The authors of the Independent Evaluation have responded positively to the Boards comments. The report	JH	Jan 2016

	is now balanced and can be published. The Board approved the report on a no objection basis. The report will be published in January 2016		
3.4	World Bank confirmed that the International Secretariat can publish the final EAP/CoST Report for the DGF. The report will be published alongside the Independent Evaluation in January 2016.	JH	Jan 2016
3.5	A written record of the meeting with the CoST Philippines MSG and the Board to be circulated.	PM	Jan 2016
Item 4.	Programme Report		
4.1	Afghanistan		
4.1.1	Afghanistan has been awarded a grant by the IS for £80k. The IS is reassured that the grant will be managed by Integrity Watch Afghanistan (IWA). The Afghanistan Reconstruction & Development Services (ARDS) has been disbanded meaning that a new procuring entity has to be identified. The Scoping Study funded by GIZ will inform us if the programme is feasible. The completion of the Scoping Study has been delayed by a worsening security situation and the process of finalising the contract for the consultant leading the study. The World Bank is supporting procurement reform including open contracting.	N/A	N/A
4.2	Botswana		
4.2.1	The IS provided technical assistance to the new multi-stakeholder working group in October that principally focused on disclosure and assurance. Since then, the programme has drifted due to a lack of staff capacity in the Public Procurement and Asset Disposal Board. Further technical assistance on multi-stakeholder working is scheduled for the New Year. GO volunteered to visit Botswana to help push the programme. The Board will stress the importance of adequate staff capacity and higher level Ministerial support in its letter.	N/A	N/A
4.3	El Salvador		
4.3.1	The IS facilitated a MSG Workshop in June to help find solutions to some of the barriers to implementation. Unfortunately, most of the targets agreed at the workshop have not been delivered. However, the draft scoping study is now much improved and the Interim Disclosure Requirement via a Ministerial Decree is scheduled for February. The MSG has also been meeting with IADB to discuss funding. The Country Manager's contract has concluded and was not renewed. A new Manager will be recruited shortly. CP to write to the Minister to encourage him to help accelerate progress.	Chair	Jan 2016
4.3.2	AC thought that Honduras and El Salvador could potentially work together to engage the IDB.	N/A	N/A

4.4	Ethiopia		
4.4.1	<p>It was reported that publication of the 2014 assurance reports had been delayed due to MSGs fears of the potential consequences. The MSG has recently agreed that the IS publishes the reports on the CoST website. Reports on three projects have been published to date.</p> <p>The Board expressed their understanding about the MSGs concerns. It will continue to support the MSG and help to identify a process that can maximise the impact of the assurance reports. The IS will consider facilitating a civil society workshop to discuss the assurance findings. DFID Ethiopia and UK Embassy have expressed their support in general and for future disclosure events.</p>	N/A	N/A
4.5	Guatemala		
4.5.1	<p>CoST Guatemala is hosting a Disclosure event today where findings from the 5th assurance report will be presented. Community and media workshops will then follow. Relationship with new COPRET Commissioner, the MSG and Coordinator are much improved. The Board felt it was important that the high value projects are selected for the 6th assurance process.</p>	N/A	N/A
4.6	Honduras		
4.6.1	<p>The programme continues to perform well. AC reported that IDB has not yet responded to a request to use IDB budget support for CoST. However, \$50k has been awarded by MCC to support the programme. The first PPP road project for CoST as a whole is to be included in the 3rd assurance process. Data for this project is to be disclosed on the project website. Given the complexities of PPPs, SISOCS is not able to support disclosure from a PPP scheme. The 2nd Assurance report will be concluded in March 2016. Data from over 160 projects has now been disclosed on SISOCS.</p>	N/A	N/A
4.7	Malawi		
4.7.1	<p>The programme continues to perform well. The two road contracts that were cancelled following the issues of concern that were highlighted in the 2014 assurance report are being re-tendered. The MSG attended the pre-bid meeting. The Public Procurement Act amendments will now go before Parliament in the New Year. The MSG has recently submitted some comments on the draft legislation to improve the proposed FDR. The MSG is also working with the Office of the Director of Public Procurement on the supporting regulations and a public radio debate will be held next week.</p>	N/A	N/A
4.8	Philippines		
4.8.1	<p>Steps are being taken to reconstitute the MSG in the new year with a broader group of representatives. This follows</p>	N/A	N/A

	a meeting between the CoST Board, the MSG and a wider group of stakeholders in September. Secretary Moya has agreed to convene the MSG. Lito Madrasta is to step down as a private sector representative. He will be replaced either by a new representative from the Philippines Contractors Associations or new private sector organisation. The focus of the revitalised programme will be on the demand side and citizen engagement. IS to facilitate a wider MSG forum/workshop in 2016 to help develop this programme. Presidential elections are in May which will lead to a transition period.		
4.9	Tanzania		
4.9.1	At a Workshop in August, the MSG agreed that it has become paralysed over an extended period and had not been able to identify a way forward. This has not been helped by an absence of active Government support. The IS has awarded a grant of £30k to principally fund a Scoping Study which will be undertaken in the first quarter of 2016. The results from the study will help to determine the future of the programme.	IS	First quarter 2016
4.10	Thailand		
4.10.1	Good progress is being made on establishing the disclosure systems for the Bangkok airport extension including pages on Airports of Thailand website. However, a recent technical assistance workshop identified that there were concerns about the resources required for the assurance process. An MSG has been established with senior officials. This makes it difficult to meet as the members are very busy. The Board will encourage the Government to invest in the assurance process and broaden CoST to other projects and procuring entities.	N/A	N/A
4.11	Uganda		
4.11.1	The programme has made considerable progress since an MSG workshop in August. Broader political support is being built by the MSG. They have also carried out a limited scoping study. The new UNRA Chief Executive has a good reputation for reforming institutions. The MSG to be encouraged to use IS funding to complete the scoping study and to appoint a national coordinator. The IS to continue to engage with AfDB to see how the funding allocated for the programme can be unlocked.	BF	March 2016
4.12	Ukraine		
4.12.1	The programme is making reasonable progress given the challenging context. A MoU was signed in October between the Ministry of Infrastructure (which now leads on behalf of the Government), Ukravtodor, TI Ukraine and CoST. There was considerable local media coverage about the agreement. TI Ukraine is now the formal host organisation and will be responsible for the IS grant. An	PM	Dec 2015

	EIB/EBRD funded project will be included in the pilot on 4 projects.		
4.13	United Kingdom	N/A	N/A
4.13.1	The IS has taken responsibility to help re-establish the programme in agreement with the MSG Chair and ICE as the host organisation. It has started informal discussions with the Government to see if there is any appetite for CoST. The Association for Consultancy and Engineering has also agreed to host a meeting to see if there is any appetite for CoST among local authorities and housing associations.	IS	Ongoing
4.13.2	The Board considers the continued participation of the UK to be a high priority, but it is essential that it is on the basis of making a meaningful contribution to making the construction sector more open.	N/A	N/A
4.14	Vietnam		
4.14.1	It has been a struggle to get any information from Vietnam about the programme for several months. The MSG Chair and Deputy Chair are both retiring from the Ministry of Construction. The former coordinator, Phung Quang is helping the IS to identify the right contact within Ministry of Construction contact before formally writing to the Ministry	N/A	N/A
4.14.2	PM met with officials from the Ministry of Planning and the World Bank Office at a recent 'Clean Construction Workshop' in Seoul. They advised that consideration should be given to where CoST sits within Government to ensure it gains maximum traction. The Board advised that we should continue to engage the Ministry of Construction to find a solution that could potentially include a re-positioning within Government.	N/A	N/A
4.15	Zambia		
4.15.1	The programme has effectively been in abeyance since the launch of the current CoST programme in 2012. The IS and Chair have worked closely with the Chair of the MSG (who remains responsive and personally very committed to CoST) to try and reactivate the programme, but it has proved extremely difficult. The latest effort included a letter from the Chair to the Minister of Public Works, but no response was received.	N/A	N/A
4.15.2	The Board agreed that Zambia should be declared 'inactive' in terms of the new policy on performance monitoring (see 5.1). This will create some time and space to determine if CoST Zambia has a viable future. A letter will be sent to the MSG Chair, copied to the Minister of Works, to inform him of the decision.	IS	Jan 2016
4.15.3	To reactivate the programme progress will be necessary in three areas: (a) the MSG should be re-established, (b) the Government must offer high-level support and (c) at least one procuring entity must commit to disclose information in	N/A	N/A

	the Infrastructure Data Standard format. A period of six months will be allowed for progress to be made. Failure to make adequate progress could result in Zambia's CoST status being revoked.		
4.16	Lima Workshop	N/A	N/A
4.16.1	The IS organised a workshop attended by 45 participants from Chile, Colombia, Costa Rica, Mexico, Panama and Peru with funding from the UK Government Prosperity Fund. These funds were secured through a competitive bid process. The UK Embassy's in the region, especially Mexico, Peru and Panama were very satisfied with the event and results; all indicators were exceeded or met.	BF	Jan 2016
4.16.2	It is likely that Panama will apply to join CoST in the first quarter of next year with Costa Rica and Peru also very interested. The IS is likely to be providing technical assistance to Panama in the New Year financed by cost savings from the Lima event.		
4.16.2	Costa Rica has redrafted their 'Transparent Infrastructure' commitments under their Strategy for Open Government (based on OGP) to reflect CoST principles and recommendations. Chile and Peru are carefully assessing the gaps and overlaps between their existing transparency efforts and CoST. Chile committed to working towards incorporating CoST in its OGP Action Plan.		
4.18	Mexico		
4.18.1	CP met with the new Minister for Public Administration, Virgil Martinez in October prior to his participation at the OGP Summit. The Minister stated that he will consider identifying a new project for the new proposed Mexico CoST pilot. However, CP was not convinced of the Minister's commitment.		
4.18.2	The IS was invited by UK Embassy in Mexico to speak on 'Metropolitan Governance Innovation' at a UN Habitat Conference in Guadalajara in November. Only 30 people attended the session which was disappointing when over 1000 were registered for the larger event. However, there was considerable twitter traffic following the presentation and the meetings organised by the Embassy at the event and in Mexico City were very useful.	N/A	N/A
4.18.3	The UK Embassy arranged a meeting with Jorge Pudillo, Head of Legal Services at the Department of Public Administration. The Department is working closely with the UK Embassy on transparency and anti-corruption. Mr Pudillo explained that the UK Ambassador could be a strong advocate for CoST in Mexico. JH to prepare a note for the Department of Public Administration on how CoST could be taken forward which will be shared with the Embassy and other key stakeholders. The Ambassador will also meet with Nicolas Mariscal, Chair of Marnhos to	JH	Dec 2015

	identify how they can work together to support the Government to pilot CoST.		
4.17	Report card		
4.17.1	The Board recorded their thanks to the IS for developing the new Report Card format. The new format captures data in relation to DFID and MinBuZa indicators and the Boards' two year plan. The Board agreed that it captured the right information from the programme.		
4.17.2	The report highlighted that the launch of the Transparency Index is currently the only 'red flag'. It will now be tested in Honduras and Guatemala in Q1 2016 with the results fed into the Strategic Review. A system will now be put in place to systematically capture the data from national programmes. The Board suggested capturing intermediate outcomes.	JH & MJ	Feb 2016

Item 5. Improving Performance Monitoring

5.1	The Board approved the performance monitoring policy paper in principle but asked that the presentation of the processes be simplified. The flowcharts also need to include the process for re-activating a CoST programme. These adjustments will be made and the policy will be announced and implemented.	IS	Jan 2016
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Item 6. Global Advocacy Strategy

6.1	The IS presented an outline strategy based on two aims. Firstly, to 'establish CoST as the leading international authority on transparency and accountability in infrastructure' and secondly, to secure significant donor funding to ensure long-term sustainability of CoST and develop initiative globally. The Board thought the outline strategy was broadly heading in the right direction. It was agreed that we should include foundations as part of the funding strategy and the community engagement strategy (e.g. Open Knowledge Foundation and Open Society Foundation).	N/A	N/A
6.2	Additional points included: (a) It remains a priority to attract an additional OECD country into the programme and resources will be found to complete some desk-based research aimed at demonstrating the potential value-added of CoST in OECD countries, (b) we should monitor the external environment for opportunities over the next 12 months twelve months, (c) the strategy should also draw a distinction between a continuous activities and one-off opportunities, (d) it is important to develop some additional messages on the added value of CoST. The IS will now develop the strategy prior to the next Board meeting.	EM JH	Feb 2016

Item 7. Strategic Review

7.1	The Board was joined by KH, DW and HGS from IMC Worldwide who have been appointed to lead the Strategic Review. The Board emphasised that CoST is still a relatively new programme that until recently it has been seriously under-resourced. It is however already demonstrating the value and importance of publishing data on government investment. It makes a particularly valuable contribution to improving the efficiency of public investments, an issue that is too often overlooked.	N/A	N/A
7.2	The Board is sceptical that the private sector would ever become a significant financial contributor to CoST. Smaller contributions might be feasible, but even that could create negative perceptions about influence. IMC were encouraged to look at innovative approaches such as crowd-sourcing and consider the potential for strategic partnerships between CoST national programmes and donor offices in those countries.	N/A	N/A
7.3	Political economy factors impact on CoST in numerous ways and at all levels. The SR should consider this to be a cross-cutting theme that has relevance across almost all of our activities.	N/A	N/A
7.4	The Board acknowledged that M&E systems are not sufficiently developed, principally as a result of limited resources. It will be helpful if the SR can advise on what is required to put a robust but easy-to-manage system in place.		
7.5	The discussion identified some of the key questions that need to be considered by the Strategic Review including: <ul style="list-style-type: none"> • How do we get better use of the data that is disclosed? • How do we engage a wider group of stakeholders? • How do you close the loop to ensure the government responds to the disclosed data and assurance reports? • How do we socialise the assurance report that currently sit with the MSG? • How do we encourage the public to ask for more information? And ask questions of procuring entities? • Should we disclose data on operations and maintenance? • How do we ensure the sustainability of the programme to ensure it survives political and personnel changes? • Should each programme develop an annual report? • Is a sectorial approach to transparency and accountability the right approach? Can it be a lever for broader improvements in transparency and accountability and governance reform? 	KH DW HGS	May 2016

7.6	With regard to the survey which will be developed in January and the next steps: (a) the survey will explore potential future directions and will be issued to MSG members, participating procuring entities and a broader group of international stakeholders, (b) a draft of the survey will be issued to the Strategic Review Advisory Panel for comment towards the end of January, (c) the survey will be sent out to respondents in February and initial draft report is expected before the end of May.	KH DW HGS	May 2016
7.7	IMC are unsure of the value of a country visit especially given the level of resources available. A decision will be made on whether a country visit(s) is included in the New Year.		

Item 8. Outreach

8.1	PM participated at a UNDP/Seoul Metropolitan Government (SMG) workshop on the SMG's 'Clean Construction System'. It is a very innovative and sophisticated web-based tool. PM was asked to give a keynote speech and that there was considerable interest in CoST amongst participants, particularly in the Middle East. The presentations from the event are now publicly available and PM will circulate the link.	PM	Jan 2016
8.2	PM also participated at a Panel discussion at an UNCAC event in St Petersburg in November courtesy of an invitation from Transparency International. This led to PM being invited to present CoST to the Transparency International Business Principles Group in London.	N/A	N/A
8.3	GO participated at the World Roads Congress in South Korea in November. Several panellists expressed support for CoST as did CICA representatives.	N/A	N/A
8.4	CP participated on a Panel discussion at the OGP Summit in Mexico City on how the private sector could be supportive of Open Government and Open Data. Transparency International are providing opportunities to make reference to CoST at various meetings and events.	N/A	N/A
8.5	BF recently met with from the Chief Executive Officer of the Malaysian Institute of Integrity (MII), an institution established by the Prime Minister to implement the National Integrity Plan and develop a nation with high integrity and that embraces universal good values. They are interested in CoST and would like to translate the CoST Guidance Notes into Bahasa Malaysia and are also exploring the potential of funding a CoST scoping study in Malaysia. They invited CoST to a Global Ethics and Integrity event in Malaysia in September 2016.	N/A	N/A

Item 10. Other Business

10.1	No other business was raised.	N/A	N/A
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Item 11. Date of Next Meeting

10.1	The provisional dates for the 2016 Board meetings are as follows: <ul style="list-style-type: none">• Thursday 25 February from 1300 to 1500 GMT.• Tuesday 14 and Wednesday 15 June 2016 in London. This date is subject to the availability of the Strategic Review Advisory Panel who would provisionally meet on 16 and 17 June 2016.• Monday 5 to Wednesday 7 December in a Central America CoST country. This meeting will follow the International Anti-Corruption Conference in Panama.	IS	Ongoing
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Item 12. Chair's closing remarks

11.1	CP thanked everyone for their contributions. He also thanked the IS for preparing the papers for the meeting and for the practical arrangements.	N/A	N/A
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These minutes were approved as an accurate record of the meeting.



25th February 2016

Christiaan J. Poortman
Chair

Date