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Strategic Review of the Construction Sector Transparency (CoST) Initiative

Final Report

September 2016

Construction Sector Transparency Initiative

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Abbreviations and Acronyms

AR	Assurance Report
CoST	Construction Sector Transparency Initiative
CPI	Corruption Perception Index
DAC	Development Assistance Committee (OECD)
DFID	Department for International Development
DFR	Draft Final Report
DGF	Development Grant Facility
EAP	Engineers Against Poverty
EIC	European International Contractors
EITI	Extractive Industries Transparency Initiative
FIDIC	International Federation of Consulting Engineers
FDR	Formal Disclosure Requirement
GiZ	Gesellschaft für Internationale Zusammenarbeit GmbH
G20	Informal group of 19 "systemically significant economies" + the EU
GIFT	Global Initiative on Fiscal Transparency
IDS	Infrastructure Data Standard
IFC	International Finance Corporation
IntSec	International Secretariat (of CoST)
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MFI	Multilateral Financing Institution
MinBuZa	Ministry of Foreign Affairs, Netherlands
MSG	Multi-Stakeholder Group
MSI	Multi-Stakeholder Initiative
MSW	Multi-Stakeholder Working
NCs	National Coordinators
OCP	Open Contracting Partnership
OECD	Organisation for Economic Cooperation and Development
OGP	Open Government Partnership
PEs	Procuring (or Procurement) Entities
SME	Small and Medium-Sized Enterprises
SR	Strategic Review
SRAP	Strategic Review Advisory Panel
TA	Technical Assistance
TAI	Transparency and Accountability Initiative
TI	Transparency International
TOC	Theory of Change
TOR	Terms of Reference
WB	World Bank

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Executive summary

Since its global launch in 2012, CoST has gained valuable experience in implementing a multi-stakeholder approach that encourages disclosure of information on public investment in infrastructure. CoST's objective is that the information disclosed will empower and enable stakeholders to hold decision-makers to account.

CoST has helped establish national programmes in 15 countries, helping to achieve improved clarity and consistency in the flow of factual information from public procuring entities (PEs) to other stakeholders from government, industry and civil society. Originally launched as a three-year pilot in 2008, CoST can now draw on nearly eight years of hands-on experience.

CoST's International Secretariat (IntSec) commissioned consulting firm IMC Worldwide to undertake this Strategic Review (SR), to help identify how CoST can significantly scale up its impact. The team was required to review all key aspects of the CoST programme, including:

| Vision | Delivery model | Governance arrangements | Financing | Partnerships and sustainability |
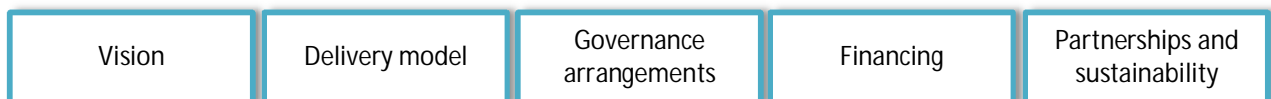
The review aimed to provide evidence-based answers to the following three key questions:

I. How can CoST significantly increase its global impact? Can its current programme delivery model achieve that increase? And if not, what changes could be made?
II. To what extent does CoST's current delivery model enable it to catalyse systemic change and institutionalise transparency and accountability?
III. What should the objectives be of a significantly more ambitious CoST programme?

The SR team reported to the CoST IntSec based in London, and discussed its findings with the Strategic Review Advisory Panel (SRAP), convened for dedicated meetings in December 2015 and June 2016.

A small team carried out the review. It reported to the IntSec in London throughout the assignment, which began in November 2015 and was completed in September 2016.

The Terms of Reference for the review required that the conclusions and resulting strategy be evidence-based. The main sources of information drawn on were:

- A review of the literature relating to the environment in which CoST operates;
- A detailed online survey of people with knowledge or experience of CoST;
- Follow up interviews with about 15% of survey respondents; and
- Extensive discussions of options with CoST staff and stakeholders, particularly the SRAP.

The literature review focused on a broad analysis of the current 'transparency' environment, drawing on a wealth of documents produced or commissioned by CoST, information held on the CoST website and from a wide range of related reading.

The primary focus of the online survey was to gather views on how 'a future CoST' should look. Over 500 people with some knowledge or experience of, or interest in, CoST, were invited to participate in the survey, with just over 200 people completing it. The responses provided valuable insights into stakeholders' perceptions of CoST's performance to date. In order to explore in greater depth some of the issues raised, follow-up interviews were held with selected respondents.

The findings from the literature review, survey and interviews were discussed with the CoST IntSec and SRAP. The team also met with National Coordinators during their meeting in London in April 2016. These interactions made a valuable contribution to the review process.

In the short period since its global launch, CoST has been able to demonstrate some impressive achievements, details of which are available on its website in the form of guidance and briefing notes, news items, and short films. It has identified savings totalling US$8 million in public infrastructure and helped establish legal mandates for disclosure in four countries. Seven new countries joined the programme during the period. Time and cost overruns on public works contracts (e.g. roads, schools) have been highlighted, leading to a diagnosis of underlying causes. Training and awareness workshops have led to increased media demand for transparency and accountability. And greater involvement by civil society organisations in the public infrastructure procurement process has served to maintain pressure on procuring entities to improve their data management and working practices.

The review team believes that the CoST initiative is based on a fundamentally sound premise and is achieving improvements in transparency while facilitating an enhanced sense of accountability in many of the PEs with which it works.

The survey results highlighted the immense store of goodwill that CoST enjoys. Many people associated with CoST support its aims and appreciate the hard work, commitment and integrity that have been invested in the initiative since its earliest days.

The findings have, however, highlighted some areas of concern that need to be addressed. Chief among these is the need to raise CoST's profile. Many are concerned that CoST has a good story to tell, but that the message is not getting out. It is doing a good job, but is operating in most cases in what remains a very limited space. To fulfil its potential, it needs to move to a new level, while continuing to build up what will in time become an evidence base capable of demonstrating its impact in a more compelling manner than is currently possible. To varying degrees, each of these concerns has previously been raised in earlier reviews, to which reference is made in this report.

The question facing CoST's senior management at this juncture is therefore this: Should CoST continue with its current delivery model, and trust that evidence of its achievements will in time gradually increase and become more widely appreciated; or should it take a more proactive stance, built around increasing CoST's 'reach' to a wider and more varied group of participants, while at the same time disseminating information about CoST far more widely than is currently the case.

In seeking to respond to this question, it is important to recognise that when compared with the pace at which other transparency initiatives such as EITI began to make an impact, CoST is still at a relatively early phase in its development. As such it still needs to be allowed further time to test and refine its approach in different contexts, to consolidate its position, and to increase its footprint where its benefits have been demonstrated at a pilot level.

On the basis of the evidence gathered and analysed, this review recommends some fundamental adjustments in approach. Building on the significant success achieved to date, CoST needs to take steps now, in order to position itself where it can in the future have greater influence and maximise the opportunities for leverage. Its current operating model has proved effective in building up a body of experience in a variety of challenging contexts and establishing a worthwhile 'brand' in the minds of those with whom it has worked. CoST now needs to raise its sights higher, and cast its net wider, in order to ensure that it can in the coming years increase the influence it should be able to bring to bear in the transparency and broader governance arenas.

CoST is still a young initiative. It will continue to build a knowledge base, and to gather lessons on what works, where, why and how. CoST's stakeholders, and particularly potential funders, will increasingly however expect to see hard evidence of a demonstrably greater impact. CoST needs to be capable of articulating this impact in different ways to suit different audiences. There is currently a window of opportunity. CoST has relatively secure financial support for the next four years and benefits from a pool of goodwill within the sector. It needs to grasp this opportunity to ensure that it is in a much more influential position 5 to 10 years from now.

The detailed recommendations set out in this document respond to the three Review questions in a manner that will inform strategic planning for the short, medium and long term and permit CoST to maximise its potential. These recommendations have been supported by a significant number of the SRAP members. Further consideration by the CoST Board is now needed in order to prioritise the precise direction of travel, and the associated allocation of resources required to effect the changes. But the need for a change in focus has been recognised.

Achieving the new objectives will be ambitious and challenging. But with clear leadership, strong management and the commitment of its partners CoST can continue to influence policy that drives improved transparency and accountability in the infrastructure sector, and achieve lasting impacts in what is still a ground-breaking initiative.

The report sets out the process through which conclusions have been reached, and provides an action plan for effecting change.

A key challenge facing CoST is that it is still perceived by many as an initiative for developing countries, though CoST itself aspires to appeal to all country types. CoST's core principles are universally applicable, whatever the size of the procuring entity or economic status of the country. The challenge facing CoST is how to appeal to a broad range of countries, or indeed, entities of any size associated with infrastructure development. To be relevant, CoST must offer each of these something that they need. Technical assistance may be welcomed by many countries, but a completely different 'point of access' or 'business proposition' may be more appropriate for others.

Though many understand what CoST is trying to do, it still needs to be able to demonstrate, robustly and objectively, its impact. Attribution is never easy to demonstrate, and care must be taken over any claims

made. CoST's management recognises this gap and is understood to have, over the past year, been developing a monitoring plan. It is recommended that in parallel with the elaboration of this plan, CoST's Theory of Change (TOC) be revisited, so that out of that process, a new, more robust set of targets, indicators and an overall monitoring framework can emerge. The recommendations contained in this report - if accepted and adopted by CoST's Board - will contribute significantly to that process. Though it may be difficult to attribute broader impact directly to specific CoST interventions, it is important that a clear narrative emerge of how CoST's activities contribute to the higher objectives, and that associated TOC assumptions are more explicitly stated.

While largely effective, CoST's current delivery model is not necessarily the only way of realising its benefits. This report proposes that CoST continue with its current delivery model but also open up additional points of access to its principles and services, while broadening its current engagement with partner organisations.

The report identifies specific areas where improvements can be made, with an eye to where CoST needs to be positioned in 5 or 10 years from now. A future CoST needs to be considered from the perspective of its key stakeholder groups: the general public, government (particularly agencies associated with procurement), industry and civil society, development partners / multilateral financing institutions. CoST currently works with, and delivers its services to, a limited number of 'member countries'. CoST's influence is felt most strongly by those member countries, and the procuring entities within them, as it interacts with the national Multi Stakeholder Groups (MSGs). The MSGs, are, in turn, to varying degrees, supported and overseen by the IntSec. Without in any way understating the achievements of CoST so far, and the great benefits its hands-on approach delivers, this report suggests that CoST could achieve a far greater global impact by more fully exploiting its potential as a nexus for broader lesson learning and knowledge sharing within the infrastructure sector.

CoST could become more effective and influential if it capitalises on its strengths and focuses its efforts on new areas where its impact can be felt. CoST should increasingly focus on: consolidating and developing the bank of knowledge and experience it already has started to develop; putting in place systems of lesson learning and knowledge sharing; and engaging with peer organisations and institutions to help influence their activities. As such a process gathers pace, the body of knowledge and learning will increase, and, in turn, CoST's influence will be more widely felt.

In order to enable this step change to take place, work will have to be done to clarify and strengthen some of the current processes, and introduce some additional ones. A five-year programme that will set this process moving is described in this report.

A range of specific recommendations are made that are designed to facilitate the achievement of CoST's longer term objectives. Board agreement on the recommendations must be reached before related implications can be considered in more detail. The recommendations do not all have to be implemented simultaneously, but when implementing changes it will be important to recognise the interdependencies between them.

a) Language. It is important that the terminology and definitions used in connection with the CoST initiative be used consistently, and be sufficiently distilled to be applicable in all environments and contexts. CoST's 'DNA' should be more clearly defined and communicated, and appropriate language should be available within CoST to facilitate more effective monitoring and evaluation as well as realistic associated lesson-learning;

b) Theory of Change. CoST's TOC needs to be revisited. It has proved a useful starting point for the initiative,

but in order to demonstrate the benefits of CoST to a wider public, there is a need to develop a more robust TOC and related indicators. This is tied in with the first recommendation: clear and precise language should be used in the wording of CoST's vision and mission, and in all key aspects of its operation;

c) Membership. CoST principles should be made more accessible and relevant to a wider public, and not limited to the current membership model (becoming a 'CoST country'). Alternative methods of association with CoST are possible, and indeed desirable, in order to increase CoST's 'footprint' and ultimately its impact;

d) CoST in relation to international standards. CoST should promote what it stands for by communicating more clearly its relevance to and consistency with the many international standards that define good practice in public procurement and related governance, particularly in relation to infrastructure procurement.

e) Regional and national standards. In addition, CoST should engage more closely with those responsible for the setting and promulgation and of relevant professional, ethical, data management and other standards at both regional and national levels;

f) Resource Centre. CoST should greatly extend its resource and advisory role, including through a set of internally consistent online resources that have been carefully crafted to remain applicable and relevant in all circumstances. In time, CoST's advisory functions should be undertaken by recognised/approved service providers;

g) CoST's visibility and 'brand'. Consideration should be given to ways of improving general awareness of the initiative to potential collaborators and contributors. This should include the possibility of a change of name, as the word 'CoST' has very low visibility in web search engines and commonly gives rise to misunderstandings about the initiative;

h) Collaboration. There should be a clearer focus within CoST on collaborating with related initiatives, including Open Contracting, Open Governance, Open Data and the Clean Construction System. CoST can provide valuable sectoral expertise and tools needed to ensure that any such related initiatives are relevant and effective when applied to the construction sector. At times CoST may find itself reining in excessive demands for transparency in order to ensure that clear commercial incentives remain for competition and innovation;

i) MSGs. CoST should recognise and build on the valuable experience of building trust through multi-stakeholder working (MSW). Gaining confidence in the completeness and accuracy of disclosed data, and appropriate use of that data, can be achieved in many ways, not all of which require an active MSG;

j) Assurance. CoST should clarify that the role of Assurance is to periodically assess the accuracy, completeness and potential implications of disclosed data, while recommending improvements in related procedures. The reports should be made public, and there should be no lingering sense of (what is now intended by CoST to be routine) disclosure being dependent on a prior Assurance function. Assurance should be limited to the objective presentation of facts, and never cross the line into investigation;

k) Monitoring and Evaluation. CoST M&E should focus more on outcomes rather than processes. The monitoring of activities should continually seek to answer the question "is this activity being conducted in the manner that is most likely to contribute to the intended outcomes?" There should be a greater focus on the genuine achievements of CoST, on case studies and on lessons learned. This will emerge from the revisiting of the Theory of Change;

l) External Oversight. Academic institutions should be encouraged to monitor and review data disclosed under CoST, thereby serving as an additional layer of accountability for the whole process; and

m) Funding. CoST should recognise that needs vary between countries, but actively discourage aid dependency, and actively encourage charitable (and eventually industry, once the related benefits can be demonstrated) contributions to the funding of related support activities. Once the transition to a revised delivery model has been achieved, the bulk of funding in support of CoST would not need to be centrally managed, and could come from a wide range of sources with an interest in using CoST tools and resources in support of their own objectives.

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1   INTRODUCTION

1.1   SR Terms of Reference

This is the Final Report of the Strategic Review of the Construction Sector Transparency Initiative (CoST), carried out over a 10-month period from September 2015. Consulting firm IMC Worldwide ('the Consultant') was engaged to undertake the Strategic Review (SR) for the Board of CoST. The team reported to CoST's International Secretariat (IntSec), based in London. The aim of the assignment was to fundamentally review CoST's vision, delivery model, governance arrangements, financing, partnerships and sustainability; and come up with a set of strategic options. The Consultant was specifically required to answer the following questions:

1   How can CoST significantly increase its global impact? Can its current programme delivery model achieve that increase? And if not, what changes could be made?
2   To what extent does CoST's current delivery model enable it to catalyse systemic change and institutionalise transparency and accountability?
3   What should the objectives be of a significantly more ambitious CoST programme?

This report sets out the main findings and recommendations resulting from that process.

1.2   Acknowledgements

The SR team would like to thank the CoST IntSec for its unfailing support throughout the process - providing reports and other information; engaging in countless frank and open discussions; and in facilitating larger meetings, some of which involved members of the CoST Board. The team would also like to record our thanks to the more than 200 people who participated in the CoST survey between April and May, providing valuable insights into the workings of CoST at many different levels and environments. Particular thanks are due to those survey respondents who were prepared to be interviewed by the SR team and those who gave up their time to take part. The review team also acknowledge the major contribution that the members of the Strategic Review Advisory Panel (SRAP) have made to this process. The SRAP comprised 15 members drawn from all the main CoST stakeholder groups, representing donor and civil society organisations, private sector firms and government agencies. Many of them travelled long distances and contributed generously of their time to participate in the process, attending two-day meetings in London, in both December 2015 and June 2016, and providing invaluable feedback on the draft proposals that were developed. A full list of people met in the course of the review is provided to the reader in Appendix 7.

1.3   Approach and Methodology

In order to build a knowledge base from which to formulate its strategic recommendations, the SR team brought together findings from a desk-based review, a survey of people familiar with CoST; and one-to one interviews with selected survey respondents. The team also met with many of the National Coordinators (CoST Country Managers) over 2 days of meetings held in London in April, 2016. Further input was provided by the SRAP team and staff of the IntSec throughout the process via workshops and feedback on interim reports.
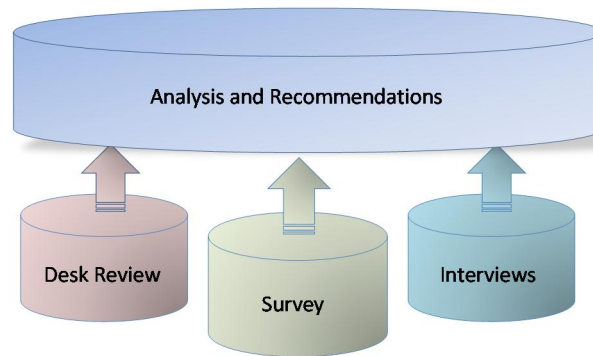
Figure 1 - Strategic Review Approach

The SR team reported to CoST's IntSec, based in London, and consulted with the SRAP convened for the purpose. The team first met with the SRAP in December 2015. The team's outline recommendations were presented and discussed in detail during a two-day meeting in June 2016. Following that meeting, a Draft Final Report (DFR) was prepared. The present Final Report has benefited from the extensive feedback on the DFR from the SRAP, IntSec and some Board members. A high level meeting in August provided an opportunity to discuss in greater depth the report and recommendations, and move toward a shared vision of the direction that CoST should be following.

The desk-based review aimed to provide background information in two key areas by:

- Establishing a picture of the more general construction transparency 'space' - what initiatives were currently being undertaken and how and where CoST fit into this environment; and
- Formulating an assessment of CoST's performance to date.

The strategic review was not intended to look backwards. CoST has commissioned several reports in recent years, looking at aspects of performance to date. The team has had access to these and referred to them when it served to inform the analysis and recommendations.

The SR team began by reviewing documentation available on the CoST website or provided to the team by CoST. These included design documents, briefing and guidance notes, minutes of meetings, evaluation reports, policy papers and plans. Some further relevant documentation was also identified in the public domain.

The desk-based review provided background and context to the 'space' in which CoST operates, and helped identify the potential areas where CoST could be more effective.

Information gathered from the desk-based review helped inform the design of a web-based survey. This was sent out via email to a wide range of participants. The SR team continued to use secondary sources to support the exploration of emerging recommendations from the data gathered by the survey and subsequent interviews. The survey and interviews allowed respondents to provide their perceptions of CoST and encouraged them to make suggestions for the future direction of CoST.

The review team then drew together its overall findings based on these three main sources (desk-based review, survey responses and interviews, and numerous discussions - within the team, with CoST staff and the SRAP). The findings were analysed and draft recommendations developed. These were summarised in

a Briefing Note which was discussed with the SRAP in June 2016. The recommendations fell into two main groups: those that could be implemented with little change to the current operational structure; and those that would require some more far-reaching changes to the way CoST operates. Following the SRAP meeting, the SR team prepared the DFR, which was circulated to the CoST Board, IntSec and SRAP. Extensive feedback to this was received, and subsequently, a high level meeting was held at CoST in August. The present report has taken into account the feedback received and reflects the consensus reached at that meeting. The DFR had presented some difficult alternative directions for CoST, and had divided opinion. There was a need to reconcile the divergent views in order to achieve a path that a clear majority could support and promote. The high level meeting was extremely constructive. All those present focused on finding practical solutions. The SR team modified some of the proposals, recognising the need to retain key features of the existing model, while CoST senior management accepted that the delivery model would have to become more diverse, and introduce alternative points of access to CoST.

The report discusses in some depth the key elements of the SR team's analysis, and describes the steps needed to achieve the changes that the review process identified.

1.4   Layout of the Report

Following this introductory section, the main findings of the desk-based review are summarised in Section 2, which sets CoST within the broader context of related initiatives, and Section 3, which provides an overview of the CoST story to date. Section 4 provides a concise summary of the process followed for the Surveys and subsequent Interviews. Section 5 provides a summary overview of the overall Findings, breaking them into convenient thematic sections, which also form the basis for the related analysis.

More detailed information on the Survey approach is contained in Appendix 1 and Appendix 2 contains the text used in the survey questionnaire, while Appendix 3 summarises the responses. Reference is made to more detailed two-page summaries of the overall Findings - including 'word cloud' graphics - are included in Appendix 4. A bibliography of documents consulted and web pages accessed is contained in Appendix 5.

The findings are then analysed in Section 6, with a section on the implications for CoST. Section 7 contains options for a strategic response - the recommendations. These are followed by an outline Action Plan in Section 8, setting out possible timelines. They seek to provide a practical - yet ambitious - response to the fundamental questions posed in the Terms of Reference (reproduced in Appendix 6). A list of people met during the course of the Review is provided in Appendix 7.

The inter-relationship between the various sections of the report is as illustrated in Figure 2 overleaf.
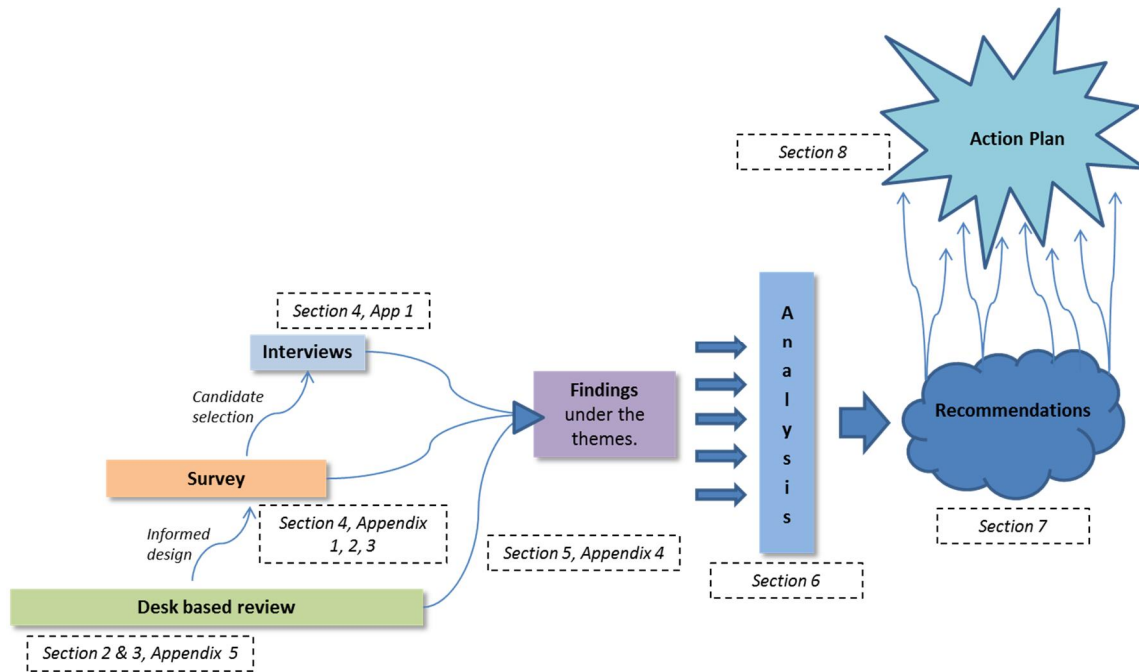
Figure 2 - Inter-relationship of sections of this report

Reproduced below are the key elements of the Terms of Reference (ToR) to permit a review of how and where the main questions have been addressed in the report.

Also reproduced below are the key elements of the ToR to facilitate a review of where the main ToR questions have been addressed in the report.

Key ToR questions

1 How can CoST significantly increase its global impact?
   Outlined in Section 7

2 Can its current programme delivery model achieve that increase? ....if not, what changes could be made?
   Pros and cons of current programme discussed in Section 6. Changes in Section 7.

3 To what extent does CoST's current delivery model enable it to catalyse systemic change and institutionalise transparency and accountability?
   Section 6 discusses how it is not currently achieving this; leading to Section 7.

4 What should the objectives be of a significantly more ambitious CoST programme?
   The report describes how CoST performance should be measured against clear, but attainable targets (and indicators). CoST's focus can move more towards wider uptake of its standards, resources etc. If achievement of these deliverables can be objectively measured (and a revised Theory of Change has been widely approved), contribution to broader objectives (rather than attribution) can be seen.

5 How can CoST be scaled-up and achieve a significant increase in impact?
   Described in Section 7 and 8 (Action Plan).

Main ToR tasks:

a	Review institutional background	Section 2 and 3
b	(Develop vision)	Section 7
c	Review key elements of Delivery model	Section 4, 5, 6
d	Review Governance Structure	Section 2 and 3
e	Review scale and Structure of CoST	Section 2 and 3
f	Review modalities for membership	Section 7
g	Consider options for increasing financial sustainability	Section 7
h	Review modalities for engaging stakeholders (Government, Civil Society, Private Sector)	Section 4,5,6
i	Review procedures for Monitoring and Evaluation	Section 7
j	Review data management procedures	Section 6
k	Assess efficiency and effectiveness of International Secretariat	Section 4,5,6

2 CONTEXT / SETTING (DESK BASED REVIEW)

2.1 Introduction

The ToR requires the Consultant to "review the landscape of governance, transparency and accountability, infrastructure and open data and determine the extent to which it provides an enabling and/or an inhibiting environment for CoST".

The SR team undertook an extensive review of documentation: of information available on the CoST website, of information provided by the Client and of the wider (publicly available) literature relating to the transparency and governance landscape. A full list of documents consulted may be found in Appendix 5 - Bibliography.

The review has helped:

- Define the context in which CoST operates (who is doing what; and where CoST fits in);
- Identify areas that are being covered by other initiatives;
- Identify areas where CoST can complement current provision; and;
- Identify areas that offer the best opportunity for CoST to make a difference.

For ease of reference the desk-based review is split into two sections: Section 2 provides an overview of the broader environment; Section 3 looks at the landscape from the CoST perspective: what challenges has it faced and how has it met them.

2.2 Governance and Transparency landscape

2.2.1 Timeline

Pressure for improved governance and transparency in international construction came to a head in the 1990s with a growing recognition by the multilateral development banks (MDBs) that the endemic corruption that had come to characterise the sector was undermining development efforts and should not be tolerated. At that time the international legal environment was at best indifferent to corruption related to the award of construction contracts, and at worst encouraged it.[1] In response to growing international pressure from within the engineering profession, in 2001 the International Federation of Consulting Engineers (FIDIC) launched its Business Integrity Management System (BIMS) for Consulting Engineers. Intended as an externally certifiable standard on which clients could insist, the initiative proved to be ahead of its time. Despite initial support from bilateral donors, its use was blocked by the World Bank and the European Commission on the grounds of being anti-competitive. Nevertheless, pressure from the professions and civil society groups continued to grow and there followed a plethora of significant relevant milestones in the fight against corruption in relation to all sectors. Starting from 1997 notable milestones in the fights against corruption included[2]

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[1] It was not uncommon at that time for bribes paid to help secure contracts or gain access to bidding opportunities, to be tax-deductible for the companies involved. Such companies typically considered themselves simply to be responding to the adverse market conditions that had been allowed to take root during the Cold War.

[2] Supporting documentation for the following list can be easily accessed on the internet and is not included here.

- 1997 World Bank *World Development Report* on the role and the effectiveness of the state explicitly recognises the damaging effect of corruption on development efforts;
- 1999 The OECD Anti-Bribery Convention enters into force;
- 2003 the UNCAC (United Nations Convention Against Corruption) is signed;
- 2003 EITI (Extractive Industries Transparency Initiative) is launched;
- 2004 Anti-Corruption (Principle 10) is added to the UNGC (United Nations Global Compact), a voluntary principle-based framework for businesses, based on self-declarations;
- 2005 UNCAC comes into effect;
- 2006 The global Anti-Corruption Education and Training (ACET) initiative is launched, as a collaborative effort of educators, engineering professionals and communicators supported by the American Society of Civil Engineers;
- 2006 The EU Procurement Directive includes punitive debarment provisions for companies convicted of corruption;
- 2008 Global Infrastructure Anti-Corruption Centre (GIACC) is established to provide cutting edge online anti-corruption resources to clients, companies, and financiers involved in construction projects;
- 2009 OECD promotes the criminalisation of small facilitation payments;
- 2010 ISO 10845, the International Standard for Construction Procurement recognises and promotes the importance of trust between stakeholders, transparency and effective management systems in curbing corruption in construction procurement;
- 2011 GIFT (Global Initiative for Fiscal Transparency) is launched;
- 2011 OGP (Open Government Partnership) is launched;
- 2012 OCP (Open Contracting Partnership) is launched;
- 2016 ISO 37001 the International Standard for Anti-Bribery Management Systems is approved, based broadly on the GIACC approach to managing corruption risks.

2.2.2 Public Governance-Oriented Multi-Stakeholder Initiatives

The Extractive Industries Transparency Initiative (EITI) provided the template for the original CoST design. Though operating in a different sector, and with a different economic model, it was felt many of the principles could be applied to the construction sector[3].

The EITI process may be summarised as:

1. A national **multi-stakeholder group** (government, industry and civil society) decides how their EITI process should work.

2. Government revenue and company payments are **disclosed** together with other information about the extractive sector.

3. The findings are communicated to create **public awareness and debate** about how the country should manage its resources.

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[3] EITI, 2016b. EITI's Principles are periodically updated (it is now in its fifth version since 2003) and published on its website.

The EITI Standard consists of two parts: Implementation of the EITI Standard and Governance and management. Part One: Implementation of the EITI Standard includes: The EITI Principles, which set out the general aims and commitments by all stakeholders; the EITI Requirements, which must be adhered to by countries implementing the EITI; the Validation overview and the protocol "Participation of civil society".

Though it provided a valuable model to guide the original design of CoST, the sectors have very different characteristics. The extractive industries sector is concerned with a relatively small number of (mainly large scale) suppliers working directly with governments, in a vertically integrated sector; while the 'construction sector' covers the provision of physical infrastructure related to many different sectors (e.g. health, education, housing , roads) and an almost infinite number of suppliers, ranging from sole traders and SMEs to multi-national corporations. Achieving transparency in the construction sector may require a somewhat more flexible approach.

In 2015, the Transparency & Accountability Initiative[4] undertook a comprehensive overview, across a range of sectors, of how effectively MSIs are able to respond to complex governance challenges. Their assessment looked, particularly, at the EITI, CoST, GIFT (Global Initiative for Fiscal Transparency) and the Open Government Partnership (OGP). The review did raise the question of how much on-the-ground impact was actually being generated. It may still be too early to judge, as several of these initiatives are still relatively young.

The Open Contracting Partnership was formed in 2012. It has aimed from the beginning to be a 'silo buster', and has engaged with a large number of stakeholders across the globe. The OCP opens up public contracting through disclosure, data and engagement[5]. As with CoST, its aim is that the huge sums of money involved are spent honestly, fairly, and effectively. The OCP does this by creating a compelling learning and evidence base to show what open contracting can achieve. Its distinctive feature is that rather than create a major standalone initiative for open contracting, it aims to plug into existing efforts and initiatives and use open contracting reforms to increase the impact of existing platforms, fora, and organisations. OCP has during 2016, entered into agreements with both CoST and the OGP, to optimise the opportunities of sharing information and working together.

2.2.3   Where CoST fits
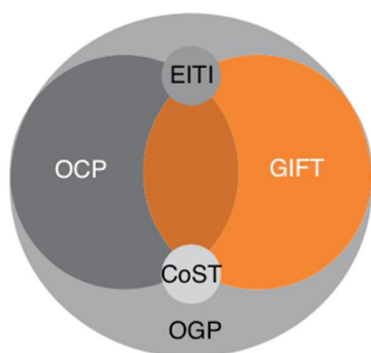
The Transparency and Accountability Initiative's review reflected on how the main multi-stakeholder initiatives overlap: "EITI and CoST focus on improving public governance in particular industries. GIFT focuses on fiscal transparency across all areas of government, while OCP focuses on making all public contracting more transparent and accountable. OGP has the broadest scope, covering everything from fiscal transparency and open contracting to service delivery and corporate social responsibility." (see Brockmyer,B., Fox , J.,2015).

Figure 3 - Scope and Overlap of Public Sector MSIs

Source: Brockmyer,B., Fox , J.,2015

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[4] Brockmyer,B., Fox , J.,2015
[5] OCP, 2015 b

2.2.4 Other relevant technological developments, initiatives and movements

Several other technological developments and initiatives are also relevant in setting the scene for the CoST programme – E-procurement, Open Data and Big Data are some examples:

E-procurement – the Chartered Institute of Procurement and Supply (CIPS) defines e-procurement as:

"The combined use of electronic information and communications technology (ICT) in order to enhance the links between customer and supplier, and with other value chain partners, and thereby to improve external and internal P&SM processes[6]. eProcurement is a key component of e-business and e-commerce'"[7].

An extract from the EProcurement - CIPS Positions on Practice explains that E-procurement facilitates:

- *The automatic processing and auctioning of orders and of related trading documents and data, thereby enhancing the speed and certainty of doing business at a lower total cost*
- *Improved workflow of the internal procurement process - this enables end-user self-service and decentralisation with centralised control through company-specific catalogues*
- *New functionality - such as eRequests For Quotations (RFQs) and on-line bidding in auctions (both conventional and Dutch)*
- *Use of potentially more efficient and cheaper connectivity methods - such as the Internet and XML (a computer language for coding content and delivery) however, these may result in a lack of security*
- *Connectivity to external sources of information - e.g. databases, catalogues and portals such as eHubs and e-marketplaces*
- *Connectivity to external supply chains - for example, extranets and allowing shared real time information (such as suppliers accessing real time sales)*
- *Sourcing - for example, using intelligent search engines and data mining*
- *Connectivity to internal systems and sources of information – these include inventory management, maintenance management and Materials Resource Planning (MRP), Enterprise Resource Planning (MRP & MRPII) systems amongst others*
- *Payment systems - e.g. links to banks, credit card companies and purchasing cards*
- *Improvements in supply chain mechanisms and consortia etc. leading to mutual benefit*

CoST's involvement with procuring entities make the developments in e-procurement particularly relevant. Indeed disclosure of data relating to projects is made easy with good e-procurement system design. CoST is in a unique position to be able to work with procurement entities as more governments move towards this approach.

Open Data is *"data that can be freely used, re-used and redistributed by anyone - subject only, at most, to the requirement to attribute and sharealike"[8].* Read in conjunction with the Open Definition the definition of Open Data is particularly powerful:

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[6] P&SM = Procurement and Supply Management
[7] CIPS 2013
[8] The Open Data Handbook, Open Knowledge International

"The Open Definition makes precise the meaning of 'open' with respect to knowledge, promoting a robust commons in which anyone may participate, and interoperability is maximized."

And ….

"Knowledge is open if anyone is free to access, use, modify, and share it — subject, at most, to measures that preserve provenance and openness[9]."

As explained later in this section, CoST is in a position to generate data that can be used by the wider Open Data community. CoST needs to consider the format for collecting data that will make it compatible with these initiatives and able to participate in the Open Data movement.

Big Data can be described as extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions. IBM's 'The Four V's of Big Data[10]' are:

1   Volume – scale of data
2   Velocity – analysis of streaming data
3   Variety – different forms of data
4   Veracity – uncertainly of data

Big data allows organisations to use information from multiple sources and contexts (both internal and external) to better adapt their products and services to better meet the needs of their stakeholders.

In relation to CoST, at present CoST does not in general meet the Four V's with respect to the data that the CoST programmes generate (neither at the international level or national level). However, CoST IntSec should be aware in the future of where it can leverage such Big Data to improve its services.

2.2.5   CoST in relation to other standards

The role of transparency in procurement-related standards

Transparency is broadly recognised as constituting a key driver of efficient public spending on infrastructure. Areas in which there is not always clear agreement between stakeholders about the limits to transparency typically include:

- Pre-bid communications, where the benefits of early market engagement need to be considered in the light of a potential associated risk of collusion between bidders; and

- Commercial confidentiality, where the benefits of transparency and associated accountability need to be considered in the light of the need to encourage innovation.

Within the context of the totality of the procurement process, differences of approach to these two issues constitute relatively minor deviations from a broad consensus about the benefits of transparency. Given

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[9] The Open Definition 2.1
[10] The Four V's of Big Data, IBM

that public procurement is recognised[11] as the government activity most vulnerable to waste, fraud and corruption, it is therefore perhaps surprising that more progress has not been made in developing and harmonising associated international guidelines that can be applied consistently and effectively.

Considerable, though not necessarily consistent, progress has nevertheless been made in specific areas, by a range of international, regional and national organisations. In this sub-section, consideration is given to some of these standards.   In each case, the description of the standard is followed by a brief assessment of any overlap that currently or potentially may exist with CoST principles and related disclosure.

WTO Agreement on Government Procurement

Undertaken as part of the OECD framework, this was one of the first attempts to bring government procurement under internationally agreed trade rules. Following preliminary negotiations in the Tokyo Round of GATT[12] trade negotiations in 1976, the *Tokyo Round Code on Government Procurement in 1979*, established rules to ensure open, fair and transparent conditions of competition in the government procurement markets. These rules have since been amended (1987), extended in scope and coverage (in parallel with the Uruguay Round in 1994), and finally renegotiated into what is now known as the *Plurilateral[13] WTO Agreement on Government Procurement* (GPA). The 2014 GPA currently has 19 parties, comprising 47 WTO members, with nine members in the process of acceding[14.] The agreement is a binding international treaty but the rules only apply to a selection of entities purchasing listed goods, services or construction services of a value exceeding specified threshold amounts.

Relevance to CoST:

Currently Low; potentially Medium.   The primary focus of the GPA is on opening public procurement to international competition, and its provisions relate primarily to the tender management aspects of procurement. However, its binding obligations related to transparency and the avoidance of corrupt practices "*in accordance with applicable international instruments*" may in time provide an opening for linkages with CoST.

UNCITRAL 2011 Model Law on Public Procurement

The UNCITRAL[15] 2011 Model Law on Public Procurement is an influential instrument. This UN text contains procedures and principles aimed at achieving value for money and avoiding abuses in the procurement process. It is intended to promote objectivity, fairness, participation, competition, transparency and integrity. The current version is an extension on the 1994 UNCITRAL Model Law on Procurement of Goods, Construction and Services. This law was acknowledged as an important international benchmark in procurement law reform and the principles remain the same today. The 2011 law has primarily been updated to reflect new practices such as electronic communications in public procurement.[16]

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[11] OECD (2016) http://www.oecd.org/gov/ethics/public-procurement.htm

[12] General Agreement on Tariffs and Trade

[13] Not all WTO members are parties to its Plurilateral Agreements.

[14] WTO (2016) https://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm

[15] United Nations Commission on International Trade Law

[16] UNCITRAL (2011) http://www.uncitral.org/uncitral/en/uncitral_texts/procurement_infrastructure/2011Model.html

Overlap with CoST:

Currently Low; potentially Medium.   The transparency provisions of this Model Law are limited to tender management aspects of procurement and make no reference to the potential role of civil society engagement in such processes.   CoST's more inclusive, more insightful, and more practical understanding of procurement could if brought to bear potentially result in improvements to this important reference document.

European Union Procurement Directives

The EU recently implemented three Directives on public procurement and concessions adopted in 2014: (i) Directive 2014/24/EU on public procurement[17]; (ii) Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors[18]; and Directive 2014/23/EU on the award of concession contracts[19]. Together, these directives are intended to significantly reduce the administrative burden, improve access for SMEs, reduce corruption risks and allow for social and environmental considerations. In addition, existing rules have been made simpler, with a view to increasing the efficiency of the European public procurement system. From a transparency perspective these new directives are intended to create a culture of integrity and fair play by setting a more complete framework for the prior publication of tenders, clear and unbiased technical specifications, equal treatment of bidders in all stages of the process, and objective evaluation of tenders.[20]

The Council Directive 89/665/EEC is another ruling on procurement within the EU that imposes common standards for the public sector. This remedy coordinates laws, regulations and administrative provisions relating to the application of review procedures to the award of supply and works contracts. It is a national review system intended to ensure that rapid and effective means of redress are available in all 28 EU countries when bidders believe that contracts have been awarded unfairly.[21]

Overlap with CoST:

Currently Low; potentially Low. EU Procurement Directives are complex documents that have historically suffered from inflated ambition and inconsistent interpretation and application in member states. Some of the ostensibly strong anti-corruption provisions of the 2004 Procurement Directive were widely considered at the time by anti-corruption practitioners as likely to be counterproductive, and to potentially to undermine rather than enhance transparency[22]. The 2014 Procurement Directives have not yet been widely adopted, with the European Commission on 26 May initiating legal action[23] against 21 member states for delays in transposing into national law one or more of the three new directives.   While CoST

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[17] EU (2016) http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32014L0024

[18] EU (2016) http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32014L0025

[19] EU (2016) http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.094.01.0001.01.ENG

[20] EU (2016) http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8562

[21] EU (2016) https://ec.europa.eu/growth/single-market/public-procurement/rules-implementation/remedies-directives_en

[22] Particular concern was expressed about the Directive's mandatory exclusion requirements which, by failing the basic of test of proportionality, were inconsistent with the related need to encourage transparency, likely to be instrumental in driving bad practice, and potentially open to legal challenge in the unlikely event of ever being brought to bear. When such concerns were communicated by the UK Anti-Corruption Forum to the UK government, they were seemingly accepted, but corrective action was not at the time considered to be a priority.

[23] http://europa.eu/rapid/press-release_MEMO-16-1823_en.htm

potentially has a great deal of practical experience to offer those drafting and implementing such regulations, the prospects for meaningful engagement are realistically considered currently to be slim.

ISO 10845 International Standard for Construction Procurement

The ISO 10845 series of standards for construction procurement has the goal of ensuring fair, equitable, transparent, competitive and cost-effective procurement. The eight 10845 standards are designed to help public, private and international organisations and their main contractors to align their procurement systems with internationally recognised good practice. Together, they cover every step of the procurement process from project identification and soliciting to evaluating tender offers, awarding contracts and confirming compliance with requirements, up to contract fulfilment. The first part of the series, ISO 10845-1:2010, describes processes for developing a procurement system, and provides rules and guidelines relating to standard procurement methods and procedures. It also provides a framework for developing a procurement policy that may legitimately favour certain groups over others, and establishes the manner in which such procurement is to be managed and controlled. Eight countries are currently participating in the standardisation work and twelve countries are observing[24].

Overlap with CoST:

Currently Medium; potentially High. ISO 10845 shares many features of CoST, including an interest in all aspects of procurement, a recognition of the importance of building trust between stakeholders, and a consistent related focus on the importance of transparency and of clear data management. Welcome as this is, the limited take-up to date of this standard, and its divergence from some aspects of the more rigid approaches favoured by the MDBs, means that its global influence is likely to fall short of its potential, other than as part of any future reform that may occur to the prevailing more narrow approach to international public procurement.

ISO 26000 Social Responsibility

ISO 26000 Social Responsibility is a Voluntary Guidance Standard outlining ways in which businesses and organisations should act in an ethical and transparent way that contributes to the health and welfare of society. Unlike most ISO standards, it constitutes voluntary guidance with no associated certification process. Rather, it is intended to clarify what social responsibility is, to help businesses and organizations translate principles into effective actions and to share good practice relating to social responsibility. ISO 26000 was launched in 2010 following five years of negotiations in a working group comprising about 500 stakeholders from governments, NGOs, industry, consumer groups and labour organisations from around the world. It is aimed at all types of organisations regardless of their activity, size or location.[25]

Overlap with CoST:

Currently Medium; potentially High. One of the strengths of CoST lies in its proven ability to bring together stakeholders with a shared interest in improved procurement. Private companies that may have legitimate

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[24] ISO (2016)
http://www.iso.org/iso/home/standards_development/list_of_iso_technical_committees/iso_technical_committee.htm?commid=572 6139
[25] ISO (2016) http://www.iso.org/iso/home/standards/iso26000.htm

concerns about mandatory disclosure requirements may be reassured if CoST's experience in this regard can be brought to bear in any related guidance.

ISO 37001 Anti-Bribery Management Systems

Due to be published in late 2016, ISO 37001 specifies the implementation by any organisation of policies, procedures and controls which are reasonable and proportionate to the bribery risk faced by the organisation. Though the standard itself is directly applicable only to bribery, the organisation may choose to extend the scope of its anti-bribery programme to include other offences such as fraud, false accounting and money-laundering. In contrast to the way in which "zero tolerance" to corruption is interpreted by most MDBs, but in keeping with most recent legal instruments including the UK Bribery Act 2010, ISO 37001 encourages openness in the management of corruption risks, so that lessons can be learned and processes progressively improved. Guiding Principles include: Proportionate procedures; Top level commitment; Risk Assessment; Due Diligence; Communication (& training); and Monitoring and Review.

Overlap with CoST:

Currently Medium; potentially High. There is a natural synergy between this ISO and CoST's collaborative and constructive approach to improved transparency and related accountability in infrastructure provision. However, it remains to be seen whether private companies and public bodies are prepared in practice to move away from current (more defensive) compliance regimes towards the more transparent approach set out in ISO37001, which is more akin to the management of Health & Safety Risks. If they are, then a natural first step could be the development and adoption by procuring entities of Anti-Corruption Manuals that include CoST approaches to Disclosure and Multi-Stakeholder working, as well as the adoption by bidding companies of internal policies and procedures that are consistent with this recognised standard.

Procurement Guidelines and Consultant Guidelines of Development Banks

Development Banks and other International Financial Institutions recognise that countries are looking to be more efficient in their public spending so that they can invest more in basic public services, including infrastructure services. In line with this, procurement guidelines have been developed with the aim of providing up-to date, fit-for-purpose frameworks adaptive to country specific contexts. A recent example is the World Bank's new Procurement Framework, approved in July 2015. This framework sets out to promote and strengthen national procurement systems and increase transparency in public spending by taking advantage of ICT[26] tools in public procurement. It emphasises choice, quality and greater value for public spending. Its principles are mandatory for all new lending operations after July 1, 2016[27].

The International Finance Corporation's (IFC's) Sustainability Framework , adopted in 2006 and updated in 2012, consists of three components: (i) a Policy which describes how IFC implements its commitment to sustainable development; (ii) Performance Standards, which define clients' roles and responsibilities in relation to environmental and social risk management; and (iii) the Access to Information Policy, which defines IFC's institutional obligations in relation to transparency and accountability. IFC, as part of the World Bank Group, applies these principles to all investment and advisory clients and discloses information

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[26] Information and communication technology

[27] WB (2015) http://www.worldbank.org/en/projects-operations/products-and-services/procurement-projects-programs

about its projects, including project-level environmental and social review summaries (ESRS), through its disclosure portal. [28]

Overlap with CoST:

Currently Medium; potentially High. The rigid approach to procurement historically favoured by the MDBs has been associated with low levels of mutual trust between stakeholders, and high levels of corruption. In the construction sector the direct losses due to corruption have been described by the World Bank[29] as "often" amounting to 20 percent, or even more in some instances. Indirect losses resulting from associated poor quality can be as much again. The World Bank's close engagement with CoST, and improvements in its procurement approach as evidenced in some aspects of the latest Guidelines, suggest the potential for enhanced engagement between CoST and the Bank as the latter's procurement approach is further improved.

On account of the perceived high related corruption risks, many companies with an interest in public infrastructure investment choose not to pursue projects that are loan-financed through the MDBs and procured by recipient governments. But such companies typically remain very interested in related opportunities for private sector investment, as facilitated by the IFC. For this reason, the IFC standards are highly influential as they are a mandatory requirement for companies involved in IFC-supported infrastructure investments, so are taken seriously by major international players. The establishment of even the most basic linkages between IFC standards and the CoST approach could therefore potentially have an important global impact.

Anti-Corruption Conventions and Instruments

Because of its role as a precursor to improved accountability, there is scope for CoST to engage with the development and application of anti-corruption conventions and instruments at all levels. Examples include:

Global and Inter-Regional Level

- UN Convention against Corruption

- OECD Convention on the Bribery of Foreign Public Officials in International Business Transactions

- Revised Recommendations of the Council of the OECD on Combating Bribery in International Business Transactions

Commonwealth

- Commonwealth Anti-Corruption Standard[30]

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[28] IFC (2012) IFC's Sustainability Framework: From Policy Update to Implementation - http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/learning+and+adapting/knowledge+products/publications/publications_loe_sf_update-implementation

[29] The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level, World Bank, 2007, page 159

[30] Announced at the 2016 Commonwealth Anti-Corruption Conference, the proposed standard would help tackle corruption, facilitate the development of regional networks of national anti- corruption agencies, and support efforts to improve transparency, including by making information about private companies publicly available.

Africa

- AU Convention on Preventing and Combating Corruption

- SADC Protocol against Corruption

- ECOWAS Protocol on the Fight Against Corruption

Americas

- The Inter-American Convention Against Corruption

Asia

- ADB-OECD Action Plan for Asia-Pacific

Other relevant standards

In addition to the above international standards and instruments related to procurement, there is evident potential for CoST to engage with many other standards at the International, Regional and National Level. These include, but are not limited to:

- Relevant stipulations in Loan Agreements of the MDBs;

- Open Contracting Standards;

- Open Data Standards;

- Professional Standards; and

- Other Standards that may prevail at the National Level concerning the management, compilation and potential disclosure of data related to infrastructure procurement.

3   THE COST EXPERIENCE SINCE 2012

3.1   Summary of previous reviews and evaluations

Since the launch of its original pilot in 2008, CoST has gained eight new members. The figure below shows the progression of membership:
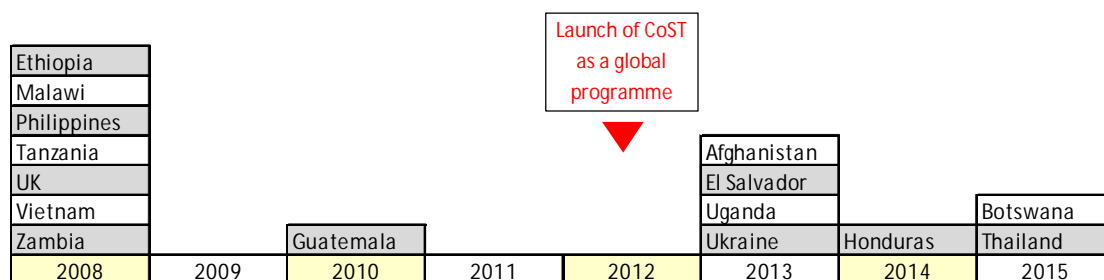

Figure 4 - Growth of CoST since 2008 Pilot Phase

Over the years, CoST has undertaken various reviews and evaluation exercises in an effort to learn from the successes and challenges it has faced, and to continue to shape the progress of the programme moving forward. Previous reviews have included:

- The Agulhas Applied Knowledge "Independent External Evaluation of the Construction Sector Transparency Initiative (CoST)" (final draft report dated November 2015).
- The Engineers Against Poverty "Final Report for the World Bank Development Grant Facility" in July 2015.
- The See ¦Research & Planning, Qualitative Research on Funding Attitudes in May 2014.
- The GHK Evaluation of the CoST Pilot Project, dated February 2011.

Agulhas Applied Knowledge "Independent External Evaluation of the Construction Sector Transparency Initiative (CoST)" (November 2015)

The main areas that the (Agulhas Applied Knowledge, 2015) Evaluation report advised CoST to address were to:

- Revisit the CoST TOC, using a participatory approach to (i) test the validity and added value of CoST multi-stakeholder, disclosure, and public outreach approach, and (ii) make CoST's risks and assumptions more explicit. Once revisited, this TOC should support a more structured lesson-learning process within CoST, and stronger strategic positioning in participating countries;
- Consider options to incorporate more information and analysis on the quality of infrastructure in CoST disclosure and assurance processes. Capitalise on existing knowledge and experience to strengthen and develop CoST approach to influencing, capacity building, advocacy and public outreach;
- Explore the role that international stakeholders, in particular donor agencies and the construction industry, can play to support and/or mainstream CoST principles in their own businesses and ways of working;

- Make the Interim Board permanent, using a light global governance structure enabling participating countries to vote;
- Estimate operational and programme costs for a fully-fledged International Secretariat, based on CoST International's new legal status;
- Continue to explore funding models, drawing from the multiplicity of actors in this sector;
- Monitor systemic changes and communicate results, using a variety of tools (outcome mapping, stories of change, traffic lights) to measure and report changes;
- Refrain from getting new countries on board until sufficient funding is secured and some of the above recommendations are addressed.

Engineers Against Poverty "Final Report for the World Bank Development Grant Facility" (July 2015)

The Final Report for the Development Grant Facility (DGF) prepared by EAP in July 2015, recognised and gave consideration to many of these issues. Its final recommendations included:

- Build the capacity of MSGs to develop an innovative strategy that engages key decision-makers, including a broad-based advocacy campaign that directly engages with citizens. MSGs should also be encouraged to align with other Multi-Stakeholder Initiatives;
- Develop guidance for MSGs on how they can register CoST as a legal entity based on how similar organisations such as the Extractive Sector Transparency Initiative or Transparency International legally register their national operations;
- Commission a data expert to develop guidance and a tool that maximises the potential of the Infrastructure Data Standard as an open data standard;
- Commission a study to identify the value of CoST for high income countries;
- Consider adopting different categories of CoST membership to reflect the apparent potential for sub-national as well as national programmes;
- Identify how CoST should engage with the international private sector by mapping the incentives and barriers to their participation before considering if and how the Supporter status should be developed;
- Identify how international civil society organisations could support the International Secretariat in building demand for greater transparency and accountability in public infrastructure; and
- Develop a set of assumptions to the results chain based on political will and the role of the MSG. Use the results chain to develop a structure for stories of change and case studies from the country programmes.

Qualitative Research on Funding Attitudes by See ¦ Research & Planning, 2014

On CoST: Global Funding Context

- CoST promotes an important cause: no-one disputes this
- Concern CoST doesn't know target organisations well enough
- Compounded by lack of clarity on who best to contact within those organisations (and how to ensure access to appropriately high level officials)
- Some expectancy that private sector and trade bodies could be playing more of a role around funding CoST
- However, some organisations simply can't or won't fund CoST

On CoST: Performance & Credibility

- CoST needs a clearer set of standards and benchmarks which can be measured on a global scale
- CoST needs to better demonstrate the impact the initiative has
- CoST's small size creates challenges for large organisations
- Suggestion to look more closely at other similar initiatives in order to understand and replicate their success
- Having governments in tow will help funding and credibility, particularly at a local CoST level

Other recommendations
- Tighter control of MSGs will help achieve better results at country level: although CoST has successfully established programmes in a number of countries, there is a sense among some that the initiative hasn't always been as successful as was first hoped...
- Need to be aware that stakeholder groups themselves can be problematic - often led by local individuals and elites who might have less pure motives for getting involved. CoST continually needs to be aware of the challenge and risks this presents.
- Also a need for better management of limited resources – important to clearly define what success looks like; your focus and key priorities and what's achievable with the resources you have balanced against what is the critical mass / scale needed to show CoST works

On CoST: Brand & Communications
- Overall awareness of CoST is poor, particularly on global stage
- Brand not successfully reflecting and playing significant part in global conversations and narratives
- Awareness of cultural differences is very important

Recommendations
- No lack of belief in CoST and its aims, but still failing to drive relevance, appeal and stand-out, especially at a global level:
    - CoST is pushing at an open door: widespread concern around lack of transparency across many countries and issues is a key global concern
    - However, clear need exists to create more impact and awareness of CoST in the right channels at a global level: others who have had just as valid a cause (e.g. pharmaceutical initiatives) have fallen by the wayside because they've failed at this
    - CoST regularly faces the challenge: low awareness of successes and lack of clarity around measurability of its aims are likely behind current funding gap

Two ways to build and develop CoST's case:
Shift in tone - Tone needs to be more clearly built around a narrative of infrastructure improvements and the lasting human benefits it brings
Demonstrate impact - Leverage evidence to date to demonstrate CoST's positive impact as far as possible: create benchmark / standard against which to measure it.

Though the evaluation and the findings and relevant recommendations[31] related specifically to the 'pilot' features of the project, some of the observations are still valid today. Lessons have already been learned on, for example, the dangers of an overambitious scope and timeframe, the need to allocate time for fine-tuning, and how demonstrating a 'quick win' will enhance buy-in. Comments that relate to the "need to balance programme-wide requirements with the flexibility to accommodate different country contexts" still resonate however: this tension has perhaps not yet been fully resolved. GHK's 'going forward' lessons (on page 4 of their document) are worth revisiting.

Many of the areas identified still need to be addressed today (and where appropriate, are included in the present report's recommendations).

3.2   CoST Theory of Change

The outline CoST TOC presented below has been taken from the CoST web site. It assumes that disclosure (promoted and supported by well-functioning MSGs) provides transparency, which in turn strengthens accountability, albeit through mechanisms that may be influenced by CoST, but are not within its remit.

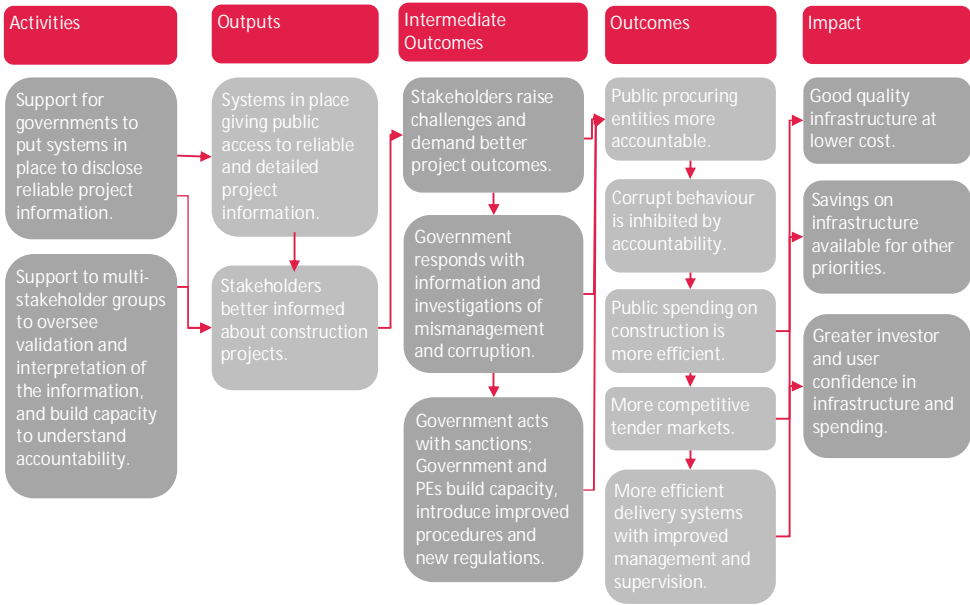| Activities	Outputs	Intermediate Outcomes	Outcomes	Impact
Support for governments to put systems in place to disclose reliable project information.	Systems in place giving public access to reliable and detailed project information.	Stakeholders raise challenges and demand better project outcomes.	Public procuring entities more accountable.	Good quality infrastructure at lower cost.
Support to multi-stakeholder groups to oversee validation and interpretation of the information, and build capacity to understand accountability.	Stakeholders better informed about construction projects.	Government responds with information and investigations of mismanagement and corruption.	Corrupt behaviour is inhibited by accountability.	Savings on infrastructure available for other priorities.
		Government acts with sanctions; Government and PEs build capacity, introduce improved procedures and new regulations.	Public spending on construction is more efficient.	Greater investor and user confidence in infrastructure and spending.
			More competitive tender markets.	
			More efficient delivery systems with improved management and supervision.	

Figure 5 - CoST Theory of Change (TOC)

Though this Theory of Change (or Results Chain) would not suffice for Monitoring and Evaluation purposes, this remains a useful model, provided it is clearly understood that many factors beyond the immediate remit of CoST need to combine to achieve the desired results. Initial analysis suggests that the risks and assumptions at play have not yet been studied and understood with sufficient rigour to achieve a clear understanding of what works and why, and specifically, what impact can reasonably be attributed to CoST.

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[31] GHK, 2011

It was agreed at the August 2016 meeting of CoST, that further work is needed on the TOC. The SR team recommend that a one-day workshop, attended by CoST staff, donor representatives (e.g. DFID) and other key stakeholders, be convened in the coming weeks. The workshop would revisit and work through all the elements in the diagram above. Assumptions need to be stated very clearly. The exercise will help identify what are realistic and achievable targets and indicators which can then be incorporated into a revised M&E system.

3.3   CoST activities and achievements

CoST's main points of intervention (the activities) revolve around setting up multi-stakeholder groups and procuring entities, and promoting the use of, and using its primary tools: the Infrastructure Data Standard and associated reporting mechanisms. The programme encourages the establishment of Formal Disclosure Requirements that provide a legal basis for disclosing data from infrastructure projects to the public. The MSGs then commission Intermittent Assurance Reports that review the completeness and accuracy of available data, undertake some high level analysis, and on the basic of factual information, develop recommendations for improved procurement performance.

Since its inception, CoST has gathered information from its activities. There is less information available however, on the expected - and actual - longer term outcomes. The relatively 'young' age of CoST may partly responsible for this, but the lack of an M&E framework to capture such evidence has already been noted. The Agulhas[32] Evaluation of CoST carried out in late 2015 draws attention to this gap. It remains evident that if CoST is to expand its operations significantly it will need to be able to demonstrate more clearly what it is able to offer different types of potential member.

In practice, there has been a high degree of variability in the approach, performance and achievements of individual CoST countries. CoST itself has reviewed the experience to date (referred to in various recent reports and evaluations[33]). Examples of data recorded include:

- Number of PEs disclosing information to CoST;
- Number of formal disclosure reports;
- Number of assurance reports;
- Proportion of construction contracts (by number or value) subject to CoST Disclosure and Assurance processes;
- Degree of buy-in to the CoST processes;
- Degree to which MSGs contribute to those processes;
- Number and type of organisations involved in an MSG;
- Degree to which use is made of disclosed data and information; and;
- Changes in the institutional and regulatory environment that can, at least in part, be attributed to CoST.

The Strategic Review has sought to understand the underlying factors that have led to the wide variability in levels of activity among CoST countries; and enthusiasm for reform.

As identified in the Evaluation Report on the CoST Pilot, a key contributing aim at the outcome level is 'more competitive tender markets'. This implies wider participation in tender processes, more competitive

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[32] Agulhas Applied Knowledge, 2015.

[33] Including the Agulhas Report previously referenced, and Engineers against Poverty, 2015.

bids, more innovative solutions, all of which contribute to better value for money to the procuring entity and in turn toward the desired impact.

3.4   Member Country Governance Context

It is helpful in this regard to consider the perceived governance context in each of the countries currently involved in CoST, as this will inevitably have a bearing on the attitude of the private sector. It is interesting to note that, based on the most readily available, and most widely used, governance indicators, most CoST countries would fail most international private sector risk assessments on account of a lack of confidence in the Rule of Law and Control of Corruption (see Figure below). Similarly, Civil Society is likely to remain cautious about CoST if, over time, there is no associated progress with Voice & Accountability, and no underlying Freedom of Information legislation. No-one expects miracles, and many commercial firms and NGOs operate in challenging environments, but for a programme that specifically targets an improvement in transparency and accountability, some sort of measurable progress will be helpful. If CoST is able to demonstrate that, by complementing related initiatives, it is making a significant contribution to some aspects of improved governance, then it is much more likely to be taken seriously by both the private sector and civil society.

CoST Country	OGP Action Plan Cycle (if any)	Freedom of Information Act (Year)	World Bank's 2014 Governance Scores (on scale of -2.5 to +2.5)		
			Voice & Accountability	Rule of Law	Control of Corruption
Afghanistan	-	-	-1.16	-1.53	-1.33
Botswana	-	-	0.44	0.63	0.80
El Salvador	2	-	0.13	-0.52	-0.39
Ethiopia	-	-	-1.26	-0.42	-0.43
Guatemala	2	-	-0.37	-0.99	-0.70
Honduras	2	-	-0.42	-0.97	-0.79
Malawi	0	-	-0.12	-0.30	-0.76
Philippines	3	-	0.13	-0.33	-0.44
Tanzania	2	-	-0.17	-0.41	-0.80
Thailand	-	1997	-0.85	-0.15	-0.41
Uganda	-	2005	-0.56	-0.39	-1.10
Ukraine	2	2011	-0.08	-0.79	-1.00
United Kingdom	2	2000	1.30	1.89	1.73
Vietnam	-	-	-1.34	-0.31	-0.50
Zambia	-	-	-0.14	-0.25	-0.41

Figure 6 - Selected governance indicators of CoST Countries[34]

On the basis of evidence seen during the review, including from survey and interview responses, it appears that much of the focus of CoST remains at Activity level, albeit with some promising achievements noted at Output and Intermediate Outcome Level. Achievements at the Outcome and Impact level, however have as yet only been noted at the level of individual contracts or projects.

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[34] Worldwide Governance Indicators 1996-2014, from WB, 2015

4 SURVEY AND INTERVIEWS

4.1 The Survey

The SR team designed, tested, adjusted and conducted a survey with the aim of gathering views from those with an interest in (and in almost all cases prior knowledge or experience of) CoST, on how the initiative is performing, and how it could potentially be adjusted to perform more effectively in future. The survey was confidential and no individual identifying data is provided in (or with) this report. The survey content was translated into Spanish by the review team (and reviewed by CoST) for the benefit of potential respondents from three Central American CoST countries and elsewhere in Latin America. Of approximately 500 people invited to take part, just over 200 responded, currently based in approximately 20 different countries (and with experience in many more parts of the world).

The survey was undertaken using the Survey Monkey application[35]. The review team invited respondents who could not access the survey over the internet to respond in MS Word format. These responses were then manually entered into the dataset. The questionnaire was broken down into four main parts:

- respondent profile;
- views on the effectiveness of CoST;
- perceived importance of various aspects of CoST at national and international level; and
- views on various possible adjustments to the CoST model at national and international level

Respondents were encouraged to add free-text comments at several points in the survey to complement the multiple choice answers (agree/disagree, strongly; important, not important, very etc.).
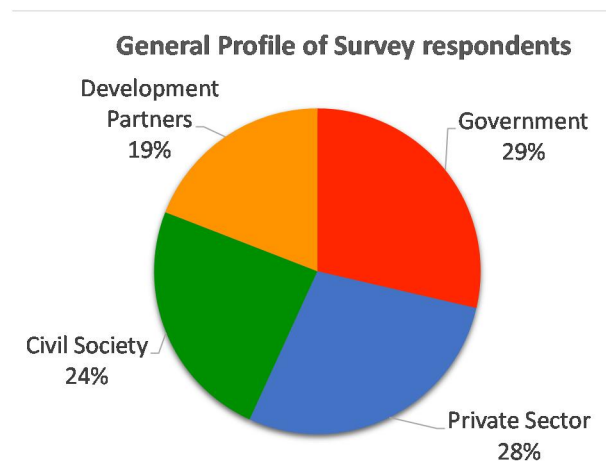

Figure 7 - General Profile of Survey Respondents

The Figure indicates the proportions of survey respondents from the four main stakeholder groups.

It was also possible to categorise respondents in other ways, including who were currently, or had previously been involved, with CoST in general, or in MSGs in particular. This provided a basis for then interpreting survey results in the light of the background of respondents.

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[35] https://www.surveymonkey.co.uk

4.2   Interviews

The SR team reinforced, developed and where appropriate adjusted[36] its understanding of the data gathered via the survey by carrying out individual interviews with 28 respondents.   At the end of the survey, the respondents had been asked whether they would be prepared to participate in an unattributed individual interview to discuss in more detail various aspects of their experience of CoST, and freely to express any other thoughts and opinions relevant to the SR. Using a consistent structured approach, the team members duly interviewed a selection of those indicating such an interest.   Interviews typically lasted between 30 minutes and an hour. From among the 114 respondents who expressed a willingness to be interviewed, the selection of interviewees was based on the following criteria:

- where responses to the survey questions or survey comments required clarifications;
- where survey comments raised a particular issue of interest to the SR not covered by data gathered elsewhere; and
- where the detailed views of the volunteer would not be communicated[37] to the SR team.

The general profile of interview respondents, broken down by their stakeholder groups, is illustrated in Figure 8 below). The intention was not to be rigidly representative of all stakeholder groups but, from the available pool of volunteers, to explore views considered likely to be particularly relevant.   This included those that were: well informed on the basis of direct experience of CoST; capable (on the basis of free text responses in the survey) of thinking about CoST in a strategic manner; and those who expressed a view that warranted further discussion in order to ensure that it had been properly understood. The resulting distribution included particularly strong representation from those with a Civil Society or Private Sector background. In the case of the latter, 37% of those who were interviewed were from the private sector, compared with 33% of those who had offered to be interviewed.   The high degree of private sector interest in and willingness to engage with the SR was consistent with the fact that private sector respondents were more likely than others to have views about how to improve on CoST's current approach.
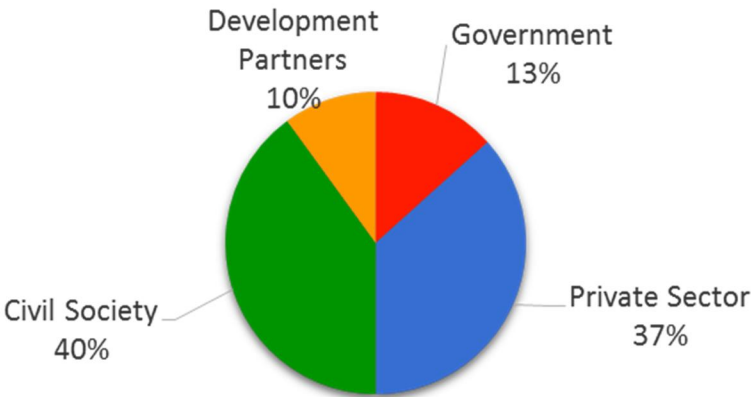

Figure 8 - General Profile of Interviewees

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[36] By their nature, survey responses were necessary "broad and shallow" while the interviews provided an opportunity to drill down into detail and achieve a better understanding of the experience and considered perspectives of respondents about specific issues. Part of the function of interviews was therefore to help explain any apparent internal inconsistencies or discrepancies in the survey results.

[37] The team did not take up the offer of some members of the SR Advisory Panel to be interviewed, because of the many opportunities that already existed for those views to be expressed, both in plenary sessions and in one to one meetings.

5 KEY FINDINGS OF SURVEY AND INTERVIEWS

5.1 Collation of Findings

Sections 2 and 3 have summarised the information gathered through the desk-based review. Section 4 outlined the processes followed for the survey and follow-up interviews, which together provided a good picture of perceptions of how CoST currently operates, and how it could develop.

In order to capture, analyse and make use of these data to inform the SR, they were first categorised into themes, as set out in Table 1 (overleaf). This process entailed allocating one or more themes to each issue explored in the survey, and also reviewing and allocating a theme to every free text response, and to every key statement made to the team, whether in meetings, or in the course of interviews.

The SR team then collated all the resulting information into a series of consistent 2-page tables for each of the 11 themes (presented in Appendix 4). The first page of each of these tables provides a summary overview. In each case this includes:

- Summary text of Findings (interviews and survey results including free text comments) related to that theme; and
- A word cloud[38]. These are based on the interview statements, meeting notes, and free text responses to the online questionnaires.

The second page of each table presents supporting detail in the form of survey results, and other more detailed feedback. The original survey questions have been included in Appendix 2.

The survey comprised six main sections:

- Respondent profiling;
- Effectiveness of CoST (as perceived by respondents)
- Importance of various features of CoST (at national level)
- Views on proposed adjustments to CoST (at national level)
- Importance of various features of CoST (at international level)
- Views on proposed adjustments to CoST (at international level)

Responses to the survey were categorised into the thematic areas set out in Table 1. These themes fall into one of the three main areas being looked at by the review team: the vision, the delivery model or organisational and management issues; and can be seen in the conceptualised diagram of CoST inter-relationships (Figure 9 , see page 33). The main findings are summarised in Appendix 4.

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[38] Word clouds are a graphical representation of word frequency. They give greater prominence to words that appear more frequently in a set of text data (in this case, specific concepts and sentiments as expressed by the survey respondents). They do not attempt to portray the statistical data from the CoST surveys - but give a flavour of the breadth of comments received.

5.2   Themes

Table 1 - Findings: theme definitions

Findings theme		Definition[39]
	Vision	CoST's 'reason for being'. The change it wishes to see.
	Delivery Model	The CoST approach to achieving the vision. Activities, tools and approaches that will facilitate this.
	Organisation & Management	The CoST management structure and governance arrangements, including the Board, staffing, & Secretariat.
	Multi Stakeholder Working	The approach which brings together government, industry, the private sector and civil society to pursue a common goal.[40]
	Disclosure	The external communication of standard data about Projects and Contracts, in a clear and consistent manner. Demand for and use of that data.
	Assurance	The validation, analysis, interpretation and communication of disclosed data to ensure it is more readily trusted, understood and acted upon.
	Membership	The concept of CoST membership; number of members; profile; prerequisites for membership; demand for membership.
	Communications	Public relations activities, internal communications, training, the CoST image/brand
	Support to the MSGs	Guidance and targeted Training for the National Secretariats & MSGs, and related monitoring of their performance.
	Financing	Funding of the international organisation, and of national programmes. Sources of funding and sustainability.
	Monitoring & Evaluation (M&E)	Monitoring of adherence to agreed principles and activities, and periodic Evaluation of their contribution to improved sector performance.

There are interdependencies between the themes. Strategic decisions taken will have implications on each of the themes. Figure 9 shows the interdependencies between these themes.   The 'Vision' will unlock 'Financing' opportunities. The 'Delivery Model' aims to contribute to the achievement of the 'Vision'. The 'Delivery Model' appeals to a certain profile of 'Membership' and the 'Organisation & Management'

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[39] The "definitions" used in this table have been formulated in a manner that allows all survey and interview data to be mapped to one (or occasionally more) theme(s). They are not intended to replace more explicit official definitions of terms.
[40] As per CoST Guidance Note 4, 4 Oct 2013

support the implementation of the model.   The current delivery model of 'Disclosure', 'Multi Stakeholder Working' and 'Assurance' are subject to 'M & E' activities, which monitor the adherence to agreed principles and planned activities, and periodically evaluate the impact CoST makes (contribution to the 'Vision').   'Communications' activities support the 'Delivery Model'; deliver clear messages to members; and help unlock 'Financing'.

The diagram deliberately simplifies the framework and omits a number of aspects for the purposes of clarity. Links with the general public, for example, (along with the main stakeholder groups) are assumed; lesson learning loops would be a critical element in an improved model. Many of the connections would in practice, be two-way, but again, the diagram is kept simple for the purposes of clarity.
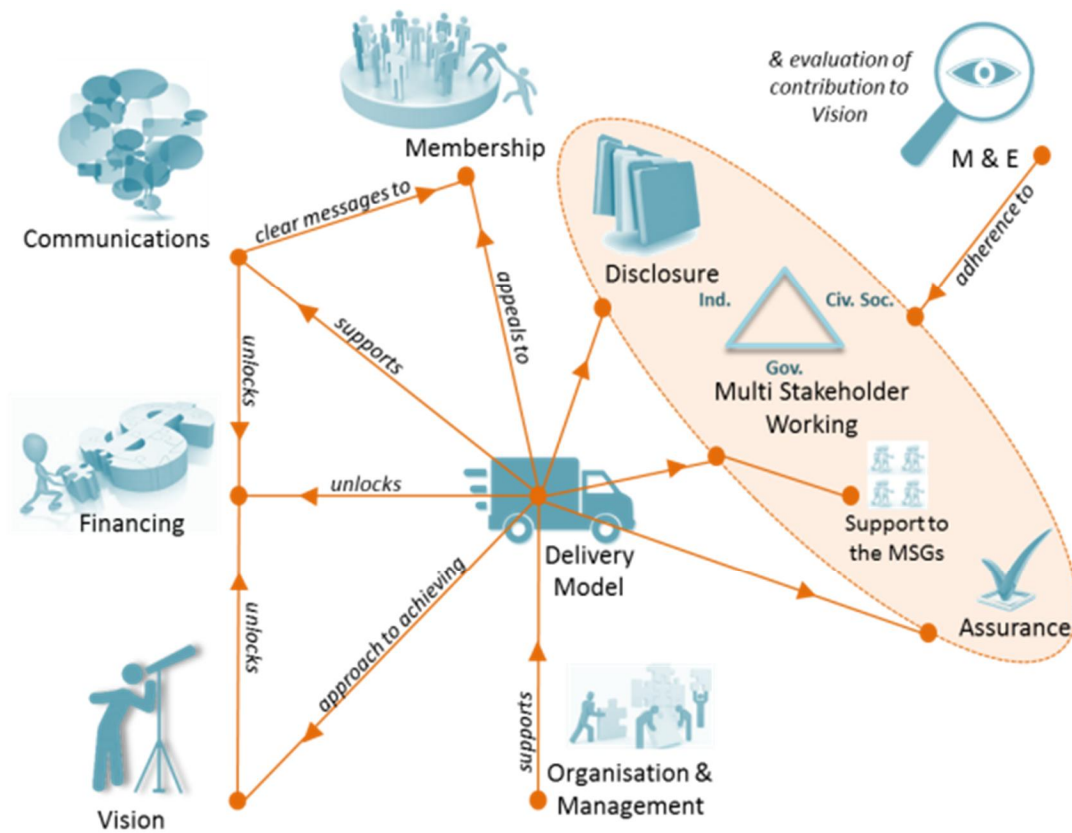
Figure 9 - Theme interdependencies

Key findings are presented in summary form in the next sub-section. More details on the findings are available in Appendix 4.

5.3   Key Findings

5.3.1   Vision

CoST's 'reason for being'.   The change it wishes to see

i.   CoST is widely seen as helping to improve transparency and accountability in the delivery of public infrastructure, albeit in most cases with what is as yet a very small footprint in global terms.

ii.   CoST is not yet considered to be making it more attractive for private companies to become involved in delivering government-financed infrastructure[41].

iii.   There is difference in perception on whether CoST is essentially a development project aimed at building capacity, or a global standard to which all can aspire.

iv.   CoST is seen by some as being overly focused on the practical details of implementation, at the expense of higher-level objective of achieving better value for money.

5.3.2   Delivery Model

The CoST approach to achieving the Vision.   Activities, tools and approaches that will facilitate this.

i.   There is strong support for the CoST concept of institutionalising disclosure and progress has been made in some countries to implement formal disclosure requirements. The scope of practical application of the approach has yet to be demonstrated in many countries.

ii.   The support provided by CoST to national level programmes is well received and seen as important.

iii.   CoST is considered to be doing good things, but is not well known, even in some 'CoST' countries.

iv.   Despite its internal guidance and safeguards, CoST is sometimes seen as duplicating the work of other initiatives or government functions, particularly when those functions as currently practised are perceived to be deficient.

v.   There is strong demand, particularly from CoST Coordinators, for more clarity over '*what happens next*' after Disclosure and Assurance. The broader public (beyond the MSG) need to know how it can interpret and then use CoST information.

5.3.3   Organisation and Management

The CoST management structure and governance arrangements, including the Board, staffing and Secretariat

i.   The work of the CoST Board and its IntSec is greatly appreciated, but the IntSec appears overstretched.

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[41] Though 56% of all respondents ticked the box to say that CoST is making it more attractive for private companies, the bulk of those with a private sector background disagreed. Free text survey responses, and the bulk of interview responses suggested that CoST is not yet making a difference to market perceptions, a view that is consistent with the desk study findings. Based on interview responses, those who stated that private companies are being attracted to the market as a result of CoST appear to have based that view on CoST's known aspirations, rather than on their personal experience.

ii. There is among some respondents a perception that the guidance provided by CoST lacks clarity and consistency.

iii. There is also a view that relevant construction or contracting experience should be available (particularly at local levels) to advise and help MSGs undertake their duties.

iv. There is a view that the IntSec needs to prioritise its functions, taking account of its capacity constraints.

5.3.4   Multi-Stakeholder Working

The purpose, benefits and potential pitfalls of multi-stakeholder working including MSGs

i. The multi-stakeholder working inherent in CoST is considered to be important and worthwhile.

ii. Concerns about CoST MSGs include:
   o Difficulty in attracting and retaining competent volunteers with relevant experience;
   o Risk of MSGs being dominated by government;
   o Risk of MSGs being dominated by influential individuals or those with an unclear (personal) agenda;
   o Risk of MSG members misunderstanding the mandate of CoST (i.e. what it can and can't do); and
   o Risk of 'token' MSGs taking up valuable time while failing to adequately take account of the views of industry and/or civil society.

iii. MSG members require high quality training in order to ensure that they understand CoST, and to avoid the risk of too much focus on 'form' rather than the 'substance' of their executive functions under CoST.

iv. MSG members are primarily volunteers - and few are able to dedicate extensive periods of time to CoST (and cannot be expected to carry out any technical role over an extended period). The National Coordinators are often expected - on behalf of the MSG - to identify appropriate technical specialists to respond to technical questions. Important that there are realistic expectations of role MSGs can undertake.

5.3.5   Disclosure

The external communication of standard data about Projects and Contracts, in clear and consistent manner. Demand for and use of that data

i. Disclosure is widely seen as a highly regarded core feature of CoST.

ii. Particularly in the case of small projects, CoST Disclosure is seen by some as being unduly complicated, especially for those unfamiliar with construction management.

iii. There is generally perceived to be a low level of demand for data disclosed by CoST. There are also calls for CoST to be more involved in generating such demand. This gap between supply of and demand for information must be addressed by better communications.

iv. There is some scepticism about the accuracy of some data disclosed under CoST. Realistic measures need to be in place to ensure quality of data.

v. Even if the disclosed data is accurate, there is a view that it can simply serve to mask significant underlying malpractice in the form of market manipulation at a higher level. Further work to

strengthen the Theory of Change has been recommended. The limit to which the data can be put to use needs to be clearly understood.

vi.   More work needs to be undertaken on communicating the CoST 'narrative'. The intended purpose of CoST Disclosure needs to be better and more widely understood. It is far more than 'just another bureaucratic requirement'. Assumptions that it duplicates or is conflict with existing institutionalised disclosure mechanisms need to be countered.

5.3.6   Assurance

The validation, analysis, interpretation and communication of disclosed data to ensure it is more readily trusted, understood and acted upon

i.   Assurance reports commissioned by the MSG are widely perceived as giving CoST credibility, teeth, and value;

ii.   Concerns expressed about the Assurance process include:
   o   The challenge of identifying truly independent Assurance experts who understand both construction procurement and the nature and purpose of CoST
   o   A lingering perception in some quarters (despite CoST's signals to the contrary) that Disclosure cannot take place unless there is related Assurance.
   o   A sense that some Assurance teams have gone beyond the limits of the Assurance function, and are perceived to have crossed the line into investigative or oversight functions

5.3.7   Membership

The concept of CoST membership; number of members; profile; prerequisites for membership; demand for membership.

i.   The support that CoST offers member countries is generally well appreciated by its recipients.

ii.   A corollary of this is that CoST is perceived by many as a development programme or project.

iii.   There was a mixed view on whether only CoST members should be able to receive technical assistance. (Approximately 70 responses – 'agree'; 50 responses – 'disagree').

iv.   There is cautious support for the notion of sub-national membership of CoST.

v.   There was much stronger agreement with the concept that CoST should develop and promote standards of transparency and accountability that are accepted globally.

vi.   Reconciling the model of hands-on support to CoST countries with the development of a more global offering will present a challenge.

5.3.8   Communications

Public relations activities, internal communications, training, the CoST image/brand

i.   There was very strong support in the survey responses for possible future adjustments in the following areas: it should be engaged in advocacy to promote good governance; should publish

statistical information on national level disclosure and assurance activities; and to be a thought leader in transparency and accountability.

ii. Free text comments also supported the idea that regional events would help enhance the recognition of the brand.

iii. Other comments however, highlighted that:
   o CoST's international profile appears to be weak, inconsistent, and poorly communicated.
   o There is an underlying lack of clarity over what CoST is seeking to achieve, and the extent to which it is succeeding.
   o CoST sometimes appears in its communications to overstate the benefits of CoST. This is counter-productive as it undermines its credibility.
   o While the CoST approach seeks to ensure awareness of and cooperation with related initiatives, scope remains for better coordination and collaboration.
   o The CoST website is not kept up to date, is not always internally consistent, and is not widely recognised as a source of practical guidance.

5.3.9 Support to the MSGs

Guidance and targeted training for the National Secretariats and MSGs, and related monitoring of their performance

i. Overwhelming agreement was expressed with the statement "there should be more in-country communication about CoST activities and news at the national level". There was also very strong support for the provision of support to national programmes within the context of local ownership. There was very strong support for the idea of CoST serving as a Resource Centre, responding to requests for advice or support.

ii. Some national programmes are not receiving the support they would like from IntSec and the broader CoST programme. There is a specific perceived lack of access to relevant technical expertise about the detailed aspects of construction procurement and related construction management systems.

iii. There is widespread interest in better use being made of networking opportunities for CoST practitioners to learn from each other.

5.3.10 Financing

Funding of the international organisation, and of national programmes. Sources of funding and sustainability

i. There is broad agreement on the need for CoST to be established on a more stable and sustainable financial footing.

ii. Several options for alternative funding were mooted, but opinion is split on whether more of the funding should come from local sources. Respondents with a Government or CSO background were marginally less in favour of CoST activities being financed locally (once a pilot phase is over); while a higher proportion of those from a Private Sector or Donor background backed the idea.

iii. By presenting itself as a niche initiative for the construction sector, rather than as a governance initiative applied to the construction sector, CoST may be foregoing the opportunity to access funds from a broader range of sources.

5.3.11 Monitoring and Evaluation (M&E)

Monitoring of adherence to agreed principles and activities, and periodic Evaluation of their contribution to improved sector performance

i. Though the overall survey scores for the 'effectiveness of CoST' questions were generally very positive, free text comments and subsequent interview responses have suggested that there is an underlying concern: although CoST aspires to its core features (building trust, helping improve transparency, accountability and overall value for money) - and the survey respondents recognise this - how effectively CoST is actually delivering on these objectives is less clear.

ii. There is a lack of evidence that CoST is making it more attractive for private companies to become involved in government-financed infrastructure.

iii. The assumptions implied by the CoST Theory of Change have not been adequately communicated to, and understood by, CoST practitioners at the national level.

iv. CoST senior management recognises that it does not have in place a comprehensive M&E plan (though work on this has continued throughout the year). The plan will need to set out:
   o a clear Theory of Change with associated indicators;
   o clarity over where responsibility lies for the various steps in that Theory of Change; and
   o the degree to which CoST can realistically be expected to contribute to each specified outcome and impact.

v. the review team and CoST staff have agreed that a one-day workshop is needed to work through all the elements of the Theory of Change.

5.4   Prioritisation exercise by CoST Coordinators

Survey responses indicated support for all of the current and potential additional functions of CoST at both the national and the international level, as set out respectively in Sections C and E of the Survey.   In order to rank these in some way in order to reflect the reality of likely resource constraints, the SR team asked National Coordinators (attending a CoST workshop in London[42]) to discuss these and then 'vote' on their priorities. This exercise provided a useful snapshot of the point of view of those most closely involved in day to day delivery of CoST.

The results of this prioritisation exercise are presented in the Figures below.   At the international level, the definition and maintenance of CoST standards was given top priority.

| *Definition and maintenance of CoST standards* | *Advocacy in the international arena* | *Support to National CoST Programmes* | *Strategic partnerships with development agencies.* |
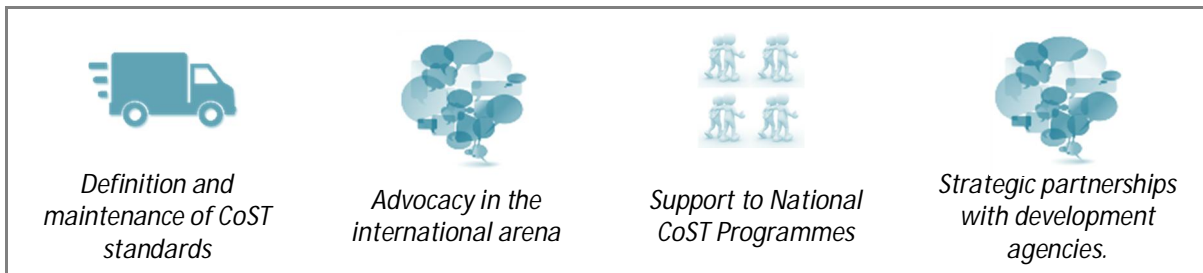
Figure 10 - Priorities at the international level

At the national level, there was a short term focus on the MSG, coupled with consistent reliance on the Assurance function in holding PEs to account, through a mechanism seen in time as itself being institutionalised.

Short term (Zero To Three Years)	Direction by a Multi-Stakeholder Group	Public disclosure of project data	Assurance teams producing reports
Medium term (Three To Five Years)	Coordination with other initiatives	Holding Procuring Entities to account	Assurance teams producing reports
Long term (Beyond Five Years)	Institutionalisation of disclosure	Holding Procuring Entities to account	Assurance teams producing reports *(moving towards an audit function)*

Figure 11 - Priorities at the national level

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[42] On the 7th-8th April, 2016. See Appendix 7

6 ANALYSIS OF THE FINDINGS

6.1 Structure of Section

This section provides an analysis of the findings emerging from the review process: earlier evaluations; survey responses, interviews and discussions. The findings are assessed in the light of the broader context in which CoST operates and with regard to its founding principles and the overarching questions that have guided the review. The key findings are considered in terms of the thematic areas identified.

6.2 Findings in the light of CoST objectives

The SR is required to consider three overarching questions relating to CoST's:

- Global impact;
- Delivery model; and
- Future objectives.

The SR team found that there is strong support for CoST and its delivery model, but also encountered a strong sense that it needs to do more in several key areas if it is to achieve its objectives. The free text comments illustrated that views on any subject are rarely black and white, and provided an opportunity to speak freely and constructively. While the views expressed in the survey were generally supportive of the work CoST is doing, differences of opinion were apparent in some areas. One example relates to Financing for CoST: whether funding should continue at local level beyond a pilot phase; and on whether technical assistance should be available to non-member countries.

In this section the findings are analysed and the various implications for CoST set out. In developing a future strategy, CoST senior management needs to first agree internally on the areas that require addressing (in order of priority); and then on the measures that will be needed. It has become clear from the discussions held in June and August, following the submission of a Briefing Note (containing outline Recommendations) and later, the Draft Final Report, that clarification of the initiative's Theory of Change is needed. There was agreement that an important first step will be to convene a workshop at which the Theory of Change can be discussed and strengthened. This is, at the moment, the most important single area that needs addressing as it is the linchpin of the project - the logic on which all other aspects depend.

The following pages contain the analysis relating to the individual themes.

6.3 Vision

CoST's vision needs to be articulated more clearly. While the overall objectives of CoST are generally well understood, various interpretations of how to articulate and realise the vision have emerged, caused in part by inconsistent and unclear definition of terms within CoST, and in part by local pressures at the national level.

Despite its global aspirations, CoST is often perceived as a 'development programme', with limited relevance to practitioners operating in more developed economies. CoST's core principles are universal;

CoST needs to articulate the vision that it is for all, not the few. The workshop that has been suggested to focus on refining the Theory of Change would be a good opportunity to develop a vision statement that would encompass CoST's provision of technical support to member countries with its ambition to represent a global standard of good practice.

6.4 Delivery Model

There is strong support for the present model, but clearly there are limits to its coverage under the present system. Variable degrees of success have been achieved. In some countries, CoST has been embraced with enthusiasm, while in others, progress is much slower. Each country has its own unique characteristics and features, and blend of social, political and economic factors. The influence of key individuals can also have a disproportionate effect on the success or otherwise of the initiative in any given country. CoST is therefore very dependent on external factors (what it cannot control) combining in a beneficial way.

Where all the actors and circumstances combine well, great progress can be made. Where this is not the case, National Coordinators and CoST IntSec can get drawn into time consuming discussions. This limits the amount of coverage CoST can manage. If CoST aspires to achieve more global impact, it needs to find alternative ways of reaching a wider audience.

The challenge looking into the future is less about questioning the model *per se*, but on exploring alternative ways of achieving its objectives. Some alternative ways of accessing CoST's services are proposed in this document.

6.5 Organisation and Management

The present organisational structure is appropriate for the functions that CoST carries out. The IntSec has suffered from a shortage of staff resources in the past - partly due to constrained and uncertain downstream funding arrangements. Funding has been more secure in the past year, and staff numbers have increased, but it will take some time for the effects to be fully realised.

Any changes to the organisational structure, including job descriptions and staffing levels, can only be finalised once agreement on the delivery model has been reached. Nevertheless, tentative proposals in this regard have been developed and are presented in Section 7 below.

Staff resourcing at national level is an area that the survey has highlighted. It is important that the MSGs and the National Coordinators - have access to appropriate technical skills and experience, for interpreting assurance reports for example, or commissioning the work. National Coordinators are not necessarily technically qualified in the areas of engineering and contracts; not all members of a country's MSG are likely to have that experience. Even where they are qualified, as they are volunteering their time, it is not reasonable to expect them to undertake technical functions. The emerging delivery model needs to accommodate these gaps. In some cases, where technical assistance is required, the IntSec is called on provide support. The review team foresees that some more dedicated resource may be necessary at central level in order to be able to backstop the National Coordinators.

6.6   Multi-Stakeholder Working

CoST has traditionally focused on supporting the MSG model. It can be an effective means of building trust and credibility for the CoST initiative in a country. The SR team considers that there is also scope to identify and develop alternative means of achieving the benefits of multi-stakeholder working that does not necessarily require the setting up of a formalised MSG.

CoST may promote, and support, the MSG model when it is appropriate[43], but always needs to maintain a clear independence. The initial setting up of many MSGs relies on the commitment of a champion, often from the government side. The functioning of MSGs can be undermined when that champion is transferred, or if the government changes. MSGs can also be vulnerable to domination by particular interest groups. Some MSGs are not perceived to be truly independent and effective in bringing to bear the views of the various stakeholder groups.

Even when an MSG is functioning well, there is a more fundamental issue to be addressed. CoST - despite its best intentions - can become too closely involved with the disclosure and assurance processes - to the point where some stakeholders demand '*what is CoST going to do about it*'? CoST must remain above the fray. The review team believes that CoST should explore alternative ways of working with stakeholder groups. Some of the comments received in the course of the survey and interviews have suggested that CoST might be looking at something of an 'open door': working with and through other development assistance projects. Application of the CoST principles and standards might be a small component of a broader governance or public financial management project, for example, but would increase CoST's sphere of influence in a very effective way.

6.7   Disclosure

The Infrastructure Data Standard (IDS) is a core building block of the CoST initiative. Important steps in improving transparency can be achieved once the need for disclosure can be formalised in legislation or regulations. CoST has been a driver of this process in the countries in which it has worked.

There is strong support for the process, but the SR team received many comments on how its application worked in practice. Different countries have had different experiences. The way in which the data is interpreted is an area that requires more work. CoST needs to continue to work on ensuring that the data gathered is meaningful - and shines a light on the correct areas of activity. Work also needs to continue to improve the ways in which the general public can access the information generated and make use of it.

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[43] The standard CoST MSG model may for instance not be appropriate in situations where existing levels of Civil Society Voice are already very high (as in most OECD countries) or very low (as in Vietnam and Ethiopia). In the case of the former, it may be more appropriate for CoST to harness existing mechanisms for MSW; in the case of the former there is a clear risk of token civil society participation. This may superficially look promising, but may not be the best way to promote more genuine multi-stakeholder working.

6.8   Assurance

At the national level, CoST is currently very closely involved in the Assurance process. The MSGs, with the support of the CoST National Coordinator, often commission Assurance Reports. Ideally, this process would be carried out by more permanent institutions. This time could ideally be better spent monitoring the extent to which Assurance takes place, rather than necessarily itself commissioning the Assurance. While there is a clear role for CoST to be able to promote and facilitate the provision of TA to help build capacity in independent Assurance, in the longer term, it does not need to be doing this itself. The assurance function is valuable and in the early stages of CoST involvement, it may be appropriate that it be closely involved, but this is not a sustainable model in the long term.

As detailed in Section 5, some MSGs struggle when it comes to Assurance. These challenges neatly illustrate the dilemma facing CoST: CoST wants the process to work better, but the more it gets involved at a day to day level, the harder it becomes to retain the vital 'distance' and independence that lends it credibility. CoST needs to avoid being perceived as replicating the role of government regulatory authorities. The formal authorities may not work perfectly, but it is not CoST's role to become a parallel structure. CoST should maintain a professional 'disinterest' (i.e. not taking sides). As well as undermining its position, any such close involvement in the day to day, consumes valuable staff and time resources - which in turn puts pressure on other areas of activity.

Despite recent clarifications, there is also some lingering confusion among some longstanding MSG members on the difference between Disclosure and Assurance. CoST should encourage the development and embedding of appropriate systems in national regulations and procedures. Ideally, it should be able to intervene in a clearly defined, time limited fashion, and then step back.

6.9   Membership

Much of CoST's work has been based around the concept of CoST 'membership'. Among the countries involved in CoST, there is support for it as seen in the survey results. The membership model has its advantages. In some countries, the involvement of CoST has lent credibility and support to those organisations endeavouring to improve transparency in infrastructure development. In certain countries, this high level of involvement and commitment may provide the platform to establish more permanent measures. It can act as a 'lighthouse' as one commentator has observed.

The model is rather resource intensive, however, and where resources have to be prioritised, the question has to be asked, is this the most effective way of delivering this service to the greatest number of people? The review team is proposing that alternative methods of reaching out be explored.

'Membership' of CoST is not of itself an indicator that 'transparency' (far less accountability or improved governance) has been achieved, or indeed is realistically likely to be achieved in a given country. Being a 'CoST country' can in some circumstances lend some credibility, sometimes only for a limited period, in a very narrow area of procurement activity, while poor governance continues in other areas.

The current model also raises broader issues of credibility for CoST. What does being a CoST country mean? Many of the current 15 were either included in the pilot project in 2007, or joined as a result of individual

donor initiatives and support. For many observers, 'CoST' is perceived as a development assistance initiative, and thus has little relevance; for others, the same perception acts as a deterrent (a donor imposition). Thus, despite the good that CoST can and does do, its very nature can restrict its ambition.

6.10 Communications

The survey did not specifically focus on communication. Communications is a cross-cutting area that affects, and is affected by, other areas of the CoST project. Reference has been made to the Funding Attitudes report of 2014, which highlighted some key areas that needed addressing. [44]

Comments have been made about what is perceived to be the ineffective communications and marketing performance of CoST, and its failure to step in and correct misconceptions. Though corrective action is already being taken by the IntSec, it appears that - as with other aspects of the CoST operation - the programme suffers from conflicting objectives. Once clearer and internally consistent objectives can be defined, priorities agreed, and, crucially, the delivery model agreed and the monitoring indicators defined, it will be possible to develop and deliver an effective communications system - conveying a clear message.

6.11 Support to MSGs

Support to the national programmes is very important. Some views were expressed in the survey and interviews, that more, and more focused, technical assistance (TA) is needed. An expanded CoST could provide a higher level of support. This is another area where the interdependencies come into play. The review team believes that some of the issues that need addressing are related to the terminologies used. Language is important. Precise definitions are needed in each location where CoST is being applied. What does 'Disclosure' or 'Assurance' mean? It is important that CoST ensure that meanings are clear to all.

Under a revised structure, TA could continue to be provided to MSGs, though under a rather different commissioning and delivery system. Assistance could be requested from CoST as needed by Government PEs civil society groups or even contractors. TA could focus on the different aspects of the multi-stakeholder function. Assistance would not necessarily have to be confined to the membership of an MSG, per se. Assistance could be given, for example, to enhance the ability of wider civil society to hold procuring entities to account. Training could be given to help the wider community enhance its ability to demand facts and transparency; or to facilitate the supply of knowledge in a more digestible form (to the general public). Similarly, PEs might benefit from practical training in how to gather together (and present) the information needed to satisfy these demands.

None of these inputs necessarily require the existence of a formally constituted MSG as such. As described above, the CoST programme could potentially be supporting the function of multi stakeholder working rather than an institution per se. If Civil Society and Suppliers have the means to hold PEs to account, irrespective of the existence of a formal 'MSG', then the process works. That process can be assessed and rated - by CoST. The same principle applies to an OECD country or a fragile state emerging from a conflict

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[44] See ¦ Research & Planning, 2014

situation. The rating may differ, and the need for capacity building assistance may differ, but the principle should be the same.

6.12 Financing

Historically, CoST has faced difficulties attracting finance, which at times has made it difficult for it to carry out its mission. The SR team will make proposals for future funding (see next Section), based on a modified approach for how CoST should operate.

The survey revealed an interesting split in opinion regarding future financing options. Government and CSO respondents were proportionally more in favour of central funding continuing after a pilot phase, while a greater proportion of those from Industry and Donors believed this should cease.

Potential funders need to see a clear benefit in what CoST is seeking to achieve - and evidence of what it is achieving. If CoST can send out a clear signal as to what it does, what it actually delivers (with compelling evidence), then awareness, interest and commitment (among a wider range of potential funders) will increase (and help embark on a virtuous circle). How CoST is 'marketed' also matters. It could be presented as a proven tool that contributes to a core driver of improved governance in what is a sector with the highest spending levels. When this is achieved, and CoST standards and tools are widely recognised and respected, then any number of parties would have an incentive to invest in adopting those standards and using the tools and financing their continuous improvement.

6.13 Monitoring and Evaluation

CoST recognises that its M&E system has been weak and has set in motion measures to address this. As much of the feedback to the survey and subsequent interviews has revealed, there is a concern that CoST does not have clear performance targets or indicators. The present system focuses more on activities undertaken, than on outcomes achieved. Its ultimate goals and objectives are understood, but without a well-structured M&E system it will be impossible to demonstrate impact.

CoST's focus shift should now be shifting from the 'process' to the 'product'. Rather than trying to ensure that all the systems and procedures associated with the MSGs are functioning, CoST should focus on its core 'product'; and put in place an M&E system that reflects that objective. The 'product' would be the package of measures, standards, procedures, systems, technical assistance that CoST has already developed, and can continue to improve and expand. By placing the emphasis on 'getting the information out there' - and, crucially, measuring the level of uptake not only among CoST countries, but more generally, by any country, region or institution associated with CoST, CoST's contribution to improving transparency in the construction sector can be assessed in a more meaningful manner.

CoST is understood to be currently undertaking a review of its M&E strategy, with a view to developing an M&E plan. This will necessarily entail revisiting the Theory of Change currently used in CoST communications. Though useful in terms of communicating to non-specialists what CoST is seeking to achieve, that Theory of Change falls short of what would be required to form the basis of a robust M&E approach.   A helpful and illuminating starting point in re-visiting the CoST Theory of Change would be to add an overlay to the existing version to illustrate the degree to which each element can realistically be attributed to CoST interventions.

7   RECOMMENDATIONS

7.1   Introduction

The strategic review's chief focus is on:

- What sort of organisation does CoST want to be in 5-10 years;
- Where should it be situated within the transparency and governance 'space'; and
- What is the most appropriate trajectory to get there.

CoST has built up a wealth of experience in the eight years since its launch as a pilot project and in the four years since being launched as a global project. The core aims of the CoST initiative are sound and - amongst those who are familiar with what CoST is trying to achieve - CoST enjoys a strong level of support. The initiative has now reached a point where leverage needs to be applied to the experience and knowledge gained, to allow CoST to move to a new level, and achieve a genuinely global impact.

At the heart of CoST lies an excellent product. CoST has established itself as a trusted organisation, committed to working closely with PEs and multiple stakeholders to put in place standards, systems, and procedures that combine to promote transparency. It has also invested time in building relationships with the decision-making bodies and individuals that permit, or can facilitate such changes.

The SR team is of the view that the lessons learned, standards etc. should be made accessible to a far wider audience.

The TOR have clearly set out CoST's wish to scale up its operations and achieve a global impact. The analysis has shown that while it enjoys wide support, its current delivery model is in conflict with its strategic aims. The way it can engage at local level is one of its strengths, but those achievements can come at the cost of failing to meet its higher level objectives.

The previous section showed how it has sometimes been perceived that CoST's focus has been on 'the process' perhaps at the expense of promoting 'the product'. As commented, this has at times resulted in overstretch of staff (although this Review is recommending an increase in staffing levels to meet expanded scale of operations). The current CoST approach is inherently vulnerable to external events and factors over which it has little control (e.g. capture of elements of the process by political or other interests, transfers or other movements of key staff or champions).

CoST should begin to look for ways of rolling out its knowledge and methodologies on a different scale. The delivery model being proposed is built around introducing new ways of making the CoST 'product' more widely accessible.

CoST needs to tread a narrow path between being perceived as a facilitator and an enforcer (or even as a key actor in the process). The organisation has gained much experience in navigating this tricky path over the years, and in a wide variety of challenging situations and contexts. Clearly some countries are more ready for change than others. The time and resources spent setting up and supporting what can be disruptive initiatives, in what can be complex and highly politicised situations, should not be underestimated. The time needed to achieve lasting results clearly limits CoST's potential to scale up its

operations. Though the majority of the services are delivered at national level, by national staff, it is a very hands-on model, and assistance is periodically required from the centre. The approach is appreciated by many, but is at odds with CoST's aspirations to gain wider relevance.

The changes proposed were discussed with the SRAP members at the June 2016 meeting. Agreement was not reached on all the suggestions. In the present report, the SR team has revised some of the proposals, taking into account the views expressed at that meeting, extensive feedback on the Draft Final Report, and at a subsequent meeting at CoST in August. The review team proposed complementing the existing model with a greater level of outreach and creation of multiple access points to the services CoST can offer.

7.2   Recommended options

The recommended options are as follows:

a) Language. It is important that the terminology and definitions used in connection with the CoST initiative be used consistently, and be sufficiently distilled to be applicable in all environments and contexts. CoST's 'DNA' should be more clearly defined and communicated, and appropriate language should be available within CoST to facilitate more effective monitoring and evaluation as well as realistic associated lesson-learning;

b) Theory of Change. CoST's TOC needs to be revisited. It has proved a useful starting point for the initiative, but in order to demonstrate the benefits of CoST to a wider public, there is a need to develop a more robust TOC and related indicators. This is tied in with the first recommendation: clear and precise language should be used in the wording of CoST's vision and mission, and in all key aspects of its operation;

c) Membership. CoST principles should be made more accessible and relevant to a wider public, and not limited to the current membership model (becoming a 'CoST country'). Alternative methods of association with CoST are possible, and indeed desirable, in order to increase CoST's 'footprint' and ultimately its impact;

d) CoST in relation to international standards. CoST should promote what it stands for by communicating more clearly its relevance to and consistency with the many international standards that define good practice in public procurement and related governance, particularly in relation to infrastructure procurement.

e) Regional and national standards. In addition, CoST should engage more closely with those responsible for the setting and promulgation and of relevant professional, ethical, data management and other standards at both regional and national levels;

f) Resource Centre. CoST should greatly extend its resource and advisory role, including through a set of internally consistent online resources that have been carefully crafted to remain applicable and relevant in all circumstances. In time, CoST's advisory functions should be undertaken by recognised/approved service providers;

g) CoST's visibility and 'brand'. Consideration should be given to ways of improving general awareness of the initiative to potential collaborators and contributors. This should include the possibility of a change of name, as the word 'CoST' has very low visibility in web search engines and commonly gives rise to misunderstandings about the initiative;

h) Collaboration. There should be a clearer focus within CoST on collaborating with related initiatives, including Open Contracting, Open Governance, Open Data and the Clean Construction System. CoST can provide valuable sectoral expertise and tools needed to ensure that any such related initiatives are

relevant and effective when applied to the construction sector. At times CoST may find itself reining in excessive demands for transparency in order to ensure that clear commercial incentives remain for competition and innovation;

i) MSGs. CoST should recognise and build on the valuable experience of building trust through multi-stakeholder working (MSW). Gaining confidence in the completeness and accuracy of disclosed data, and appropriate use of that data, can be achieved in many ways, not all of which require an active MSG;

j) Assurance. CoST should clarify that the role of Assurance is to periodically assess the accuracy, completeness and potential implications of disclosed data, while recommending improvements in related procedures. The reports should be made public, and there should be no lingering sense of (what is now intended by CoST to be routine) disclosure being dependent on a prior Assurance function. Assurance should be limited to the objective presentation of facts, and never cross the line into investigation;

k) Monitoring and Evaluation. CoST M&E should focus more on outcomes rather than processes. The monitoring of activities should continually seek to answer the question "is this activity being conducted in the manner that is most likely to contribute to the intended outcomes?" There should be a greater focus on the genuine achievements of CoST, on case studies and on lessons learned. This will emerge from the revisiting of the Theory of Change;

l) External Oversight. Academic institutions should be encouraged to monitor and review data disclosed under CoST, thereby serving as an additional layer of accountability for the whole process; and

m) Funding. CoST should recognise that needs vary between countries, but actively discourage aid dependency, and actively encourage charitable (and eventually industry, once the related benefits can be demonstrated) contributions to the funding of related support activities. Once the transition to a revised delivery model has been achieved, the bulk of funding in support of CoST would not need to be centrally managed, and could come from a wide range of sources with an interest in using CoST tools and resources in support of their own objectives.

In the remainder of this section details of recommendations emerging for each of the thematic areas discussed earlier are provided.

7.3   Vision

Broadly speaking, the SR team believe that the overall vision should remain much the same as at present, though some work still needs to be done to reach a definitive statement of the vision. The review team has encountered several versions of the CoST vision; for example:

- Better value from public infrastructure investments by increasing transparency and accountability (CoST factsheet)
- CoST promotes transparency by disclosing data from public infrastructure investment (CoST website)
- to enhance transparency through the disclosure of basic project information to the public at key points of the project cycle (CoST Design Document, 2012)

It has been noted earlier in this document that misconceptions should also be identified and rooted out. The SR team think that there could be a shift away from the concept of a 'CoST country' to one with multiple and different points of access, focusing on spreading the CoST principles more widely. A vastly

increased level of uptake of CoST-approved standards of construction transparency would, if the Theory of Change is correct, result in a measurable improvement in the governance landscape.

The SR team believes that a statement similar to the following might adequately describe the vision and might begin to encapsulate a new focus for CoST:

Improved access to information about infrastructure planning and procurement that informs and empowers stakeholders, enabling them to hold decision makers to account (adapted from ToR).

CoST's success should not be limited to: how many 'CoST countries' are there; but how far has CoST's influence reached, across the broader landscape of construction and infrastructure transparency. This influence could be achieved as much by contributing to, participating in, and supporting other initiatives, as by rolling out its own approach.

For every major (or minor come to that) publicly financed infrastructure development project, what should be of interest to CoST is not, is this a CoST country?; but instead:

- How well are the CoST principles being followed? (Or more precisely, principles compatible with those that CoST promotes)
- How transparent is the strategic, planning and project development and design process?
- How open is the procurement, what avenues are there for affected groups to obtain information and voice concern?
- Is there assistance available in how to compile and submit formal challenges?
- Can these groups then cause plans to be reconsidered (or indeed scrapped) where appropriate?
- How open, accountable and fair has the procurement and contracting process been?
- What is the quality of the construction?
- To what extent have contract terms been adhered to (time, cost, quality etc.)?

CoST should focus on developing high standards of transparency in the construction sector and developing and making available resources that can be accessed widely. CoST will also, in time, wish to assess the institutional mechanisms that are in place which promote transparency (and pave the way towards accountability). The ultimate goal remains better quality infrastructure offering value for money. CoST's contribution toward that can be recognised and measured. Time should be spent on fine-tuning the processes, but responsibility for implementing them should move to countries (and national-level institutions). CoST can monitor situations against a set of principles valid across all countries.

CoST is of course ideally positioned to support reformers and facilitate the provision of technical assistance to any country that requests it, whether funded by their own governments, through non-governmental sources, or with development partner assistance.

Agreement needs to be reached on where CoST's responsibilities should lie; and CoST's vision should reflect this. It is important that CoST's deliverables can be measured. Part of the confusion to date has arisen due to less than precise definition of its objectives.

7.4   Delivery Model

CoST should aspire to becoming a global authority on construction transparency standards by defining global indicators that are professionally peer reviewed, respected and accepted. CoST should focus on promulgating these standards and advocating for their widest possible use at the international level.

CoST resources could also then focus on the assessment of country compliance against these indicators and promoting the wide dissemination of methodologies - toolkits, templates, manuals - that all those involved in public sector infrastructure procurement can apply, easily and consistently.

CoST should facilitate technical assistance and capacity building support to those countries (or entities) that request it; co-ordinating with the institutions funding such assistance. CoST resources would cover a range of forms (from standards, guidance notes, training modules and access to technical assistance).

The elements of the delivery model:

The SR team propose that the same basic CoST 'product' is made available (shown in Figure 12 overleaf), but can be accessed via a greater number of routes than at present (Figure 13, following page). CoST will need to need to place a greater focus on the standards, procedures and guidance materials, to ensure that they are widely peer reviewed amongst fellow construction sector and contracting professionals. A large body of resources needs to be built up. Wide and effective knowledge sharing will underpin the process.

The main change proposed would be a move away from the 'CoST Country model' with its focus on 'process' to one of developing resources, toolkits, methodologies, knowledge sharing etc. and facilitating the spread and uptake of the CoST principles. CoST would be available to provide technical support, but perhaps more importantly would invest in training others who would be able to provide that support, applying the principles.

Figure 12 - New approach to CoST intervention
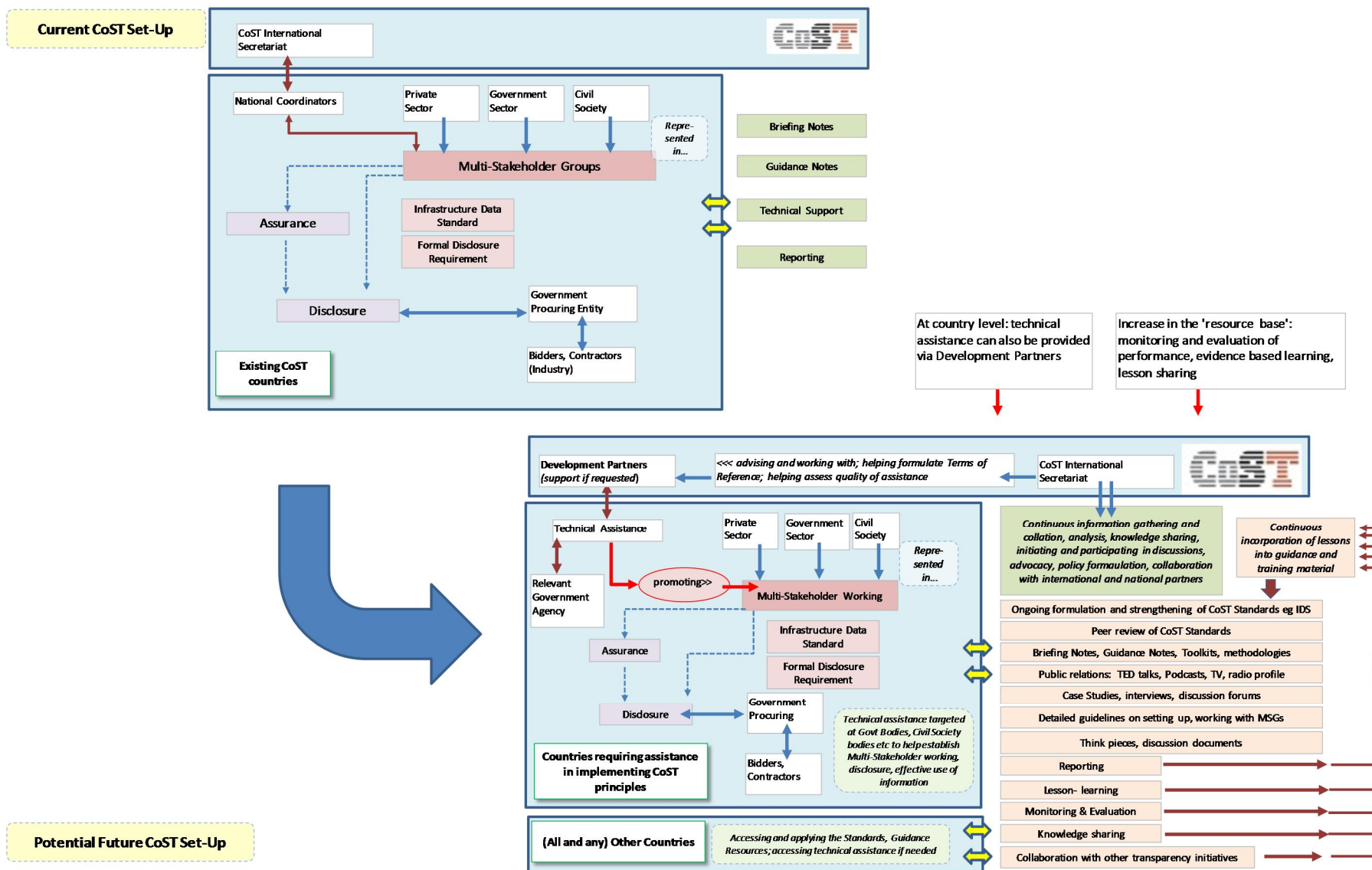
The review team believes that CoST's resources should be made available to as wide a public as possible. As the diagram below illustrates –consider different hypothetical country profiles, A – H (looking at different aspects of involvement in CoST: interested in / aware of the CoST programme?; compliant with CoST's well defined standards or internationally recognised similar standards (whether published at national or international level); and interest in improving the level of compliance with those standards (CoST or otherwise).
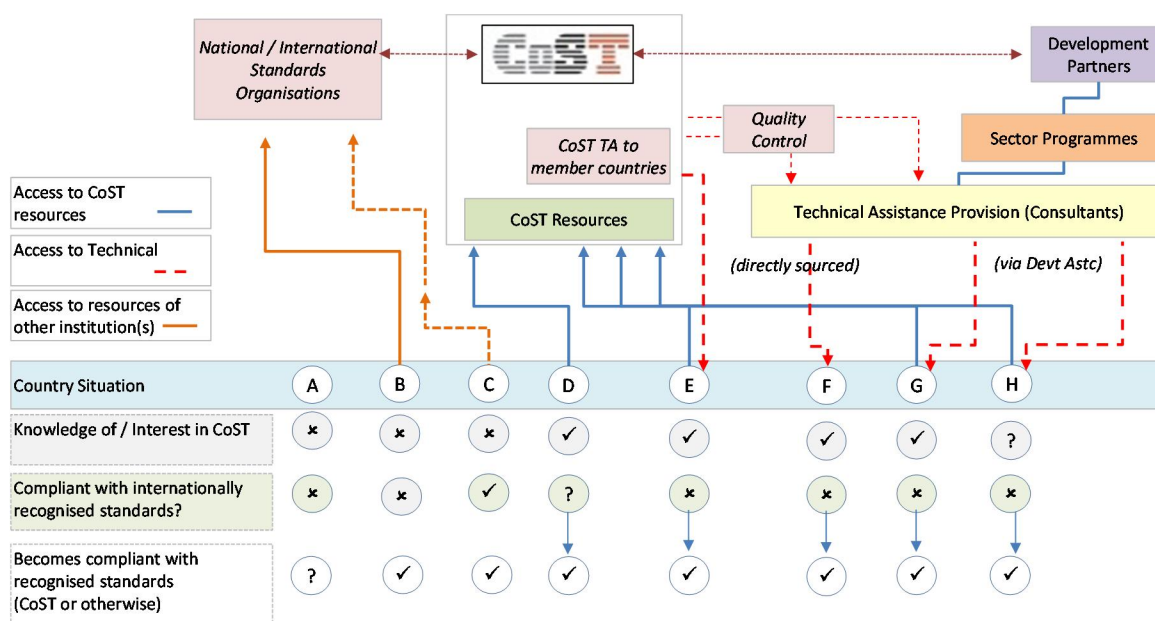
Figure 13 - Potential Alternative ways of accessing CoST resources

Country type A has no knowledge of/ particular interest in CoST and is non-compliant. Over time, CoST would wish to reduce the number of countries in this category via good communications.

Country type B has no knowledge of/ particular interest in CoST. It is not compliant but takes the decision to implement appropriate national or internationally recognised standards and thus becomes compliant.

Country type C has no knowledge of/ particular interest in CoST and is compliant. There is little for CoST to do in this case, but CoST itself could make use of knowledge sharing and lesson learning opportunities from the country.

Country type D knows of CoST and adopts resources from publicly available information from CoST. It becomes CoST-compliant following implementation of the advice (through its own efforts).

Country type E is familiar with CoST and _accesses CoST resources_. It becomes CoST-compliant throughout the implementation of the interventions and advice recommended. This is the scenario that reflects the current CoST program. It is very similar to F below.

Country type F is familiar with CoST, a_ccesses CoST resources but also commissions some Technical Assistance from CoST but via local funding_. It becomes CoST compliant throughout the course of the Technical Assistance and implementation of the interventions and advice recommended.

Country type G is familiar with CoST, a_ccesses CoST resources but also commissions some Technical_

Assistance from CoST via Donor support. It becomes-CoST compliant throughout the course of the Technical Assistance and implementation of the interventions and advice recommended.

Country type H may or may not be aware of CoST (and is not yet compliant). Development partners encourage uptake of CoST principles as part of a wider Development assistance programme (e.g. PFM, Governance, Infrastructure development etc.) It becomes CoST-compliant through the use of Technical Assistance and implementation of the interventions and advice recommended.

The delivery model will still have at its heart: disclosure, the infrastructure data standard, assurance and multi sector working. A key difference with the current model is that MSW can take several forms. The current CoST country model has promoted the establishment of formal MSGs. This may be helpful in many developing country environments, but is not necessary in all country situations. Some countries may already have functioning multi-stakeholder working setups; others may create ad hoc MSGs for a specific purpose, even project. What is important is that disclosure take place, and the general public know how to access and act on, the information thus generated (and to be able to assure themselves - perhaps via a formal assurance process - that it does indeed provide the information required).

The review team is not proposing a rating system; but CoST would probably wish to undertake some periodic assessment of the scale and degree of uptake of, or conformity with, CoST (or CoST-equivalent) principles by all countries, in order to help generate a picture of the overall coverage and 'footprint' of the CoST principles.

7.5   Organisation and Management (including Governance)

CoST's management structure must reflect the role that is agreed for it to carry out. The IntSec's role is primarily to act as Secretariat to the Board. Non-core functions should be assigned to specialist departments (of the CoST institution), reporting to a chief executive. Where possible, actual delivery of functions should be outsourced as shown in Figure 14. Please note that the review team is not recommending any major change in the organisation as the core functions are already covered. It is proposed that that specialist teams be developed over time, to allow the expanded responsibilities to be met. This will result in a small rise in staffing levels as new posts are filled.
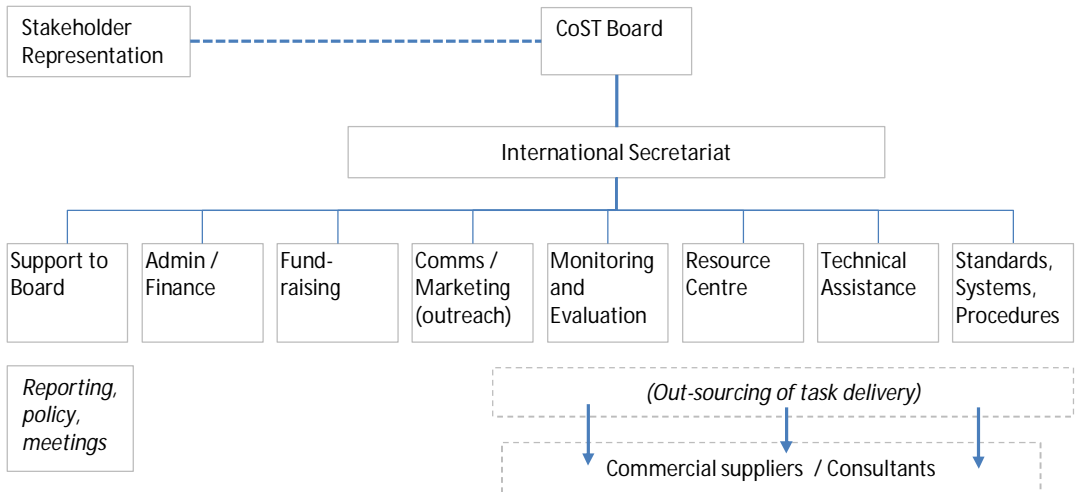
Figure 14 - Organisation and Management of a future CoST

Governance

The CoST Board should adequately represent its four main stakeholder groups (government, private sector, civil society and donors). It should also reflect the broader population (e.g. in terms of country types) that it represents. At present, the Board is comprised of approximately six members drawn from the above four groups. The numbers have fluctuated (between five and eight members) over the four years (2011-2015) for which Board Minutes have been posted on the CoST website. A feature of the Board practice mentioned during the June SRAP meeting was that meetings were often open to invitees. It is interesting to look at a breakdown of people who attended the 17 meetings between September 2011 and December 2015.
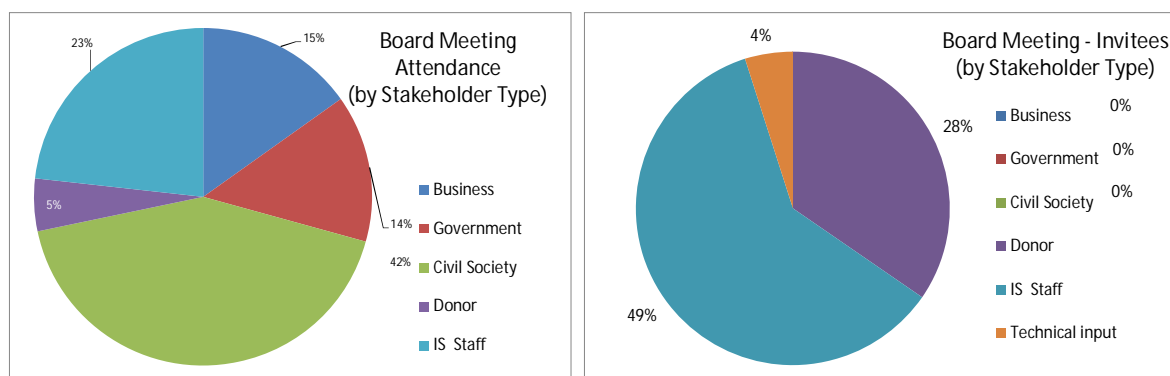
Source: Consultant. Compiled from Minutes of Board Meetings #1 to #17 (Sept 2011 to Dec 2015). CoST website.

Figure 15 - Attendance at CoST Board Meetings

One of the findings from interviews and the survey was that the private sector did not feel that CoST was making progress in levelling the playing field (i.e. making it more attractive to bid for public sector contracts: one of the main expected outcomes of a successful CoST). The private sector has a representative on the Board, but has had little other participation in Board Meetings.

The review team suggests a three-year term of office, which could be extended once per member. Changing the membership periodically will ensure exposure to fresh ideas. Staggering any changes in appointments to the Board would ensure a level of continuity and institutional memory.

The issue of whether CoST needs a delegate assembly was aired during the pilot phase of CoST and has been considered by the review team. This is not felt to be a priority at this stage. Issues of whether an assembly is necessary, and related issues, can be considered at a later date.

7.6   Multi Stakeholder Working

Multi-stakeholder working (MSW) has always been a key feature of CoST, and a reformed CoST would continue to support this approach. MSW can manifest itself in different ways. CoST has traditionally supported the formation of formal MSGs. Less formal or even *ad hoc* MSW arrangements are also possible, and may be appropriate in many cases. The review team believe that CoST should support the creation of formal structures where these are desired, and appropriate. The team also recognises that in many cases *ad*

hoc activism is possible, where members of the public (or organisations, pressure groups etc.) either singly or in groups can challenge specific public sector procurement (or project or planning) decisions. The key element is of course, *disclosure.* If the information is out there, the public can challenge the agencies driving the various initiatives. In many environments, it is not MSW that is missing, but *information.* The review team believe CoST's main role is to help put in place the systems (and in the long term encourage a culture) that make public access to information possible and desirable. CoST's ability to directly increase levels of accountability is of course extremely limited, though it continues to contribute towards that objective.

CoST should promote multi-stakeholder 'working' rather than formalised Multi-Stakeholder 'Groups'. It should support the concept and its purpose rather than the institution or organisation. The approach can apply equally to a country, a sub-national province or state, or a Procuring Entity.

CoST's valuable function in helping to establish, nurture and support multi-stakeholder structures can and should continue; but could also be by means of technical assistance requested from within the recipient country. Funding for such assistance could be via governments themselves, charitable foundations, donors or even commercial corporations.

CoST's effort should in time, move to a focus on assessing countries' compliance with CoST standards, rather than on taking the lead role in driving progress in a country.

Figure 13 above showed various hypothetical scenarios for how CoST assistance could be accessed in future. Assistance could be given to help a country (or region, or procuring entity) to establish a formal MSG. Those requesting, or receiving, the assistance might also be more interested in setting up a less formal MS arrangement. Depending on the nature of the larger development assistance programme being implemented (e.g. PFM, Governance, infrastructure development), technical assistance could be targeted at Government agencies, civil society organisations, or even private sector contracting organisations.

CoST would work closely with development partners to formulate appropriate technical assistance packages. Though it is not foreseen that CoST staff directly implement the assistance CoST could help draft terms of reference, ensure that the quality of the advisory services does meet CoST standards etc. It is important that the CoST brand, its DNA, not be diluted.

7.7   Disclosure

The principle of disclosure will continue to be at the heart of CoST. Disclosure is not an end in itself, but helps shine a light on the strengths and weaknesses of construction procurement. As at present, when CoST first becomes involved in a country, a study must be done to ensure that the IDS does not replicate or clash with existing (formal) disclosure mechanisms. CoST should assess how far countries have gone in putting into place (and implementing) robust disclosure systems and procedures in the form of Formal Disclosure Requirements. CoST can provide support and guidance on institutionalising disclosure – making disclosure the norm and not the exception. It is important that CoST ensure that disclosure be considered a separate activity to assurance.

CoST can provide technical assistance to support the disclosure of meaningful information – disclosed data presented in a clear and compelling manner. A CoST programme can offer a useful vehicle through which MIS and data recording can be greatly strengthened.

7.8   Assurance

Assurance will continue to be one of the key areas of the CoST 'package'. In theory, the assurance function is driven by the MSGs, but in practice, in many cases, the impetus for much of the assurance work is through the National Coordinators (NCs). The NCs are often using CoST resources to contract consultants to undertake the assurance work.   This does at least mean the assurance function gets undertaken, and experience is gained, but this is not a sustainable model. The longer term aim is to institutionalise the process of assurance (as well as disclosure). CoST will need to explore all possible alternative sources of financing of this work - be it through donor funds, charitable foundations, government budget lines.

The CoST approach to Assurance should periodically be reviewed to ensure that it meets professional peer review standards.   Whatever standards CoST advocates must be supported by leading international experts. All major countries should recognise, respect and themselves endeavour to adhere to the standards promoted by CoST. Adoption of CoST standards as part of an international standard, such as ISO 10845[45], would be particularly welcome.   The standards must be flexible enough to be widely applicable, yet specific enough to be relevant.

7.9   Membership

As explained, the key option proposed by the review team is to consider the reduction of reliance on membership in its current form. Under the delivery model being proposed, countries would no longer be obliged to 'join' CoST (though still could), but would be associated with it if they make a formal approach - accessing resources, requesting technical assistance, engaging in discussions, knowledge sharing etc. Countries would not need to be 'members' to be assessed or indeed to receive support. That said, there probably does need to be some sort of commitment to a set of principles in order to receive technical assistance. Countries can apply for technical assistance if required as explained under the previous headings.

Countries that actively support the aims of CoST - whether financially or otherwise - can be recognised as a 'funder' or 'supporter' for example.

A key change in the currently model would be a greater focus on CoST's involvement in initiatives being led by other institutions. CoST has already formalised its association with the OCP. We believe there is great scope for partnering with Standards organisations. Being part of the process of formulating standards would lend CoST great credibility, and it could reflect such associations in its literature. CoST also needs to

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[45] International Standard for Construction Procurement

establish a far higher profile and stronger partnership with development partners. A path for this was described in the 2014 See: Research and Planning report .

The SR team propose a transition plan to cover the transition process. Existing CoST countries would be re-classified as candidates for technical assistance (with funding attached), so that any ongoing programmes would continue as at present.   The NCs and MSGs would be able to play a very important role in establishing the new arrangements. The existing countries - and particularly the individuals most closely involved in the process - will be the source of a wealth of practical experience, case studies etc. and should work closely with CoST to build up the knowledge base. Non-CoST countries would of course, also be able to request technical assistance if they wish to follow the CoST principles.

7.10 Communications

Firstly CoST must reach agreement on what its message is. As explained in 7.3 and 7.4, CoST must be clear about what it is trying to achieve and therefore with whom it seeks to communicate.

The CoST communications strategy must convey deliberate messages through the most suitable media to the designated stakeholders or audiences at the appropriate time to contribute to and achieve the desired long-term effect.

CoST must design a communications strategy that aims to:

- communicate the CoST Standard and related services[46] in a way that satisfies the long term strategic goal of the organisation;
- facilitate advanced planning and the coordination of actions and activities;
- regulate consistent information activity within the CoST organisation and between the CoST stakeholders;
- facilitate the realisation of information flow (between demand and supply side);
- promote the CoST 'brand' in a long-term horizon; and
- build an evidence base of CoST achievements and inform thought leadership activities.

Communications will form a major component of the proposed new CoST arrangements. Substantial resources will have to be dedicated to this activity. Building up a comprehensive data bank and developing the means of communicating the message: briefing notes, guidelines, think-pieces, interviews with radio and TV, newspaper campaigns; reporting of civil actions taken; headlining CoST's successes (and learning from its failures); details of civil actions; civil society campaigns; well researched and written up case studies, illustrating aspects of the CoST experience; policy documents, discussion papers; even web-based video or audio talks illustrating aspects of CoST - how to overcome difficult situations, from various country perspectives etc.

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[46] Services to promote and disseminate: standards, advocacy, networking, resources, accessible toolkits, usable methodologies, source materials, success stories, knowledge sharing - issues, challenges, ongoing debates; reach out to a broader audience; think pieces, campaigns, tie ins with parallel / complementary initiatives.

7.11 Financing

Historically, the financing of CoST has been a little ad hoc, which has made long term planning difficult. This review is at least in part, intended to help set out a long term vision that would potentially help attract additional external funding (reducing reliance on one source). In the short to medium term, it is understood that DFID will continue to finance CoST (current funding is set to run until 2020). This funding would be able to finance the transition stage (as well as the ongoing CoST programme) assuming the recommendations of this report are to be implemented. A basket funding approach, involving funding from a combination of, e.g., donors, governments, charitable foundations, corporations, even individuals, would provide additional predictability and security.

Whatever funding model is used, CoST must ensure that complete transparency is exercised in this area – via web sites and annual reports. CoST's funding policy must be clearly articulated and published, including all contributions from individuals above a certain ceiling.

CoST, at the international level, might have a discretionary fund available to provide TA in certain circumstances, but more generally, the SR team feel that financing of technical assistance activities would more usefully be linked to ongoing bi-or multi-lateral development programmes; under the funding institutions' infrastructure, governance, public financial management or other sector programmes.

CoST needs to embark on an ambitious programme of engagement with bi- and multi-lateral funding agencies and development partners (as part of its communications strategy). This is likely to involve a great deal of 'walking the corridors'. CoST senior management also need to tap into existing networks of contacts to gain access with policy formers and decision makers at an appropriate level. CoST needs to spread information about the work it is undertaking and what benefits application of the CoST standard and principles can offer if packaged together with ongoing sector programmes (related to for example, governance, public sector financial management or reform, as well as more mainstream infrastructure development projects which also promote greater transparency and better governance within the sector).

7.12 Monitoring and Evaluation

CoST must design high-level indicators that reliably represent what CoST is seeking to achieve - clearly understood aims and objectives and indicators that clearly reflect these. Once the future path has been agreed, a set of appropriate indicators can be identified. Outcomes at purpose and goal level cannot easily be attributed solely to CoST, so must be treated with caution. CoST serves as a catalyst for change, and many of its achievements can be assessed anecdotally. While CoST's contribution to greater objectives can be recognised, it is important not to make unrealistic claims of attribution.

CoST must be clear about what will be measured (what, how, when) and distinguish between monitoring of activities and impact evaluation.

These indicators must clearly tie in with evidence to ongoing programme development: learning, evidence, and proof of application.

7.13 Strategic alliances

CoST has agreed a strategic partnership as the 'infrastructure extension' of OCP (as at April 2016). Opportunities for engagement with other organisations active in the transparency and governance 'space' should also be looked at. There is much to be gained in drawing from the experience of others; and in turn providing its insights to other organisations. It is clear from the survey responses and interviews that the unique insights CoST can provide in its particular niche area are valued. There is a lot of support for what CoST is trying to do and what it can achieve in future. The OCP-CoST and OCP-OGP alliances provide useful examples.

7.14 Making use of the data generated.

As more data is gathered on construction procurement and delivery in an ever-growing number of countries, and entities within those countries, an invaluable resource can be built up. As this data is made public, in a user-friendly way, an increasing number of people (from many walks of life) will be able to access it, analyse it, and discover new ways of using the information thus gleaned. Over time, new trends will become apparent (or can be found). CoST (and other organisations) will potentially benefit from the analysis and research that may emerge from third parties - perhaps raising new issues to be looked at; challenging certain assumptions and in turn developing new tools to further improve transparency and accountability in infrastructure sectors, across an ever expanding landscape.

CoST will have to invest in more robust data handling and management processes as it moves forward. The standard of collection, storage and processing at present would not be suitable for any larger operation. A systematic approach is needed (involving setting up a database, to allow swift interrogation and analysis of data). CoST's recent alliance with OCP should pave the way for mutually beneficial data sharing and processing opportunities.

The next section contains an outline draft Action Plan for rolling out the proposed changes.

8   AN ACTION PLAN

8.1   Next Steps:

This section sets out the possible steps involved in a transition from the present situation to one in which the recommendations described in this report have been implemented.   Clearly the plan is subject to an infinite number of external factors along the way, not least future management decisions to adjust the direction of travel. It is hoped that this section will help set out a blueprint to follow.   Risks and assumptions are stated.

The key decision points in the process are presented below.

Steps	Date
Board Discussion of Strategic Review Recommendations	August/September 2016
Board Approval of Recommendations	September/October 2016
DFID Approval of Recommendations	TBC (assumed during 2016)
Implementation of Action Plan Commences	Late 2016 /early2017

The first main decision point will be the approval (or otherwise) of the recommendations by the CoST Board. It is expected that the Board will meet shortly after submission of the Final Report to discuss the recommendations and agree on the next steps to be followed. The second main decision point will be the approval (or otherwise) by DFID.   Some of the recommendations need to be initiated as soon as possible. Others will be implemented in a phased manner (and may be adjusted to reflect changes in the operating environment, or other factors).

8.2   Outline Action Plan:

[overleaf]

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Item	2016		2017	2018	2019	2020
	Q3	Q4				
Current Model						
Membership - current model						
Financing						
Current						
DFID (ongoing)						
Netherlands Government						
Programme Review (Strategic Review)						
Mid term review (progress to date)						
Final decision on future funding						
New Measures						
New sources of Financing						
Funding for core CoST activities - IntSec & limited country support						
Bilaterals, multilaterals						
Funding of Technical Assistance programmes (applying CoST principles via technical Assistance packages)						
Note that major part of funding will be spent on contracted out activities. The point is more that CoST's influence will be felt as programme rolled out						
Develop package of measures that will be rolled out:						
Guidance notes						
Technical assistance interventions targeted specifically at:						
Multi-stakeholder groups						
Procuring Entities						
Civil Society						
Or as part of larger sector programmes; eg:						
Governance						
Public Financial Management						
infrastructure development etc.						
Resource Base						
To develop:						
Standards- working with representatives of other institutions						
Lesson learning, case studies etc.						
Theory of Change						
Participate in workshop and improve Th of Change						
Roll out of new theory of change						
Revisit the process periodically						
Technical Assistance model						
Develop resources needed (see above)						
Liaise with Development partner organisations (see above) Liaison in initial objectives and format of TA.						
(e.g. focusing on MSGs, PEs or Civil Society; and how assistance is packaged - standalone or component of broader sector programme.						
Suitably qualified members of the CoST Core team (or well-regarded consultants) can act as adviser to the respective Banks - to ensure TOR well written; and on quality of the consultants .						
Membership:						
Slow down of new membership as TA rolled out						
NCs and certain MSG members could have role as Pioneers in the new arrangements						

Figure 16 Action Plan

Item	2016 Q3	2016 Q4	2017	2018	2019	2020
Language: A key element of 'the message'						
Following Theory of Change conference, work on wording of key CoST documents - e.g. IDS, FDR, Assurance report templates etc.		▬				
Ensure that all reciepients understand the meaning			▬			
Translation into all 'CoST country' languages			▬			
Translation into selection of major languages (e.g. Chinese (Mandarin), Hindi, French, Spanish, Portuguese, Russian, Arabic			▬			
Monitoring and Evaluation System / Plan						
Revision of existing plan currently underway	▬					
To finalise and issue (in conjunction with new Th of Ch)			▬▬▬			
M&E of Cost Programme			▬▬▬▬▬▬▬▬▬▬▬▬▬▬▬			
M&E of National level programmes			▬▬▬▬▬▬▬▬▬▬▬▬▬▬▬			
Developing collection of case studies, lessons learned			▬▬▬			
Knowledge base, Evidence base			▬▬▬			
Guidance notes, how to notes, news bulletins etc			▬▬▬			
Continue the process moving forward				┄┄┄┄┄┄┄┄┄┄┄		
Develop robust system of metrics for key activities			▬▬▬			
Communication Plan						
To develop - to reflect new expanded delivery model			▬▬▬			
Internally						
To develop to reflect new objectives, systems, procedures, organisation structure etc.			▬▬▬			
External Comms plan						
To develop: to target all new markets			▬▬▬			
General public:						
Raise awareness of CoST news items, high profile cases etc.			▬▬▬			
Outreach / collaboration						
Need to collaborate on a regular and routine basis with:			▬▬▬▬▬▬▬▬▬▬▬▬▬▬			
Standards Institutions						
(initial contact once CoST has developed clear resource package)			▬▬▬			
Ongoing contact with standards institutions					┄┄┄┄┄┄┄	
Development Partners (once resource packs are complete)						
EIB			┄┄┄┄┄┄┄┄┄			
European Commission			┄┄┄┄┄┄┄┄			
EBRD			┄┄┄┄┄┄┄┄			
Asian Development Bank			▬┄┄┄┄┄┄┄			
World Bank			▬┄┄┄┄┄┄┄			
African Development Bank			▬┄┄┄┄┄┄┄			
Bilaterals (e.g. DFID, Danida, Sida, Norad etc. etc.)			▬┄┄┄┄┄┄┄			
Professional Associations			▬▬▬▬▬▬▬▬▬▬▬▬▬▬			
Institute of Civil Engineers (UK)			▬┄┄┄┄┄┄			
Association of Consulting Engineers			▬┄┄┄┄┄┄			
Others....			▬┄┄┄┄┄┄			
Organisational Structure			▬▬▬▬▬▬▬▬			
To develop to reflect new objectives, systems, procedures, organisation structure etc.						
Staffing						
To increase slowly - same rate as new responsibilities taken on			▬▬┄┄┄┄┄┄┄┄			
Disclosure						
Improve clarity of language so roles /responsibilities clear to all		▬▬▬				
Roll out as part of communications message						
Assurance						
Improve clarity of language so roles /responsibilities clear to all		▬▬▬				
Roll out as part of communications message						

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APPENDIX 1 – SURVEY APPROACH

Overview

In order to gather a sizable pool of primary data representing a broad range of perspectives, the team designed, tested, adjusted and launched a survey that was sent to respondents in many parts of the world.

The CoST International Secretariat provided a list of potential recipients to which the SR team added additional contacts. Various members of the SRAP also forwarded contacts to be added to the survey group. The SR team carried out a stakeholder analysis and categorised the collection of contacts to ensure a balanced representation from the main stakeholder groups: Government, Donor, Civil Society, and Private Sector.

The survey was initially designed in English but following a review of the stakeholders that were to be contacted, it was considered beneficial to translate the survey into Spanish. The translation was carried out by IMC, then reviewed by CoST National Coordinators and IntSec before it was sent to Spanish-speaking recipients.

Following an initial small-scale test, which led to minor adjustments, the survey was piloted by the SR team amongst the IntSec and the National Coordinators and volunteers from the UK Anti-Corruption Forum. Following further minor adjustments, the CoST IntSec alerted intended recipients before the survey was released on 18th March 2016 for the English version, and 13th April 2016 for the Spanish version. The survey closed at the end of May 2016.

The survey was sent to approximately 500 contacts. Approximately 200 responses were received, giving a response rate of 40%. Most completed it on-line, though a small number with internet connectivity issues made use of an alternative facility to complete and email an MS Word Form.

The SR team established a dedicated CoST Strategic Review email address to manage any queries that arose and respond to requests for the MS Word form of the survey. The survey was designed to gather views on the perceived effectiveness of CoST in its current state and glean opinions on possible future adjustments and improvements that could be made to CoST at the national and international level. Recipients were asked to state to what extent they agreed or disagreed with various statements and how important they considered various features of CoST. The survey comprised the following main sections:

- Respondent profiling
- Effectiveness or otherwise of CoST
- Importance of features at the national level
- Future adjustments at national level
- Importance of features at the international level
- Future adjustments at international level

Survey design approach

Key features of the survey approach:

1. The survey was designed to draw on the views not only of those already involved in CoST, but also those who are familiar with the CoST concept, but who have not as yet been directly involved in its implementation, whether through choice or other circumstance. To ensure so far as is possible that all responses were based on a common understanding of what CoST is, and is not, the survey:
    a) Included a brief description of CoST; and
    b) Included some questions designed to assess underlying perspectives that may influence related responses.
2. Respondents approached were be identified through:
    a) Existing CoST contact lists;
    b) Relevant stakeholder umbrella organisations for CoST stakeholder groups; and
    c) Other relevant networks.
3. To encourage a high response rate:
    a) Where possible respondents were alerted to the survey in advance through their own trusted networks or via CoST IntSec;
    b) The survey was straightforward to complete;
    c) The survey responses were fully anonymised (unless the respondent chose otherwise - in which case substantially anonymised);
    d) The Survey was translated into Spanish; and
    e) Targeted follow up reminders were issued to potential respondents where possible.
4. To facilitate subsequent analysis, the survey questions were:
    a) Structured in a consistent manner;
    b) Included a combination of closed (drop down menu) and open (free text) responses;
    c) Categorised the respondent in terms of their professional background, geographical areas of experience and familiarity with CoST; and
    d) Included a degree of redundancy to help identify any underlying communication or language issues.
5. To ensure that the effect of any methodological or technical shortcomings were minimised;
    a) Both the survey tools and the approach to data processing were tested on a pilot basis, and modified as necessary before full-scale use;
    b) Follow-up interviews were conducted with a sub-set of respondents. This not only generated a better understanding of the responses to survey questions but also provided an opportunity for supplementary questions to be considered; and
    c) Before full scale use, the survey design was reviewed and approved by the CoST IntSec.

Survey tools and data presentation

-   The survey instrument was initially prepared as a Form in MS WORD, capable of being completed either on a computer using drop-down menus, check boxes, or free text fields, or (*in extremis*) in hard copy. However, the primary survey instrument was the online tool, Survey Monkey.
-   Whichever of the three survey instruments was used (emailed MS WORD file, emailed/faxed hard copy, or online via Survey Monkey) the resulting data sets were identical in terms of the structure and content of the data fields.

- Incoming data was logged and a code assigned that served both to protect anonymity and to ensure that subsequent entry and compilation of data entry was conducted in a robust manner, with procedures in place to minimise any risk of duplicated, omitted, or incorrectly processed entries.
- A single Excel database can be shared and analysed without risk of undermining the principle of anonymity of any individual responses.

Analysis and Reporting

- Initial analysis was based on the 'closed' data sets, using Excel Pivot Tables where appropriate;
- 'Open' data sets were then reviewed, and where necessary subdivided into categories to facilitate associated quantitative analysis and reporting;
- The resulting analysis was then used to identify key points of uncertainty to be resolved during the course of follow-up interviews. The nature of such interviews varied with circumstances, and included Skype, telephone, or face-to-face interviews;
- Key overall survey finding was subjected to a sensitivity analysis to determine the extent to which they reflect the views of all stakeholders, or are skewed in some way, either between stakeholder groups, or between those who are currently involved and CoST and those who are not, or in some other significant manner.

The survey results are presented in graphical format in Appendix 3.

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APPENDIX 2 – SURVEY QUESTIONNAIRE

This appendix contains the text of the survey questionnaire sent out to all potential respondents using the Survey Monkey application. A Spanish translation was sent to potential respondents in Central and South America. For those unable to answer online, a Word version was made available and the responses input to the dataset manually.

_____

Welcome and introduction

Thank you for agreeing to be part of this important survey. It should take about 20 to 30 minutes to complete. It is confidential, which means that your views will be taken into account, but your name or position will not be mentioned in any report.

The survey results will contribute to a Strategic Review of the Construction Sector Transparency initiative (CoST). This review is currently being undertaken by international consultant IMC Worldwide on behalf of the CoST Board.

Please aim to complete and submit the survey within 10 days of being invited to do so.

A description of CoST

The Construction Sector Transparency Initiative (CoST) works with governments, industry and local communities around the world to get better value from public infrastructure investments. By increasing transparency and accountability, CoST is a catalyst for reform contributing to improved efficiency and reduced mismanagement, corruption and the risks posed to the public from poor infrastructure.

Launched in 2012, CoST is a multi-stakeholder initiative that grew out of the lessons from a successful three-year pilot in eight countries. Now operating in 15 countries, CoST promotes transparency by disclosing data on public infrastructure investment. This helps to inform and empower citizens, enabling them to hold decision-makers to account. Informed citizens and responsive public institutions can combine to reduce mismanagement and inefficiency and create a business environment in which corruption is less likely to occur. Ultimately this leads to improved quality infrastructure and services, and better value for money.

In each CoST member country 'Multi-Stakeholder Groups' or 'MSGs' provide a neutral and constructive space for representatives from government, private sector and civil society to work together to achieve CoST's goals.

CoST provides support to national programmes. It also facilitates international exchange of experience and knowledge to improve transparency and accountability in public infrastructure globally.

Instructions for completing this survey

After carefully reading each question, and any related instructions, please respond by checking boxes, or selecting from the drop-down menu as appropriate. Please click on and select from every drop-down menu ([CLICK FOR MENU]), even if your response is 'Don't know' or 'not applicable'. In addition, where you have short comments to add, please add them as free text where you see a grey box ([grey]).

If you experience any problems in filling in the form, or require assistance, please do not hesitate to contact us on CoSTStrategicReview@gmail.com.

As an alternative to online completion, you may request that a form is sent to you by email, as an MS WORD file for you to complete and return by email.

Surveys completed using this offline option should be sent by email to: CoSTStrategicReview@gmail.com

Thank you, The CoST Strategic Review Team

Part A: You, and the organisation you work for.

The purpose of this section is to establish a general profile of you, and of the organisation that you work for or represent.

1. Is your organisation directly involved in the planning, procurement, design or delivery of public infrastructure?	Yes ☐	No ☐	Comment (if any)

2. Which of the following best describes your organisation?
(<u>tick one</u>, adding comment if necessary)

Government Ministry, department, agency	Client, or Procuring Entity ☐	Oversight body ☐	State-Owned company ☐	Other (add comment) ☐	Comment (if any)
Private sector/industry	Private Consultant ☐	Private Contractor ☐	Business Association ☐	Other (add comment) ☐	Comment (if any)
Civil Society	NGO or Charity ☐	Media ☐	Academia ☐	Other (add comment) ☐	Comment (if any)
Development Partners	Banks ☐	Donor ☐	Private Investor ☐	Other (add comment) ☐	Comment (if any)

3. Please tell us about your experience…

(select from drop-down menu, adding comment if necessary)

(We will include comment allowing respondents to select single country or regional experience

The Country (or Region) where most of your professional experience has been gained	The Country (or Region) where you currently work
click for menu	click for menu
Comment (if any)	Comment (if any)

4. Which of the following best describes the main focus of your organisation?
(tick one or more, if applicable. The focus referred to may relate to governance, service delivery, or technical considerations)

a. Transport infrastructure –road, rail, air, maritime, waterways etc.	☐
b. Water Supply – sanitation, solid waste etc.	☐
c. Buildings – schools, hospitals etc.	☐
d. Transparency, Accountability or Anti - Corruption	☐
e. Other or none of the above (please add comment)	☐
f. Further comments:	

Part B: Your general views on CoST
This section records your current awareness of and perceptions of CoST (i.e. your knowledge and experience of the initiative)

5.　　　Describe your personal awareness of CoST…

(tick all boxes that apply, then use the drop-down menu to respond to the final question in this set)

a.　I have some knowledge and personal experience of CoST	☐
b.　I have some knowledge, but have no personal experience of CoST	☐
c.　I don't know anything about CoST, other than what I have read in this survey	☐
d.　I am currently a member of a CoST Multi-Stakeholder Group.	☐
e.　I am a former member of a CoST Multi-Stakeholder Group	☐
f.　I have never been a member of a CoST Multi-Stakeholder Group	☐

6.　　　Have you visited the CoST website?

How many times have you visited any CoST website in the past year?	Click

7.　　　Tell us about your personal view about the effectiveness or otherwise of CoST

Read each of the statements below. *Then, based on your knowledge and experience, tick one box in each row to indicate the degree to which you agree or disagree with each statement. Use the text box at the end to add any comments.*	Disagree Strongly	Disagree	Agree	Agree Strongly	Do not know
a.　CoST is helping to build Trust and Understanding between government, the construction industry and civil society.	☐	☐	☐	☐	☐
b.　CoST is helping to improve Transparency in the delivery of public infrastructure.	☐	☐	☐	☐	☐
c.　CoST is helping to improve Accountability in the delivery of public infrastructure	☐	☐	☐	☐	☐
d.　CoST is helping to improve overall Value for Money for citizens/taxpayers in the delivery of public infrastructure	☐	☐	☐	☐	☐
e.　CoST is making it more attractive for private companies to become involved in government-financed infrastructure.	☐	☐	☐	☐	☐
f.　Comments (if any) on the effectiveness or otherwise of CoST in its current form:					

*Value for Money is considered here to constitute three elements: Efficiency; Economy; and Effectiveness.

Part C: What you value in the current CoST approach at the <u>national level</u>

CoST is an international initiative, with a representation from all around the world on the CoST Board. It is currently working directly in 15 countries. This section asks you to indicate your view as to which current characteristics of the initiative at the <u>national level</u> should ideally feature in a more ambitious future approach to CoST.

Where appropriate, please use the comment box to elaborate on your view about these characteristics. Use the comments box to suggest any additional such characteristics that you would like to see highlighted in future.

8. Importance in a future CoST at the national level ->	Not Important	Important	Very Important	Don't know
a. Civil Society Engagement *[Active Civil Society involvement in the Multi-Stakeholder Group]*	☐	☐	☐	☐
b. Industry Engagement *[Active Industry involvement in the Multi-Stakeholder Group]*	☐	☐	☐	☐
c. Government Engagement *[Active Government involvement in the Multi-Stakeholder Group]*	☐	☐	☐	☐
d. Direction by a Multi-Stakeholder Group *[Joint oversight of CoST by Government, Civil Society and Industry]*	☐	☐	☐	☐
e. Public disclosure of project data *[Both 'Proactive' and as a result of requests for additional information]*	☐	☐	☐	☐
f. Assurance teams producing reports *[Reviews of disclosed data and factual analysis of the quality of disclosure and potential implications of what is disclosed]*	☐	☐	☐	☐
g. Holding Procuring Entities to account *[CoST Assurance process reporting on apparent malpractice or inefficiency by client organisation]*	☐	☐	☐	☐
h. CoST Champion *[Influential and credible national figure promoting CoST approach]*	☐	☐	☐	☐
i. Institutionalisation of disclosure *[Disclosure occurs as a routine part of standard procedures, rather than from time to time on an ad hoc basis]*	☐	☐	☐	☐
j. Coordination with related initiatives *[CoST aligned with procurement reforms, Open Data, Open Contracting, e-procurement and related initiatives]*	☐	☐	☐	☐
k. Provide *further comments on which features you would like to see emphasised*				

Part D: What adjustments you would like to see to the current CoST approach at the <u>national level</u>

This section asks you to elaborate further your view on some aspects of a future more ambitious CoST at the <u>national level.</u>

By selecting a single box in each row, please express the degree to which you agree with each of the following statements. If you would like to add further comments to any of these responses, please do so using the comments form.					
9. Possible future adjustments under a more ambitious CoST at the <u>national level</u>	Disagree Strongly	Disagree	Agree	Agree Strongly	Do not know
a. There is no need to change the current approach, which is working well	☐	☐	☐	☐	☐
b. CoST principles should be applied more broadly - across entire infrastructure subsectors	☐	☐	☐	☐	☐
c. CoST should focus on developing more effective tools for the routine reporting of information about construction projects	☐	☐	☐	☐	☐
d. CoST should be more involved in building the capacity of those using the information that is disclosed	☐	☐	☐	☐	☐
e. In cases where high levels of transparency are being achieved, the role of the CoST MSG could become less important	☐	☐	☐	☐	☐
f. International financial support to a national CoST programme should be limited to a pilot phase	☐	☐	☐	☐	☐
g. Disclosure and Assurance functions of a national CoST programme should be paid for from the national budget	☐	☐	☐	☐	☐
h. National CoST programmes should seek a mix of funding from government, donors, industry, and charitable foundations	☐	☐	☐	☐	☐
i. Membership of MSGs should be term-limited, with new members appointed through an open and transparent process	☐	☐	☐	☐	☐
j. There should be more in-country communication about CoST activities and news at the national level	☐	☐	☐	☐	☐

Part E: What you value in the current CoST approach at the <u>international level</u>

CoST is currently governed by an International Board which meets regularly throughout the year. The Board is supported by a small International Secretariat, based in London. The Secretariat provides administrative and logistical support, and plays a coordinating role. It:

- *monitors overall CoST activity and performance;*
- *provides technical guidance and support to potential, new and existing member countries;*
- *delivers training programmes;*
- *hosts occasional CoST workshops for a wider public;*
- *develops and disseminates communication materials (e.g. briefing notes, guidance notes, CoST website); and*
- *participates in international conferences and other forums.*

This section asks you to indicate your view as to which current characteristics of the initiative at the <u>international level</u> should ideally feature in a more ambitious future approach to CoST.

Where appropriate, please use the comment box to elaborate on your view about these characteristics, and suggest any additional such characteristics that you would like to see highlighted in future.

10. Importance in a future CoST at the international level ->	Not Important	Important	Very Important	Don't know
a. Advocacy in the international arena *[Promoting adoption of globally accepted standards of transparency & accountability of public infrastructure provision]*	☐	☐	☐	☐
b. Support to National CoST Programmes *[Providing advice and training, drawing on experience gained and lessons from other national programmes]*	☐	☐	☐	☐
c. Technical Assistance (TA) to Procurement Entities *[Helping to build the capacity of PEs to ensure transparency at all stages of infrastructure provision]*	☐	☐	☐	☐
d. *An elected Board at the International Level* *[Ensuring that the views of Government, the Construction Industry and Civil Society are adequately represented through a General Assembly]*	☐	☐	☐	☐
e. *Coordination with related International initiatives* *[Ensuring that CoST is consistent with and supportive of complementary initiatives such as Open Data, Open Contracting, e-Procurement etc]*	☐	☐	☐	☐
f. *Definition and maintenance of CoST standards* *[Ensuring a broad consistency of approach under CoST]*	☐	☐	☐	☐
g. Strategic partnerships with development agencies *[Leveraging the influence of Development Agencies to build a sustainable platform for CoST at the national level]*	☐	☐	☐	☐
h. Promotion of local ownership of national programmes *[Encouraging local ownership of and adjustment to the details of CoST]*	☐	☐	☐	☐
i. Regional events and networking *[Organising international and regional events to enable CoST practitioners to meet and share experiences]*	☐	☐	☐	☐

Provide further comments on which current features of CoST you would like to see emphasised

Part F: How do you see the CoST initiative at the <u>international level</u> developing in future?

This section asks you to elaborate further your view on some aspects of a future more ambitious CoST.

11. Possible future adjustments under a more ambitious CoST at the <u>international level</u> *By selecting a single box in each row, please express the degree to which you agree with each of the following statements.*	Disagree Strongly	Disagree	Agree	Agree Strongly	Do not know
a. There is no need to change the current approach, which is working well.	☐	☐	☐	☐	☐
b. CoST should develop and promote standards of transparency and accountability that are accepted globally, including in OECD countries.	☐	☐	☐	☐	☐
c. CoST should be engaged in advocacy to promote good governance of public infrastructure provision.	☐	☐	☐	☐	☐
d. CoST should provide Technical Assistance to help national programmes achieve CoST standards of Disclosure.	☐	☐	☐	☐	☐
e. CoST should provide Technical Assistance to help national programmes achieve CoST standards of Assurance.	☐	☐	☐	☐	☐
f. CoST should provide Technical Assistance on Multi-stakeholder working.	☐	☐	☐	☐	☐
g. CoST should provide Technical Assistance to help national programmes build demand for disclosed data and assurance reports.	☐	☐	☐	☐	☐
h. CoST should be a Resource Centre, responding to requests from national programmes for advice or support.	☐	☐	☐	☐	☐
i. The international CoST website should publish statistical information on national-level disclosure and assurance activities.	☐	☐	☐	☐	☐
j. CoST's international role should be achieved through the establishment of a network of experts available on a call-down basis.	☐	☐	☐	☐	☐
k. There should be less international support under CoST once proven norms, and mature national programmes, are in place.	☐	☐	☐	☐	☐
l. A country should not need to be a 'member' of CoST in order to be able to receive CoST Technical Assistance.	☐	☐	☐	☐	☐
m. CoST 'membership' could potentially include countries, specific cities, or regions of a country.	☐	☐	☐	☐	☐
n. At the international level, CoST should be funded by grants from bilateral and/or multilateral donors	☐	☐	☐	☐	☐
o. At the international level, CoST should be funded, at least in part, by contributions or fees from 'members'.	☐	☐	☐	☐	☐
p. Development institutions should be encouraged to adopt CoST principles in their programmes.	☐	☐	☐	☐	☐
q. CoST should be a thought leader in transparency and accountability in public infrastructure investment.	☐	☐	☐	☐	☐

Provide further comments on future functions of a more ambitious CoST at the international level

_____

Follow-up interviews

The Strategic Review team intend to conduct follow-up structured interviews with a sample of survey respondents. If you are prepared in principle to participate in such an interview, please click here ☐ and provide an email address here   on which you can be contacted.

If you have colleagues with relevant experience who have told you that they would be prepared to participate in this survey, please provide their contact details here   .

APPENDIX 3 – SURVEY RESULTS
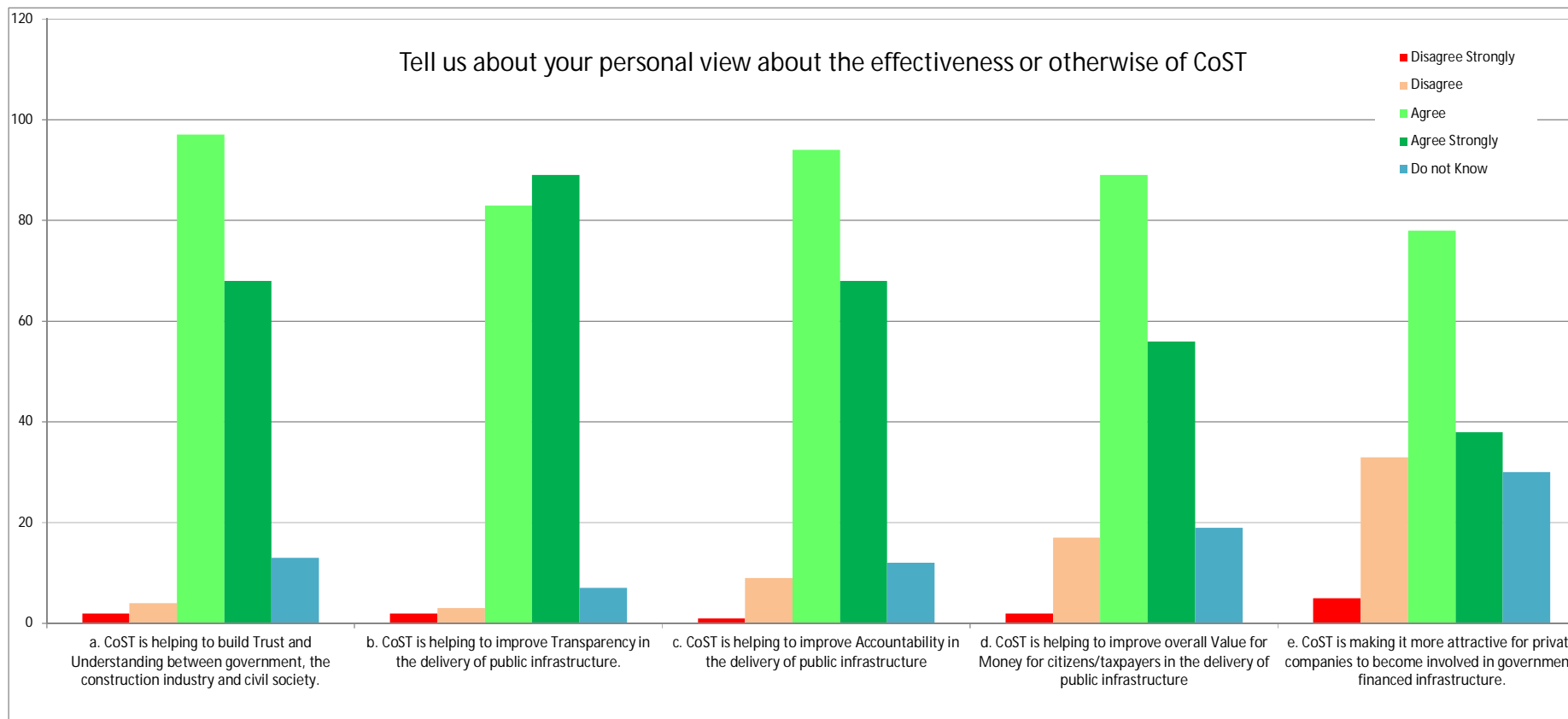
Figure 17 - Survey Qu. Effectiveness of CoST
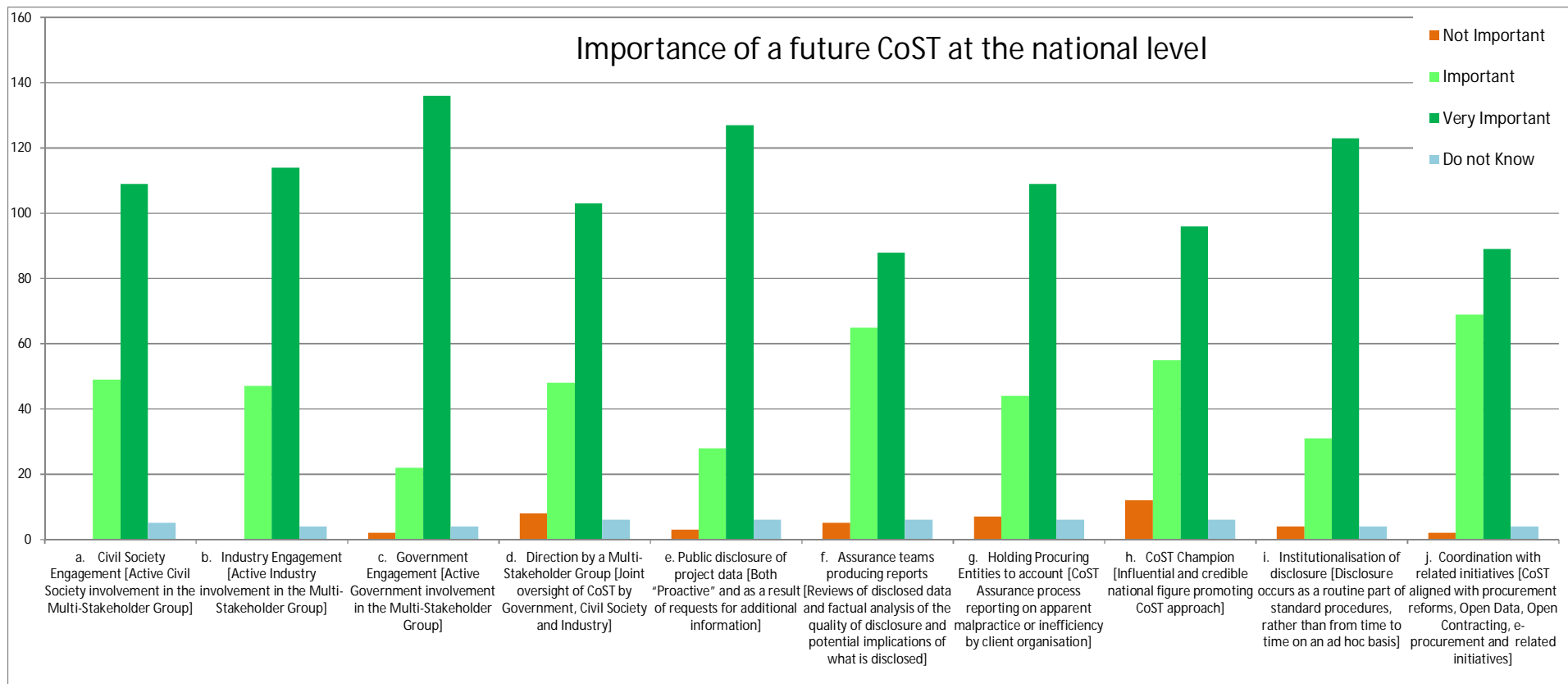
Figure 18 - Survey Qu. Importance of a future CoST at the national level
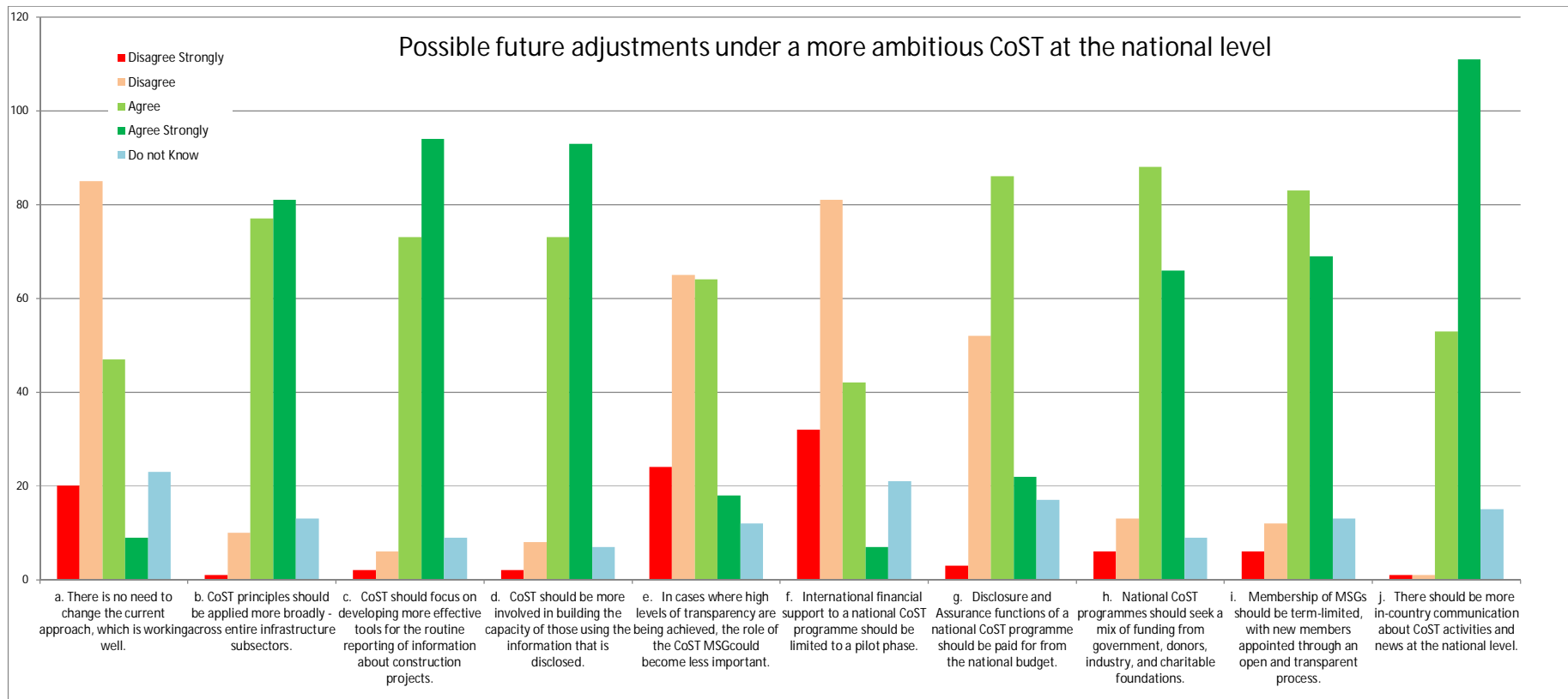
Figure 19 - Possible future adjustments under a more ambitious CoST at the National Level
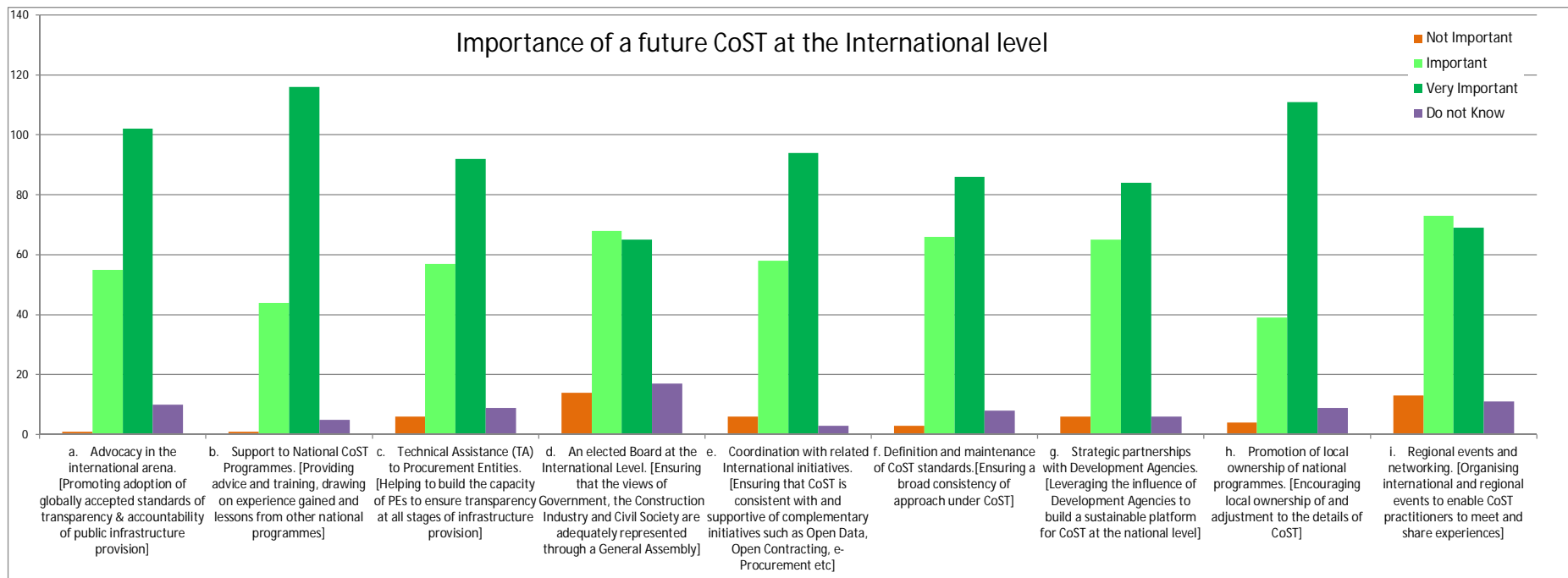
Figure 20 - Importance of a future Cost at the international level
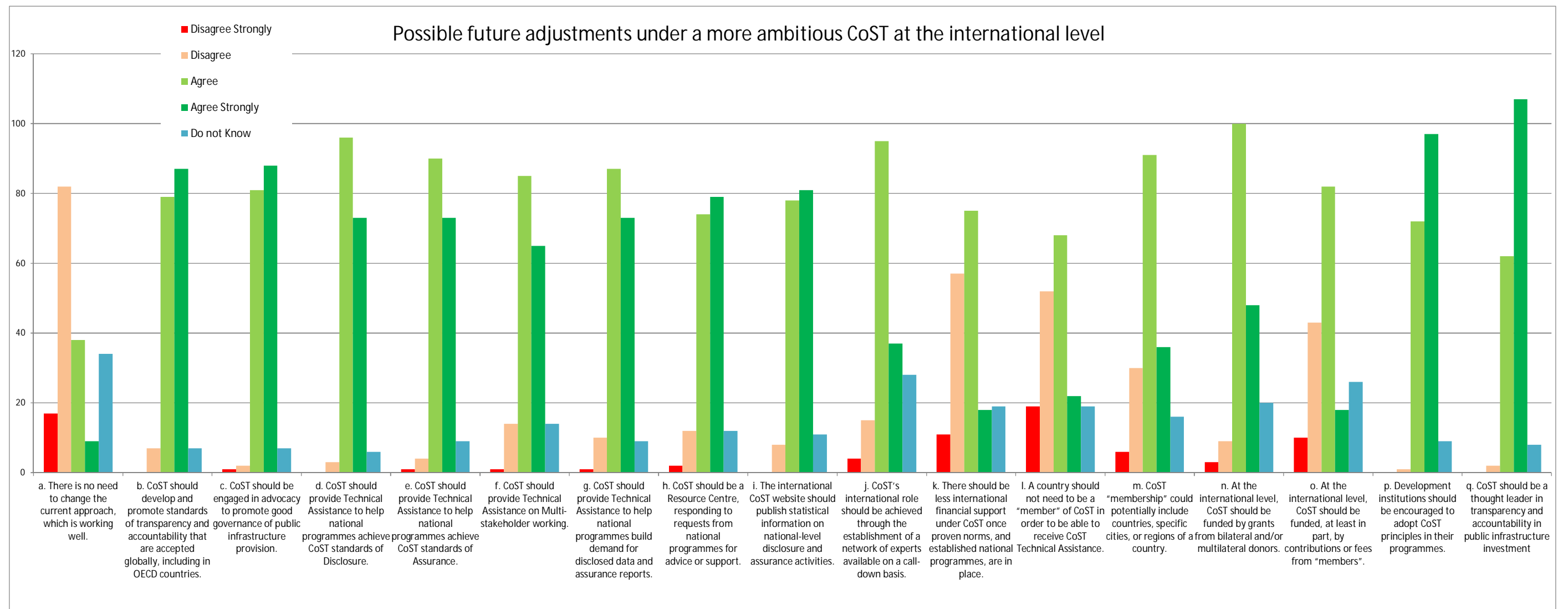
Figure 21 - Possible future adjustments under a more ambitious CoST at the international level

APPENDIX 4 – FINDINGS: TWO-PAGER SUMMARIES

Table 2 - Findings - Vision

	Vision	Definition used for this analysis:
		CoST's 'reason for being'. *The change it wishes to see.*

Summary of findings:
The interviews revealed a perception that CoST's vision is unclear, its demonstrable impact limited, and that it has been slow to learn from its mistakes.   Respondents are not sure whether CoST is primarily a development project (building capacity) or a global standard, with some suggesting that it has lost sight of its higher level objectives and become overly focused on, and prescriptive about, the practical details of implementation. The survey results demonstrated that respondents overwhelmingly agree that CoST is: helping to build trust and understanding between its stakeholders; helping to improve Transparency in the delivery of public infrastructure; helping to improve Accountability in the delivery of public infrastructure; and helping to improve overall Value for Money for citizens/taxpayers in the delivery of public infrastructure. However, a significant minority did not agree that CoST is yet making it more attractive for private companies to become involved in government-financed infrastructure. Despite the generally positive perceptions of CoST, a large majority agreed or strongly agreed that that there is a need for CoST to change. Some went so far as to suggest that a change in name is required, and a few suggested that it may be necessary to 'start again'.

Word Cloud from data collected:
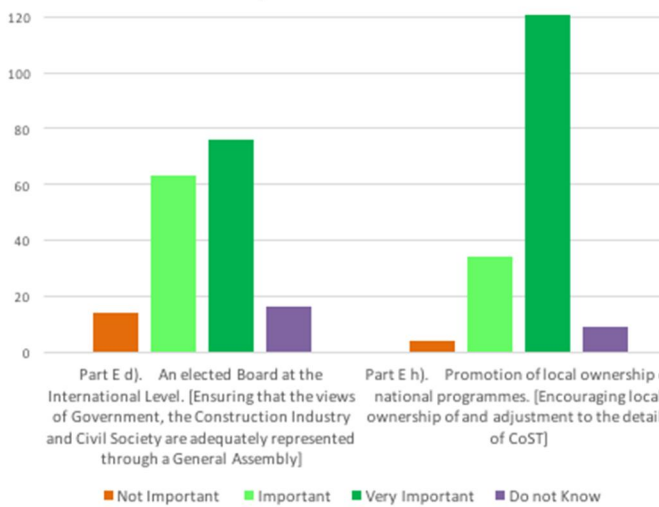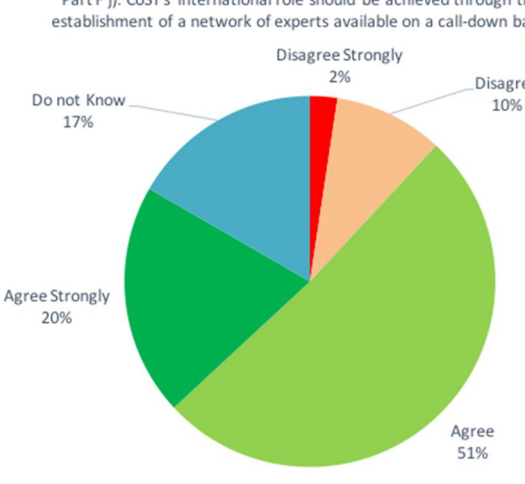
Figure 22 - Vision Word Cloud

Survey results:	Qu. Ref: Part B a) - e); Part D a); Part F a)

The results from Part B of the survey showed that the vast bulk of respondents 'agreed' or 'agreed strongly' that CoST is helping to:

a. Build Trust and Understanding between government, the construction industry and civil society;

b. Improve Transparency in the delivery of public infrastructure;

c. Improve Accountability in the delivery of public infrastructure; and

d. Improve overall Value for Money for citizens/taxpayers in the delivery of public infrastructure.

However, a significant minority of survey respondents, and a majority of interviewees, 'disagreed' with the statement that CoST is yet making it more attractive for private companies to become involved in [public] infrastructure.

The questions in Part D and Part F that refer to CoST 'working well' received a resounding, 'disagree' or 'strongly disagree'. Many respondents chose to select 'do not know'.

Related free text survey responses reflected varying degrees of confusion or concern about CoST, as follows:

- *"I do not see attractiveness for the private sector as a primary purpose."*
- *"CoST is a very misleading name"*
- *"CoST has excellent motives or objectives. But the way it tries to achieve its objectives is .. questionable."*
- *"CoST is having an impact in its countries of focus but it is limited because of a lack of awareness/belief of the potential economic benefits of CoST, obstructions and barriers to change in these countries, and a lack of high level in-country support and leadership for CoST."*
- *"A future International Secretariat should focus on advocacy, standards, and facilitating learning & innovation (e.g. through international and regional events)."*

SR interviews:

The interviews revealed a widespread perception that CoST's vision is not being clearly articulated and communicated. Respondents appear uncertain as to whether CoST is primarily a development project (building capacity) or a global standard. There was an acknowledgement that this lack of high level view inevitably had an impact on the interest or membership of CoST – "it is hard to sign up if not sure what for".

Some suggested that CoST is useful at national level, but needs to reach out far wider.

There was a marked lack of clarity over whether CoST is promoting a model (very processes-driven) or a set of principles. There was also a sense of a lack of strategic thinking behind CoST; that there is not enough clarity on who is the target audience, and how CoST's message can best be tailored for different audiences.

Various respondents also expressed the view, some very strongly, that CoST is not currently a thought leader, that it is a practical initiative without a clear underlying intellectual basis.

There were several comments referring to CoST's focus:

- *"Change the name! Hard to find on a web search"*
- *"CoST needs to focus on behavioural issues; rather than addressing the symptoms."*
- *"Focus on the underlying reasons for how and why people and institutions (companies and PEs) behave as they do."*
- *"CoST needs to think more strategically; less on political considerations (makes it very reactive and vulnerable to the ebb and flow)"*

Table 3 - Findings - Delivery Model

	Delivery Model	Definition used for this analysis: *The CoST approach to achieving the vision. Activities, tools and approaches that will facilitate this.*

Summary of findings:

There is a general sentiment that CoST is "*doing good things but is not well enough known*" but that it is sometimes duplicating the work of other initiatives or government functions. Strong support was expressed for institutionalising CoST Disclosure within standard public procurement processes, while providing more clarity over 'what happens next' after Disclosure and related Assurance. Some interviewees felt that CoST has become too formulaic, particularly over multi-stakeholder working, with an undue focus on the functioning of MSGs rather than on what they are seeking to achieve.

From the survey results, there was strong support to the floated idea that CoST should coordinate with related initiatives but that it should "*it should not get too involved in in-country processes*". However, the support to national level programmes is well received and seen as important.

Word Cloud from data collected:

Figure 23 - Delivery Model word cloud

Survey results:	*Qu Ref:* Part C j); Part D a) – d); Part E a);c);e) – h); Part F a) – d); l); q)

From the survey results and free-text comments there was strong support to the floated idea that CoST should coordinate with related initiatives: *"could do a lot more on Open Data and making data useable & shareable";*

Several respondents expressed the view that the institutionalisation of disclosure is very important, suggesting that CoST should integrate the disclosure function with existing national audit and accountability mechanisms.

"CoST currently seems to be competing with other governance initiatives"; "CoST was never designed to supplant existing institutional arrangements"; and *"emphasise making the engagement with CoST broader than the immediate multi-stakeholder group".* One respondent asked CoST to consider, *"How to turn the information, indicators and analysis performed by the assurance team into Open Data that can be used and reused by stakeholders? …. These are all considerations to take into account in designing what CoST should be doing in the future, either directly or through partnerships."*

Most respondents selected "agree" or "strongly agree" to the statement "CoST should focus on developing more effective tools for the routine reporting of information about construction projects". That CoST should "*become a mark of quality",* "*an essential benchmark"* and move "*from a focus on transparency to really achieving value for money and investors trust."*

There was strong support for the suggestion that technical assistance to Procurement Entities was "important" or "very important". One respondent commented, *"I think the most benefit would be capacity building for estimators in the government".* However, there were other comments that suggested that it is not for CoST to interact with PEs directly, "t*he sheer number of such agencies, even at this stage, makes it impractical. When the programme grows, it will not be possible to do that"* and "*it should not get too involved in in-country processes".*

SR interviews:

While the respondents demonstrated an overwhelming view that CoST is an admirable and worthwhile initiative, there was an equally strong view that the model under which it is operating needs to be changed. Many respondents appreciated the practical hands-on nature of the CoST initiative at country level.

There were various negative comments– "*CoST is diluting focus; overstretching the CoST team";* there is "*an unproven link between the processes of CoST and achieving demonstrable, sustainable change: what happens after the disclosure and assurance".* There also were many comments relating to CoST's apparent focus on processes – "*CoST is formulaic: focus on standard processes rather than on behavioural change";* there is an "*over-concentration of effort in the procedures";* and the "*hands-on involvement also gives rise to perception of CoST as a parallel regulatory authority - somewhat undermining its need to be seen as an independent".*

There were comments made by respondents relating to the weakness in the way the MSG is constituted and functions; "*while it works, fine, but if commitment by key individuals wavers, progress can be quickly halted".*

December Advisory Panel meeting:

Part of the discussion related to where CoST has previously made use of a "*window of opportunity".* There was a suggestion that CoST should do more to identify these "*delivery windows".* In a related comment, the importance of the CoST scoping studies was highlighted. There was a suggestion that each country could be assessed against a more detailed results chain (using a RAG rating); other initiatives or interventions could also be plotted in order to assess where CoST can contribute. It was suggested that CoST needs to *"tap into the OCP more"* – serving as its infrastructure extension. That there is potential to create applications and manipulate the raw data from the OCP format. There was also a suggestion that CoST could assist in developing a national accreditation rather than there being a CoST accreditation.

Table 4 - Findings - Organisation and Management

	Organisation and Management	Definition used for this analysis: *The CoST management structure and governance arrangements, including the Board, staffing, & Secretariat.*

Summary of findings:

[As described in the sections on Vision and Delivery Model, it is clear that respondents consider there to be a need for CoST to clarify its priorities and approach. The management structure and governance arrangements adopted by CoST must then be designed to deliver this Model.]

The most common sentiments expressed in interviews about the management of CoST were that the work of the Board and the International Secretariat is greatly appreciated, but that as things stand they appear overstretched and seemingly unduly focused on chasing finance. The result in practical terms is perceived as a lack of clarity, consistency and confidence in providing guidance that brings to bear relevant construction experience.

In addition to various tentative suggestions made by respondents as to how the governance of CoST could potentially be improved, a strong recommendation was made that the functions of the International Secretariat should be prioritised to reflect its limited capacity.

Word Cloud from data collected:

Figure 24 - Organisation and Management word cloud

Survey results:	Qu ref: Part E d); h); Part F j)

Possible future adjustments at the International level

■ Not Important ■ Important ■ Very Important ■ Do not Know

Part F j). CoST's international role should be achieved through the establishment of a network of experts available on a call-down basis.

Disagree Strongly 2%
Do not Know 17%
Disagree 10%
Agree Strongly 20%
Agree 51%

As illustrated in the above extracts, there was general but somewhat muted support for the idea of an elected Board, overwhelming support for local ownership of national programmes, and broad but not universal support for the idea of CoST's international role being achieved through a network of experts on a call-down basis.

The survey free-text responses included:

"The governance structure needs to be reviewed. A broader group of Board Members would be advisable, with a combination of technical and advocacy backgrounds that increases dynamism of the program as a whole."

"The idea of an elected board is nice because it potentially increases CoST legitimacy and int'l visibility; on the downside convening a general assembly is costly and cumbersome."

"There needs to be some changes to the international organisation which may lead to some strife with National CoST initiatives to have a better product. After that is undertaken, promotional events and advocacy can come from a point of integrity and proven effective experience."

"Realistically, the functions of the International Secretariat need to be prioritised with relation to capacity - which at present is limited. It is therefore difficult to recommend that all of the above take place without some expansion of the Secretariat team."

"CoST has potentially a critical role in increasing participation and engagement with professional bodies and groups with particular expertise on engineering. It is vital for CoST to make use of its unique resource in defining its role."

SR interviews:

From the interviews carried out, there is a general recognition that those associated with CoST (particularly the International Secretariat) are hardworking and committed, but are over-stretched and under-resourced as well as having to focus on too many different activities. It was also speculated that this pressure has at least in part come about as a result of a lack of clarity in CoST objectives. The view was expressed that clearer focus and prioritisation would help staff work more effectively and with more confidence. In addition, there was a common perception that CoST staff, whether at national or International level, do not always have access to relevant practical experience / information.

In the course the interviews the view was commonly expressed that CoST is lacking "*intellectual credibility*", that it "*remains somewhat ad hoc*" in its approach and that CoST procedures can appear overly bureaucratic, lacks the clear focus and proven methodologies for addressing the challenges that it faces.

Table 5 - Findings - Multi Stakeholder Working

	Multi Stakeholder Working	Definition used for this analysis: *The purpose, benefits and potential pitfalls of multi-stakeholder working including MSGs*
Ind. Civ. Soc. Gov.		

Summary of findings:
Respondents generally consider the dialogue associated with the multi-stakeholder working feature of CoST's delivery model to be important and worthwhile. However, concerns were expressed about the practical challenges associated with CoST MSGs, including difficulty in attracting volunteers, and the risks of domination by government, of members misunderstanding what CoST is really about, and of "token" MSGs wasting valuable time while failing to adequately take account of the views of industry and/or civil society.   Several respondents highlighted the need for MSG members to receive high quality training in order to fulfil their function, referring to the risk of too much focus on 'form' at expense of 'substance'.

Word Cloud from data collected:

Figure 25 - Multi Stakeholder Working word cloud

Survey results:	Qu ref: Part C a) – d); Part D a); e); Part F a); f);

Importance of CoST at the national level

Part D e). In cases where high levels of transparency are being achieved, the role of the CoST MSG could become less important.

- Disagree Strongly 13%
- Disagree 37%
- Agree 34%
- Agree Strongly 9%
- Do not Know 7%

As illustrated in the above extracts, the very strong support for multi-stakeholder working becomes slightly less pronounced in relation to MSGs, and an even split of views emerged over whether the role of the CoST MSG could potentially in future become less important. Associated free-text comments included:

"Obviously the MSG design demands far too much pro-bono time/other input to be truly successful.."

"Membership tenure and change provisions of MSG should... ensure continuity and corporate memory";

"MSG members work on voluntary basis and to find fully committed members... can be a challenge."

SR interviews:

The interviews revealed widely differing perceptions of the effectiveness and relevance of the CoST Multi Stakeholder Group. Several respondents considered that the MSG model is working well, that it has "*an intrinsic value*" and provides an important opportunity for dialogue between the different parties. It may also allow development partners to participate as observers.

Several respondents questioned whether MSGs are truly representative: *"Government views dominate the MSG"*. One questioned whether the focus on MSGs resulted in Civil Society and private sector feeling represented, or whether the opposite might actually be true. One respondent stated that time is spent creating a balanced representation on the MSG, "*on paper, though not evident in reality*", suggesting that what really mattered was Government commitment.

Others suggested that an over-emphasis in creating an MSG had led to neglect of changing the practices of Procurement entities. One referred to CoST's focus on MSGs leading it to miss *"a key window of opportunity to influence standard procurement practices"*. Referring to another country, another respondent suggested that *"CoST in [...] would never have existed if they had waited for a 'true' MSG to emerge"*. There was also the view that *"CoST is unduly dependent on an MSG, which is always going to be transient"*.

Several comments were made about the capability of the MSGs – "*MSG members have signed off on MSG roles and responsibilities, but do not really understand them*" and "*CoST relies heavily on the competence and integrity of the MSG and those undertaking the assurance function*".

In at least one country, the "*presumed approach to identify new MSG members is a top down - consider potential candidates, discuss their interest and then appoint them*". Respondents expressed the concern that "*MSG member turnover is high, so a lot of time is spent explaining CoST to new members*" and that "*CoST pushes the notion that there is a 'one size fits all' approach to MSGs, but this is not really the case."*

National Coordinators Meeting:

At the National Coordinators' Meeting, the view was expressed that the role of the MSG is particularly important in cases where there is no strong political will in support of CoST.

Table 6 - Findings - Disclosure

		Definition used for this analysis:
	Disclosure	*The external communication of standard data about Projects and Contracts, in a clear and consistent manner. Demand for and use of that data*

Summary of findings:
Disclosure is widely seen as being a core feature of CoST that is highly regarded by almost all respondents. In interviews, however, many respondents expressed concern that Disclosure can sometimes be seen as yet another bureaucratic requirement, with no clear purpose. As such it can face resistance, particular in cases where CoST disclosure is seen as duplicating, or cutting across, existing disclosure mechanisms.

Several respondents commented on the low level of Disclosure currently being achieved by CoST, in part on account of the early focus on undertaking Disclosure in an ad hoc manner as and when sufficient resources were available for the MSG to commission an Assurance team.

Particularly in the case of small projects, some respondents considered CoST Disclosure to be unnecessarily complicated, especially for those unfamiliar with construction management. They suggested a more graduated approach to its scope, adjusted according to scale of the project.

Some respondents pointed out the low level of demand that appears to exist for Disclosed data, the fact that it is not necessarily accurate, and that even if it is accurate it can still mask hidden malpractice. |
| *Word Cloud from data collected:* |

Figure 26 - Disclosure word cloud

Survey results:	*Qu. Ref:* Part D a) – d); Part E c); f); Part F d); g); h); l);

As illustrated in the following extracts, survey results showed overwhelming support for the broad application of CoST Disclosure, the development of associated tools, and building capacity of those who would use the data. However, a significant minority disagreed with Disclosure and Assurance being funded from the national budget, and no respondents chose (in the associated comments) to distinguish between these two functions.

Possible future adjustments under a more ambitious CoST at the national level

Legend: Disagree Strongly · Disagree · Agree · Agree Strongly · Do not Know
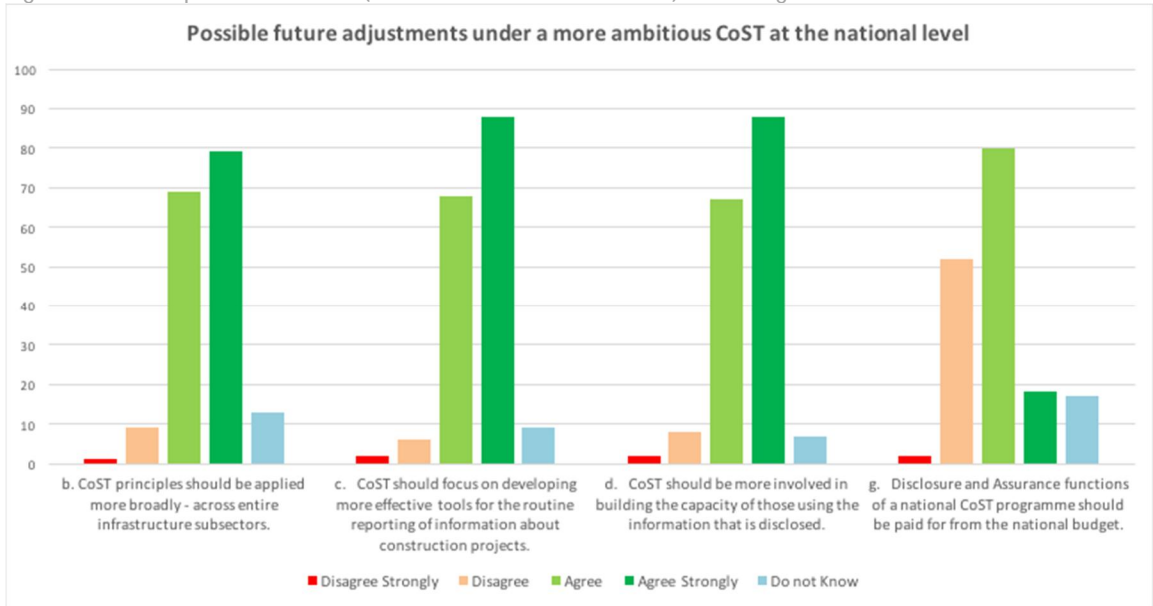
SR interviews:

The interviews revealed a range of concerns that Disclosure, the cornerstone of CoST, has not been widely adopted, and is sometimes perceived as a bureaucratic burden rather than as an essential step in improving transparency, and ultimately accountability and performance.

Positive comments made by respondents
One respondent noted that, once it becomes known that CoST Disclosure is in place, professionals and project officers "*will always be on their toes to ensure best practice."*

Negative comments made by respondents
Several respondents noted the risk of disclosure becoming an end in itself, and that malpractice can still be hidden. They felt there is too much focus on details of arbitrary processes and not enough on achieving the intended outcomes. Concern was also expressed that disclosed information tends to be very technical; that to the non-specialist it appears too complicated, and seems to vary between countries/procuring entities.

One respondent commented that CoST seems to be re-inventing the wheel, by "re-defining terms (for disclosure) that already have slightly different but well-established and well understood definitions."

Some respondents found it hard to know how much information to disclose, and to what level of detail. Others commented that in cases where disclosure was already happening, the same information now appears in more than one place. There is a perception by some PEs that CoST is "yet more bureaucracy".

Several noted that even where disclosure laws are passed, it typically only happens for a small percentage of projects.   Some felt that CoST rarely achieves meaningful disclosure, and that even in a country with a well-established record with CoST, there is no real confidence in the accuracy or completeness of disclosed data.

Reference was made to the low levels of interest from Civil Society, Private Sector or the public in general; that outside a small group, citizens do not seem interested in the effectiveness or otherwise of public procurement.

Suggestions made by respondents
Suggestions were made to: a) simplify the disclosure process, particularly for small projects; b) disclose a summary rather than all the detail;   c) tailor what is disclosed to what the stakeholders are interested in;   d) encourage the MSG to monitor disclosure without in so doing holding it back; and e) focus on routine disclosure (eventually) becoming the norm rather than the exception.

Table 7 - Findings - Assurance

✔ (image)	Assurance	Definition used for this analysis: *The validation, analysis, inter--pretation and communication of disclosed data to ensure it is more readily trusted, understood and acted upon.*

Summary of findings:

Assurance Reports commissioned by the MSG are widely perceived as giving CoST credibility (on account of their relatively independent nature), teeth (by highlighting areas of concern), and value (by promoting better data management by Procuring Entities).   However, four significant concerns were raised:

1. The difficulty facing MSGs in identifying truly independent Assurance experts, who understand the details of construction procurement as well as the nature and purpose of CoST.

2. A latent perception in some MSGs that Disclosure cannot take place unless there is related Assurance. Though no longer CoST policy, this potentially undermines both transparency (by delaying disclosure) and sustainability (by making disclosure dependent on the actions of the MSG, rather than as routine)

3. Some Assurance teams go beyond merely verifying, analysing, interpreting and presenting objective data about participating projects, and cross the line into investigative or oversight functions for which others have the mandate.   This inevitably and understandably generates resistance to CoST.

4. A lack of clarity over what the MSG is supposed to do after publishing an Assurance Report, particularly if some or all of its recommendations are not acted upon.

Word Cloud from statements made in survey comments and one-to-one interviews or meetings:

Figure 27 - Assurance word cloud

Survey results:	*Qu. Ref:* Part C f);Part F e)

Part C f). Assurance teams producing reports [Reviews of disclosed data and factual analysis of the quality of disclosure and potential implications of what is disclosed]

Do not Know 4%
Not Important 3%
Important 35%
Very Important 58%

Part F e). CoST should provide Technical Assistance to help national programmes achieve CoST standards of Assurance.

Do not Know 5%
Disagree Strongly 1%
Disagree 2%
Agree Strongly 42%
Agree 50%

SR interviews:

The interviews revealed widely differing perceptions of, and approaches to, Assurance, with concern expressed about a lack of clarity over what the CoST Assurance process is intended to achieve.
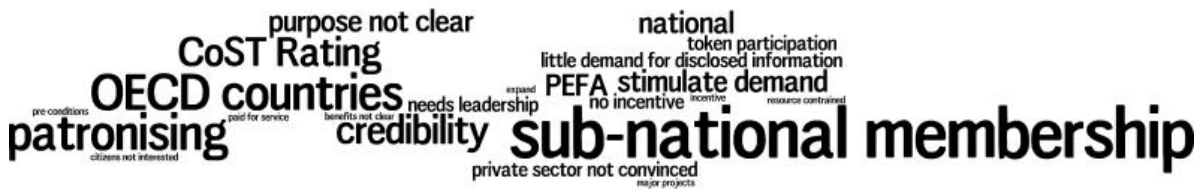
Positive comments made by respondents
Positive reference was made to the important role played by the Assurance process, both in establishing credibility for CoST and the MSG during the pilot phase of CoST, and in providing valuable insights into the sector.

Negative comments made by respondents
When perceived to be crossing the line into an existing audit or inspectorate function, 'Assurance' risks generating resistance from those responsible for such accountability mechanisms. At times, CoST appears to be intent on identifying and pointing the finger at corrupt or incompetent companies and officials. The fact that CoST is now 'dormant' in some countries was attributed at least in part to such active resistance from those who had initially welcomed CoST as a source of assistance in the form of valuable data on sector performance, but no longer trust its independence and professionalism.
By contrast, several respondents expressed frustration at the lack of attention given by CoST to what happens after the Assurance process, particularly in cases where clear recommendations are made, but not acted upon by the relevant authorities.
In some countries, there remains a perception that Assurance is an indispensable aspect of Disclosure. As a result, it takes place in an ad hoc manner as and when funds are available to hire an Assurance team. Such an approach is seen as unsustainable and incapable of effecting broader change in the sector.
Finally, some respondents considered the Assurance Reports they had seen to be too technical and too long, to the extent that they could not readily be interpreted and acted upon by the MSG, let alone by the general public.

Suggestions made by respondents included:
   a. The CoST Assurance function should be limited to assessing the completeness and accuracy of Disclosure, undertaking some high level analysis, and presenting findings to the public in a clear and compelling manner.
   b. The credibility of the Assurance function could be enhanced if Assurance experts from one CoST country were to provide such professional services in another CoST country.
   c. Assurance should be undertaken in a manner that is clearly seen to be consistent with and supportive of national laws and accountability systems.

Table 8 - Findings – Membership

	Membership	Definition used for this analysis: *The concept of CoST membership; number of members; profile; prerequisites for membership; demand for membership.*

Summary of findings:

Several respondents commented that CoST is perceived as a development programme or project, which puts off potential OECD members. Others expressed concern that is is seen as a "patronising initiative", with one respondent stating in an interview that this perception had led one prospective (developing country) member to decline an invitation to join CoST, despite its resonance with government policy.

Concerning the notion of sub-national membership of CoST, the survey responses were mixed, but the interview statements suggested widespread support for such a concept.   This was particularly stated to be so in cases where applicant cities or administrations were prepared to devote their own resources to implementing a CoST standard of Disclosure.

The concept of an international 'CoST Rating' was raised by several respondents who suggested that this could form part of an accepted international rating of a country that could form part of a country's PEFA (Public Expenditure and Financial Accountability) Assessment. Such an approach would place the onus on countries to take the initiative to make use of available CoST guidance, tools and support to improve their international ranking in Construction Transparency.

Word Cloud from data collected:

Figure 28 - Membership word cloud

Survey results:	Qu Ref: Part F b); l); m)

Possible future adjustments under a more ambitious CoST at International level

As illustrated above, strong support was expressed for development and promotion by CoST of internationally accepted standards for transparency and accountability in construction. Support for the concept of sub-national membership was strong, but not universal, while there were mixed views as to whether a country should be a 'member' of CoST in order to be able to receive CoST Technical Assistance. Free-text comments included:

"CoST has been happy to take on new entrants even when existing member countries are failing and perhaps need more support. What assurances would the board need from interested countries of their commitment to COST, particularly in environments of problematic governance? Perhaps a system similar to EITI where certain things need to be done to achieve and maintain their status as a member country could be useful?"

"To assure homogeneous standard in one country, one member is granted to one country not by cities or by regions – except in the case of a Federal country made up of various State governments.

"The arrangement for specific cities and regions should be left to National CoST MSG/Secretariat."

SR interviews:

The interviews revealed a mostly united opinion about CoST Membership when referring to the profile of member countries, namely that CoST is seen as a "*development programme for developing countries*", "*aimed at places where governance is weak, corruption is rife and professional standards are absent*". Various interviews made reference to "*the UK's apparent lack of interest in CoST makes the whole initiative less credible*". This sentiment is also supported by various suggestions made during the interviews:
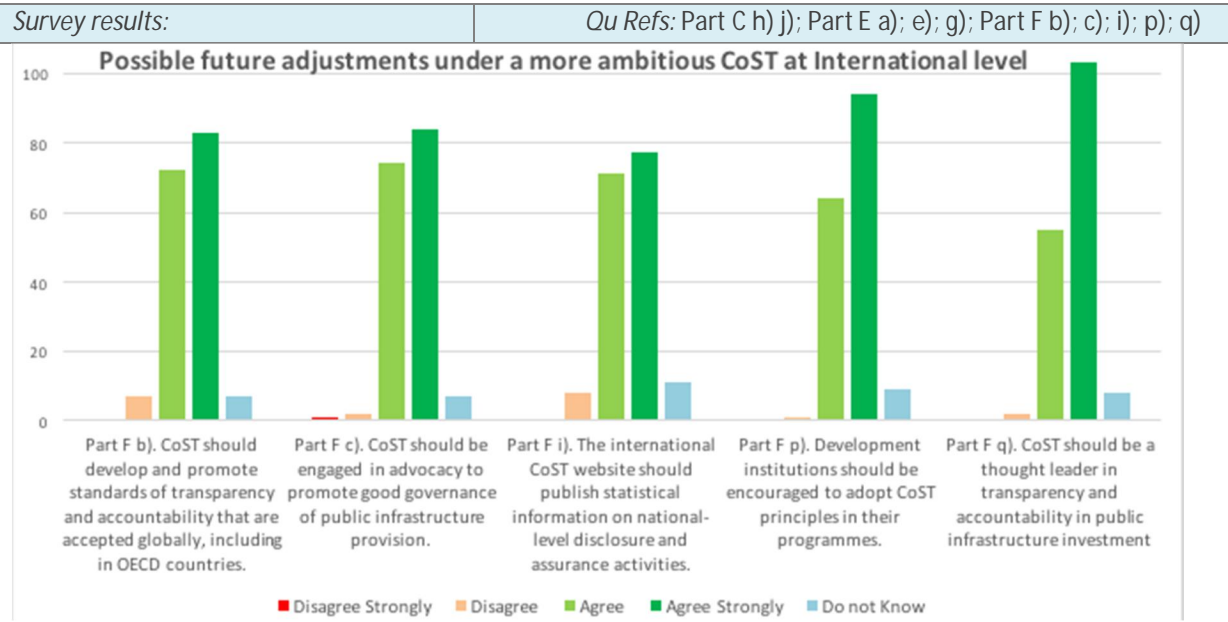
"CoST must get some OECD countries (such as the UK) genuinely involved (committed to CoST standards)."

"CoST should get away from a focus on low income countries. It needs a worldwide mix; there should be more developed countries in CoST."

"CoST must be clearer about what it is 'selling' and be clearer about why a country should engage with CoST (and by extension why some countries do not want to be a member). For example, to improve some internationally recognised rating; some global measure such as PEFA, which may even have a bearing on borrowers' interest rates i.e. obvious incentives. ("What is your CoST rating?"

Table 9 - Findings – Communications

	Communications	Definition used for this analysis: *Public relations activities, internal communications, training, the CoST image/brand*

Summary of findings:

Respondents variously consider the CoST international profile to be weak, inconsistent, and poorly communicated. Several respondents commented on the need for more clarity about what CoST is actually trying to achieve. The strongly expressed view across both the survey responses and the interviews is that a lack of clarity and confidence about CoST's aim is undermining many of its activities.

CoST is not generally considered by respondents to be a thought leader, and its approach in sometimes overstating the benefits of CoST in its communications is seen as counter-productive and lacking in rigour.

Various comments suggested an impression that CoST is duplicating the work of other initiatives and national functions.

Respondents answered positively when referring to the role of the CoST champion (at national and international level) and expressed the view that there were opportunities for coordination with other initiatives that do not yet appear to have been properly explored.

Several respondents involved in CoST expressed frustration that the website does not in their view provide clear and consistent practical guidance needed by those who do not necessarily have a background in or understanding of construction.

Word Cloud from data collected:

Figure 29 - Communications word cloud

Survey results:	Qu Refs: Part C h) j); Part E a); e); g); Part F b); c); i); p); q)

Possible future adjustments under a more ambitious CoST at International level

Responses to Part C of the Questionnaire showed strong support (though not universal) support for the role of a CoST Champion, and overwhelming support for coordinating CoST with related initiatives. Responses in Part E and Part F (from which extracts are presented above) further reinforced these sentiments, while showing strong support for CoST adopting an advocacy role in promoting globally accepted standards for construction-related transparency, promoting good governance, publishing statistical information, encouraging the adoption by Donors of CoST principles, and becoming a thought leader in transparency and accountability in public infrastructure investment.

Free-text comments referred to knowledge sharing and networking; the suggestion that the organisation of regional events "*will also help to enhance the recognition of the brand, demonstrate successes at the very practical level and identify priorities for specific country contexts*", though one respondent was "*unsure of benefits of international and regional events*". The potential role of the CoST website as a more relevant and effective communication tool was explicitly mentioned in various comments.

SR interviews:

Several respondents commented on the need for clarity about what CoST is trying to achieve – that the current model seems to "*consider disclosed information as an end in itself*"; that the strategy is not clearly defined and the messages are not coming from the International Secretariat very clearly. There was also reference to the CoST 'brand' – "*at present it is not clear to the private sector, or even to those interested in good governance, what the CoST brand stands for*"; "*the brand is not compelling*".

Many interview comments related to perceptions of CoST's mission and by extension reflect CoST communications. "*CoST should not claim to be about reducing corruption, as that cannot be realistically measured, let alone attributed*". One respondent commented that CoST is "*the leading global tool for improving the effectiveness of construction procurement*".

Frequent reference was made to CoST's relatively low profile and reputation in the international arena; and that "*CoST's reputation does not extend beyond the high risk countries that it works in*". "*CoST's influence is limited*" – "*still lacks a genuine international profile, in the way that OCP, OGP have for example*".

There were comments relating to CoST documentation; "*inconsistent, lacking rigour and somewhat ad hoc*" and that the "*website is not very current, and does not provide anything of relevance to most practitioners*".

December Advisory Panel meeting:

There was a suggestion that CoST be mainstreamed and become part of the OGP country action plans. It was also suggested that CoST use dedicated points of contact at each donor organisation in each country.

Table 10 - Findings - Support to MSGs

	Support to MSGs	Definition used for this analysis: *Guidance and targeted training for the National Secretariats and MSGs, and related monitoring of their performance.*

Summary of findings:

The sentiment was widely expressed that much can be improved internally amongst the 'CoST family'. Internal communication and support is perceived as inconsistent and poor with some national programmes not receiving the support they would like from the broader CoST organisation. Particular concern was expressed about a perceived lack of access to relevant technical expertise.

The view was strongly expressed that better use could be made of networking opportunities for CoST practitioners to learn from and support one another. These findings build a compelling narrative about the importance to MSGs of relevant advice support being more readily available for them to access.

Word Cloud from data collected:

Figure 30 - Support to MSGs word cloud

Survey results:	Qu Refs: Part D j); Part E b); h); i); Part F h)

Overwhelming agreement was expressed with the statement "*there should be more in-country communication about CoST activities and news at the national level*". There was also very strong support for the provision of support to national programmes within the context of local ownership. There was very strong support for the idea of CoST serving as a Resource Centre, responding to requests for advice or support.

Many of the free-text comments referred to internal communications: "*regular interface with CoST Champion is key*"; "*much more and better education of the players is required*"; CoST needs "*closer follow up and guidance from the IntSec*"; "*co-ordination, promotion, support services/information and TA to help establish a national CoST programme, better donor buy-in*"; and "*the champion, chairperson and Secretariat should communicate to international Secretariat more regularly*".

The need to strengthen the capacity of the MSG was a common theme: "s*trong orientation of MSG at the beginning is important*"; "*capacity building and empowering MSG to oversee its own work or work performed on its behalf is important*"; " *initial training would be an excellent activity to establish the programme in a country considering that the programme is a new experience to MSG membership and national secretariat*"; "*more has to be done to involve all stakeholders such as Public entities, contractors, consultants and the public at large*"; and "*support from the CoST international secretariat is very important regarding both technical and financial aspects*".

Many respondents commented on networking and knowledge sharing: "*more effort is required on the Regional events and networking organizing*"; "*communication between the different countries MSGs to share information and experience as well conducting training and workshops for MSG*"; "*workshops within CoST Countries can be very vital*"; "*CoST Champions from CoST Countries NEED to share notes once in a while*"; and "*please encourage CoST national programmes to cross fertilize in terms of technical ... support*"

SR interviews:

The interviews further reinforced the sentiments expressed in the surveys, commenting on the need for more technical expertise to be brought to bear, and on more networking. One respondent shared that "*there is still a lot of confusion about CoST, sometimes amongst those who have been involved in it for years*". Many commented on CoST external and internal messaging, "*CoST is trying to communicate with everyone in the same way*"; and "*Some CoST managers/coordinators lack confidence and clarity*".

Several respondents considered internal training sessions and knowledge sharing activities within the CoST family to be worthwhile, providing "*practical support and encouragement and... a sense of togetherness*".

National Coordinators Meeting:

The National Coordinators felt that the CoST definitions need to be better defined in order to improve the clarity of guidance provided. There was also support for the networking events for MSG members and the idea of temporary job swaps for coordinators.

Table 11 - Findings - Financing

	Financing	Definition used for this analysis: *Funding of the international organisation, and of national programmes. Sources of funding and sustainability*

Summary of findings:
The survey responses and interviews gave rise to strongly held views on the how CoST should be financed.

On the one hand, there was very strong resistance, particularly from those currently involved in CoST, to any suggestion that external support should be limited to the pilot phase.

On the other hand, there was broad agreement on the need for CoST to be established on a more stable and sustainable financial footing, with several interview respondents commenting that funding would not be such a problem if CoST was in a position to demonstrate, at both the national and international level, its value in terms of helping to improve sector performance. Some commented that funding is available, but that CoST has to communicate its message in a more compelling manner.

There was general agreement among most respondents that any funding strategy should take account of the ability to pay, and draw where possible from multiple sources of funding – not just donors and governments. |

Word Cloud from data collected:

Figure 31 - Financing word cloud |

Survey results:	Qu. Ref: Part C j); Part D f); g); h); Part E g); h); Part F k); n); o); p)
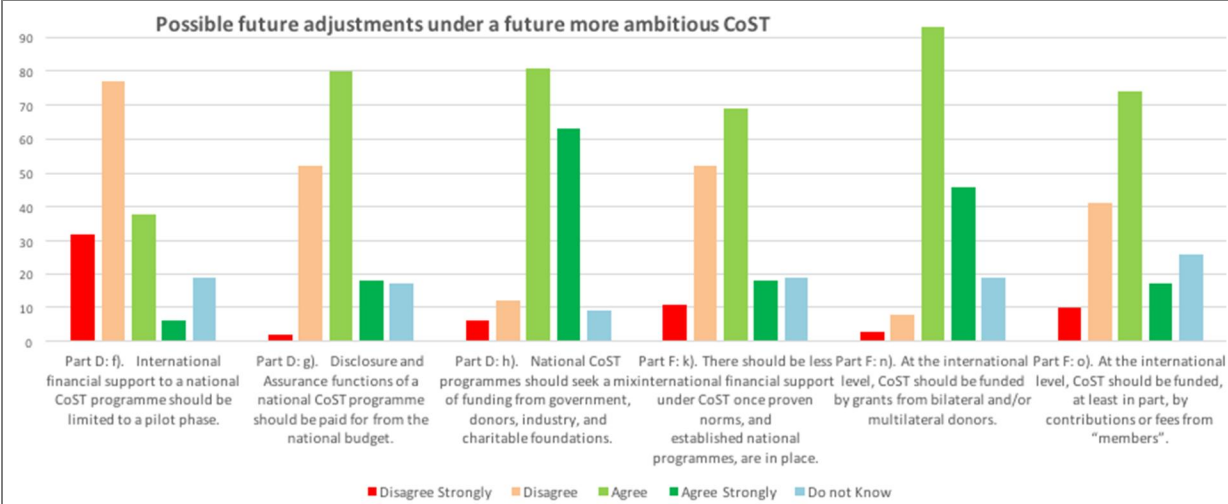
As illustrated in the above survey extracts, there was strong resistance to the suggestion that international financial support to CoST national programmes should be limited to the pilot phase, and significant resistance to the suggestion that such support should be reduced once CoST processes are established in a country. Further analysis showed such resistance to be particularly high among those currently involved in CoST.

In associated free-text comments, these views were moderated somewhat, with suggestions that as national programmes become more mature, external financing should be based on "ability to pay", meaning that some national governments could reasonably be expected to be persuaded "*to understand that there is merit in having a budget line for CoST program*".   Others noted that for such persuasion to be effective CoST must be better at demonstrating and communicating its value.

Other respondents expressed a view that CoST would benefit from an adjustment from its very narrow current image, which results in many development practitioners dismissing it as being too 'niche' to be of interest. One donor respondent suggested promoting CoST as a tool to support broader governance programme, using construction as a vehicle for institutional reforms. Increased collaboration with other initiatives was also suggested. "*It might be worth exploring whether the MSG can be the national hub for several initiatives working on transparency and open government issues." and "Governments could allocate a transparency/governance component under each project; similar to components for preventing HIV through health education as is widely practised in all road projects...*"

SR interviews:

Interview respondents made clear their view that delays and uncertainty in securing external funding have meant that funding solutions in the past have been "too ad hoc".   There was a general view that resource constraints reflect more a lack of political support than shortage of available finance, resulting in CoST trying to "deliver services despite inadequate funding for the workplan".

Various suggestions were made during the interviews: charge a membership fee (to countries); fund via a mix of country, donor and corporate contributions; and match external funding to improved and relevant accountability mechanisms.

It was widely commented that as and when CoST can be seen to be effective, there is a potential revenue stream from within the sector.

There was a general sentiment that different funding models would apply according to the respective development status of the various countries seeking to join CoST.

National Coordinators Meeting:

The National Coordinators group felt that a mix of funding was the most appropriate model.   Some considered that international funding should be restricted to the pilot phase, while others were concerned that national funding would leave CoST "*vulnerable to manipulation*".

Table 12 - Findings - Monitoring & Evaluation

	Monitoring & Evaluation	Definition used for this analysis: *Monitoring of adherence to agreed principles and activities, and periodic Evaluation of their contribution to improved sector performance.*

Summary of findings:

Though the overall survey scores for the 'effectiveness of CoST' questions (see Appendix 3Error! Reference source not found.) were generally very positive, free text comments and subsequent interview responses have suggested that there is an underlying concern: although CoST <u>aspires</u> to its core features (building trust, helping improve transparency, accountability and overall value for money) - and the survey respondents recognise this - how effectively CoST is <u>actually delivering</u> on these objectives is less clear. The significant 'disagree' responses on '*CoST is making it more attractive for private companies to become involved in government-financed infrastructure*' suggests that there significant progress still needs to be made to demonstrate improved performance.

Respondents consider too many unsubstantiated claims to have been made by CoST, which has undermined its authority. Some referred to the need for robust evidence that, eight years after the start of the pilot, CoST is making a meaningful and sustainable difference. Others expressed concern that false expectations have been raised by CoST being promoted as an 'anti-corruption' initiative (though not by CoST itself).

From the recommendations gathered in the survey and interviews, there is a clear demand for higher level indicators that represent more reliably what CoST is seeking to achieve, while recognising that CoST cannot in itself improve performance, but it rather a tool that contributes to such improvements.

Although there were no questions in the survey that explicitly related to the M&E of CoST to date, it is evident that the assumptions in the CoST Results Chain have not been widely communicated and understood. Nor did there appear to be a clear understanding of the purpose of M&E among those respondents currently involved in CoST. The interviews highlighted concern at the absence of clear indicators and a compelling associated evidence base by which observed positive outcomes in the performance management of public infrastructure could plausibly and reliably be attributed, at least in part, to CoST.

Word Cloud from data collected:

Figure 32- M&E Word Cloud

Survey results:	Qu. Ref: Part B a)-e)

The survey did not explicitly reference the M&E of CoST although Question B referred to the effectiveness or otherwise of CoST. The bulk of respondents agreed that CoST is "helping" in many ways, but fewer considered it yet to have made a difference to attitudes in the construction market.

Several free-text survey comments suggested doubt in the effectiveness of CoST: "hard to say -there is very limited quality evaluation of CoST"; "we have no measure of the effectiveness of CoST"; and "I don't think CoST is achieving these objectives on measurable scale." Other respondents commented "CoST is one component of a bigger system" and "There are other ways of achieving the same ends."

Many survey comments identified the challenge of proving CoST's effectiveness and that intuitively they felt that effectiveness has varied across the current members. One respondent commented, "an initiative like this does not improve accountability on its own, and a lot of education of the general public is needed".

SR interviews:

Positive comments were made about CoST activities in building trust between stakeholders through multi-stakeholder working, developing and promoting Formal Disclosure Requirements; and improving Disclosure practices through periodic Assurance reports. A small number of positive, but as yet only anecdotal, comments were made about CoST's output in achieving legally mandated routine disclosure; and purpose in improving standards of transparency and (to a lesser extent) accountability. Only one positive free-text reference was made to CoST making progress towards its goal of improving value for money.

The impact of CoST was described by one respondent as "more imagined than demonstrable". Similar concerns were attributed by other respondents to: the difficulty of measuring performance, let alone corruption, in the construction sector; a lack of clarity over the mechanism(s) by which CoST Disclosure is expected to result in improved Accountability, and eventual improved Value for Money; a perception that CoST is founded on insufficient or inadequate reflection and analysis, resulting in no clearly communicated objectives with associated performance indicators; the diverse and complex nature of both the construction sector, the small footprint that CoST has in most countries, and the different ways in which CoST is implemented in different countries.

Associated with these concerns, frustration was expressed that CoST literature risks raising false expectations by making seemingly unsubstantiated claims about improved value for money, private companies being attracted into public construction, reduced corruption, and improved lives. Even in some 'CoST' countries, there appears as yet to be little evidence of CoST principles being embraced.

In terms of the CoST M&E process itself, comments were made that, in order to meet donor requirements for unrealistically early reports of 'success', it has at times been 'dumbed down', and indicators repeatedly changed without adequate consideration. One respondent went so far as to comment that "It is difficult to be honest when dealing with CoST".

December Advisory Panel meeting:	National Coordinators Meeting:
Whilst discussing CoST's Results Chain reference was made to a need to focus on the end user's experience.	National Coordinators considered that there needs to be more accountability at the National level where CoST is providing grants. Progress towards intended outputs need to be measured to ensure the correct application of funds. Particular concern was expressed over instances of Assurance Report recommendations being ignored by governments. It was suggested that grants should be given with a conditionality that requires government to act on the recommendations of the Assurance Reports.

APPENDIX 5 - BIBLIOGRAPHY

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APPENDIX 6 - ASSIGNMENT TERMS OF REFERENCE

FINAL FOR PUBLICATION

Terms of Reference: Strategic Review of the Construction Sector Transparency (CoST) Initiative

1. Introduction

The CoST Board has agreed that a Strategic Review (SR) will be carried out to support CoST in identifying how it can significantly scale up its impact. This ToR describes the terms for the consultants undertaking the SR and invites suitably qualified consultants to submit proposals.

2. Background to CoST

CoST works with government, industry and civil society to disclose information on public investment in infrastructure. The information is designed to inform and empower stakeholders and enable them to hold decision-makers to account. This creates a business environment in which corruption is less likely to occur and helps drive improvements in management and efficiency. Ultimately, improvements in transparency and accountability contribute to better value for money and better quality infrastructure and services.

CoST was launched by DFID in 2008 as a three year pilot project. At the end of the project an independent evaluation recommended that CoST be developed and scaled-up. The current programme was launched in 2012 and has been supported by grants from the World Bank ($1.5m – 2012 – 2015) and the Dutch Government (€1m 2014 – 2018). CoST is now active in 14 countries – Afghanistan, El Salvador, Ethiopia, Honduras, Guatemala, Malawi, Philippines, Tanzania, Thailand, Uganda, Ukraine, United Kingdom, Vietnam and Zambia.

Public procuring entities (PEs) are responsible for disclosing information in a form that is accessible to various stakeholders. An Assurance Team (AT) is appointed to review the disclosed information and to produce a concise independent report.

Each national programme is overseen by a multi-stakeholder group (MSG) comprising representatives from government, industry and civil society. The decisions of the MSG are implemented by a small National Secretariat.

At the international level CoST is registered as a Charity and a non-profit company in the UK. The CoST Board has appointed an International Secretariat (IS) that is responsible for the day-to-day management of the programme. The CoST IS is commissioning this Strategic Review.

More information on CoST is available here.

3. Review Questions, Aim &Task Related Objectives

The SR will involve a fundamental review of all key aspects of the CoST programme including its vision, delivery model, governance arrangements, financing, partnerships and sustainability. This will involve generating knowledge to help answer these overarching questions:

a) How can CoST significantly increase its global impact? Can its current programme delivery model achieve that increase? And if not, what changes could be made?

b) To what extent does CoST's current delivery model enable it to catalyse systemic change and institutionalise transparency and accountability?

c) What should the objectives be of a significantly more ambitious CoST programme?

1

FINAL FOR PUBLICATION

The aim of the strategic review is to gather information, generate knowledge and build a consensus on how CoST can be scaled-up and achieve a significant increase in impact. This will be achieved by addressing these task related objectives:

Task Related Objectives	This should include but is not limited to . . .
a) Review the institutional landscape of governance, transparency and accountability, infrastructure and open data and determine the extent to which it provides an enabling and/or an inhibiting environment for CoST.	▪ Critical examination of other international initiatives with similar aims to CoST, the attitudes of multilateral and bilateral donors and the evidence that transparency and accountability can secure better value for money and better quality public services.
b) Develop a vision for CoST that is broadly supported by those involved in the SR, i.e. CoST, the Advisory Panel (see section 8 below) and interview and survey respondents.	▪ Consultation with stakeholders to obtain their views and to see if a consensus exists around what constitutes a realistic vision for CoST.
c) Review the key elements of the current delivery model – i.e. disclosure, assurance and multi-stakeholder working – and assess the extent to which they support the achievement of CoST's objectives.	▪ Examination of the experience of CoST since 2012 with a focus on what worked, what didn't work and the reasons for success and/or the lack of it. This will enable an analysis of the efficiency and effectiveness of the current delivery model. ▪ Assess if CoST focuses on the right aspects of the infrastructure delivery cycle, or if its focus is too narrowly or too broadly defined. ▪ Consider the advantages and disadvantages of the existing 'hands-on' and 'flexible' approach to national programmes relative to a more rigid 'rules based' approach.
d) Review the existing governance structure (and its planned development) and assess the extent to which it achieves (or is likely to achieve) legitimacy, efficiency and effectiveness.	▪ Consultation with stakeholders to understand their expectations with regards to governance, an assessment of the extent to which those expectations have been met since 2012 by the existing arrangements and an estimation of the extent to which the proposed changes to the governance structure will meet stakeholder expectations in the future. ▪ Comparison with the governance structures of other similar initiatives.

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e)	Consider the relationship between the number of members, the operating model and available resources. Does the current balance between these facilitate maximum impact given the resources available?	• The CoST initiative needs to strike a balance between rapid scaling up and replication and achieving a depth of engagement that increasing the likelihood of significant and durable impact within partner countries. Another consideration is the reputational risk associated with turning away enthusiastic potential members away. Is the initiative achieving the right balance under its current operating model?
f)	Review the modalities for admitting new members.	• Examination of the criteria and procedures for admitting new members, an analysis of how the procedures have been implemented in practice in relation to the countries that have joined the programme since 2012. • Analysis of the composition of the existing CoST 'membership' and particularly the balance between low, middle and high income countries and the implications of this for the future of the programme.
g)	Consider options for increasing the financial sustainability of CoST and asses if it is realistic to eventually eliminate the need for donor support.	• Examination of fundraising efforts during the pilot project (2008-2011) and since 2012 and a comparative analysis with the income sources of similar international initiatives. • Search for innovative funding models with the potential to reduce or eliminate the need for donor support. • Estimate of the future financial resource needs of the programme.
h)	Review the modalities for engaging government, civil society and the private sector on 'demand' and 'supply' sides. This should include mapping the incentives, risks and benefits that are in evidence at the national and international levels.	• Examination of the efforts made to engage government, civil society and industry since 2012 and identification of the reasons for success and/or the lack of it. • Engagement with representatives of all three sectors at the national and international level to understand what they see as the potential 'value-added' of CoST and the factors are likely to encourage or inhibit their involvement in the programme in the future.
i)	Review the existing procedures for monitoring, evaluating and measuring impact.	• Examination of existing (and planned) M&E mechanisms and an assessment of their effectiveness to the existing and/or any reconfigured delivery model.
j)	Review data management procedures and identify	• Examination of the type of data currently generated by CoST, an assessment of its quality, usability the

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options for increasing the economic and social value created by the data generated by CoST.	demand for it and its relationship with other data standards and the impacts it has at operational and policy levels.
k) Review the existing International Secretariat function and assess the extent to which it achieves efficiency and effectiveness.	• Comparison with the Secretariat functions of other similar initiatives. • Consideration of alternatives including outsourcing and developing internal capacity.

The areas listed above may not be comprehensive and the consultant(s) are encouraged to bring to the attention of the client, as part of their submission and/or as work progresses, any additional areas that may need to be examined in order to answer the overarching review questions comprehensively and robustly.

4. Scope of Work

The SR will be completed over a period of up to 10 months from contract award. It will involve a range of activities that can be divided into the 4 stages described below. It is likely that there will be some overlap between the stages and that some activities in the different stages will be undertaken concurrently.

Stage 1- Inception

a) Meetings with CoST IS and the Advisory Panel to review and agree the main parameters of the SR including identifying respondents, surveys, country visits, schedule and milestones and deliverables.

b) Submission of an implementation plan for approval by the CoST IS and Advisory Panel.

Stage 2 - Desk based review of secondary sources (provisional lists to be provided by the client):

c) Documentation generated by CoST including design documents, guidance notes, minutes of meetings, evaluation reports, policy papers and plans.

d) Documentation generated outside of CoST including academic research and reports by international organisations such as DFID, World Bank, GIZ, Open Government Partnership, Open Contracting Partnership and Open Data Institute.

Stage 3 – Gathering and analysing primary data:

e) Conduct a stakeholder mapping exercise to establish a research population from which individual respondents will be selected.

f) Design and undertake surveys at national and international levels.

g) Design and undertake key respondent interviews at national and international levels.

h) Analyse survey and interview data.

Stage 4 – Report write-up

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i) Produce draft and final versions of the SR report for the approval of CoST and the Advisory Panel.

j) Completion of assignment.

5. Outputs of the Assignment

The principal output of this assignment will be a report that includes:

a) An Executive Summary.

b) A concise summary and analysis of the background information collected from secondary sources as outlined in stage two above.

c) Summary and analysis of the findings of the surveys and key respondent interviews as outlined in stage three above.

d) Recommendations and strategic guidance that is sufficiently robust and comprehensive to inform a business planning process that will follow the Strategic Review.

e) An outline schedule for implementing the recommendations.

6. Budget and Payment

An amount of between £90,000 and £110,000 is available to cover all fees and expenses (including VAT) of the consultant. Milestone payments will be based on satisfactorily completing each stage of the Scope of Work.

7. Reporting

The consultants will be required to:

a) Meet with the CoST IS (the 'client') and the Advisory Panel to discuss the assignment before work commences and at specified milestones during implementation (e.g. initial briefing, implementation plan, interim findings, draft and final report).

b) Raise any questions on the original brief, or issues arising during the course of the work, on which further clarification is required.

c) Provide further detail on progress, or submit drafts of the outputs, upon request by the CoST IS.

d) Submit a draft report for review by CoST and the Advisory Panel and a final report within two weeks of receiving comments on the draft.

8. Advisory Panel

A 'CoST Strategic Review Advisory Panel' (AP) will be established to provide strategic guidance and review outputs throughout the Review process. Its contribution will be an important factor in ensuring the credibility of the results of the Review. Participants in the AP will be drawn from across the institutional spectrum and will include representatives from government, international agencies, industry and civil society. A copy of the Terms of Reference for the Panel is available on request from the CoST IS.

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9. Market engagement

A market engagement meeting will be held between **10.30 am and 12.00 noon on Wednesday 5th August 2015**. The meeting will be held at Engineers Against Poverty, Floor 5 Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA.

To register for the meeting, please email John Hawkins (j.hawkins@constructiontransparency.org) by **5pm Monday 3rd August 2015**. A maximum of one representative per organisation will be allowed to attend the meeting.

10. Selecting the Consultants

Applications are invited from consultancy firms, or self-organised teams of individual consultants, who are willing to undertake the SR. The successful consultants are likely to have knowledge and experience of infrastructure, governance, transparency and accountability, open data (and political economy considerations associated with open data), strategic planning and organisational development. They will also have considerable international experience, including in some of the countries participating in CoST (see '2' above).

Prospective consultants should submit proposals that include the following information:

a) A methodology to complete the SR and achieve its aim.

b) A short description of the teams' knowledge and experience in the areas described above.

c) A short description of the teams' knowledge and experience of the countries involved.

d) CVs of the team members (no longer than 2 pages per person)

e) An outline programme and key milestones for the SR.

f) A budget for completing the SR indicating fees, VAT (if applicable) and expenses.

g) A statement of availability to do the work in the time available

Proposals will be assessed and a decision to appoint made by the CoST IS, in consultation with the Advisory Panel, on the basis of quality (80%) and price (20%).

The deadline for proposals is 5pm BST on Friday 11th September 2015. Proposals should be sent by email to John Hawkins, CoST International Secretariat Programme Manager at j.hawkins@constructiontransparency.org. Please contact John (T: +44 (0)20 3206 0489) or Petter Matthews (T: +44 (0)20 3206 0484) for any clarifications or further information.

11. Contract Award

The client for this contract is the Construction Sector Transparency (CoST) initiative represented by the CoST IS. The NEC3 Professional Services Short Contract will be used for this assignment with the Terms of Reference identified in Contract Data Part 1 as the Scope.

CoST International Secretariat, 20 July 2015

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APPENDIX 7 - PEOPLE MET

9th December, 2015 - Meeting in London Board Members	
Christiaan Poortman	Chair CoST Board
George Ofori	National University of Singapore, Deputy Chair of CoST
Vincent Lazalin	Executive Director of Transparency and Accountability Network (TAN), The Philippines, (Civil Society Representative)
Alfredo Cantero	Government Representative, Honduras
Petter Matthews	Executive Director CoST International Secretariat (and Convenor of the Advisory Panel)
Per Nielsen	Industry Representative
Also in attendance:	
Marcela Rozo	Open Contracting Team Leader, Governance Global Practice, World Bank
Mark Fitzpatrick	Department for International Development (observing, attending in place of Mark Harvey)
John Hawkins	CoST International Secretariat
Bernadine Fernz	CoST International Secretariat
Mia Jeannot	CoST International Secretariat
Later	
Eleanor Morgan	CoST International Secretariat, Communications
Tendai Nyoka	CoST International Secretariat, Company Secretary

10-11 December, 2015 - Meeting in London Strategic Review Advisory Panel Members	
Andri S. van Mens	Senior Policy Officer Infrastructure, Ministry Foreign Affairs of the Netherlands
Christiaan Poortman	Chair CoST Board
David Nguyen-Thanh	Head of Section, Public Finance and Administrative Reform, GIZ
Eyasu Yimer	Vice Chair Transparency Ethiopia and Chair CoST Ethiopia MSG.
Frank Kehlenbach	Director, European International Contractors
Gavin Hayman	Executive Director, Open Contracting Partnership
Linda Phiri	CEO, National Construction Industry Council of Malawi,
Marcela Rozo	Open Contracting Team Leader, Governance Global Practice, World Bank
Mark Harvey	Head of Profession (Infrastructure), Department for International Development
Tam Nguyen	Global Head of Sustainability, Bechtel (attending jointly with Nancy Higgins)
Nancy Higgins	Chief Ethics and Compliance Officer, Bechtel
Petter Matthews	Executive Director CoST International Secretariat & Convenor of the Advisory Panel
Vinay Sharma	Director Procurement and Fiduciary Services, African Development Bank
Could not attend:	
Dennis Santiago	*Executive Director V, Government Procurement Policy Board, Technical Support Office, Government of Philippines*

7th -8th April, 2016 - Meeting in London with National Coordinators	
National Coordinators	
Dudu Thebe	Botswana
Jeysel Cisneros	El Salvador
Tesfaye Yalew	Ethiopia
Heizel Padilla	Guatemala
Evelyn Hernandez	Honduras
Lyford Gideon	Malawi
Vincent Lazatin	Philippines
Clement Mworia	Tanzania
Sunida Susantud	Thailand
Natalie Forsyuk	Ukraine
Quang Phung Van	Vietnam
CoST International Secretariat Staff	
Petter Matthews	Executive Director CoST International Secretariat
John Hawkins	Programme Manager, CoST Secretariat
Bernadine Fernz	Policy Adviser, CoST Secretariat
Mia Jeannot	Programme Administrator

23-24 June, 2016 - Meeting in London - Strategic Review Advisory Panel Members	
Andri S. van Mens	Senior Policy Officer Infrastructure, Ministry Foreign Affairs of the Netherlands
Jan Meijer	Ministry Foreign Affairs of the Netherlands *(will replace Andre van Mens)*
Christiaan Poortman	Chair CoST Board
David Nguyen-Thanh	Head of Section, Public Finance and Administrative Reform, GIZ
Eyasu Yimer	Vice Chair Transparency Ethiopia and Chair CoST Ethiopia MSG.
Frank Kehlenbach	Director, European International Contractors
Gavin Hayman	Executive Director, Open Contracting Partnership
Linda Phiri	CEO, National Construction Industry Council of Malawi,
Marcela Rozo	Open Contracting Team Leader, Governance Global Practice, World Bank
Mark Harvey	Head of Profession (Infrastructure), Department for International Development
Nancy Higgins	Chief Ethics and Compliance Officer, Bechtel
Could not attend:	
Dennis Santiago	*Executive Director V, Government Procurement Policy Board, Technical Support Office, Government of Philippines*
Vinay Sharma	*Director Procurement and Fiduciary Services, African Development Bank*
CoST International Secretariat Staff	
Petter Matthews	Executive Director CoST International Secretariat
John Hawkins	Programme Manager, CoST Secretariat
Bernadine Fernz	Policy Adviser, CoST Secretariat
Mia Jeannot	Programme Administrator

The IMC Worldwide Team (attended all the above meetings)	
Don Smith	IMC Strategic Review team
Hamish Goldie-Scot	IMC Strategic Review team
Kat Hancock	IMC Strategic Review team

17th August 2016- High Level Meeting in London (at CoST offices)	
Christiaan Poortman	Chair CoST Board
Mark Harvey	Head of Profession (Infrastructure), Department for International Development
Petter Matthews	Executive Director CoST International Secretariat
John Hawkins	Programme Manager, CoST Secretariat
Bernadine Fernz	Policy Adviser, CoST Secretariat
Gavin English	Project Director, Strategic Review team (and MD, IMC Worldwide)
Don Smith	IMC Strategic Review team
Hamish Goldie-Scot	IMC Strategic Review team
Louise Skärvall	IMC Strategic Review team

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