

## Engaging citizens to enhance transparency and accountability in public infrastructure

**CoST – the Infrastructure Transparency Initiative is the leading global initiative improving transparency and accountability in public infrastructure. CoST works with government, industry and civil society to promote the disclosure of infrastructure project data. It validates and makes this data easy to understand through an assurance process and ensures this information reaches citizens. This helps to empower citizens to demand better infrastructure and hold decision makers to account.**

Our work in Malawi demonstrates how resilient multi-stakeholder working with strong citizen participation advances infrastructure transparency and accountability in a challenging environment. This case study shines light on some of the success factors and lessons learned.

## Success factors

### 1 Committed, resilient and influential Multi-Stakeholder Group

The CoST Malawi Multi-Stakeholder Group (MSG) with diverse representation from government, industry and civil society was established in 2008 to initially oversee a 3-year pilot. CoST Malawi is hosted by the National Construction Industry Council, a construction industry regulator who can use its legal mandate to demand that procuring entities publish data from their infrastructure projects.

Following the pilot, CoST Malawi continued to operate despite a lack of political will exacerbated by a major corruption scandal. Known as 'Cashgate', an estimated USD \$32m was stolen from government coffers in a six-month period in 2013. 'Cashgate' particularly exposed the vulnerability of the infrastructure sector to corruption – a high proportion of the companies implicated were from the construction sector and according to Hivos,<sup>1</sup> four construction firms were blacklisted for their involvement.

Malawi has a chequered history in the fight against corruption. When the country transitioned to democratic governance in the 1990s, a score of anti-corruption measures were approved, such as the Corrupt Practices Act (1995) and the establishment of the Anti-Corruption Bureau. However, it quickly became evident that laws and systems by themselves do not bring about reform. The system was regularly bypassed by civil servants leading to large payment arrears, which were estimated at 9.2% of the Gross Domestic Product in 2014.<sup>2</sup>

At the time of 'Cashgate', reports emerged of witnesses and investigators to the scandal being attacked. Naturally, CoST Malawi MSG members and officials from the National Construction Industry Council were concerned for their own safety. Despite the challenging environment, the MSG and the CoST Malawi team prevailed and kept up momentum, continuously assembling evidence and building strong networks with other likeminded civil society organisations and the media so they could carry out their mission and demonstrate they would not be silenced. This meant that CoST Malawi was ready to take advantage of the changing political tone which followed the scandal and gain traction.



**CoST Malawi MSG and Secretariat.**

<sup>1</sup> Hivos, 2016. Open Contracting in Malawi Scoping Note.

<sup>2</sup> World Bank Group, 2016. Project Performance Assessment Report Malawi: Financial Management Transparency and Accountability Project.

## 2 African Development Bank funding kickstarts citizen and media engagement programme

The African Development Bank has played an active role within CoST Malawi since the pilot commenced by providing informal advice and support as an MSG Observer. From 2012–2014, African Development Bank funding to CoST Malawi enabled it to kickstart a media and citizen engagement programme focused on building an understanding among civil society and the media on the importance of transparency and accountability in public infrastructure. The capacity building programme has helped to build public awareness as to how mismanagement of public infrastructure affects them.

The two most innovative features in CoST Malawi's outreach are its media awards and its citizen text messaging programme. In May 2017, the organisation hosted its third media gala where it presented an award and prizes to investigative journalists that uncover issues concerning public infrastructure projects. The awards follow on from regular training of civil society organisations and media organisations in Malawi's three largest cities – Blantyre, Lilongwe and Mzuzu. The training and the awards has led to a significant rise in reporting on public infrastructure. This includes coverage across print, television and radio outlets on CoST Malawi assurance reports.

In early 2016, Malawi launched a citizen service, whereby Malawians can text the toll-free SMS number '576' to log details of any infrastructure project, such as roads and schools, where there are concerns with its delivery. The service has been hugely popular, with the secretariat receiving over 1,100 messages to date from local citizens. CoST Malawi submits all received information to the relevant authorities, who are then provided an opportunity to respond through a radio panel discussion and to take relevant action within their institutions. CoST Malawi is also developing its website to publish information gathered from the SMS platform and the responses. The initiative received an Honourable Mention at the Open Government Partnership Summit 2016 in Paris under the theme of 'Making Transparency Count'.



CoST Malawi MSG member Dalitso Kubalasa (centre) at the OGP Summit 2016 with Helen Darbshire (far left) of Access Info Europe and Alejandro Gonzalez Arreola (far right) of GESOC.

## Members of the Multi-Stakeholder Group

**Government:** Office of the Director of Public Procurement, Buildings Department, Department of Statutory Corporations.

**Civil society:** Economic Justice Network, Human Rights Consultative Committee, Business Action Against Corruption, African Institute of Corporate Citizenship, Anti-Corruption Bureau, Council for Non-Governmental Organisations of Malawi, National Media Institute of Southern Africa.

**Industry:** Building and Civil-Engineering Allied Traders Association.

**Observers:** The African Development Bank and the World Bank.

**Host:** National Construction Industry Council.

## 3 Assurance reports highlight issues that leads to government action

Since 2010, CoST Malawi has published four assurance reports that have independently disclosed, validated and interpreted data from over 90 infrastructure projects from sectors including, roads, energy, water, health, education and housing. The reports have substantially increased the amount of information that Malawians have access to about how their taxes are spent by procuring entities. The report highlights key issues of concern such as cost increases, procurement irregularities, incomplete design and delayed payments and compares the performance of procuring entities.

To increase understanding of the reports, CoST Malawi engages with the media and citizen groups. This includes holding public radio debates that allow citizens from across Malawi to send SMS messages on the key issues raised. The MSG also uses its influence to informally engage government on the issues which leads to action to improve individual projects or agree to broader reforms. A panel including a senior government official then responds to the issues raised by the public.

*What motivates me to push on? I think of fellow business peers and ensuring fair competition. I think of the ordinary citizen empowered to stand up and ask questions. I think of the disadvantaged schoolgirl able to learn in a decent classroom built using public funds, spent appropriately.*

Joe Ching'ani  
CoST Malawi MSG Chair

#### 4 Change in political will strengthens legal framework

With the election of President Peter Mutharika in 2014, the country has entered another reform era that has strengthened the legal framework for disclosing information on public infrastructure projects in three phases.

- The President appointed his deputy, Vice President Saulos Klaus Chilima as 'CoST Champion' – a role which focuses on promoting and institutionalising CoST across government. The Vice President included CoST as part of his Public Sector Reform Commission which recommends how reforms should take shape.
- In 2015, a provision on corporate governance was integrated into the National Construction Industry Council Policy. This gave substantial backing to CoST Malawi and its disclosure process, as it mandated procuring entities to release information upon request of the National Construction Industry Council.
- In 2017, Parliament passed a revised Public Procurement and Asset Disposal Act that provides a legal mandate to disclose data in the CoST Infrastructure Data Standard format. This will lead to a rapid increase in the amount of data that is disclosed to the public by procuring entities of infrastructure projects.

The MSG with the support of National Construction Industry Council was instrumental to these changes, providing professional and expert advice for the lobbying efforts. This included engaging with several parliamentary committees alongside convening the committee tasked to review the Public Procurement Bill. It also assisted the Government to draft the corporate governance provisions in the National Construction Industry Council Policy and the recently passed Public Procurement Law.



Vice-President of Malawi and CoST Malawi Champion, Saulos Chilima speaking at the launch of the CoST Malawi Third Assurance Report.

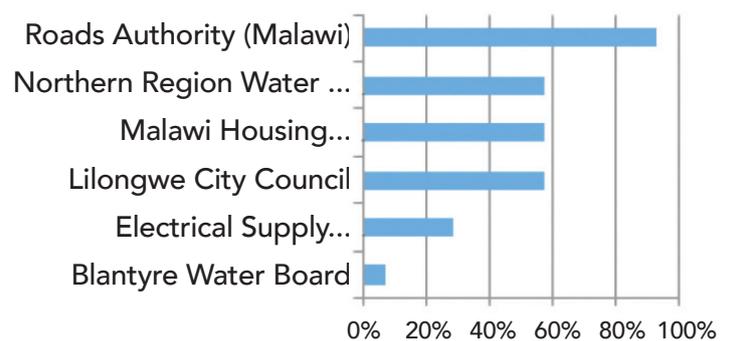
#### Building better roads for Malawi

The CoST Malawi Second Assurance Report identified substantial problems with Malawi's Thyolo-Bangula road, including, poor quality work, directly awarding the contract as part of a loan agreement to a contractor without competition, and a cost increase of 262%. MSG Members persuaded the Minister of Transport and Public Works to review the contract and project agreement. The review led to the contract along with two other road contracts being terminated to stop the waste of tax payers' money. Following recommendations in the Third Assurance Report published in 2016, the Malawi Roads Authority opted to break up large projects into smaller contracts, this mitigated ongoing problems concerning extensive project delays and ensured smaller sections could be upgraded instantly and delivered quickly to the local community.

#### 5 Building procuring entity capacity to disclose information

Published in 2010, CoST Malawi's Baseline Study highlighted that procuring entities failed to meet the legal requirements to disclose information to the public and successive assurance reports highlighted some of reasons for this, including the necessity of implementing a legally binding Formal Disclosure Requirement which would lead to systemic change. The reports also demonstrated that procuring entities often had no institutional electronic data storage systems – information was often trapped in individuals email inboxes or managed manually, making the disclosure process slow and prone to errors. They recommended that procuring entities develop centralised and digitalised storage systems so that information is available to all. To assist this, CoST Malawi developed the 'Information Platform for Public Infrastructure Projects' based on the CoST Honduras SISOCs online disclosure platform. The Honduras platform is integrated with the Government's procurement system and has been highly successful in increasing disclosure rates as well as the usability of disclosed information for civil society. CoST Malawi are also training procuring entity officials on using the platform and the new legal requirements to disclose information.

Average number of indicators disclosed by procuring entities as a % of the data legally required to be disclosed



# Conclusion and lessons learned

The CoST Malawi story shows the importance of persistence in the fight for transparency and accountability in public infrastructure. Through extraordinary personal commitment CoST Malawi has been able to take action on a desire for change among key stakeholders and an opportune political climate to overcome challenges. Six key lessons emerge from this experience.

**1 An MSG supported by an effective host organisation** provides an effective platform for likeminded reformers from government, industry and civil society to speak with one voice for transparency and accountability in public infrastructure. It can then be a credible partner who uses its expertise to influence and support government in its reform efforts.

**2 High level political will** is critical to establishing a legal mandate that will lead to a systematic change in the amount of information disclosed to the public. It also provides the space for stakeholders especially from the private sector and civil society to engage with CoST.

**3 Building the capacity of government institutions to disclose information** is critical to establishing a legal mandate and scaling up transparency in public infrastructure.

**4 The media is a powerful ally worth investing in** – CoST Malawi has invested significant resources in building the capacity of the media and using it to highlight key issues to the public. This has been integral in keeping momentum alive, maintaining high visibility and generating social accountability.

**5 Provide citizens with platforms** that are applicable to the social and economic context and allows them to raise their concerns and engage with key stakeholders.

**6 International development partners** can play a crucial role in providing financial support and important informal and impartial advice as an MSG observer.

**7 CoST Membership enables countries to share best practice, knowledge and technology**, allowing MSGs to identify how they can best improve their CoST programme and deliver value for money to their financial supporters.



*Change does not happen by thinking; change happens by changing. I therefore consider CoST a catalyst for change in how business in construction is done in Malawi.*

**Saulos Chilima**  
Malawi Vice-President and  
CoST Malawi Champion

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  Construction Sector Transparency Initiative (CoST)  
 [www.constructiontransparency.org](http://www.constructiontransparency.org) | [www.cost.mw](http://www.cost.mw)

CoST – the Infrastructure Transparency Initiative is a multi-stakeholder initiative funded by the UK Government's Department for International Development and the Ministry of Foreign Affairs of the Netherlands. CoST works with governments, the private sector and civil society to get better value from public infrastructure investments by increasing transparency and accountability. To find out more, please visit the CoST website.



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