

Minutes of CoST Board Meeting No.21 28 and 29 March 2017

Participants			
Board: Chrik Poortman (Chair) George Ofori (GO) Alfredo Cantero (AC) Vincent Lazatin (VL) Petter Matthews (PM) Per Nielsen (PN)		In Attendance: Marcelo Rozo (MR) World Bank John Hawkins (JH) International Secretariat Bernadine Fernz (BF) International Secretariat Mia Jeannot (MJ) International Secretariat Jan Meijer (JM) MinBuZa (Item 5) Sean Henderson (SH) International Secretariat (Item 3)	
		Apologies: Mark Harvey, (MH) DFID Jan Meijer, (JM) MinBuZa	
	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's Welcome and Opening Remarks			
1.1	GO welcomed all those present and thanked AC and CoST Honduras for hosting the CoST Board. The Chair had been delayed in Costa Rica with BF where they had participated at the launch of CoST Costa Rica. It was noted that the Board's presence in Honduras was in-part recognition of the tremendous progress made by CoST Honduras. It would provide an opportunity to meet Honduran stakeholders and learn from their experience.	N/A	N/A
Item 2. Approval of Meeting 20 Minutes			
2.1	The minutes from meeting 20 were approved as an accurate record.	N/A	N/A
2.2	Actions from the last meeting <ul style="list-style-type: none"> The IS will publish the Strategic Review alongside the new Business Plan following DFID approval The IS will shortly publish the 2017 budget in the IATI format 	JH, PM, EM JH, MJ	June 17
2.3	The IS will in future prepare a paper outlining all actions arising from the previous Board Meeting and the responses undertaken to address them.	JH MJ	Next meeting

Item 3. Financial Report and Improvements to Procedures			
3.1	<p>The Board reviewed the latest financial reports and the forecast budget for 2017.</p> <p>The 2017 budget only includes guaranteed income for the year. Provided the Business Plan is approved by DFID, the budget will be updated and will increase to a similar value as 2016.</p>	N/A	N/A
3.2	<p>It was explained that 'restricted funds' indicates that the funds were ring fenced for specific usage but should be considered as surplus funds.</p> <p>As it is an unfamiliar term, the Board requested that in the future the term 'restricted funds' is replaced by surplus funds as all funds are currently 'restricted'.</p>	SH	Next meeting
3.3	<p>The difference in the amount carried forward from 2015 into 2016 was identified by the auditors when reconciling the 2015 accounts. The amount was deemed to be marginal given the volume of account activity.</p>	N/A	N/A
3.4	<p>An administrative error had led to the disbursement of funds to the wrong bank account in Uganda. Despite the IS requesting the funds be returned, the recipient withdrew the funds and legal action to recover them is underway.</p> <p>More stringent disbursement procedures are being implemented to ensure that such administrative errors do not occur again. The Board agreed with the proposal to strengthen procedures and thanked the IS for their timely and proactive response to dealing with the issue. It also expressed its thanks to Gilbert Sendugwa for his help in trying to resolve the issue.</p>	PM, JH	Ongoing
Item 4.	Outreach and Fundraising Strategy		
4.1	<p>The winning of Open Government Partnership awards by CoST Honduras and CoST Malawi in 2016 has helped raise the international profile of CoST.</p>	N/A	N/A
4.2	<p>CoST participated at the IACC in Panama, December 2016. The reaction to CoST was very positive and there was a good level of participation throughout the event.</p>	N/A	N/A
4.3	<p>The European Investment Bank (EIB) continue to be receptive to CoST. It has written to CoST explaining that it values our approach and acknowledges the benefits of transparency and accountability.</p> <p>The support of European International Contractors has proved invaluable in building the relationship with EIB.</p>	N/A	N/A
4.4	<p>PM is representing CoST on Transparency International's 'Clean Contracting Advisory Committee'. It will oversee a programme of EC support and serve as a focal point for coordinating the efforts of the organisations represented on it.</p>	PM	Ongoing

4.5	The Chair, PM and JH travelled to The Hague to meet with MinBuZa (including JM) and discuss our future relationship. MinBuZa values its association with CoST and shares our commitment to improving transparency and accountability. It is hoped that MinBuZa will extend its support beyond December 2017 when the current agreement expires, but no decision has been made.	Chair, PM & JH	Ongoing
4.6	CoST has established a strategic relationship with HIVOS, a large and influential CSO working on a range of issues including governance. CoST Malawi, CoST Tanzania and CoST Guatemala are applying directly to HIVOS for seed funding and technical support.	PM & JH	Ongoing
4.7	CoST is collaborating with HIVOS, Open Contracting Partnership and other partners to hold an 'Open Contracting Forum' in November 2017.	PM, JH	Ongoing
4.8	Soren Jensen (SJ), CoST Senior Policy Advisor, has been leading on advocacy with both the G20 and C20. SJ is Chair of the C20 infrastructure sub group, which is focussing on responsible investment. SJ is also leading a 'High Income Country Study' that is documenting evidence of the potential added value of CoST in HICs. Argentina is involved in the study which is significant, as it will Chair the G20 in 2017.	SJ	Ongoing
4.9	GO thanked the IS for the update. It was agreed that the IS will update the Board on these activities in the periods between Board meetings.	EM, JH, PM	June 2017
Item 5.	CoST Business Plan		
5.1	The Chair arrived at this point in the agenda. Referring to the activity on page 13 of the draft Business Plan "identify if and how CoST can disclose, validate and interpret data on the quality of the built infrastructure," it was confirmed that CoST would use existing sources and will not seek to duplicate existing quality control mechanisms. Recommendations were made for additional risks to be included in the risk register on p. 20: (a) 'CoST washing' (i.e. using CoST to give a misleading impression of meaningful reform), (b) 'capture' of the CoST programme by one individual, organisation or sector and (c) the lack of participation by middle and high income countries.	N/A JH & PM	N/A April 2017
	Vision, Mission and Tag Line		
5.2	The Board agreed to adopt the proposed vision, mission and tag line on page 20.	JH & PM	April 2017
	Delegate Assembly		
5.3	The strategic review process suggested that there is limited support for convening a Delegate Assembly	JH & PM	June 2016

	because of the time and resource implications. The IS will review the options for electing/appointing the Board in the future. The participation of CoST members in the election/appointment process will be maintained.		
	Associate Membership		
5.4	Greater flexibility in our approach to membership will help increase our impact through attracting more members and encouraging the uptake of our tools and approaches.	N/A	N/A
5.5	Two membership categories will be explored, provisionally referred to as 'CoST Membership' and 'CoST Affiliate'. The parameters of each category will be defined following the completion of the HIC study.	PM, JH & SJ	Before end 2017
5.6	Membership will be extended to sub-national entities and individual megaprojects.	PM & JH	Immediate
	Social Accountability		
5.7	The Board discussed the inclusion of social accountability as a core feature of CoST. Many CoST countries such as Malawi and Honduras already include social accountability as a core component of their programme. JM acknowledged that social accountability is essential, but was not certain that CoST was the most appropriate actor to bring it about. Is there a danger that CoST could become more associated with one sector and the expense of its multi-stakeholder approach?	N/A	N/A
5.8	The Board appreciated the points made by JM. CoST members will ultimately decide what is appropriate in terms of promoting social accountability in their particular settings, but the IS will encourage them to avoid duplication of effort, retain their neutrality in relation to the three sectors and to promote social accountability as involving all stakeholders, including the private sector. The Board also agreed that as the use of infrastructure data is part of the mission statement, social accountability should remain a core feature.	IS	Ongoing
5.9	The IS will update the Business Plan based on the Board's decisions. The final draft will be circulated for approval on a no objection basis. It would then be issued to DFID for their approval.	IS	May 2017
	Fundraising		
5.10	Targets of our fundraising efforts will include DANIDA, Global Affairs Canada, Siemens Fund and Foundations. The Business Plan will inform our fundraising efforts.	PM, CP, PN	Ongoing
Item 6.	Monitoring and Evaluation		
6.1	The IS presented the new theory of change and proposed log frame indicators to the CoST Board. The Board appreciated the work of the IS and agreed that with refinement, the indicators would capture the	N/A	N/A

	information required to monitor progress against the logframe.		
6.2	The IS will draft a revised version of the indicators based on the discussion.	JH	
Item 7.	South East Asia		
7.1	BF provided an update on the recent FCO Prosperity Fund project run in South East Asia. The project developed a regional study based on four case studies - Malaysia, Thailand, Vietnam and Indonesia that identified the added value of CoST in each. A regional workshop was hosted in Bangkok in February with representatives from each of the four countries. The workshop exceeded its targets in terms of participant numbers, level of engagement and capacity built. BF gave special thanks to EM for her project management skills on the project, as well as VL and Evelyn Hernandez for their support.	N/A	N/A
7.2	It is likely that Indonesia will develop an application to join CoST because of the workshop.	IS	Third quarter 2017
Item 8.	Programme Report		
8.1	The IS presented the Board with a set of comparative data from 2015 and 2016, highlighting the progress the programme was making. It was noted that the upscaling of the programme was a direct result of DFID funding.	N/A	N/A
	Disclosure		
8.2	Ethiopia is making progress in challenging circumstances. It has established an FDR, undertaken an aggregation study or prior disclosures and disclosed data from five projects in February on the governments procurement website.	N/A	N/A
8.3	Ukraine and Honduras: New sectors are beginning to adopt CoST. Specifically, in Ukraine, this has been inclusion of a state-owned Energy project where there is a strong opportunity for scaling up.	N/A	N/A
8.4	Costa Rica: Progress has been made to implement a Formal Disclosure Requirement.	N/A	N/A
	Assurance		
8.5	Guatemala: Assurance is becoming routine in Guatemala with the 6th report published in December 2016. The launch event attracted more than 180 people from a variety of stakeholder groups. Guatemala is also conducting assurance on two levels, a shallow analysis that validates the disclosed data on hundreds of projects and a deep analysis on sample of 20-25 which yields more detailed data and results. The MSG is looking to ensure that data from key high value projects was being disclosed.	N/A	N/A

8.6	Ukraine: The recent publication of assurance reports attracted significant media attention. The findings were presented in infographic form making the data and key findings accessible and understandable.	N/A	N/A
	Multi Stakeholder Working		
8.7	National programmes face challenges related to strong National Secretariats and weak MSG's or MSG's that are prone to 'capture'. The Chair expressed concern that the support requested of the IS in managing these issues is significant and could potentially encourage dependency. The Chair also thanked the IS for the time and effort it gives to support national programmes, acknowledging that higher performance was a result of this effort.	N/A	N/A
8.9	The IS will develop additional guidance for effective multi-stakeholder working, including a template for a typical 'MSG Charter'.	IS	End 2017
	Generating Demand		
8.10	Several national programmes are using media to generate demand. Examples include Ukraine which features in print media and Uganda which is using TV.	N/A	N/A
8.11	El Salvador has been leveraging their access to universities and running a series of training events and workshops to build capacity and generate demand.	N/A	N/A
	Performance		
8.12	The Zambian Minister of Transport, Works, Supply and Communications has been informed that Zambia's membership of CoST has been revoked. The Board placed on record its gratitude to the individuals and institutions in Zambia that worked hard in difficult circumstances to try and make a success of CoST in Zambia.	N/A	N/A
8.13	The UK Government was informed of the Board's decision to declare CoST UK inactive in September 2016. There has been no response and as the 6-month period for response has passed, it was agreed that the UK's membership of CoST should be revoked. The IS will discuss the implications with the UK Government.	PM	June 2017
8.14	The Board undertook a first review of CoST Vietnam and concluded that there is a lack of meaningful progress. The IS will inform the relevant parties.	JH	June 2017
8.15	The Board undertook a first review of CoST Botswana and concluded that there is a lack of meaningful progress. The IS will inform the relevant parties.	JH	June 2017
8.16	The Board undertook a second review of CoST Philippines and concluded that there is still a lack of meaningful progress. CoST Philippines was declared inactive. The IS will inform the relevant parties.	JH	June 2017

	The Board placed on record its gratitude to VL for his consistent efforts to build CoST Philippines in challenging circumstances. The IS is available to provide support if required to help re-establish the programme.		
8.17	The Chair asked the IS to report the status of the Philippines, the UK and Zambia programmes on the CoST website. The IS would also send a letter to each CoST member from the Board providing an update on the international programme and feedback on the progress of their programme.	EM, JH, PM IS	June 2017 June 2017
	Other Activities		
8.18	The study into the potential added value of CoST in High Income Countries is underway. The study will focus on three case studies. Under discussion are Argentina, Scotland and The Netherlands.	IS	Ongoing
8.19	An opportunity has arisen to work with South Africa at a sub-national level through the National Treasury. The programme is likely to start with the three main cities, Cape Town, Johannesburg and Durban	IS	Ongoing
	Priorities		
8.20	The IS presented a list of key priorities for CoST to complete in the coming months. They are: finalising the business plan, updating communication materials, commissioning 'learning pieces' into the implementation of disclosure, assurance and multi-stakeholder working, building the capacity of the IS and advocacy and fundraising.	IS	Ongoing
Item 9.	Infrastructure Transparency Index		
9.1	The Infrastructure Transparency Index (ITI) has been developed in Honduras and is almost complete. The Board agreed that it should be tested in additional countries and proposed Guatemala, Ukraine and Malawi, although the final decision will be left to the IS.	IS	Ongoing
9.2	The Chair thanked all those who had been involved in developing the ITI, asking that specific thanks be extended to the consultant's team.	N/A	N/A
Item 10.	Any other business		
10.1	The next board meeting would be a telephone call, held on Tuesday June 27th at 1pm GMT (2pm BST).	IS	June 2017
10.2	The next in-person board meeting would be convened in London from 25 to 27 September.	IS	Sep 2017
10.3	PN notified the board of his intention to step down. He reported that the EIC is minded to nominate the Director of EIC to replace him. The IS will follow-up.	PM, JH	June 2017

10.4	The EAP Board has extended an invitation to the CoST Board to nominate an individual to the EAP Board. The CoST was appreciative of this offer and agreed to nominate GO.	PM	June 2017
Item 11.	Chair's Closing Remarks		
11.1	The Chair thanked the IS for all their hard work in preparing for the meeting and continuing to dedicate time and hard work to delivering the programme.	N/A	N/A
11.2	Special thanks were given to AC for his hospitality and time in hosting the Board in Honduras	N/A	N/A
11.3	The Chair thanked PN for his time, dedication and commitment to CoST over the past few years, wishing him the best for the future.	N/A	N/A
11.4	The Chair thanked MR for making time for CoST and thanked JM for his contributions throughout the Business plan session.	N/A	N/A
11.5	Finally, the Chair thanked the Board for travelling to Honduras to attend the meeting. He commented that the Honduran programme is achieving great things and being able to witness it has been of great value.	N/A	N/A

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



27th June 2017

Christiaan J. Poortman
Chair

Date